

Briefing Apartment sector

Q4 2014

→ Supply

In Q4/2014, Ha Noi's total apartment supply was approximately 104,300 units from 182 sold projects and 65 active projects. The total primary stock decreased by approximately -9% quarter-on-quarter (QoQ) while the total secondary stock increased by approximately 5% QoQ.

New launches continued with six new projects providing approximately 2,900 units, the highest number since Q2/2013.

Performance

In Q4/2014, sales remain at high levels, however they have decreased -11% QoQ. The absorption rate was approximately 38% unchanged QoQ.

The average primary price increased by 0.3% QoQ. Eight districts increased an average of 14% QoQ, while four others decreased by an average of -14.5% QoQ.

The average secondary asking price increased approximately 1% QoQ, with some districts' prices increasing of up to 4.7% while the highest decline was -2.3% QoQ.

Demand

A number of supporting legal documents for the real estate market were issued or approved this quarter.

There is continued demand from end-users and investors on projects with the following characteristic: good construction progress, convenient accessibility and strong developer reputation.

However, some projects in the foundation stage had a strong absorption rate due to the participation of the speculators and real estate agents increasing the premiums on off-contracts.

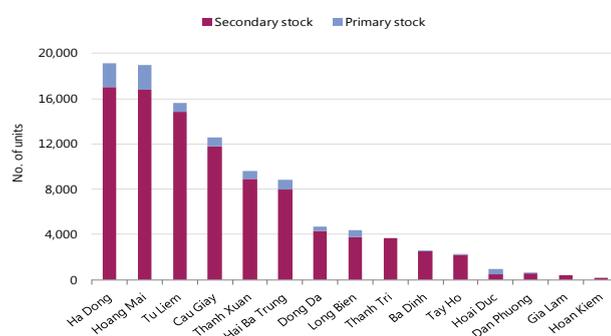
Outlook

By the end of 2016, approximately 14,200 apartments from 25 projects are expected to come online.

The revised Housing Law and Real Estate Business Law are expected to increase demand from foreigners and overseas Vietnamese.

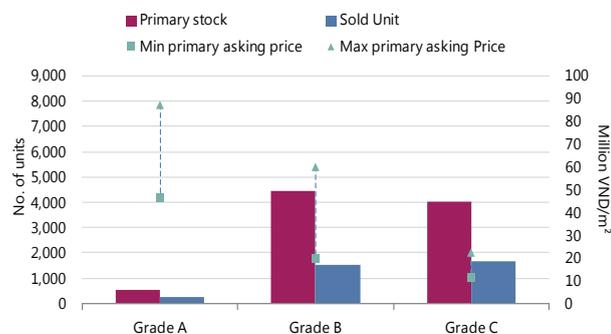
The market is expected to grow in 2015, however can be negatively affected due to strong speculation

FIGURE 1
Current stock, Q4/2014



Source: Savills Research & Consultancy

FIGURE 2
Market performance, Q4/2014



Source: Savills Research & Consultancy

Savills Research team

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