

# Savills Property Price Index (SPPI)

November 2018

## Residential Index

In Q3/2018, The Residential Index decreased by less than 1 point (pt) quarter-on-quarter (QoQ) and year-on-year (YoY) to 104.5.

The average absorption rate was 23% with sales reaching approximately 6,300 units, down -16% QoQ but up 11% YoY.

Grade B dominated with a 51% share or 22% absorption, whilst Grade C performed well with 33% of sales. Grade A transactions had the highest growth of 232% QoQ and 40% YoY.

Until 2020, Grade C will account for 46% of future supply due to affordable selling prices, which appeal to buyers. With a 23% market share, Hoang Mai District will supply the most stock.

## Office Index

In Q3/2018, the Office Index was 69.4 pts, up 0.9 pts QoQ and 4.1 pts YoY. Whilst there was an upward trend, QoQ changes were minor given the low vacancy, suggesting the market could further increase.

The CBD index rose by 0.2 pts QoQ and 4.8 pts YoY as performance continued to improve at a slower rate, due to limited space. The non-CBD index was up 1.3 pts QoQ and 5.5 pts YoY.

In the short-term, the CBD is expected to see rents increase with two new projects coming online in 2019.

A surge of new non-CBD supply suggests a dynamic market. The non-CBD is attractive to occupiers, including those previously located in the CBD.

FIGURE 1 Residential QoQ Index

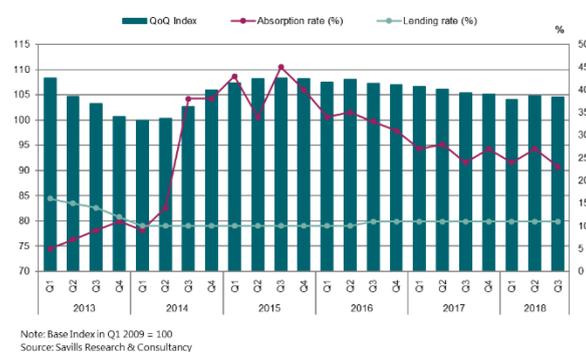


FIGURE 2 Office QoQ Index



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