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Hanoi Quarterly Market Research

Q3/2013

By Savills Vietnam

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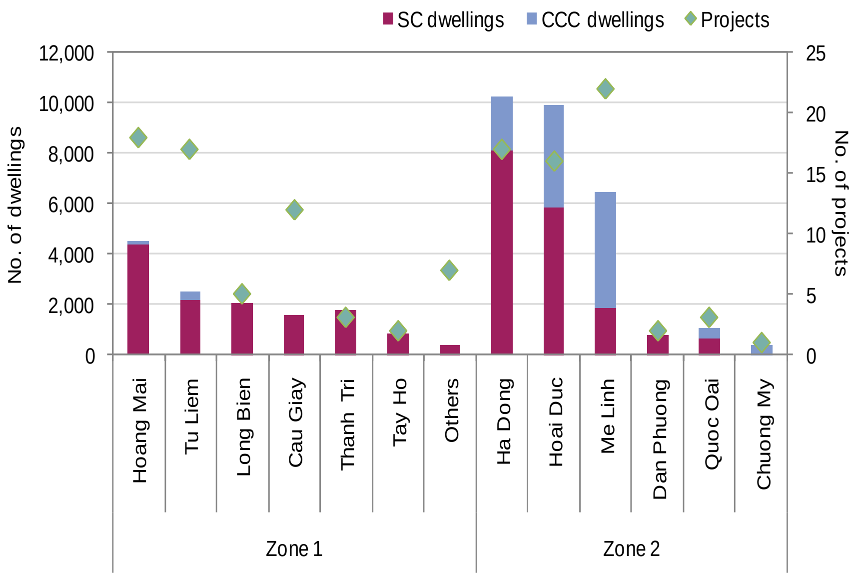
VI/ VILLA/TOWNHOUSE:

Supply

No new supply was added to the sale contract (SC) stock this quarter. One project in the Hoang Mai district launched 66 townhouses in capital contribution contract (CCC) status.

Ha Noi's villa/ townhouse market consists of 42,300 dwellings from 125 projects. In which, approximately 30,300 dwellings, including 17,300 townhouses and 13,000 villas were provided by 101 projects in SC status. The remainder comes from projects in CCC status.

Villas /Townhouses, Q3/2013



Source: Savills Research & Consultancy

Performance

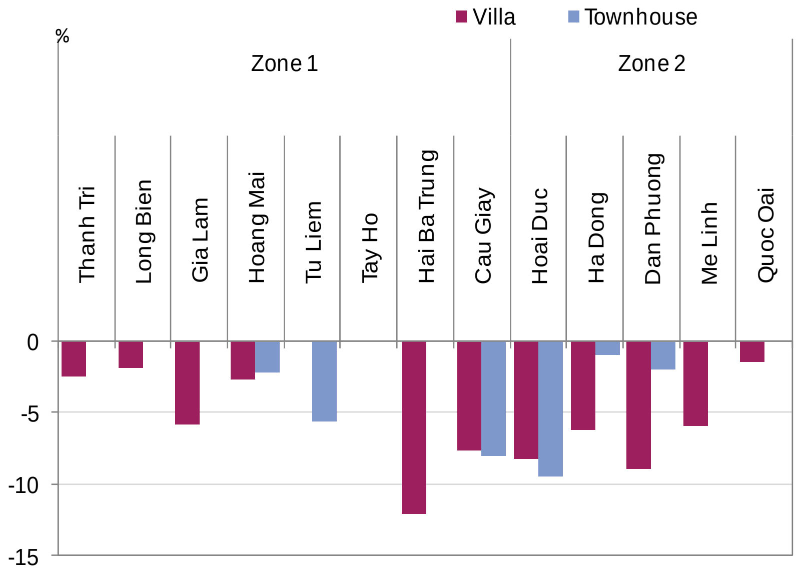
The villa/ townhouse market remained soft this quarter. Many of the projects in Zone 2, particularly in Me Linh and Quoc Oai, are inactive in the market. The average price of the overall market decreased -7% for villas and -8% for townhouses.

The average secondary asking price in Zone 1 ranged from VND 20 million to VND 140 million/ sq m, while Zone 2 reached the highest price at VND 48 million/ sq m in Ha Dong.

The Cau Giay district offered the highest average secondary asking price of approximately VND 140 million/ sq m for both villas and townhouses, though

Cau Giay had a YoY decrease of -15% for villas and -21% for townhouses.

Secondary price change QoQ, Q3/2013



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Demand

According to the BMI Vietnam Business forecast, in 2H/2013, the State Bank of Vietnam (SBV) cut its refinancing rate to 7% on 13 May 2013. This trend is forecast to continue at 7%, and the SBV will keep the monetary policy on hold through 2014, further supporting the residential market.

Recently, the Ministry of Construction proposed that the government allow foreigners who have visas to stay in Viet Nam for three months or more, the ability to buy houses. Once this proposal is accepted, it may make increase the villa/ townhouse demand.

Outlook

The future villa/ townhouse supply will come from 82 projects scattered throughout 15 districts, covering approximately 11,400 hectares.

Sixty percent of the total projects are in planning and 32% are working on site clearance. This quarter recorded three projects with finished infrastructure, representing 4% of the total future projects.

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