

Briefing Residential market

August 2015

→ Supply

As of Q2/2015, Dong Nai had 51 residential projects supplying more than 30,100 dwellings. The land plot segment dominated the market with a 93% market share, supplying 27,990 units from 39 projects. The villa/townhouse segment ranked second with a 5% market share; followed by apartments with only two per cent.

Residential projects are concentrated mainly in districts adjacent to HCMC and Binh Duong, including Nhon Trach, Bien Hoa, Trang Bom, Long Thanh, Vinh Cuu and Thong Nhat. Nhon Trach had a 34% market share, whilst Bien Hoa ranked first in terms of volume with 18 projects.

Performance

Dong Nai's land plots are preferred by investors/ speculators and have the greatest transaction volume. A minority of buyers purchase villas/ townhouses and apartments for second homes or future residences.

As of Q2/2015, there were more than 13,360 plots sold from 18 active land plot projects with prices ranging from VND2.3 million/m² to VND10.2 million /m² land area.

The accumulated sales of eight active villa/townhouse projects in Dong Nai were 87% of the 1,260 dwellings launched. The average price was VND14 million/m² land area.

There were two active apartment projects in Bien Hoa with prices from VND14.9 to 18.2 million/m² GFA.

Demand

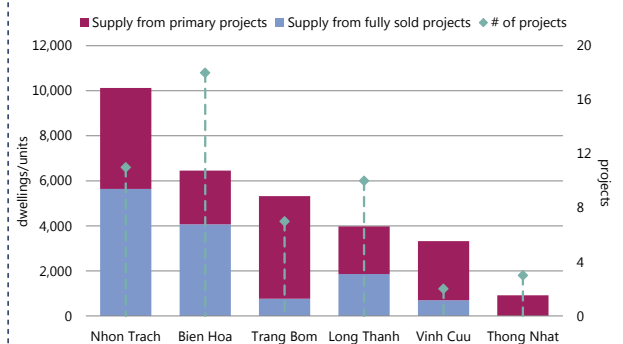
The annual population growth rate in Dong Nai was 2.6% during 2010 – 2014, which is a positive sign for residential demand in Dong Nai.

The pool of purchasers remains dominated by investors/speculators. Investors prefer landed properties with high liquidity, with land plots favoured; especially those with affordable price and Redbooks/ land ownership certification. In the long term, the completion of key transportation systems and the development of future social facilities should attract full-time residents.

Outlook

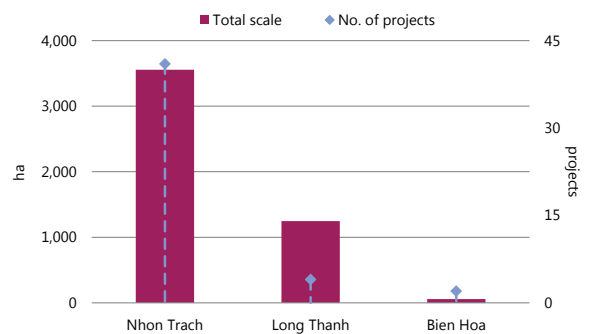
The future landed property supply consists of 47 projects with a total scale of 4,850 ha in Long Thanh, Nhon Trach and Bien Hoa. Most are still in planning or site clearance.

FIGURE 1
Stock by district, Q2/2015



Source: Savills Research & Consultancy

FIGURE 2
Estimated future supply



Source: Savills Research & Consultancy

Savills Research team

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