

Savills Property Price Index (SPPI)

March 2015

Residential Index

The Q4/2014 residential index was 89.2 stable quarter-on-quarter (QoQ) and up 0.5 year-on-year (YoY).

The overall absorption rate was 22%, a strong increase of 3 ppts QoQ and 11 ppts YoY. In Q4/2014, approximately 4,130 units were sold, up 28% QoQ and 149% YoY, the highest transaction volume since Q4/2010.

The residential index has been stable in recent quarters and increased slightly compared with Q4/2013. Strong financial support from banks and developers helped increase buyer confidence. In addition, a wide range of suitable products has been developed, contributing to higher liquidity and price improvement.

The QoQ index is expected to continue to be stable in the coming quarters.

Office Index

In Q4/2014, the index was 76, down 1.3 points QoQ but up 1.5 points YoY. Compared with the last quarter, the average rent was relatively stable but there was an -1ppt decrease in occupancy rate. This contributed to a decrease in the office index this quarter.

Buildings in the CBD area performed better than that of non-CBD. Both average rent and occupancy in the CBD were stable this quarter, leaving the CBD's index unchanged. Meanwhile a -2ppts decrease in occupancy was the main reason for a reduction in the office index in the non-CBD by -1.5 points.

The total office take-up in Q4/2014 was more than 16,500m², down -8% YoY due to lower take-up in Grade A and B grades.

In the short term, office demand should remain stable. Larger volumes of office supply are expected to come online in the near future, potentially pressuring market performance.

FIGURE 1 Residential QoQ Index

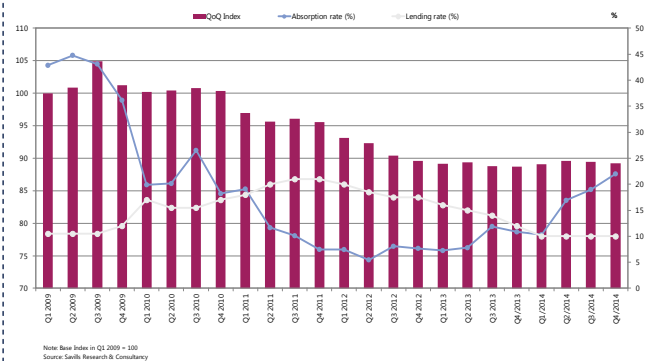
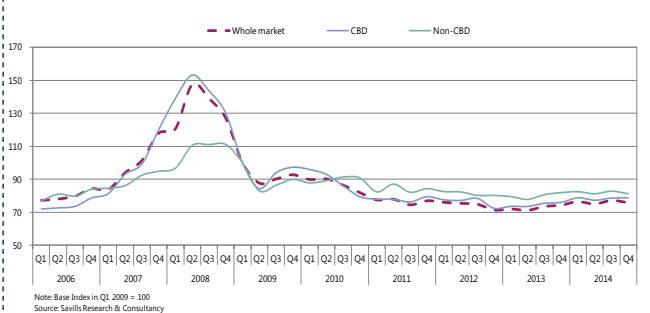


FIGURE 2 Office QoQ Index



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