CUSHMAN & WAKEFIELD

MARKETBEAT

HA NOI, Q3 2022

NOVEMBER 2022

OFFICE

OFFICE – CURRENT SUPPLY

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New supply in Q3 2022

22,350 sq.m

YTD net absorption 9M 2022

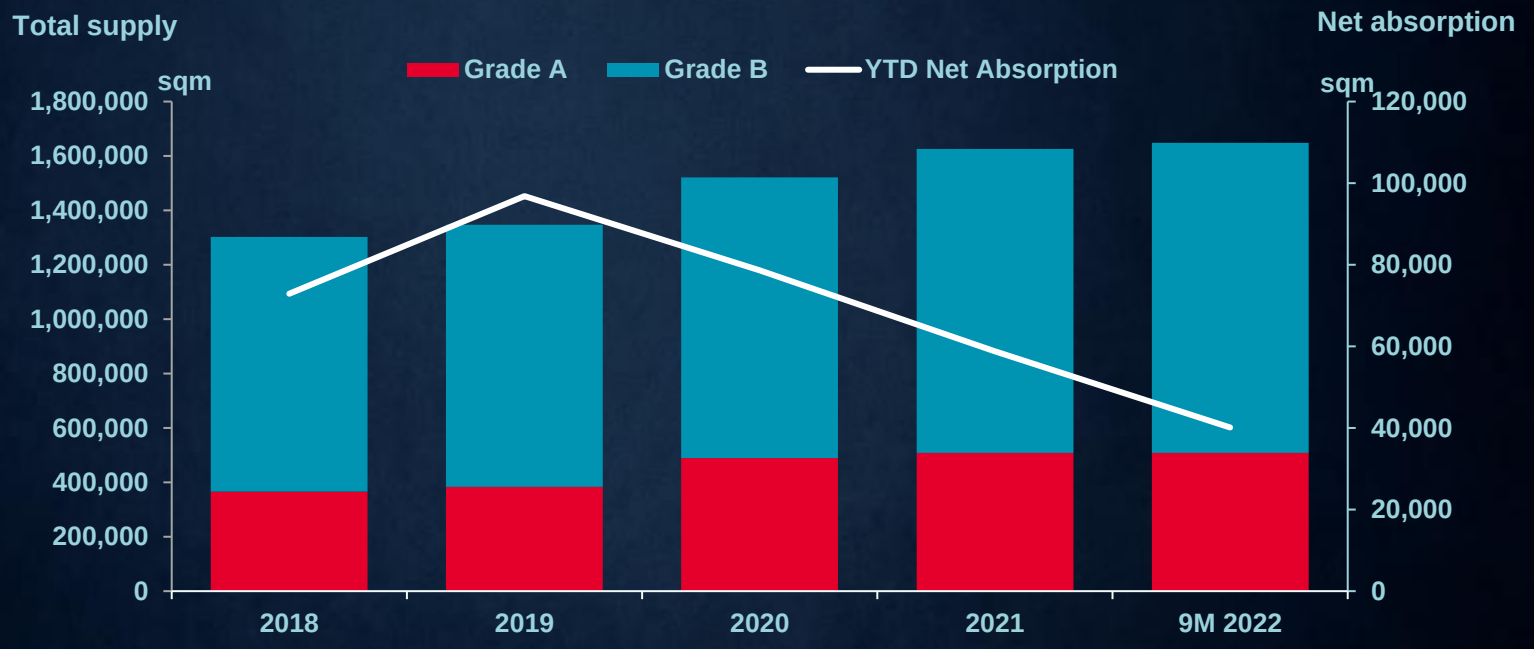
40,150 sq.m

Total supply Grade A & B

1.65 mil. sq.m

Epic Tower (Grade B, 22,350 sq.m)

TOTAL GRADE A-B SUPPLY AND YTD NET ABSORPTION



Source: Cushmand & Wakefield

OFFICE - PERFORMANCE

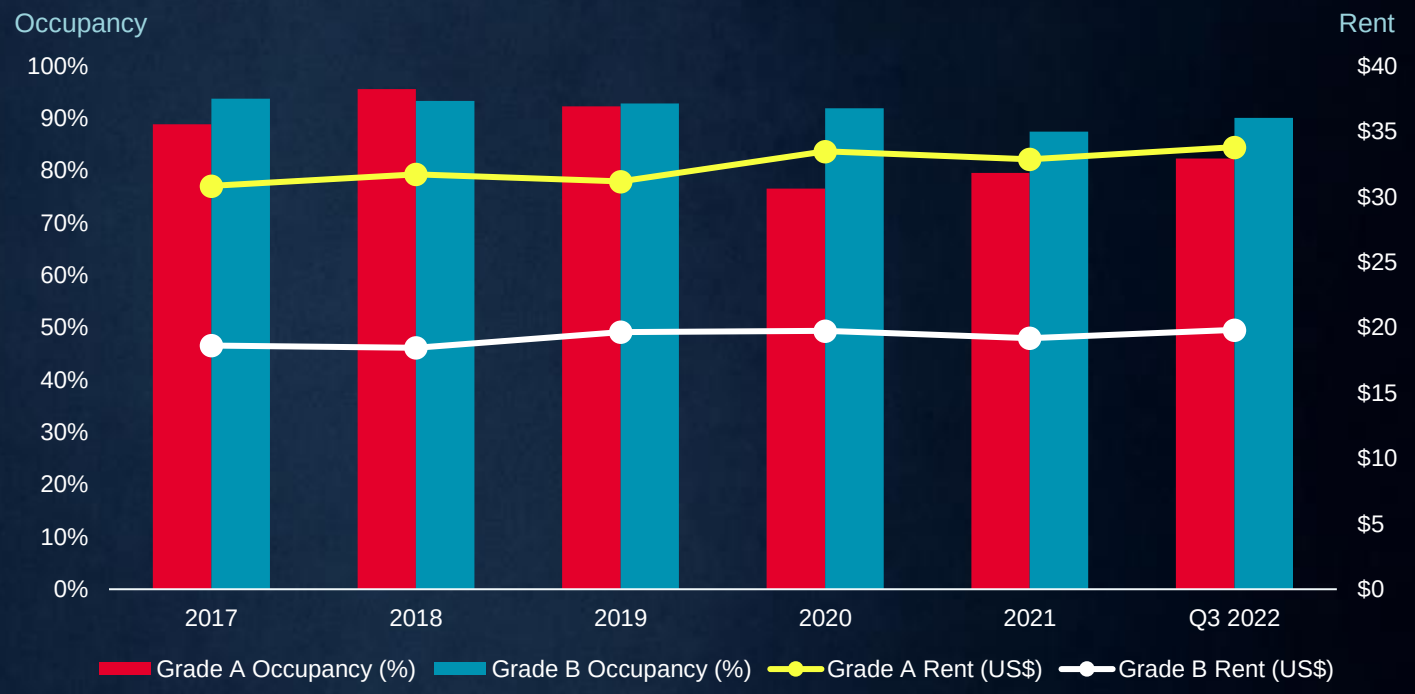
	Grade A	Grade B
Occupancy	82%	90%
Average Rent	$34 /sqm/mo.	$20 /sqm/mo.

All rents are inclusive of SC but exclusive of VAT

US$/VND = 23,570 as of September 2022

Source: Cushmand & Wakefield

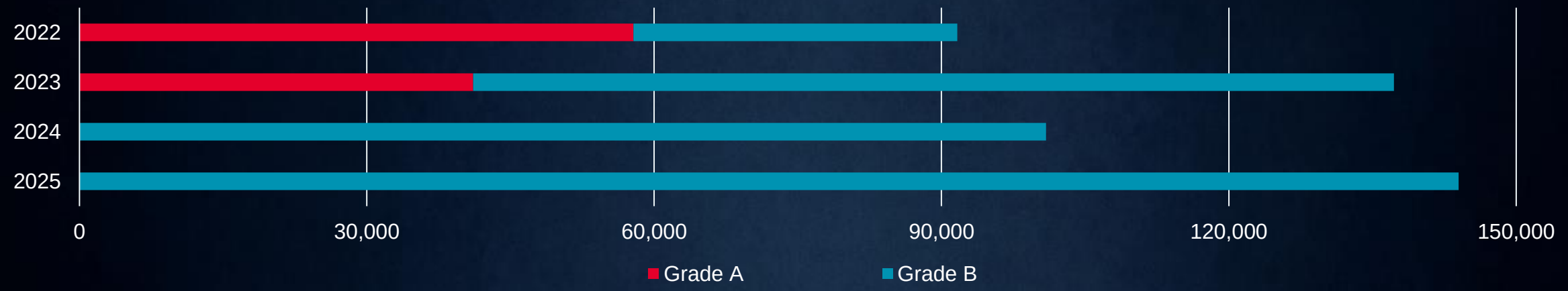
SLIGHT RENT INCREASE IN BOTH GRADE A AND GRADE B OFFICE



- Occupancy of Grade A office has a slight decrease compared to last quarter (-0.5%), mostly due to the reduction in the CBD area.
- Currently available Grade A supply in the CBD area are of older age and tenants are attracted to newer buildings in non-CBD areas
- Grade B also has a decrease in overall occupancy (-1.2% QoQ) due to lower occupancy from new supply entering the market (Epic Tower in Nam Tu Liem District)

OFFICE - FUTURE SUPPLY

2 new Grade A projects by the end of 2022



Notable Projects

Techcombank Tower
2022 – 36,355 sqm

Lancaster Luminaire
2022 – 21,471 sqm

BRG Diamond Park plaza
2022 – 33,820 sqm

Lotte Mall Hanoi
2023 – 41,088 sqm

Landmark 55
2024 – 60,000 sqm

Source: Cushman & Wakefield
Techcombank Tower has approx 8,000 sqm open for lease

SUPPLY VS DEMAND

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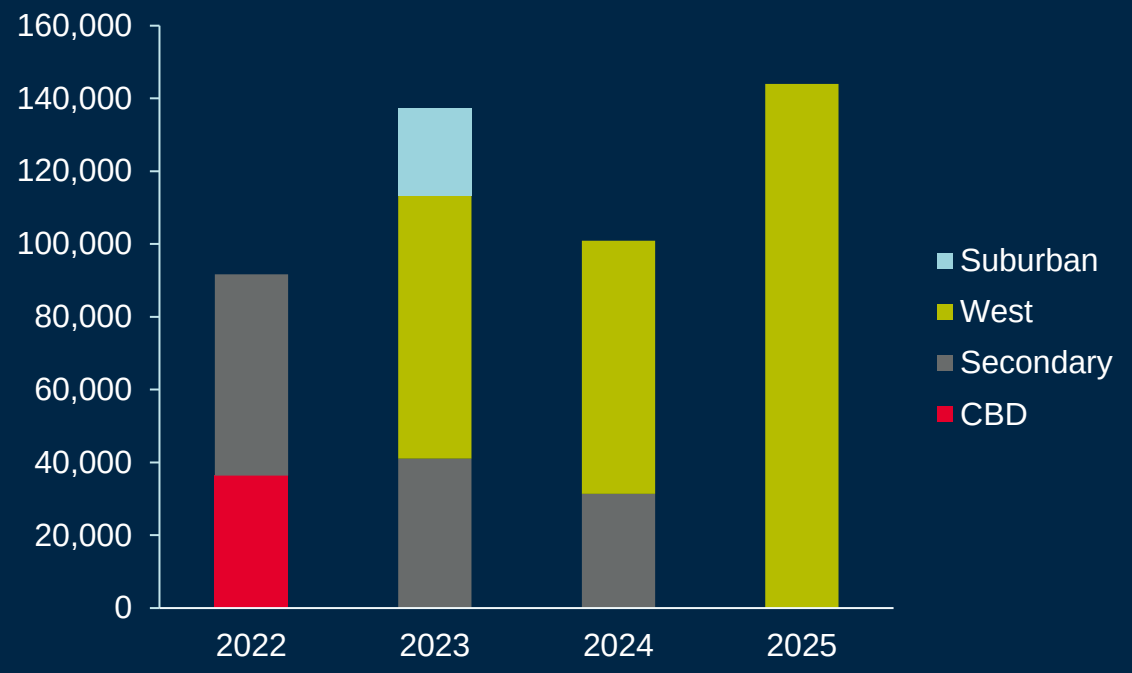
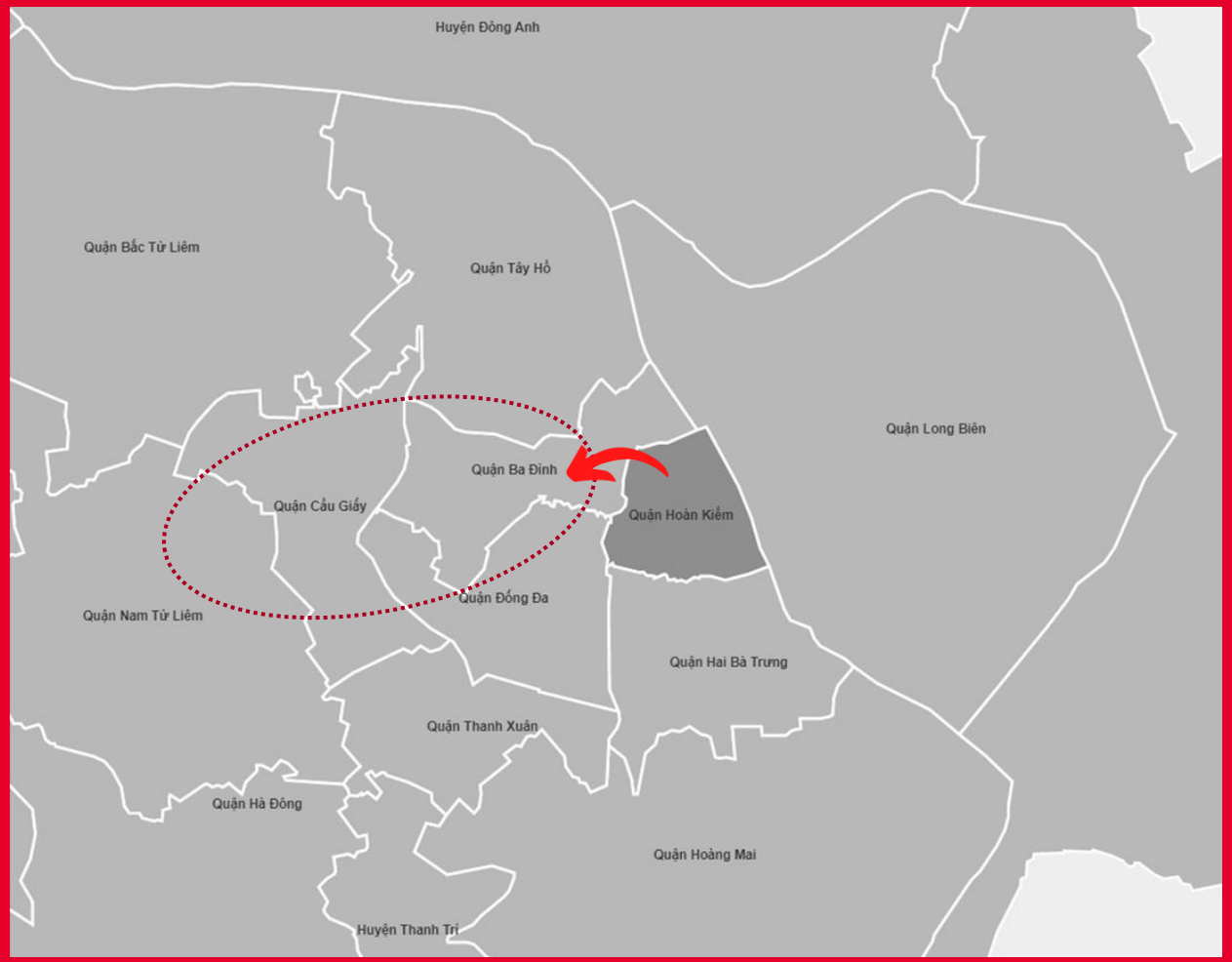
ABUNDANT SUPPLY EXPECTED IN THE WEST AND SECONDARY SUBMARKETS



Source: Cushman & Wakefield

DECENTRALIZATION



OFFICE - TRENDS

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RENOVATION & UPGRADE

Given their older age profile, office buildings in CBD area have started to consider renovation to maintain or boost their competitiveness

OFFICE SPACE: DESIGN TO ADAPT

The rise of hybrid work and the increasing participation of Generation Z – the phygital generation – into the workforce will drive the design of office beyond a mere place for working.

HIGHER SUSTAINABILITY STANDARDS

As wellness and sustainability become corporate priorities, more developers and tenants are considering green buildings and ESG performance

SUPPLY VS DEMAND

Nature of Recent Office Supply

- Larger floor plate of 700 – 1,000 sqm
- Higher specifications: high-speed lifts, better efficient layout with fewer/no column(s), savings on utility costs
- More amenities: F&B outlets, banking, convenience store, shared meeting facility, etc.
- More greeneries and hangout/community spaces
- Better property management
- LEED certifications
- Hand-free technology

Nature of Recent Demand: Most Active Industries*

Insurance
(25%)
800 – 1,500 sqm

Manufacturing
(25%)
400 – 1,500 sqm

Technology
(20%)
~1,000 sqm

Services
(10%)
~2,500 sqm

Logistics
(5%)
250+ sqm

** Based on enquiries toward Cushman & Wakefield's Tenant Advisory Group*

AT THE CENTER OF WHAT'S NEXT

CUSHMAN & WAKEFIELD

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THANK YOU

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