

Briefing Apartment sector

Q2 2015

→ Supply

In Q2/2015, Ha Noi's total apartment supply was approximately 121,400 units from 199 fully sold and 82 active projects. The total primary stock was 13,400 units, increasing 4% quarter-on-quarter (QoQ) and 24% year-on-year (YoY).

There were 27 newly launched, fifteen existing and 12 new apartment projects, providing 6,100 units, decreasing 21% QoQ. Thirteen new projects at foundation had unofficial sales of 1,340 units.

Performance

In Q2/2015, more than 4,630 units were sold, decreasing by -18% QoQ. The absorption rate decreased -9 ppts QoQ to 34 percent.

The primary price increased 1% QoQ, whilst the average secondary asking price increased 2% QoQ. In some districts (such as Tay Ho and Hoan Kiem) secondary prices increased by 7 percent, the largest decrease was -4% QoQ in Ba Dinh and Dan Phuong.

Demand

Buyer confidence was reflected by high sales. Off-contract premiums appeared in many projects, even in projects only at foundation stage.

Financial guarantees from banks for projects were one of the most important motivations for buyers.

Banking credit became the main financial source for both end-users and investors.

Outlook

By the end of 2015, 26 projects supplying 12,600 units are expected to come online.

The Housing Law 2014 and Law on Real Estate Business 2014 are expected to increase demand; the market awaits the guiding legal documents for the laws.

Sales are expected to remain at a high level in the remaining quarters of 2015; however there could be elements of speculation distorting the overall demand. ■

FIGURE 1
Current stock, Q2/2015

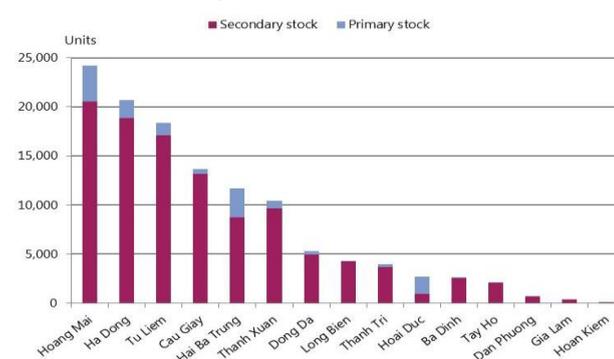
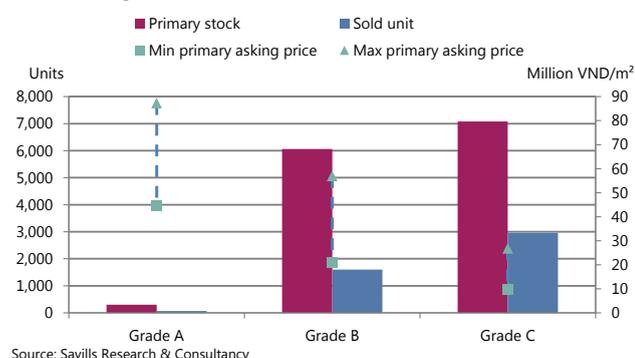


FIGURE 2
Market performance, Q2/2015



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