

Ha Noi's property market to rebound strongly in 2015

Experts at foreign property consulting firms expect the property market in Ha Noi to rebound strongly this year, owing to robust sales of apartments during the last quarter of 2014.

The Savills Viet Nam Ltd Company pointed out that six new housing projects, with approximately 2,900 units, have been launched recently. This reflects the highest number since the second quarter of 2013.

“The ‘apartments for sale’ segment is recovering. Since the first quarter of 2014, the number of apartments placed on sale has jumped, while the inventory level has decreased,” Nguyen Thu Hang, the Head of Research and Consultancy, Savills Ha Noi, said on December 9.

“The number of sold apartments during the last two quarters is at its highest since the second quarter of 2011. The total number of sold apartments in 2014 was the highest since 2009.”

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

Some projects in the foundation stage are also reporting a strong absorption rate due to the participation of speculators and real-estate agents stepping up the premium on off-contracts.

Meanwhile, the CB Richard Ellis Viet Nam (CBRE) Ltd Company said sales momentum for condominiums has continued to grow firmly and steadily. The market absorbed an estimated 3,990 units during this quarter alone, which was reflected in the 47 per cent growth from last quarter.

In total, 10,700 units were reportedly sold in 2014, which was a 60 per cent increase from 2013's record.

“With the market's recovery, the real-estate risk level has decreased. Along with the disbursement from banks and other investors, the real-estate M&A activities will become more intense,” said Nguyen Hoang Son, Head of Savills Ha Noi's Valuation and Feasibility Study and Valuation.

“The property market in 2015 has been on the road to recovery since 2014, and is expected to see a significant increase in the residential sector. Also, the market should get a new target when the new housing law becomes effective,” Son noted.

“Moving forward, it is expected that the market will continue to look positive in 2015,” said Nguyen Hoai An, CBRE Ha Noi's Senior Manager.

Sales are expected to remain strong, while more launches of new projects and re-started projects will be announced in the market, especially during the first half of 2015, she added.

Luxury and high-end products will be sought-after as stock for these products is diminishing, said An, adding that while foreign ownership will be expected to stimulate demand, activities on this front will be slow in near-term as new players take their time to assess the market's movement.

By the end of 2016, about 14,200 apartments from 25 projects are expected to come online, Savills Viet Nam predicted.

The revised Housing and Real Estate Business Laws are also expected to boost demand from foreigners and Vietnamese residing abroad.

The market is expected to grow in 2015, but could be hurt by strong speculation.

Source: VNS