

Savills Property Price Index (SPPI)

August 2017

Residential Index

In Q2/2017, the index was at 106.1, down -1 point (pt) QoQ and 2 pts YoY. The average selling price was US\$1,209/m² or VND27.5 million/m². Increasing secondary supply is causing segment prices to ease a little. Grade A primary prices also decreased with new projects offering under average prices.

Average absorption rate was 28%, up 1 ppt but down -7 ppts YoY. There were 6,790 transactions, up 5% QoQ and 13% YoY. Grade B had 42% share of sales, outperforming all other grades.

In the second half of the year, approximately 23,500 units from 45 projects will come online. Affordable residential projects with well-rounded facilities are forecast to attract the most buyer interest.

Office Index

The index moved up to 65.2 pts, gaining 2.2 pts on Q1/2017 and 5.8 pts YoY, mainly due to 3.7 ppts QoQ and 7.4 ppts YoY occupancy increases.

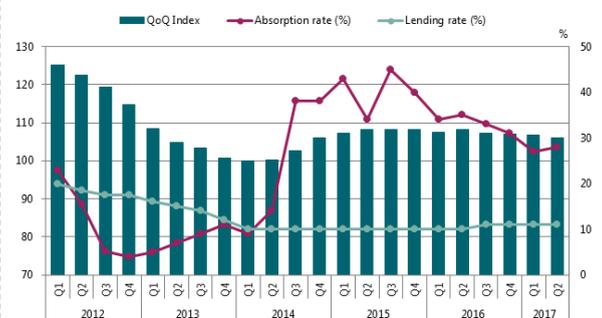
The CBD and non-CBD both registered QoQ and YoY improvements. Occupancy increases of 3.7 ppts QoQ and 2.4 ppts YoY put the CBD index up 3.0 pts QoQ and 1.6 pts YoY.

The non-CBD index steady upward trend continued 2.2 pts QoQ and 7.6 pts YoY as occupancy increased 3.7 ppts QoQ and 8.6 ppts YoY.

No new CDB supply over the next two years will likely ease pressure in the area and see average rents increase.

In contrast, the surge of new supply in the non-CBD area is providing occupiers more choice and pressuring developers to adjust asking rents to more competitive levels.

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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Savills plc.

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