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Savills Research | **Hanoi, Vietnam**

Villa and Townhouse for Sale

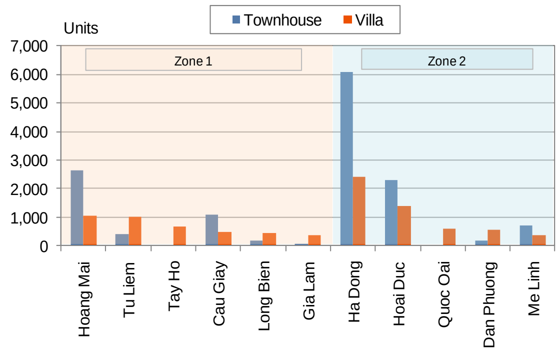
Q1/2011

Supply Trends

Approximately 34,600 villas and townhouses from 103 projects across 14 districts were studied. Seventy-eight projects are being sold in the form of sales contracts, the rest were transacted under Capital Contribution Contracts.

Zone 1 has approximately 8,700 villas/ townhouses provided from 52 projects while Zone 2 with 26 projects provided twice the number of villas/ townhouses as Zone 1. Zone 2 is the main supplier of villas/ townhouses with more than half of the total stock.

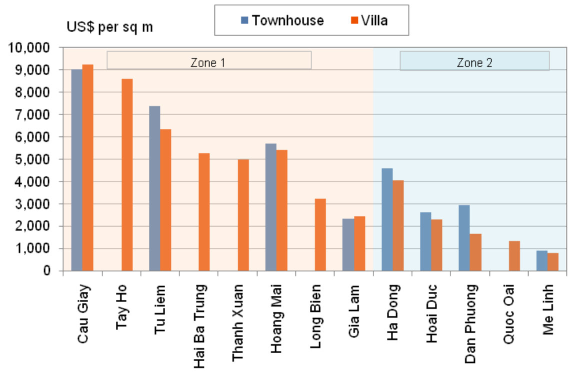
Number of Villas/Townhouses by district, Q1/2011



Source: Savills Research and Consultancy

Market Performance

Average secondary asking price by district, Q1/2011



Source: Savills Research and Consultancy

The price of villas and townhouses continued to increase across Ha Noi. The leading group includes Tu Liem, Cau Giay and Tay Ho districts, where the average secondary asking prices are more than US$6,400/ sq m. Me Linh and Quoc Oai districts, far from the CBD, have the lowest price from US$800/ sq m to US$1,200/ sq m.

The development of infrastructure has a strong impact on the prices of villas/ townhouses. Long Bien, Hoang Mai and Gia Lam districts are typical examples in this quarter, with an increase of more than 20% for villas and 15% for townhouses.

Demand Trends

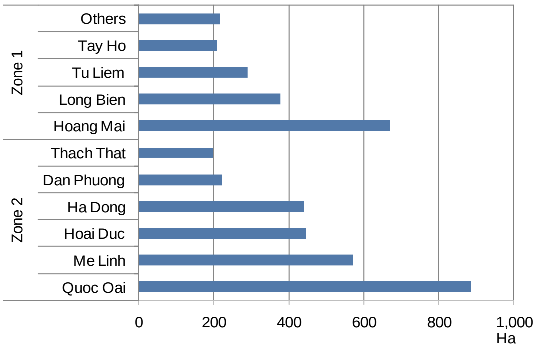
Demand of villas/ townhouses is identified in a certain group, who are wealthy Vietnamese. This group is expected to broaden as the ratio of people having high income continues to increase.

Demand of the villa/ townhouse market may be affected by the currently high loan interest rates at approximately 20% to 21% per year and the tighten credit applied at most banks in the year 2011.

Outlook

It is recorded that 60 future villa/ townhouse projects, totalling approximately 4,500 hectares, will come online in the medium term. Zone 2 is the main supplier for the villa/ townhouse market.

Future projects' scale with villa/ townhouse component by district, Q1/2011



Source: Savills Research and Consultancy

For further information, please contact:

Vietnam – Ho Chi Minh city
Brett Ashton
Managing Director
+84 8 3823 9205 – Ext.116
bashton@savills.com.vn

Vietnam – Hanoi
Matthew Powell
Director, Savills Hanoi
+84 4 3946 1300 – Ext.105
mjpowell@savills.com.vn

Website
www.savills.com.vn

address
Savills Vietnam Ltd – Ho Chi Minh City
18/F Fideco Tower
81-85 Ham Nghi, District 1
Ho Chi Minh City
Vietnam
T: +84 8 3823 9205
F: +84 8 3823 4571

address
Savills Vietnam Ltd – Hanoi
6/F Sentinel Place
41A Ly Thai To, Hoan Kiem
Hanoi
Vietnam
T: +84 4 3946 1300
F: +84 4 3946 1302