

# Savills Property Price Index (SPPI)

November 2016

## → Residential Index

In Q3/2016, the residential index was 105.8, increasing 1 point quarter-on-quarter (QoQ) but decreasing -2.4 points year-on-year (YoY) with an average selling price of VND 27.6 million/m<sup>2</sup>.

There were approximately 5,660 sales, down -6% QoQ and -15% YoY. The primary absorption rate was approximately 33%, down -2 ppts QoQ due to the Lunar July Ghost month and -12 ppts YoY. Tu Liem district led with 1,800 sales or a 32% share, equivalent to absorption of 44 percent.

Grade B had the most primary sales for the 6th consecutive quarter with 51%. While Grade A absorption decreased -8 ppts QoQ to 20% with 130 sales and Grade B absorption decreased -6 ppts QoQ to 34% with 2,900 sales, the Grade C performance was positive with absorption increasing 8 ppts to 33% with 2,620 sales.

Circular No. 19/2016/TT-BXD tightened resale procedures, dissuading short-term investors. Ha Dong and Hoang Mai will face rising pressure with 48% of future supply. ■

## Office Index

In Q3/2016, the Office Index was 60.4, increasing 1 point QoQ and 3.2 points YoY. Improvements were the result of occupancy increases of 2 ppts QoQ and YoY, and rent unchanged QoQ but increasing 3% YoY.

The CBD lost -1.6 points QoQ but gained 1.7 points YoY due to decreases in occupancy of -1.3 ppts QoQ and in rent of -0.9% QoQ. The non-CBD gained 1.8 points QoQ and 5.1 points YoY due to occupancy increases of 2.6 ppts QoQ overshadowing slight rent decreases of -0.4% QoQ.

In the next two years there will be limited CBD supply. With a substantial available land bank, the non-CBD will become increasingly more competitive due to a large future supply as well as sizeable vacancies. As a result of the expected supply, new projects may struggle to gain new tenants, and be forced to lower rent and offer more flexible leasing policies. ■

FIGURE 1 Residential QoQ Index

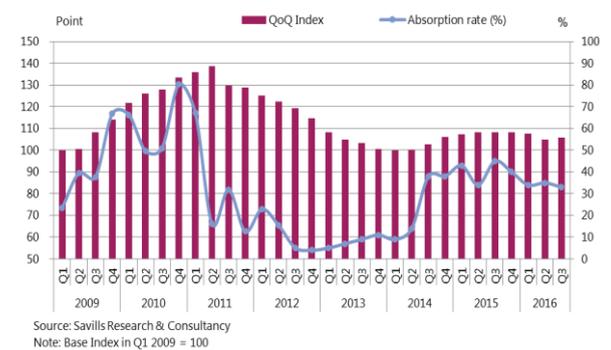
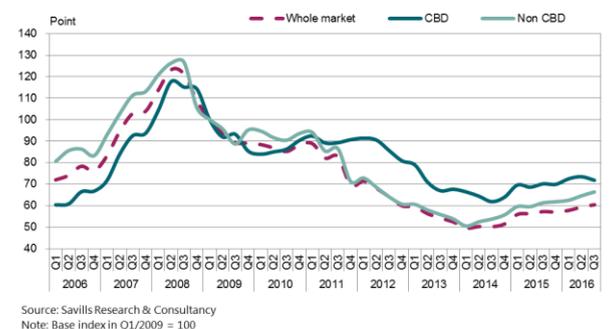


FIGURE 2 Office QoQ Index



## Savills Research team

Please contact us for further information



**Troy Griffiths**  
Deputy Managing Director  
+84 8 3823 9205 ext. 178  
TGriffiths@Savills.com.vn



**Do Thi Thu Hang**  
Head of Research  
+84 4 3946 1300 ext. 178  
DThuHang@savills.com.vn

### Savills plc

Savills is a leading global real estate service provider listed on the London Stock Exchange. The company was established in 1855 and has a rich heritage with unrivalled growth. It is a company that leads rather than follows, and now has over 600 offices and associates throughout the Americas, Europe, Asia Pacific, Africa and the Middle East.

This report is for general informative purposes only. It may not be published, reproduced or quoted in part or in whole, nor may it be used as a basis for any contract, prospectus, agreement or other document without prior consent. Whilst every effort has been made to ensure its accuracy, Savills accepts no liability whatsoever for any direct or consequential loss arising from its use. The content is strictly copyright and reproduction of the whole or part of it in any form is prohibited without written permission from Savills. © Savills Vietnam Co, Limited.