

Savills Property Price Index (SPPI)

January 2016

→ Residential Index

The Q4/2015 residential index was 108.2, unchanged quarter-on-quarter (QoQ) but up 2.2 pts year-on-year (YoY) due to the stable average selling price of VND25.6 million/m².

The overall absorption rate was 40%, decreasing -5 ppts QoQ but increasing less than 2 ppts YoY. Approximately 6,440 units were sold this quarter, a slight decline of 3% QoQ but a sharp increase of 86% YoY due to a strong improvement in buyer confidence.

The market has recovered in recent quarters with more projects launched and high transaction volumes. In 2016, approximately 24,840 units will come online. The potential of a rise in interest rates may pressure prices, especially for active projects.

Office Index

In Q4/2015, the Office Index was 57.1 pts, decreasing 0.2 pts QoQ but up 5.5 pts YoY. The slight decline in the QoQ index was mainly due to rent decreasing in the CBD.

The CBD witnessed a decline of 0.2 pts QoQ but an increase 6 pts YoY. Grade A had a good recovery in occupancy but the average rent in older buildings has decreased. In the non-CBD, occupancy decreased 1 ppt QoQ due to large vacancies in new buildings this quarter. The average rent increased 3% QoQ, thus the index in the non-CBD increased 0.5 pts QoQ and 6.1 pts YoY.

Over the next two years, the CBD will perform well. A large amount of supply is expected in the non-CBD. ■

FIGURE 1 Residential QoQ Index

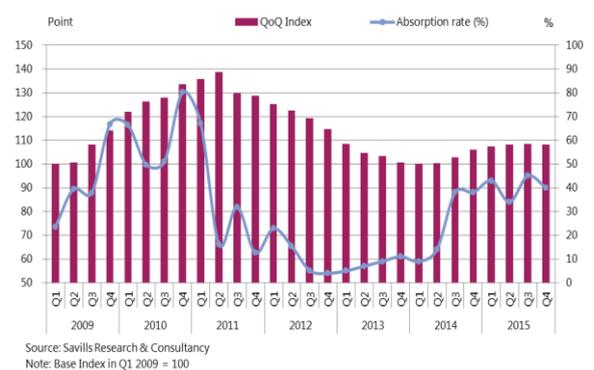
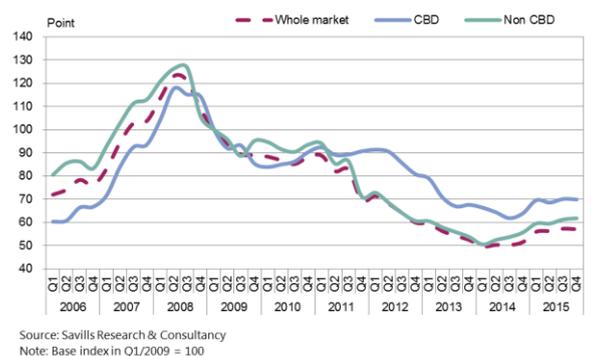


FIGURE 2 Office QoQ Index



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Savills plc

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