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Savills Research | Hanoi, Vietnam

Retail

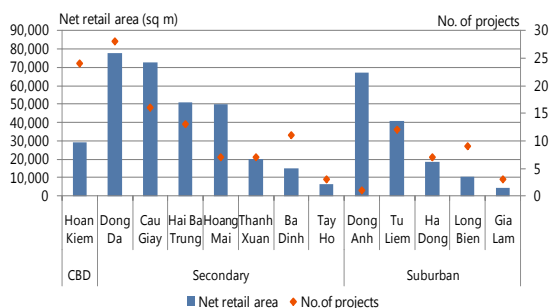
Q2/2011

Supply

The total stock was 464,000 sq m, an increase of 6% QoQ and 23% YoY, mainly contributed by shopping centre and retail podiums in the secondary districts.

Three notable projects that came online were Pico Mall, Sky City Tower and Parkson (Viet Tower expanded), which contributed an additional 41,400 sq m of retail space.

Stock by location and district



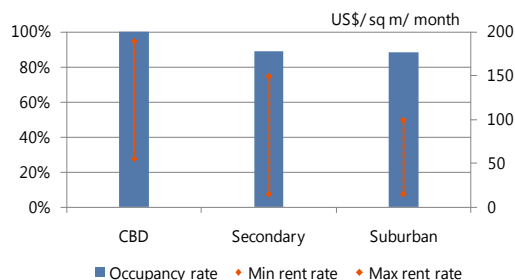
Source: Savills Research and Consultancy

Market performance

The overall market saw a decrease in the occupancy rate while rent remained competitive amongst retail types.

New supply achieved good market performance with a high initial occupancy rate. The rent of shopping centres in the secondary districts increased significantly, at 20% QoQ.

Market performance



Source: Savills Research and Consultancy

Purchasing retail space under long-term leases is attracting some interest in Ha Noi. The primary asking price for retail space of shopping centres achieved US\$1,500 to US\$5,400/ sq m for a leasing term of 30 to 50 years.

Demand

Demand for retail space is growing. Approximately 70 local and international retailers expanded with stores in shopping centres.

Although average CPI in the first six months of 2011 increased significantly by 15.7% year-on-year, total sales of goods and services increased 21.7% year-on-year. Retail sales and GDP per capita have increased every year and the percentage of total income spent for retail increased from 64% in 2005 to 81% in 2010.

Turnover of electronic goods increased approximately 6% QoQ.

Outlook

In the next four years, approximately 1.6 million sq m of retail space from 87 projects is planned to enter the market.

A large number of retail projects are concentrated in the new development areas of Ha Noi such as districts Thanh Xuan, Hai Ba Trung, Cau Giay, Tu Liem and Ha Dong. These districts will account for approximately 75% of total retail space in Ha Noi up to 2014.

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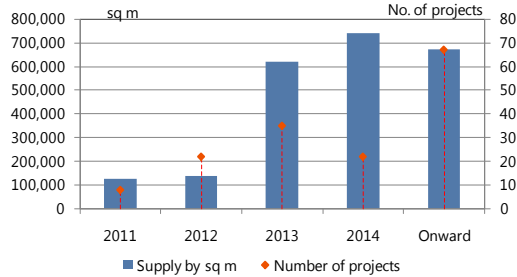
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Future supply



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