

Low-cost home segment looks bright

Though the local property market experienced tough times last year and has entered the new year with difficulties expected, many people still believe that there will be good opportunities in the market thanks to the presence of products suitable for homebuyers and the Government's support solutions for the struggling market.

The Daily talked to a number of executives of real estate companies about the market's prospects in 2013.

Hoang Anh Tuan, general director of Tac Dat Tac Vang JSC, noted that given the difficulties in the housing market, several enterprises last year had failed to achieve business goals while homebuyers have lost confidence in property.

The recent moves of the Government along with current support policies are stirring up expectations for both the market and consumers. It is hoped that the policies will help win back consumer confidence, which is one of the most important matters at present.

Tuan said his firm has prepared to stay ahead of the market by cooperating with other project owners to launch onto the HCMC housing market low-cost apartment projects that are fit for the financial support policies. Besides, Tuan's company has plans to market apartment projects, land lots and commercial townhouses in the southern province of Binh Duong in the near future.

However, what many people expect is the timely implementation of policies. Meanwhile, members of the realty industry also need to offer housing products suitable to local demand, especially payment methods in line with financial capabilities of homebuyers. For instance, the developer of the Prince Town project in Binh Duong has extended the payment schedule to up to seven years without any interest rates with an aim to help ease homebuyers' financial pressure.

Tuan is pinning high hopes on the market's recovery after the second quarter.

Nguyen Xuan Quang, chairman of Nam Long Investment JSC, noticed that regardless of the present difficult market, condos with affordable prices have still remained favorable among local buyers in dire need of housing. Thus, he said, construction of such apartments is a great challenge of domestic housing developers.

Project owners in the low-cost housing segment will face tougher competition in the next few years, Quang said. And homebuyers will have stricter requirements in the context that they will be given more choices of owning a home, he added.

Local demand for leasing housing products is pretty huge, Quang said. But he also said that only products with reasonable rents can win the heart of tenants. That's why investing into this segment is seen as unattractive to project owners, he explained.

Nam Long will continue to pursue the low-cost housing segment this year, Quang asserted. The firm will complete solution packages in a systematic way to assist the development of products, with activities ranging from capital mobilization, finance and construction to sales and after-sale services.

Quang hoped that the Government will carry out solution packages effectively to help realty developers reduce lending rates and production costs to provide better products to customers. Home loans with stable lending rates fixed for two to three years will recover homebuyers' trust and help them gain easier access to loans, he stated.

Nguyen Dinh Trung, chairman of Hung Thinh Corp., meanwhile, found it difficult to give an accurate prediction on the housing market this year. That is because the statistics of inventories don't clearly differentiate between unsold products and others which can be consumed, he reasoned.

On the other hand, the ambiguous support policies from local banks have made housing developers as well as homebuyers find it difficult to access loans. Lenders are expected to cut interest rates further to secure the growth rate of the whole economy in 2013. Trung deemed this an advantage of homebuyers who are after financial support.

Trung suggested that local banks join forces with realty marketing companies with strong financial abilities and high prestige to assess projects. The marketing enterprises have a lot of experience in assessing projects and they can ensure outlets for schemes, according to Trung.

Trung expressed his strong expectation on the 2013 property market.

Hung Thinh Corp. has decided to put up for sale the Golden Bay project as its key project in 2013 after many years having worked on the scheme and Trung believed in his firm's success with the attractive scheme.

The Saigon Times Daily