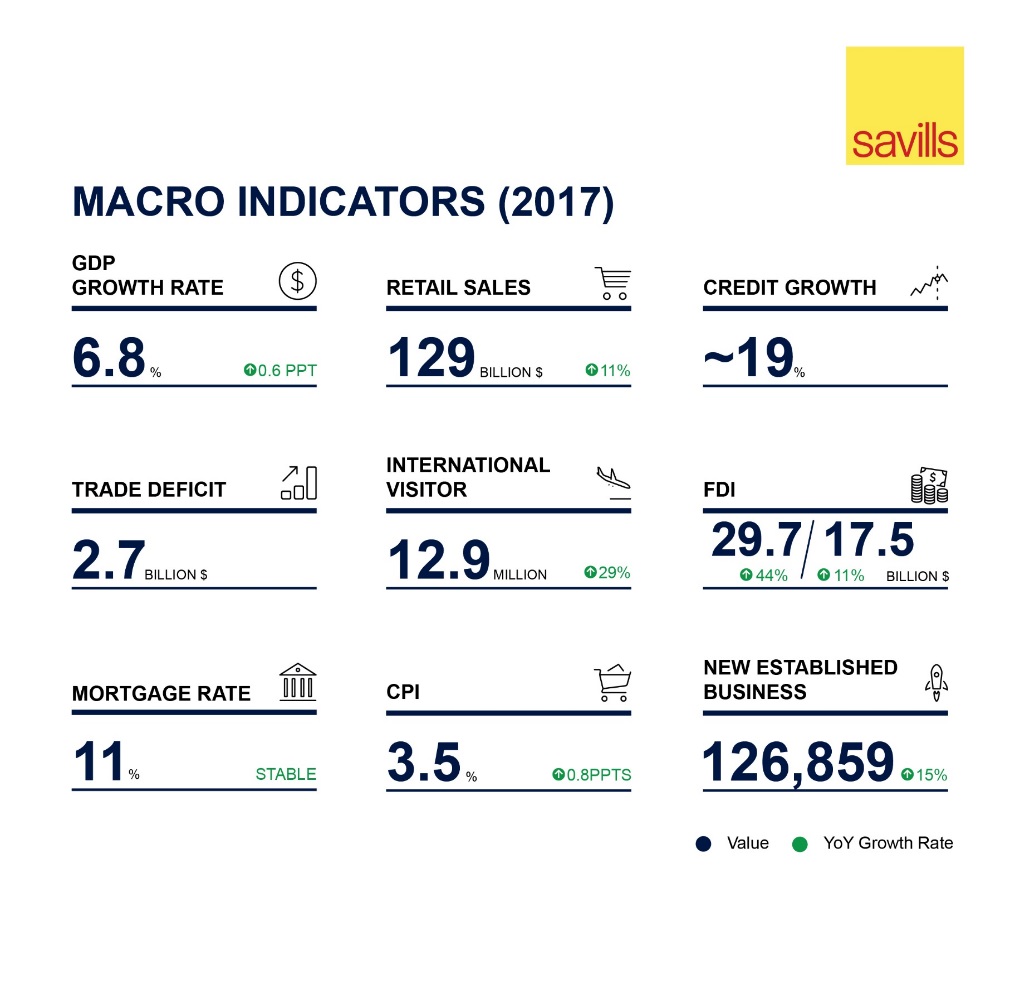
10/01/2018

**SAVILLS REPORT ON Hanoi REAL ESTATE MARKET**

**Q4/2017**



GDP grew at 6.8%, the highest in five years and exceeded the year target. GDP per capita of US$2,385 increased 10% year on year (YoY).

Credit growth is estimated to reach 18% to 19 percent. Estimated outstanding consumer borrowing increased 65% YoY. Loans for home buying and house repairs had a 53% share and increased 77% YoY.

Inbound tourism continued to grow in 2017 with12.9 million international visitors, up 29 percent. Accommodation and F&B revenues were approximately US$22million, up 12% YoY.

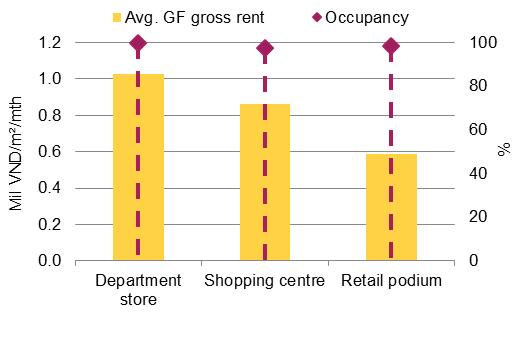
Total registered FDI growth was 44% and disbursement was up 11% over 2016. Japan, with an over 36% share led new FDI registered capital.

1. **RETAIL: Occupancy Increasing**

Total stock was approximately 1.3 million m², up 1.2% quarter-on-quarter (QoQ) and 6.0% year on year (YoY). Nearly 19,000 m² was added from three new retail podiums.

Average ground floor rents decreased -2.0% QoQ. Occupancy maintained its upward trend with 2.6 ppts QoQ growth. The shopping centre segment and the Secondary area both saw the most improved QoQ and YoY occupancy rates.

**Retail market performance**



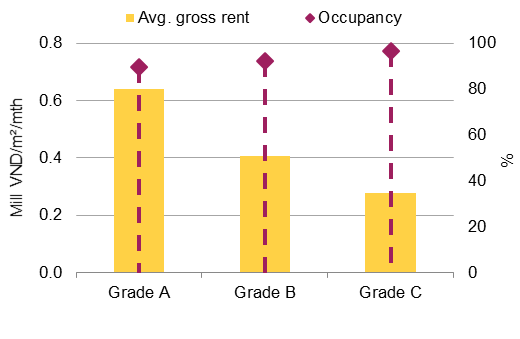
Thirteen new projects are scheduled to launch in 2018, cumulatively providing 229,000 m². The West area is seeing robust development of real estate projects and infrastructure.

1. **OFFICE: Improved Performance**

Total stock was over 1.6 million m², up 1.6% QoQ but down -1.9% YoY after two new Grade B projects came online.

Average rents increased 1.4% QoQ and 2.6% YoY and average occupancy increased 1.1 ppts QoQ and 6.2 ppts YoY. Grade A had the most improved performance, particularly in non-CBD areas.

**Office market performance**

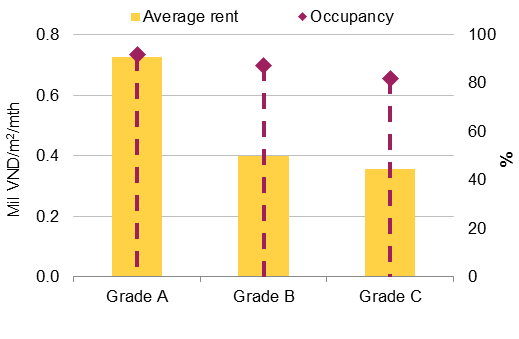


In 2017, newly registered businesses grew 11% YoY to 25,160. The new year will see fifteen new projects supplying nearly 299,000 m², mostly in the West. Increasing competition is expected from co-working space and officetel projects.

1. **SERVICED APARTMENT: Abundant New Supply**

Fifty one mostly Grade A and B projects, launching 4,695 units saw stock up 14% QoQ and 17% YoY. From 2018, approximately 1,450 units will come online from twelve projects, with four more in development.

**Service apartment market performance**



Average occupancy was 89%, down -0.6 ppts QoQ but up 1.7 ppts YoY. Average room rates (ARR) were VND540,000/m2/mth (US$23.7/m2/mth), down -4.5% QoQ and -4.6% YoY. New entries helped take-up achieve 400 units.

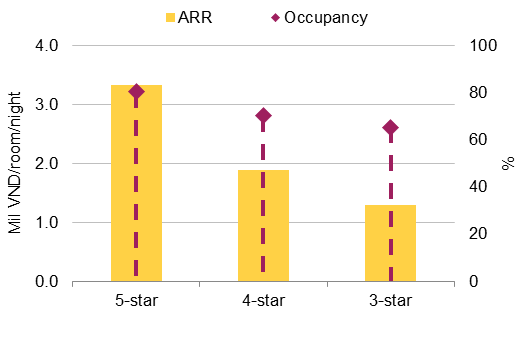
In 2017, registered FDI to Ha Noi was US$3.6 billion. Japan was the major source to Viet Nam in 2017 with US$9.11 billion.

1. **HOTEL: International Arrivals Record**

One new hotel providing 151 rooms was officially graded 4-star. Stock was up to approximately 10,000 rooms, up 2% QoQ and 9% YoY.

The peak season saw average occupancy increase 6 ppts QoQ and overall 4 ppts YoY. ARR increased 3% QoQ and 17% YoY. RevPAR was up 12% QoQ and 24% YoY.

**Hotel market performance**



In 2017, Ha Noi had a new high of 4.95 million international visitors, a 23% YoY increase and approximately 40% of national arrivals.

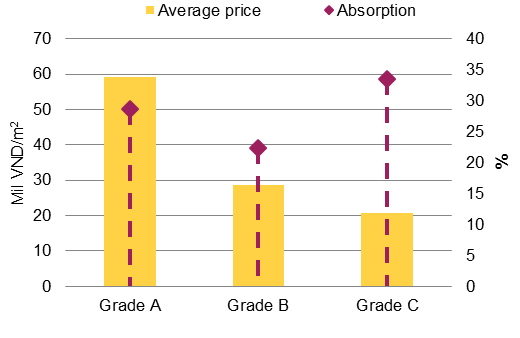
With 42 Ha Noi projects coming online from 2018, pressure is set to increase across all Grades.

1. **APARTMENT: Grade A Beats Expectations**

In Q4/2017, nineteen new and nineteen active projects added 7,010 units seeing stock up 14% QoQ but down 32% YoY. Primary supply was 25,260 units, up 6% QoQ and 17% YoY.

Absorption was 27%, up 3 ppts QoQ but down 4 ppts YoY. The average asking price was US$1,240/m2, stable QoQ but down -12% YoY.

**Apartment market performance**



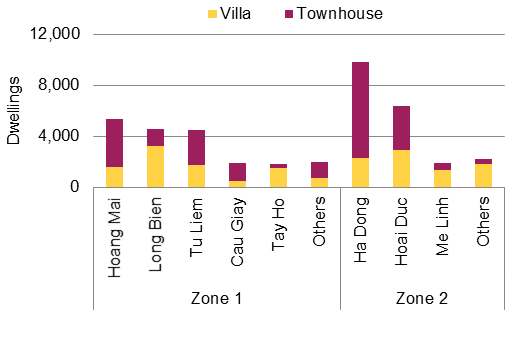
In 2017, 63 new projects entered. New launches remained unchanged YoY, but primary supply increased 14% YoY. Grade A had the best performance, tripling sales YoY.

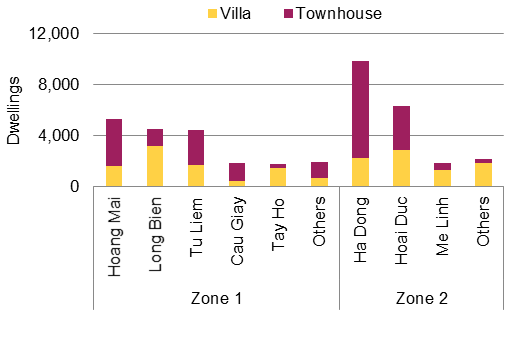
In 2018, approximately 26,300 units will come online. Grade B is expected to continue leading supply.

1. **VILLA & TOWNHOUSE: Townhouses Doing Well**

Total stock was 40,419 dwellings, increasing 3.3% QoQ and 15.3% YoY. Ha Dong District continues to lead with a 24% market share, followed by Hoai Duc.

**Villa & townhouse stock**





Ten new projects and three new phases supplied over 1,290 dwellings. Primary stock was approximately 3,924 dwellings, up 4% QoQ and 52% YoY.

Sales were up 23% QoQ and 83% YoY. Absorption was 36%, up 5.4 ppts QoQ and 6.1 ppts YoY. Townhouses accounted for 57% total sales.

From Q1/2018, new supply will be approximately 2,500 dwellings from 12 new projects. Key players are Vimedimex, Vingroup and Bitexco.

-End-

**For any other enquiries, please contact:**

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