

Briefing Apartment sector

Q1 2015

→ Supply

In Q1/2015, Ha Noi's total apartment supply was approximately 114,600 units from 189 sold-out projects and 80 active projects. The total primary stock increased 43% quarter-on-quarter (QoQ) and 6% year-on-year (YoY).

This quarter there was an increase in newly launched projects. Five existing projects and 21 new projects entered the market, providing 7,700 units, greater than the total amount in 2014.

Performance

In Q1/2015, more than 5,600 units were sold. Strong performance by Grade B and C projects increased apartment sales market-wide by 62% QoQ. The absorption rate was 43%, up 5 pts QoQ.

The primary price increased across all projects and Grades. The average primary price decreased by 9% QoQ, due to new projects offering lower prices than the average market price.

The average secondary asking price increased 2% QoQ. In some districts prices increased by 11 percent. The largest decrease was -4% QoQ.

Demand

Strong improvement in buyer confidence was reflected by high sales, even in projects which had large off-contract premiums.

Banks and developers offered long-term loans, flexible payment schedules, and handover after paying a certain percentage of the apartment's value.

Sales events were well attended. Some projects had good pre sales before the official launch event.

Outlook

By the end of 2015, 22 projects with approximately 14,000 units are expected to come online.

According to the revised Housing Law, foreigners can purchase up to 30% of apartments in a project. The introduction of this law is expected to increase demand in the apartment market.

Sales are expected to remain at a high level in 2015. ■

FIGURE 1
Current stock, Q1/2015

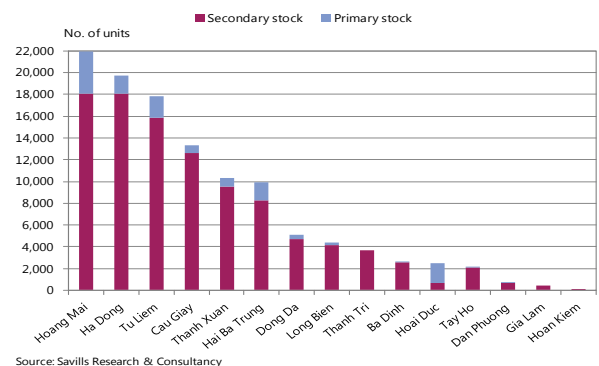
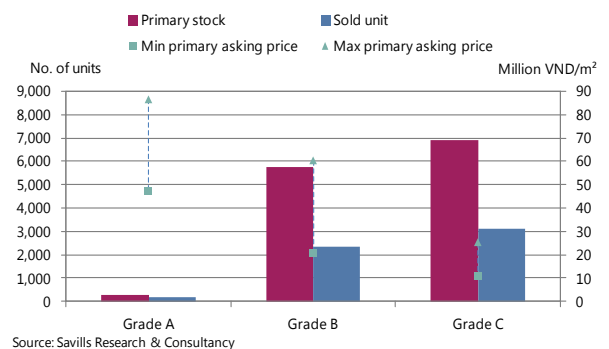


FIGURE 2
Market performance, Q1/2015



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