

Savills Property Price Index (SPPI)

February 2017

→ Residential Index

In Q4/2016, the Residential Index was 93, increasing 1 point quarter-on-quarter (QoQ) and 3 points year-on-year (YoY) due to price escalations in newly launched projects. From 2013-2015, the residential index remained flat.

The absorption rate was 23%, increasing 4 percentage points (ppts) QoQ and 1 ppt YoY. In Q4/2016, there were approximately 10,200 sales, up 36% QoQ and 32% YoY, the highest volume since 2010. While Grade C continued to perform well, accounting for 49% of total sales, Grade B had over 4,700 sales, a significant increase of 60% QoQ and 6% YoY.

The apartment market will receive a large future supply in the next two years, especially from the mid to high-end segment. Consequently, the residential index is expected to show increases over the next few quarters.

Office Index

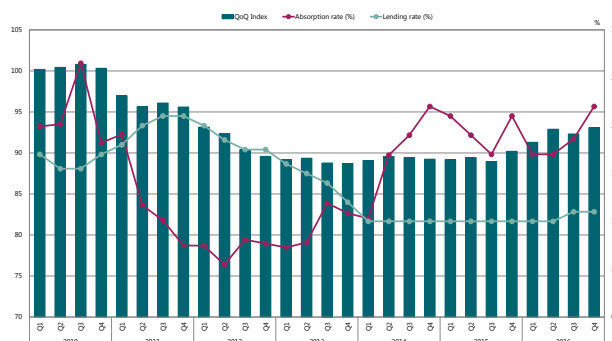
In Q4/2016, the Office Index was 86, stable QoQ but up 6 points YoY. Annual improvements resulted from occupancy increases of 3 ppts YoY and rent increases 2% YoY. The average annual occupancy reached a new high of 97 percent.

The CBD index was up 4 points YoY due to average occupancy increases of 2 ppts YoY and rent increases of 3% YoY.

Meanwhile, the non-CBD index benefited from limited CBD vacancy, up 5 points YoY from average occupancy increases of 5 ppts YoY.

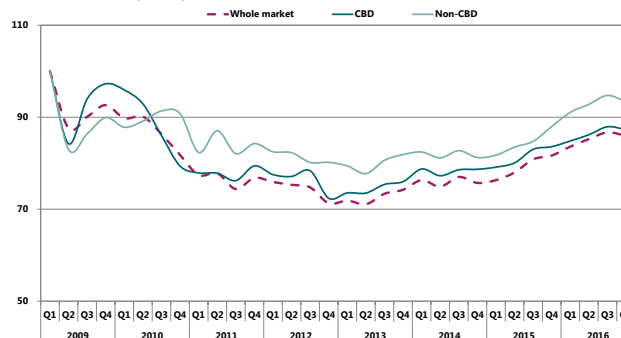
In Q4/2016, the total office take-up was approximately 12,580 m², decreasing -78% YoY due to limited vacancy. Grade A rents are expected to increase in coming years due to sustained demand exceeding new supply. Savills forecast approximate Grade A rent increases of 3% pa for the next three years.

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

Savills Research team

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