

Briefing Residential sector

Q2 2015

Supply

Two villa projects: Premier Village Danang Resort and Naman Residences re-launched, supplying 150 dwellings total. Villa stock was 890 units from 16 projects. The primary market comprised of 450 dwellings from ten projects, accounting for 50% of the total supply.

One new apartment project launched, providing 100 dwellings. There were 711 units from 13 projects in the primary market, up 5% from Q1/2015.

Performance

Villa absorption was 12% due to the good sales performance of the Premier Village Danang Resort. The average villa price was VND27.5 million/m², up 9% quarter-on-quarter (QoQ).

The apartment market continued to show positive sign with absorption at 18%. The average price decreased -5% QoQ due to the lower prices of new project in Son Tra district.

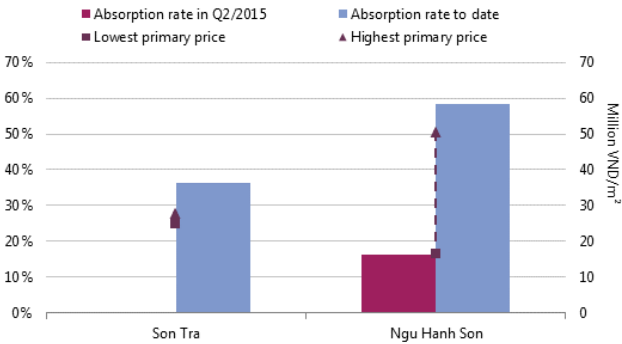
Demand

Projects with a strong developer reputation and close proximity to the beach and city center generated good sales this quarter. Most transactions in Da Nang were for investment and buy to rent purposes.

Outlook

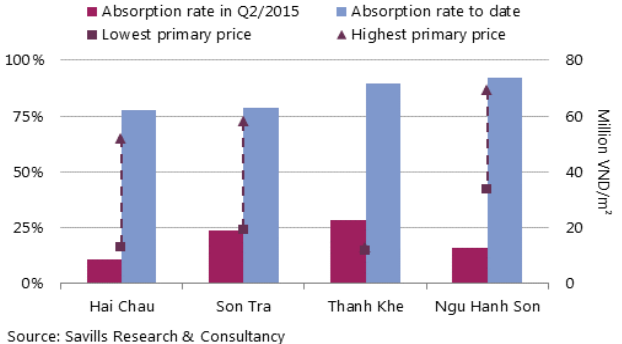
From 2H/2015 onward, 1,350 dwellings from 13 villa projects and 17,600 units from 21 apartment projects will enter the market. While Son Tra district continues to have the largest future villa supply, Hai Chau district remains the top apartment supplier with 75% market share.

FIGURE 1
Villa performance, Q2/2015



Source: Savills Research & Consultancy

FIGURE 2
Apartment performance, Q2/2015



Source: Savills Research & Consultancy

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