

# HANOI

Office Q2 2021

y-o-y Change      12-Mo. Forecast

**1,524,100**  
Current Supply (Grades A & B) ▲ ▲

**4.5%**  
Rent Growth (Grades A & B, y-o-y) ▲ ▲

**12.5%**  
Vacancy Rate (Grades A & B) ▲ ▲

Source: Cushman & Wakefield Vietnam – Research & Consultancy

## Sustained Economic Growth

Despite experiencing a fourth COVID-19 wave from the end of April, Vietnam's GDP growth rate remained at 6.6% in Q2 2021, higher than the growth of 4.5% and 0.4% achieved in Q1 2021 and Q2 2020 respectively. For the first half of 2021, the economy expanded by 5.6%, a jump from the 1.8% in 1H 2020 but still lower than the growth of 6.8% - 7.1% in the same period in 2018 and 2019. The higher economic growth is attributed to the increase in industrial output of 8.9% y-o-y as demand recovered in global markets, coupled with the growth of the agricultural sector by 3.7% y-o-y due to favorable weather. Total imports and exports increased by 36.1% and 28.4% y-o-y respectively, while FDI disbursement rose by 6.8% y-o-y despite a 2.6% reduction in FDI attraction. The economy is expected to continue to rebound with full year growth projected at 6.5% in 2021, regardless of the difficulties caused by the COVID-19 pandemic. The manufacturing sector and sustained domestic demand will be the major drivers of economic growth in the second half..

## One New Completion, Stable Market Performance

One new Grade A project was completed in Q2 2021, adding nearly 18,500 sq m of space to the market. Total supply rose by 1% q-o-q and 11% y-o-y. Absorption in the quarter was primarily from recent entrants. Overall occupancy stood at 87%, remaining stable q-o-q but falling by 6 pp y-o-y, mainly due to low occupancy at new buildings. The market is expected to remain stable in the short-to-medium term with the economy predicted to recover soon.

## Rental Continued Trending Upwards

Overall average asking rents stayed stable q-o-q and rose by 5% y-o-y, mainly due to higher rents in the Grade A segment. The upwards trend is expected to persist in the short to medium-term with forecasts of improved market performance in the upcoming period.

## VIETNAM ECONOMIC INDICATORS 1H 2021

y-o-y Change      12-Mo. Forecast

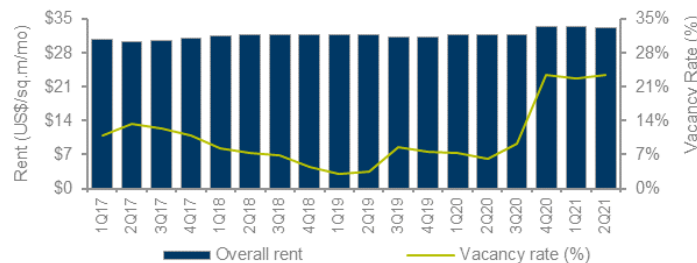
**5.64%**  
GDP growth ▲ ▲

**1.47%**  
Inflation (CPI) ▼ ▼

**15.27**  
FDI (bil. US\$) ▼ ▲

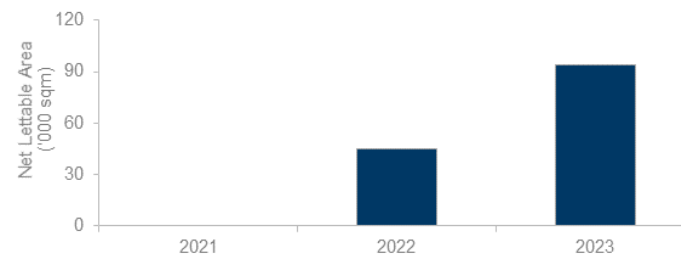
Source: General Statistic Office

## GRADE A OVERALL VACANCY & ASKING RENT



Source: Cushman & Wakefield Vietnam – Research & Consultancy

## GRADE A SUPPLY PIPELINE



Source: Cushman & Wakefield Vietnam – Research & Consultancy

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## MARKET STATISTICS

SUBMARKET	INVENTORY (SQ M)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SQ M)	YTD OVERALL NET ABSORPTION (SQ M)	PLANNED & UNDER CNSTR (SQ M)	OVERALL AVG ASKING RENT *		
						VNDSQ M/MO	US\$/SQ M/MO	EURSQ M/MO
<b>Grade A</b>	508,100	23.5%	10,400	13,900	139,200	761,000	33.2	27.4
CBD	124,000	6.5%	3,400	3,200	0	817,000	35.6	29.4
Non-CBD	384,100	28.9%	7,000	10,700	139,200	743,000	32.4	26.8
<b>Grade B</b>	1,016,000	7.0%	4,100	7,100	994,200	453,000	19.7	16.3
CBD	107,400	6.7%	(300)	2,100	25,600	679,000	29.6	24.5
Non-CBD	908,600	7.1%	4,400	5,000	968,600	426,000	18.6	15.3
<b>HANOI GRADE A &amp; B TOTALS</b>	<b>1,524,100</b>	<b>12.5%</b>	<b>14,500</b>	<b>21,000</b>	<b>1,133,400</b>	<b>555,000</b>	<b>24.2</b>	<b>20.0</b>

\*All rents are inclusive of SC but exclusive of VAT

US\$/VND = 22,926; US\$/€ = 0.826 as at 14 June 2021

## KEY LEASE TRANSACTIONS Q2 2021

PROPERTY	SUBMARKET	SQ M	TYPE

## SIGNIFICANT PROJECTS PLANNED AND UNDER CONSTRUCTION

PROPERTY	SUBMARKET	MAJOR TENANT	SQ M	COMPLETION DATE
Epic Tower	West	N/A	22,000	2022
Vinacomin Tower	West	N/A	72,000	2022

## KEY CONSTRUCTION COMPLETIONS YTD 1H 2021

PROPERTY	SUBMARKET	DEVELOPER	SQ M
Thai Building	West	Hop Thanh Mineral And Investment JSC	18,500

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