



Date 08/10/2013

Ho Chi Minh City Quarterly Market Research

Q3/2013

By Savills Vietnam

# OFFICE

## Supply

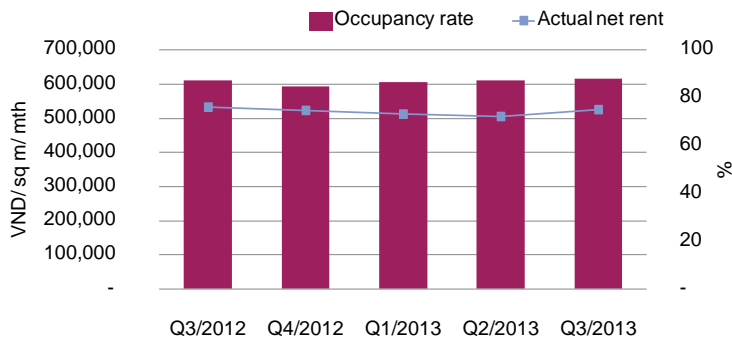
In Q3/2013, more than 30,800 sq m of office space from three projects entered the market, including two Grade C and one Grade B project.

There were 211 projects supplying more than 1,384,000 sq m. The total stock was up 2% quarter-on-quarter (QoQ) and 9% year-on-year (YoY).

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Market performance, Q3/2012 – Q3/2013



Source: Savills Research & Consultancy

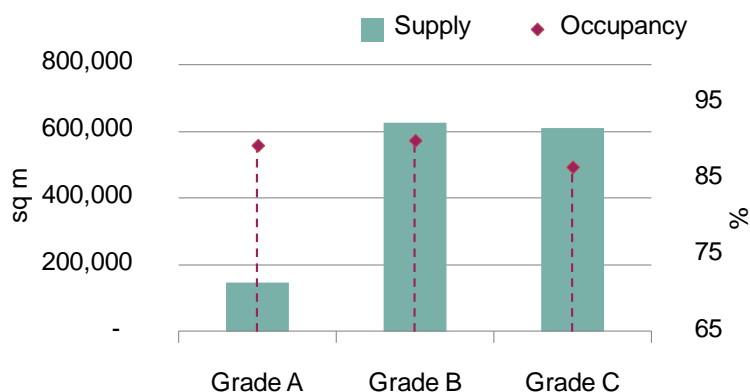
## Performance

In Q3/2013, HCMC's average occupancy gained 88%, up 1 ppt QoQ and YoY, the highest rate over the last three years.

The overall average rent was more than VND 500,000/ sq m/ mth, up 2% QoQ but down -3% YoY.

## Market performance by grade, Q3/2013

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Source: Savills Research & Consultancy

Note: The average rent was calculated based on net leasable area, including service charges but excluding VAT.

Grade B performed best, with occupancy at 90%, followed by Grade A at 89% and Grade C at 87 percent.

In Q3/2013, the average occupancy in the CBD achieved 89%, 2 pts higher than the non-CBD. Occupancy was relatively stable QoQ and YoY.

#### Demand

In Q3/2013, the total office take-up was approximately 42,800 sq m, 97% greater than the previous quarter and 40% greater than Q3/2012.

The take-up of Grade C had the highest growth of 181%, followed by Grade B with 102% QoQ.

The CBD office take-up was more than 27,700 sq m, up 55% QoQ and 81% greater than the non-CBD.

#### Outlook

More than 482,000 sq m from 34 projects is expected to come online in the next four years.

In the next quarter, three new Grade C projects in district 1 will enter the market, contributing more than 4,500 sq m.

Along with a continuous increase in take-up, limited supply in the next quarters should support office performance.

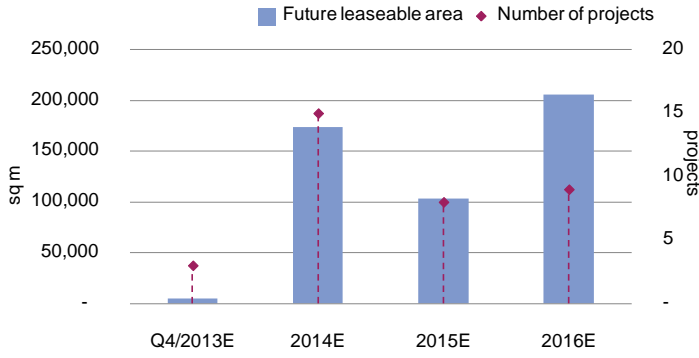
#### Estimated future supply, Q4/2013 – 2016

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