

Savills Property Price Index (SPPI)

November 2015

Residential Index

In Q3/2015, the residential index was 88.9, decreasing -0.5 points quarter-on-quarter (QoQ) and year-on-year (YoY).

The overall absorption rate was 17%, dropping -2 pts QoQ and YoY. There was a strong increase in transaction volume with approximately 5,220 sales, up 4% QoQ and 59% YoY, the highest in the last five years.

The residential index has been relatively stable during the last five quarters. In recent quarters, the apartment market has become active in terms of new supply and sales.

Projects developed in strategic locations by credible developers have attracted homebuyers and investors. Strong financial support from banks and developers also helped to increase buyer confidence.

Office Index

In Q3/2015, the office index was 81, up 3 points QoQ and 4 points YoY. The average rent increased 3% QoQ and 2% YoY and occupancy increased 1 ppt QoQ and 3ppts YoY.

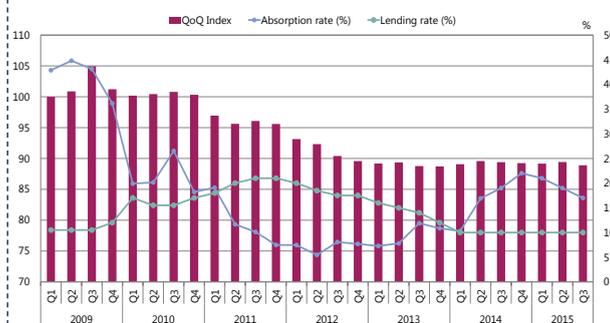
Occupancy was at the highest level in the last six years. Growth in foreign direct investment and gross domestic product in HCMC in 9M/2015 is anticipated to flow through to office demand.

In the CBD, occupancy increased 3 pts YoY and rent increased 2% YoY, improving the office index by 4 points YoY. In the non-CBD, an increase in occupancy of 2 pts YoY was the cause for the 2 point index increase.

In Q3/2015, total office take-up was more than 63,000m², increasing 148% QoQ and 112% YoY, mostly from Grade A and B buildings.

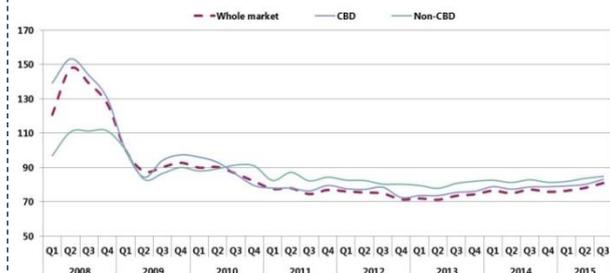
With the entry of 11 new projects, total supply is expected to be approximately 1.6 million m² by the end of 2016, increasing 7% compared with 2015. ■

FIGURE 1 Residential QoQ Index



Note: Base Index in Q1 2009 = 100
Source: Savills Research & Consultancy

FIGURE 2 Office QoQ Index



Note: Base Index in Q1 2009 = 100
Source: Savills Research & Consultancy

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