

# Media Release

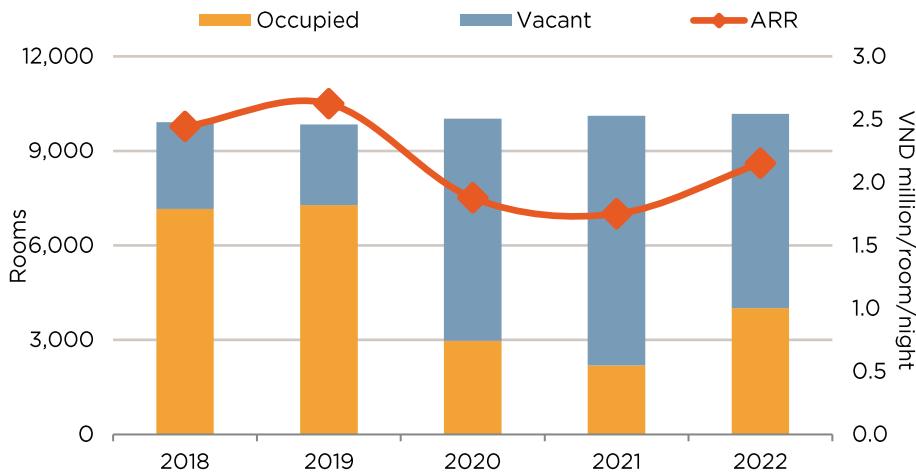
## H2/2022



The future,  
are we there yet?

# HOTEL

## Performance



Source Savills Research & Consultancy

“The outlook for 2023 is positive, given that China has reopened its borders and allows international travel. The stalwart domestic market drove recovery in 2022, and we expect a sustained solid performance.”

Matthew Powell  
Director, Savills Ha Noi



## KEY FINDINGS

### Improved Performance

Stock of 10,179 rooms from 17 five-star, 17 four-star and 31 three-star projects was stable QoQ and increased by 1% YoY. Hilton Ha Noi Opera (five-star) temporarily closed for renovation; it will reopen as Waldorf Astoria.

In Q4/2022, occupancy reached 49%, increasing by 7 ppts QoQ and 22 ppts YoY. The average room rate (ARR) of VND 2.5 million increased by 15% QoQ and 41% YoY. In 2022, occupancy increased by 16 ppts to 39% and ARR of VND 2.2 million rose by 23%.

### International Tourism Improvements

In 2022, there were 101.3 million tourists. There were 3.7 million international arrivals, increasing by 2,228% YoY. International guests only accounted for 3% of Viet Nam's tourists, increasing from 0.4% in 2021 but still less than 17% in 2019. With the absence of Chinese tourists, Koreans accounted for 26% of international visitors, followed by the US with 9%. Of the international visitors, 71% were Asian.

India is an emerging market with 3% of international arrivals. In H2/2022, Vietjet opened nine new routes from Viet Nam to India. By the end of 2022, there were 21 direct routes, with approximately 60 flights per week between Viet Nam with India.

Ha Noi had 18.7 million visitors, which well exceeded the city's target of 10 million. The 17.2 million domestic visitors increased by 330% YoY, and the 1.5 million international visitors rose by 650% YoY.

### Brighter Outlook

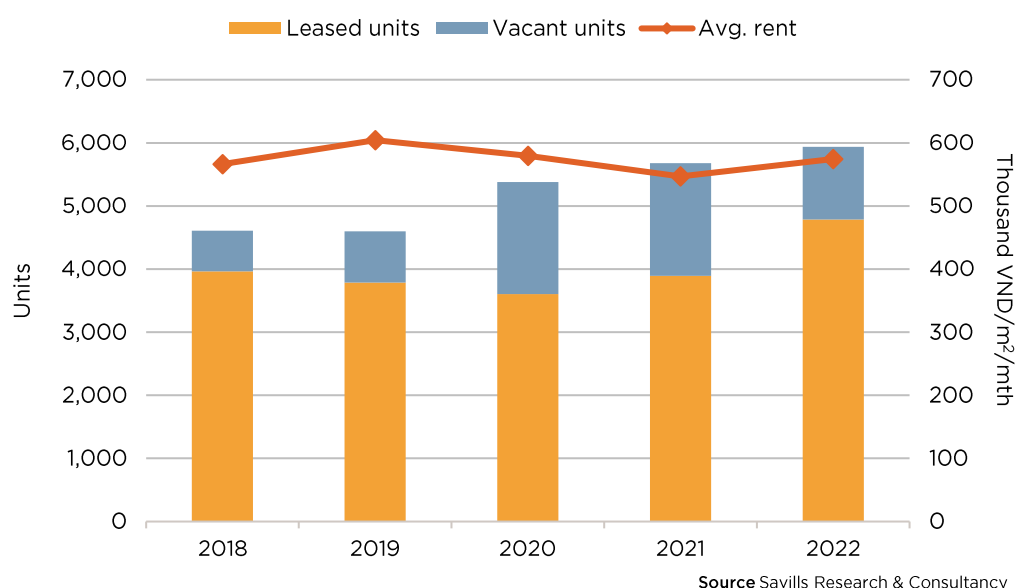
Viet Nam's key source market, China reopened its borders on 8 January 2023, with regular flights between Viet Nam and China resuming. Vietnam Airlines, Vietjet, Pacific Airlines, and Bamboo Airways have resumed flights and are expected to add more. The hospitality sector will benefit from the return of Chinese visitors.

### Future Supply

In 2023, eight projects with 1,300 rooms are expected. From 2024 onward, 60 projects with approximately 10,300 rooms will launch. International operators include Four Seasons, Lotte, Dusit, Wink, Accor, The Shilla, Hyatt, Marriott, and Hilton.

# SERVICED APARTMENT

## Performance



“ Samsung Viet Nam built its largest R&D centre in Southeast Asia. FDI will drive the serviced apartment sector. As large corporations enter, there will be demand for high-quality products. As such, the market expects more high-end branded projects soon.

Matthew Powell  
Director, Savills Ha Noi



## KEY FINDINGS

### Stable Supply

Without new supply in Q4/2022, stock of 5,935 units from 63 projects was stable QoQ and increased by 4% YoY. Occupancy of 81% rose by 4 ppts QoQ and 12 ppts YoY and has nearly reached the pre-Covid (Q4/2019) 82%. Rent of VND 575,000/m²/month increased by 1% QoQ and 6% YoY; Grade A charged the most at VND 735,000/m²/month.

### FDI Correlation

In 2022, Ha Noi was sixth nationally in terms of registered FDI; it reached US\$1.7 billion, increasing by 12% YoY. Newly registered FDI of US\$233 million came from 365 projects; 206 projects had increased capital of US\$843 million. M&A capital was US\$630 million from 387 projects. Newly registered FDI mostly came from Singapore, Japan, and Korea. The Ha Noi Department of Labour, War Invalids and Social Affairs granted over 10,000 new work permits to foreign workers and reissued 868.

China will reopen its borders on 8 January 2023. This will likely correlate to manufacturing and industrial growth in Viet Nam, which will support FDI inflows and the serviced apartment sector. These properties largely cater to foreign expats working in FDI and related enterprises, embassies, industrial parks, international banks, and other foreign businesses.

### New Infrastructure

Samsung's R&D project in Starlake Tay Ho Tay NUA is its largest R&D facility in Southeast Asia.

Ring Road 2 is expected to be completed at the beginning of 2023. Once completed, it will improve traffic in Ha Noi and between other provinces. These projects will drive demand for well-located serviced apartments.

### Branded Projects Dominate

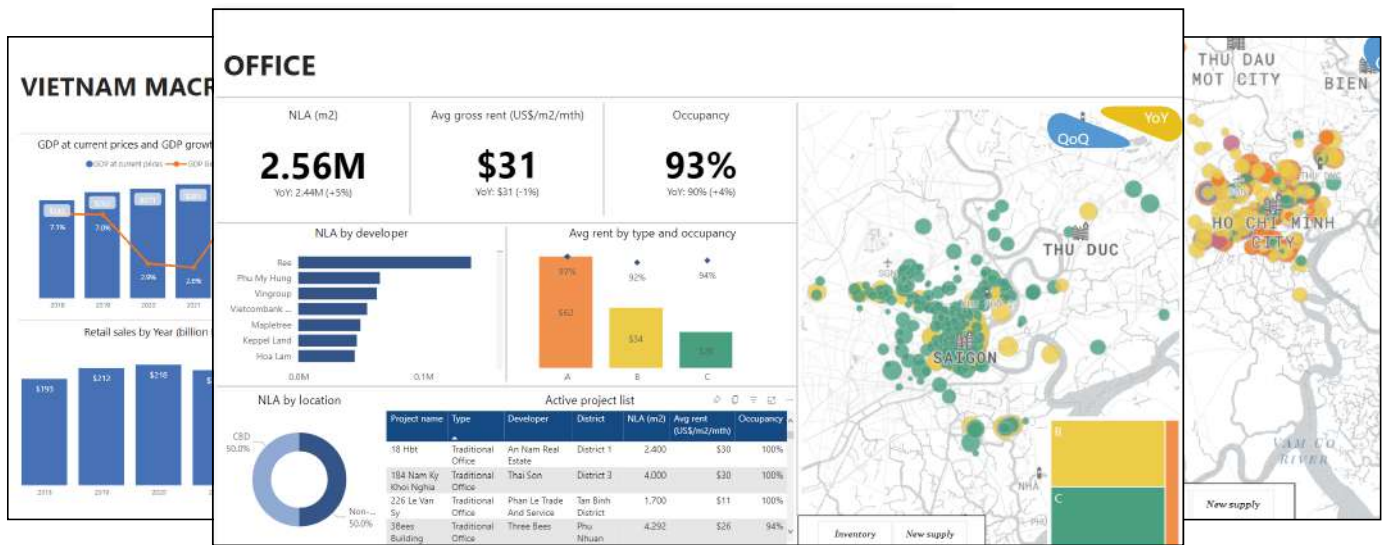
Nineteen future projects will provide 3,778 units from 2023 onwards. The Secondary area will provide 3,097 units or 82%. Branded operators will have 93% or 3,596 units; brands include Ascott, Lotte, The Shilla, Pan Pacific, Wink, Hyatt and Hilton.

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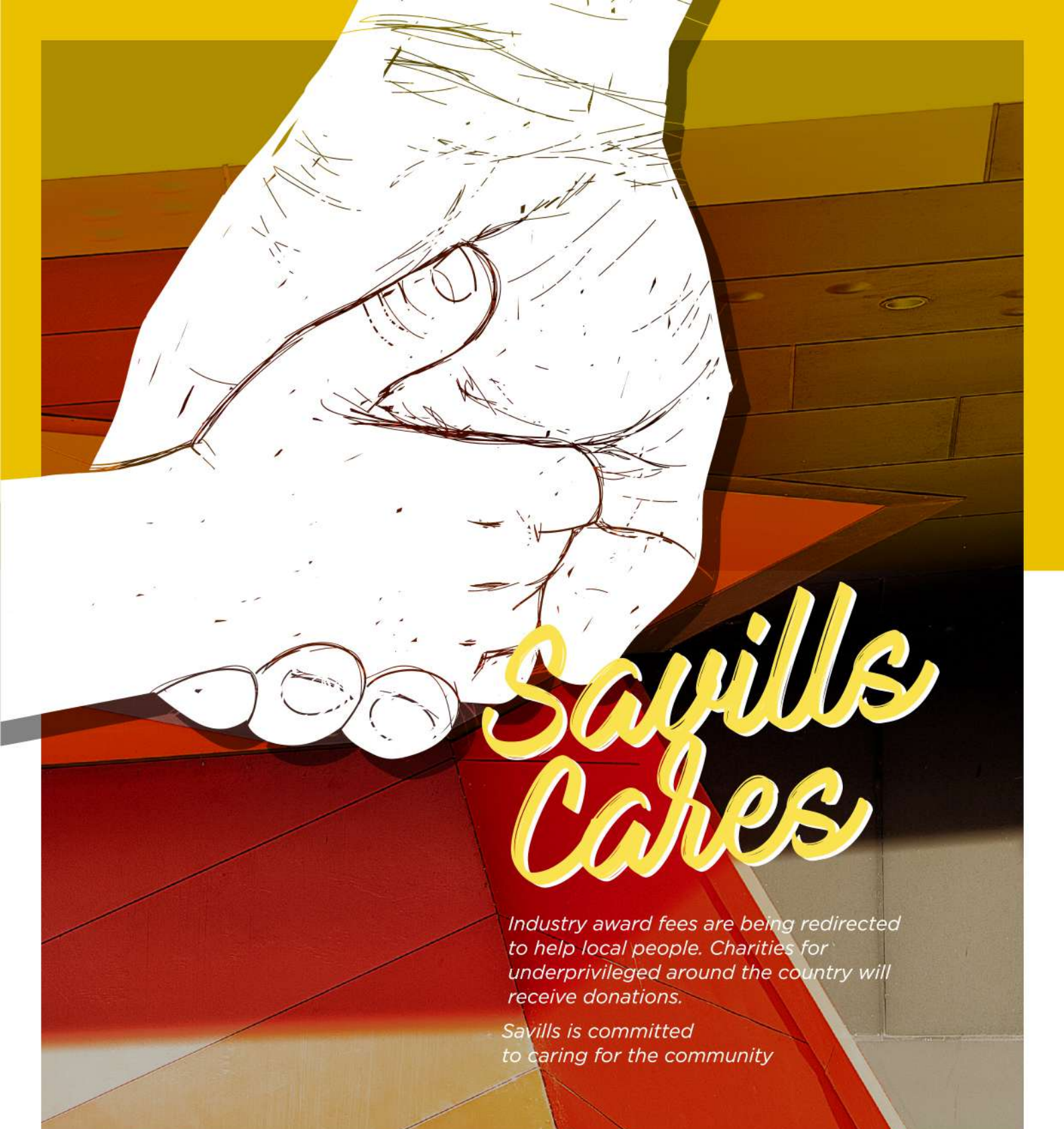
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