

It's time for real estate investments: foreign investors

Feb 21, 2009

CA - Foreign investors believe that this period, when the real estate market is gloomy, is proving to be the right time for investors to inject money into the market.

Edward Minh Chi, Chairman of the Board of Directors of Minh Viet Investment Joint Stock Company, believes that Vietnam's real estate market will warm up gradually by the end of this year, while difficulties will still exist in the second and third quarter. However, he thinks that it is now the right time for investors to learn about consumers' tastes and make investments.

He does not agree with the opinions that say that investors should not invest in high-grade projects as the commodities are now in oversupply. Every segment of the market will have its suitable targeted clients, and high-grade projects will target high-income earners.

Besides, he believes that it is now the right time to kick-off investment, because it will take time to make products, and when the products are ready, the market will heat up.

Many investors, for example, have decided to inject money into penthouses, hoping that they will have products to sell in two years, when the market stabilizes. Their clients will be Vietnamese high-income earners, Viet Kieu and foreigners.

Kim Winn, General Director of Coldwell Banker Vietnam, the US leading real estate group, said that Vietnam proves to be the ideal place for foreign investors thanks to its advantages in comparison with other regional countries. Vietnam has a national economy with high growth rate and stable political situation, which make investors feel secure when they make investments.

"Vietnam has a population of 84 million, and 50% of the population is the youth. Vietnam is the market with great potential," Winn said.

She believes that the real estate market will warm up by the end of 2009 or early 2010.

However, she has also pointed out the shortcomings of the Vietnam's market, including the complicated management procedures. It takes long time to fulfill formalities for investment, with which investors need to become patient. Besides, the popularity of the cash transactions has also been cited as one of the problems.

Winn believes that if the problems can be settled, Vietnam's real estate market will become more perfect, thus becoming more attractive to investors, both domestic and foreign.

General Director of CBRE Marc Townsend, a real estate consultancy service provider, does not think that the stagnation of projects currently is the tragedy.

He said that the gloomy market forces investors to think carefully when choosing projects. The failure of some investors may be the opportunities of others. Whether the market is gloomy or not still depends on the ways of looking at the market of every investor.

Marc believes that the market will provide new supplies in the time to come. The time when clients have to queue to register to buy apartments is over, they now have the right to set their requirements and they have more choices.

The most important thing for investors now is to implement projects and offer products at the prices affordable to consumers. This depends on businesses' capability.

Source: Vietnam Net

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