

Savills Property Price Index (SPPI)

April 2016

► Residential Index

In Q1/2016, the residential index was 107.5, decreasing by less than -1 point (pt) quarter-on-quarter (QoQ) but increasing 0.2 pt year-on-year (YoY).

The overall absorption rate was 34%, decreasing -6 percentage points (ppts) QoQ and -9 ppts YoY due to the usual effect of Tet holidays. After high primary sales in 2H/2015, this quarter declined sharply to 5,600 sales or -13% QoQ but unchanged YoY.

Grade B had the best performance at 66% of sales with absorption of 37%, a decrease of -4 ppts QoQ. Grade A and C sales dramatically decreased by -61% and -17% QoQ respectively.

The draft revision of Circular 36, if applied, could significantly impact Real Estate credit access. In general, the Ha Noi residential market will continue to stabilise in 2016. ■

Office Index

In Q1/2016, the Office Index was 57.8 pts, increasing 0.7 pt QoQ and 1.8 pts YoY. The increased rent across all grades was the main reason for the upward index adjustment.

The CBD index improved 2.6 pts QoQ and 2.9 pts YoY. Grade A recovered in both rent and occupancy as a result of limited vacancy in the CBD. In the non-CBD, stable occupancy and rent increases of 1% QoQ led the index in the non-CBD to increase 0.7 pts QoQ and 2.2 pts YoY.

In 2016, the CBD will continue to perform well with average rent forecast to increase 7 percent. The non-CBD is expected to face supply pressure due to the entry of new projects and existing vacancy in the recently opened projects.

FIGURE 1
Residential QoQ Index

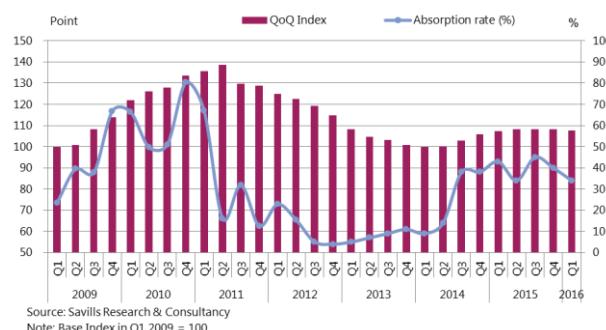
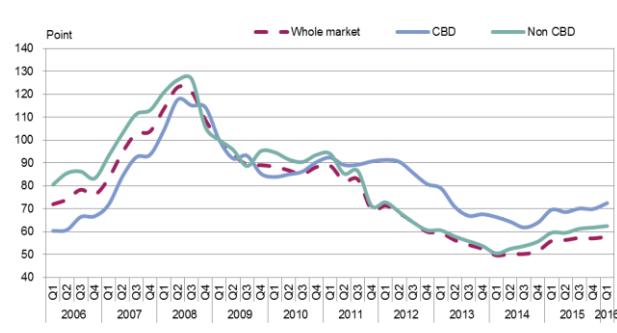


FIGURE 2
Office QoQ Index



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Savills plc

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