HANOI INDUSTRIAL MARKETBEATS

JUNE 2018

CUSHMAN & WAKEFIELD

4.1% RENT GROWTH (YoY)

17.8% VACANCY RATE (Q2 2018)

2,331 ha PLANNED & UNDER CONSTRUCTION

A Cushman & Wakefield Research Publication

DATA INTO ACTION

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HIGHLIGHTS

Stable economic development

Well-controlled CPI, sustained foreign direct investment, global economic integration, improved business environment, etc. continue to be important factors that drive the economic growth. The recent signing of CP-TPP is expected to bring huge economic benefits for the country by boosting investment and promoting exports. Formation of special economic zones with highly preferential policies for investors is under debate, which will cause great impacts on the economy.

Steadily improved performance

No new supply was added in Q2 2018. Total industrial stock stood at over 1,800 ha, unchanged on quarter and increased by 1% on year. Market performance continued to improve with occupancy up 2.6 percentage points on quarter and 5.2 percentage points on year, registering net absorption of approximately 50 ha, significantly contributed by Hoa Lac Hitech Park, Noi Bai Phase 3, while other projects were fully occupied or had limited vacant land.

Average rent on the rise

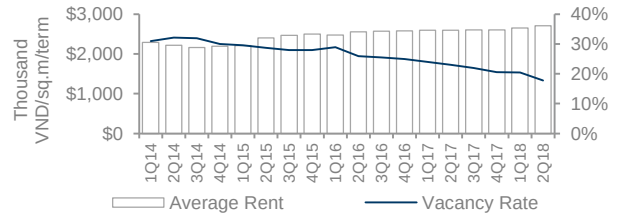
Average asking rent was still trending upwards, up 2.1% QoQ and 4.1% YoY due to high rent quoted by the newly added project as well as rising rents of existing IPs for the limited availability of land. Average rent in Hanoi remained the highest among the Northern provinces.

ECONOMIC INDICATORS

	5M 17	5M 18	12months Forecast
Inflation (CPI)	4.47%	3.01%	▼
FDI (bil. US$)	12.13	9.90	▲
Trade balance (bil. US$)	(2.70)	3.39	▲

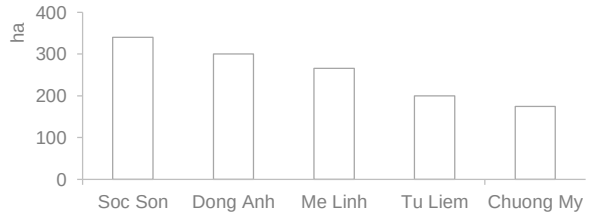
Source: General Statistics Office

AVERAGE RENT AND VACANCY RATE



Source: Cushman & Wakefield Vietnam – Research & Consultancy

SUPPLY PIPELINE UP TO 2020



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DATA INTO ACTION

SUBMARKET	INVENTORY (HA)	VACANCY RATE	PLANNED & UNDER CONSTRUCTION (HA)	AVERAGE RENT		
				VND/SQM/MO	US$/SQM/MO	EUR/SQM/MO
Thach That – Quoc Oai	705	39.0%	500	VND 2,140,000	$93.8	€ 80.8
Me Linh	344	2.1%	266	VND 2,966,000	$130.0	€ 112.1
Dong Anh	274	0.0%	300	VND 2,738,000	$120.0	€ 103.4
Soc Son	182	9.8%	340	VND 3,327,000	$145.8	€ 125.7
Chuong My	170	10.9%	175	VND 2,904,000	$127.3	€ 109.7
Gia Lam	97	0.0%	0	VND 3,878,000	$170.0	€ 146.5
Tu Liem	30	4.2%	200	VND 3,941,000	$172.7	€ 148.9
HANOI TOTAL	**1,802**	**17.8%**	**1781**	**VND 2,707,000**	**$118.7**	**€ 102.3**

^All rent are inclusive of SC but exclusive of VAT
US$/VND = 22,814; US$/EUR = 0.862 as at 15 June 2018

SIGNIFICANT FUTURE PROJECTS

PROPERTY	SUBMARKET	MAJOR TENANT	HA	COMPLETION DATE
Soc Son Clean IP	Soc Son	N/A	340	2020
Dong Anh IP	Dong Anh	N/A	300	2020
Quang Minh II IP	Me Linh	N/A	266	2020
Phung Hiep IP	Chuong My	N/A	175	2020
Thanh My Xuan Son IP	Son Tay	N/A	100	2020

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