Villas/townhouses
There are three projects representing approximately 380 dwellings, located in Chanthabuly, Sisattanak and Sikhottabong districts. Two of these projects were initially built for delegates and guests attending the ASEAN Summit in 2004 and the ASEM Summit in 2012, with the dwellings being sold or leased at the conclusion of the meetings. The third project, by a Vietnamese developer and located in Chanthabuly district, comprises more than 300 villa and townhouse dwellings.

Overall, 62% of the three projects have been sold. Primary asking prices varied greatly, with project 1 ranging from US$302,500 to US$385,000 per dwelling, while prices at project 2, which was launched in 2012, were around US$3 million per dwelling. Project 3, which entered the market in 2013, was priced from US$210 to US$270 per sq m of land.

The main buyers in the villa market are officials in Laos’ government and business people from China, Viet Nam and Thailand.

Future villa/townhouse supply will come from six projects located in Chanthabuly, Hadxaifong, Sikhottabong and Sisattanak districts. All of the future projects are currently at the planning stage.

Hotels
Vientiane, the capital of Laos, has approximately 1,900 three- to five-star rooms, accounting for a 28% market share.

In 1H/2013, the average occupancy rate of three- to five-star hotels was 55% and the average room rate was US$71 per room per night.

Vientiane received approximately 1.2 million overseas visitors in 2012, an increase of 14.5% year-on-year and equivalent to 39% of the total number of overseas visitors arriving in Laos in 2012.

Fourteen future projects are planned from 2H/2013 onward, of which, six will provide 1,060 rooms. Two projects accounting for 264 units are expected to enter the market in 2H/2013.
Serviced apartments

There are eight projects supplying approximately 480 units with sizes ranging from 35 sq m to 175 sq m. The average occupancy rate in 1H/2013 remained at approximately 90%, while the average rental rate was US$1.270 per unit per month or US$13 per sq m per month.

Demand for serviced apartments in Vientiane mostly comes from Asian tenants from Japan, China, Thailand and Korea, as these are the countries with the highest amount of FDI in Laos. There are seven planned projects, with one coming on line in 2013, providing approximately 20 units.

Retail

The total stock of modern retail space is approximately 46,000 sq m from three shopping malls. M-point Mart and D-Mart are two popular shopping destinations in Vientiane.

In 1H/2013, the retail market showed a strong performance with an overall occupancy rate of 99%. Rents at the two shopping malls in the CBD ranged from US$5,000 to US$21,000 per kiosk per year, depending on the level and booth size.

Retail density is low compared with other cities in the region, and there is further potential for growth. However, on weekends, Vientiane citizens tend to cross the border into Thailand to shop at the malls and hypermarkets in Udon Thani, which is one of the reasons for the limited number of modern retail centres in the capital.

Up to 2014, Chanthabuly, which is the central district, is expected to receive one shopping centre project.

Offices

The total office stock is approximately 28,700 sq m supplied by seven buildings. Xaysetha district is the main office area, with a total stock of 21,600 sq m, accounting for a 75% market share.

In 1H/2103, the average occupancy achieved was 93%, while average rents fell to US$13 per sq m per month, the lowest level seen for the last four years.

There are nine future projects in Vientiane from 2H/2013 onwards. Up to 2014, the market will receive only one office building in Chanthabuly district.

GRAPH 3
Retail density by city, 1H/2013

<table>
<thead>
<tr>
<th>City</th>
<th>Retail density (sq m per person)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yangon</td>
<td>0.9</td>
</tr>
<tr>
<td>Vientiane</td>
<td>0.8</td>
</tr>
<tr>
<td>Ho Chi Minh City</td>
<td>0.7</td>
</tr>
<tr>
<td>Ha Noi</td>
<td>0.6</td>
</tr>
<tr>
<td>Kuala Lumpur</td>
<td>0.5</td>
</tr>
<tr>
<td>Singapore</td>
<td>0.4</td>
</tr>
<tr>
<td>Bangkok</td>
<td>0.3</td>
</tr>
</tbody>
</table>

Source: Statistics offices of all countries, Savills Research & Consultancy

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