

Savills Property Price Index (SPPI)

July 2016

→ Residential Index

In Q2/2016, the residential index was 104.7 points (pts), decreasing -3 ppts QoQ and -3.5 ppts YoY with an average selling price of VND 26.3 million/m².

The overall primary absorption rate was approximately 35%, up 1 ppt both QoQ and YoY, similar to the previous quarter with 6,000 sales, up 7% QoQ and 30% YoY.

Grade B remained the market driver with 73% share of sales and increased absorption by 3 ppts QoQ up to 40%, due to good performance in large-scale projects. Following was Grade C at 25% absorption and then Grade A with a significant increase of 11 ppts QoQ to 28 percent.

Circular No.06/2016/TT-NHNN has yet to make an impact on the real estate market, but by the end of the year its effects may become clearer. Tu Liem Ha Dong and Hoang Mai continue to attract many affordable housing projects due to connectivity, infrastructure development and land bank. ■

Office Index

In Q2/2016, the Office Index was 59.4 pts, increasing 1.6 pts QoQ and 3.1 pts YoY due to increased rent across all grades.

The CBD had a slight improvement of 1 pt QoQ and 4.9 pts YoY due to stable occupancy and a rent increase of 1% QoQ. Non-CBD index was up 2.1 pts QoQ and 5.1 pts YoY with occupancy increasing 1.7 ppts QoQ and rent increasing 1.2% QoQ.

In 2H/2016, the CBD will continue to perform well with total office supply unchanged, while the non-CBD is expected to experience supply pressure from new projects and those from previous quarters with large vacancy. ■

FIGURE 1 Residential QoQ Index

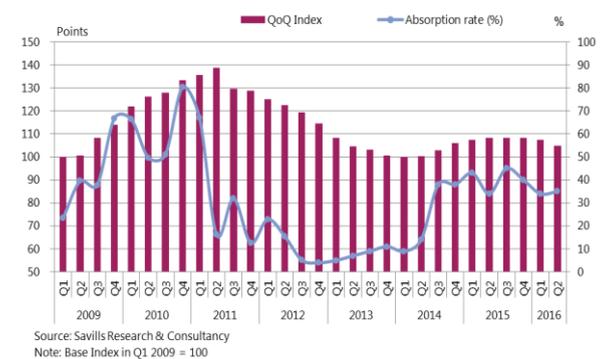
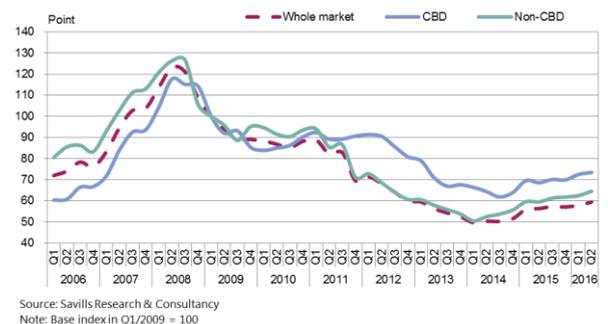


FIGURE 2 Office QoQ Index



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

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