

# News Release

Q2/2013

## HANOI market

### Real estate SNAPSHOT

#### Apartment For Sale

##### Market Performance

The apartment for sale market in Q2/2013 showed more positive signs compared to previous quarters. The number of transactions has increased in comparison to the first quarter's figures.

The number of customers who are actively seeking information about apartment projects, has increased again, however, their attitude toward the offerings (discount, promotional gifts & flexible finishing options) is very cautious. This is due to the fact that the projects which announced a considerably reduced asking price, decreased the level of construction quality (hand over status) in most cases. As a result, the reduction in the selling price may sound attractive at first, however, the buyers will have to spend more money to furnish the apartment units up to expectations.

Like the previous quarters, the Western & Southern Districts (Ha Dong, Hoang Mai and Hai Ba Trung) are still the major supplier for low to mid end apartments, which also resulted in a higher number of transactions.

There was no fluctuation in the asking prices for apartments in these areas during Q2/2013. For the projects which have completed superstructure or will be ready for handover soon, the price remained the same or increased marginally. These projects also attracted a good level of expressions of interest from the prospective buyers who had real demand, financial capability and a "wait & see" attitude from previous quarters. This may indicate that the buyer's confidence is gradually being restored with a belief that the price will not decrease any further. This could be perceived as the time to buy a house, which in the past, they may not have been able to afford.

In Q2/2013, a large number of apartments with asking prices under 1 billion dong have been launched for sales including CT6 - Dang Xa Urban Area, OCT2- Xuan Phuong Urban Area, CT8 - Dai Thanh Apartment Buildings and Phuc Thinh Towers with the asking prices ranging from VND10 - VND13.6 million (US\$478 - US\$651)/m<sup>2</sup>.

The latest refinancing package is expected to support the developer who lacked financial capabilities to continue the projects and encouraging the development of new projects in the social housing segment. Also, the package helps facilitate the low income population to own houses, which is expected to generally increase the demand and promote the market. However, in reality, the implementation of this package is perceived to be rather slow, and also, there is a lot of rigid regulations which makes it difficult to access the capital.

#### Outlook

Vietnam's economy has shown some positive signals, including the interest rate that is forecasted to decline, the gold market that has been strictly controlled by the Government and the real estate price that has fallen substantially since Q2/2012. These can be seen as good conditions for the investors with strong financial resources to buy into property with a long term investment strategy.

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