



MARKET REPORT BRIEF- HANOI Q2/2013 BY SAVILLS VIETNAM

RETAIL:

Supply

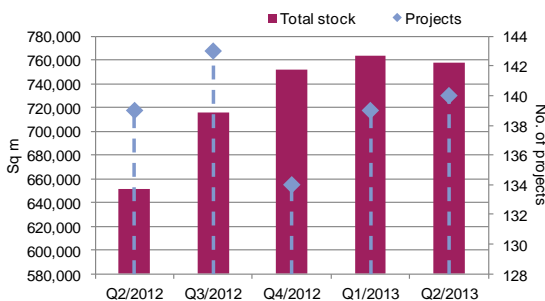
This quarter, the total stock was approximately 757,400 sq m, provided by 140 projects. The total retail space decreased slightly by -0.8% quarter-on-quarter (QoQ) but increased 16% year-on-year (YoY).

Five new projects came online this quarter, including four electronic marts in districts Dong Da, Hai Ba Trung, Tu Liem, Ha Dong and one supermarket in Thanh Xuan district. However, one shopping centre in Hoan Kiem district, two electronic marts in districts Ba Dinh, Ha Dong and one supermarket in Dong Da district closed this quarter.

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Stock, Q2/2013



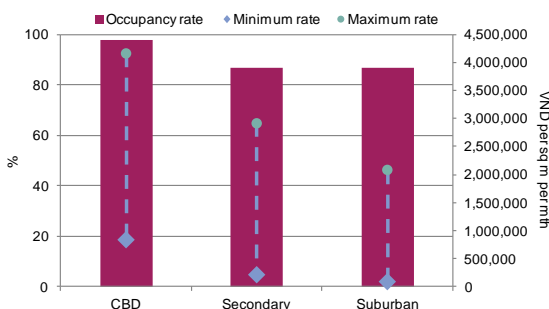
Source: Savills Research & Consultancy

Performance

The average occupancy rate was approximately 87%, down by -2 pts QoQ and -10 pts YoY. Occupancy has been sliding downward since Q2/2012.

The average rent achieved VND 920,000/ sq m/ mth, up 7.3% QoQ. This increase was mainly due to the re-opening of Trang Tien Plaza, which has a maximum rent of VND 4,200,000/ sq m/ mth. Excluding Trang Tien Plaza, the average rent slightly decreased by -0.2% QoQ.

Market performance, Q2/2013



Source: Savills Research & Consultancy

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Demand

In June 2013, Ha Noi's CPI increased 0.08% MoM after three consecutive months of negative CPI. Inflation is expected to be lower than 6% in 2013.

Ha Noi has great potential for growth in modern trade stores as the density of this format in Viet Nam remains low compared with other cities in the region: 9 stores/ 1 million people compared with Philippines (38), Indonesia (65), and Thailand (136).

Outlook

Total future supply is approximately 2.2 million sq m from 107 of the 115 future projects. In 2H/2013, seventeen projects are expected to come online, providing approximately 480,000 sq m, which is equivalent to 63% of the total current stock. This will greatly increase the pressure on the retail market.

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