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SAVILLS PROPERTY PRICE INDEX (SPPI) - HCMC

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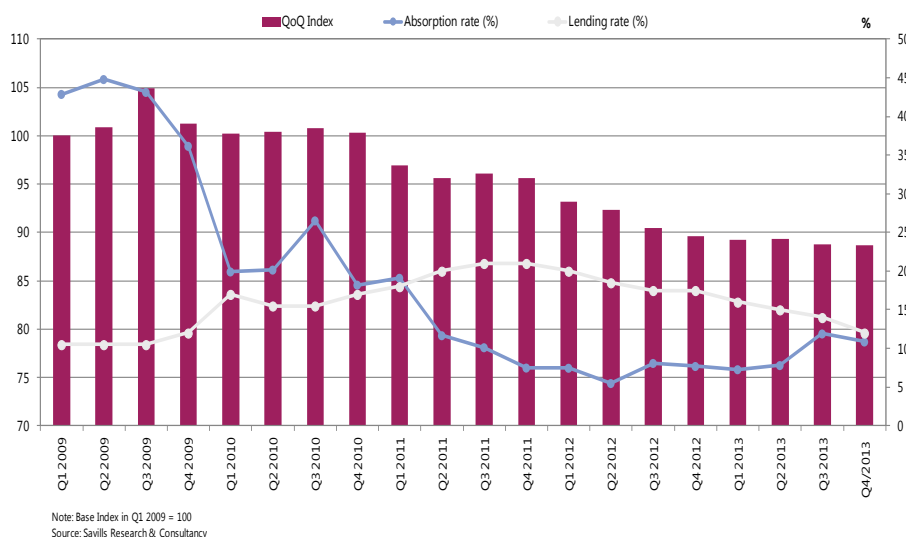
Residential Index

The residential index for Q4/2013 stood at 88.7, down slightly by -0.1 index point quarter-on-quarter (QoQ) and -0.9 index points year-on-year (YoY).

The overall absorption rate was 11%, decreasing slightly by -1 ppt but increasing by 3 ppts YoY, due to a slight decrease of 7% in transactions QoQ. There was a significant increase of 48% YoY in transaction volume.

After the “housing bubble” from 2008 to 2009, residential prices trended downward. Developer credibility and construction commitment have helped to increase homebuyer confidence. Financial support from bank partners and a stable interest rate has also encouraged buyers, leading to increases in sales volume and market liquidity. In the coming quarters, transactions are expected to continue to increase and the residential index should to become stable.

FIGURE 1
Residential QoQ Index



Office Index

In Q4/2013, the office index was 74.2, increasing slightly by 0.9 index points QoQ and 2.9 index points YoY. Compared with Q3/2013, the average market rent was relatively stable, but the average market occupancy increased by 1 ppt. This was the main reason for a slight increase in the office index this quarter.

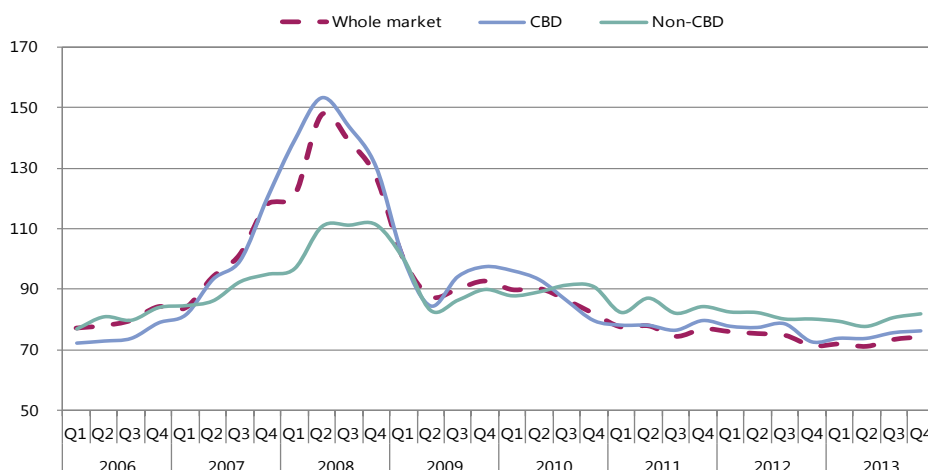
Both the CBD and non-CBD saw an increase in their Q4/2013 office index, up 0.6 index points in the CBD and 1 index point in the non-CBD. Occupancy increases were the main

reason for the higher office index. The CBD performed best, with occupancy at 90%, up 1 ppt QoQ. The average occupancy for the non-CBD was 88%, up 1 ppt QoQ; the highest rate in the last five years.

The total office take-up for Q4/2013 was more than 18,000 sq m, decreasing -58% QoQ due to lower take-up in Grades B and C; this figure was 35% higher than the same period last year.

In the next three years, increasing office demand but limited future supply will improve the performance of the office market. The office index is expected to increase slightly in the first half of 2014 and strongly in the second half of 2014, continuing into 2015, when the economy is expected to recover.

FIGURE 2
Office QoQ Index



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

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