

# Briefing Apartment sector

Q4/2014

## Supply

In Q4/2014, eleven new projects and new phases in three active projects launched over 4,700 units, slightly up 3% quarter-on-quarter (QoQ) but a significant increase of approximately 130% year-on-year (YoY). This was the highest newly launched supply in one quarter since Q2/2011.

As of Q4/2014, there were approximately 19,000 available units in the primary market, a sharp increase of 9% QoQ and 21% YoY.

## Performance

The overall absorption rate was 22%, up 3 pts QoQ and 11 pts YoY. In Q4/2014, approximately 4,200 units were sold, up to 28% QoQ and 149% YoY, the highest transaction volume since Q4/2010.

In Q4/2014, districts 2 and 7 maintained the most sales at 45% of the total absorbed volume, followed by Tan Phu, Thu Duc, Binh Thanh, Binh Tan and district 12 with 38% share.

Grade B had the strongest performance for the past five years, accounting for 46% of the total sales.

## Demand

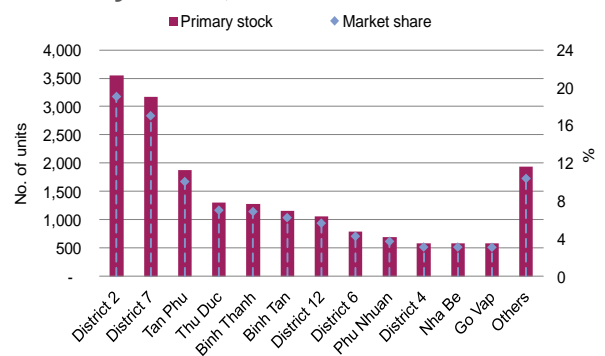
The diversification and appearance of new products for the launched projects have met the demand of the end-users. Meanwhile, the stable yield and good rental capacity in well-developed areas has encouraged investors.

Both end-users and investors can benefit from multiple financial supports, including flexible payment terms, competitive home loan interest rate, stimulus package, etc. Moreover, the major factors that positively affect buyers' confidence are the reputation, and credibility of the developers.

## Outlook

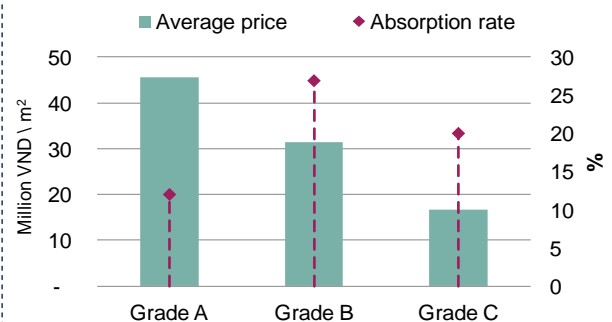
From 2015 to 2017, approximately 65,600 units from 102 existing or future projects will enter the market. Approximately 30% of total future supply is expected to be completed in 2015 and 2016. ■

FIGURE 1  
Primary stock, Q4/2014



Source: Savills Research & Consultancy

FIGURE 2  
Market performance



Source: Savills Research & Consultancy

## Savills Research team

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