

Briefing Apartment sector

May 2015

→ Supply

In Q1/ 2015, two new projects entered the market, adding more than 700 units.

There were approximately 2,800 units from 10 projects. Six active projects supplied approximately 1,200 units and the remaining stock was from four fully sold projects.

Most projects are located along the coast, especially on Tran Phu Street, Loc Tho Ward. All were developed as part of a mixed-use project comprising 4 and 5-star hotels and luxury residences.

Performance

Projects in Loc Tho had the best performance with an average selling price of VND60 million/m²; followed by Phuoc Dong at VND23 million/m² and Vinh Nguyen at VND21 million/m².

One and two-bedroom units had high absorption due to their affordable selling prices and good rental yield. Sales of one and two-bedroom units accounted for approximately 90% of all apartment sales.

Demand

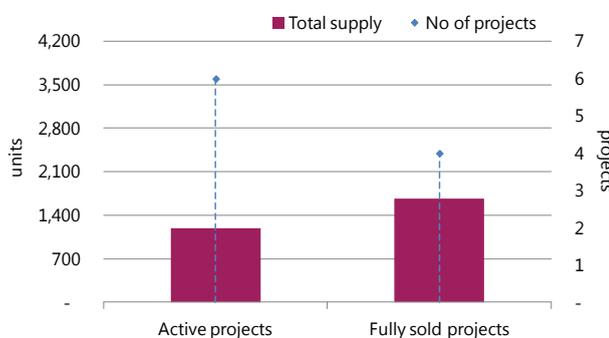
The target market is mostly people from other provinces, particularly those from Hanoi and HCMC, who purchased properties as a second home or investment.

Outlook

As of Q1/2015, there were three future apartment projects, with a total supply of approximately 2,000 units.

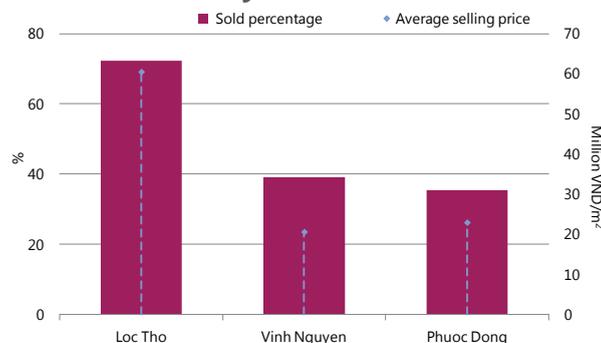
Financial difficulty is the main reason for delaying completion time of future projects. Only one project is currently under construction and two projects are in planning or on hold.

FIGURE 1
Current supply



Source: Savills Research & Consultancy

FIGURE 2
Performance by location



Source: Savills Research & Consultancy

Savills Research team

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