

15 May 2014

SAVILLS PROPERTY PRICE INDEX (SPPI) – HA NOI

1. Residential Index

In Q1/2014, Ha Noi's SPPI was 100, down slightly -0.7 pts quarter-on-quarter (QoQ) and -8.3 pts year-on-year (YoY).

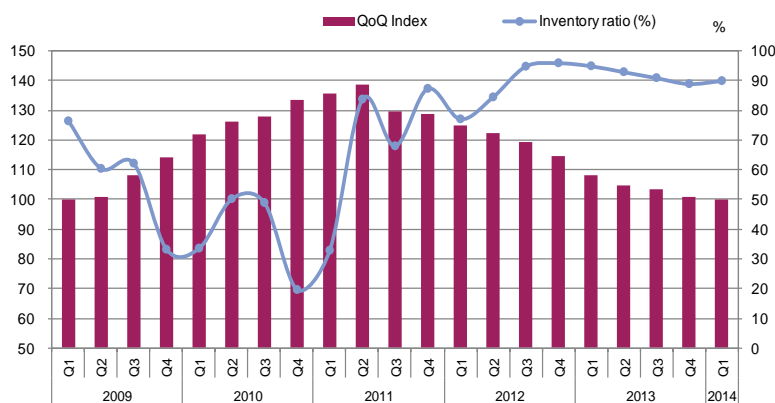
Similar to the QoQ index, the quarter-on-base (QoB) index was on a downward trend. After reaching its highest point in Q1/2011, it fell to 88 last quarter and remained stable in Q1/2014.

The inventory ratio declined sharply by -5 ppts YoY but rose 1 ppt QoQ due to the Lunar New Year holiday and the launch of three projects Grade C with roughly 1,160 units. There were approximately 1,240 units absorbed in the quarter, down -6% QoQ.

The average price in Q1/2014 was 24,600,000 VND/ sq m, down -1.3 ppts QoQ. The lower prices were due to developer's efforts to reduce inventory and the launches of affordable housing projects. The declining price can also be attributed to reduced speculation. This may be an indication that the market is adjusting towards end users.

FIGURE 1

Residential QoQ Index



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

Moreover, in international Property Awards scope, Savills has been awarded "Best Real Estate Agency Asia Pacific". The company consists of over 940 experienced and professional staff nationwide.

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Press Release

2. Office Index

In Q1/2014, the office index was 52.6 pts, a slight increase by 0.1 pt QoQ but down -7 pts YoY. The slight improvement in the QoQ office index was due to a 1 ppt increase QoQ in occupancy and -2% decrease QoQ in average rent.

This quarter, the CBD office index saw a slight reduction QoQ of -0.6 pt to 67.1 pts. Meanwhile, the non-CBD index showed modest improvement by 1 pt to 54.7 pts after decreasing for seven consecutive quarters. This was due to a slight improvement in average occupancy of the non-CBD by 2 ppts QoQ to end at 74 percent.

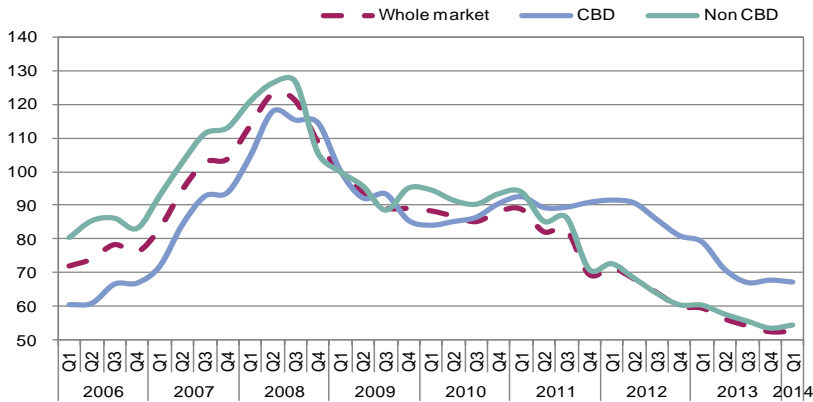
The office index has decreased gradually since its peak in Q2/2008, reflecting the market's sensitivity to new projects. In the next two years, large future supply will continue to put pressure on the market. However, office demand would grow with the expected economic recovery from 2015 onwards. As such, the office index is expected to remain stable in the second half of 2014 and increase slightly in 2015.

FIGURE 2

Office QoQ Index

Savills Vietnam

Savills Vietnam is the largest and most experienced real estate practice with offices in Hanoi and Ho Chi Minh City. The company provides comprehensive property services such as: Residential Sales, Commercial Leasing, Residential Leasing, Research & Consultancy, Valuation & Feasibility Study, Banking & Corporate Services, Investment Brokerage & Advisory, Retail Consultancy & Leasing, Property & Asset Management, Tenant Advisory & Representation, Industrial Consultancy & Leasing, Marketing & Creative services. Savills Vietnam has won the Asia Pacific Property Awards 2013 for “**Best Real Estate Agency Vietnam**”, “**Best Property Consultancy Vietnam**”, and “**Best Letting Agency Vietnam**” and “**Best Real Estate Agency Website**”. Moreover, in International Property Awards scope, Savills has been awarded “**Best Real Estate Agency Asia Pacific**”. The company consists of over 940 experienced and professional staff nationwide.



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

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