

12 August 2014

SAVILLS PROPERTY PRICE INDEX (SPPI) - HCMC

1. Residential Index

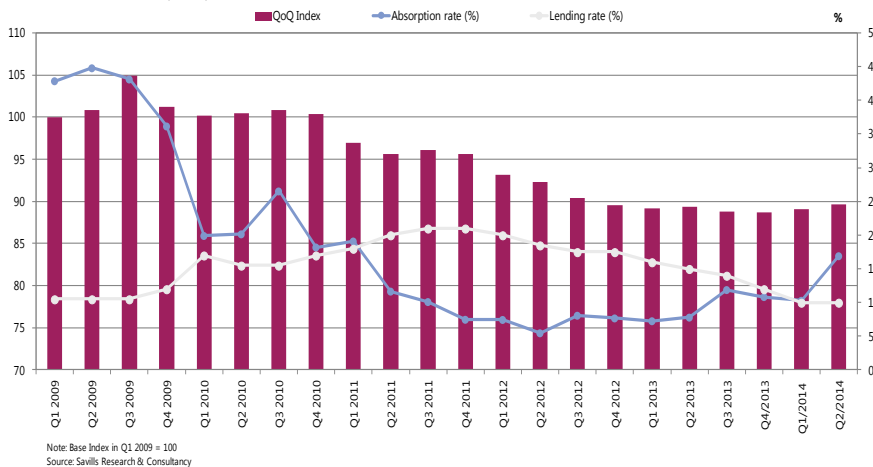
The Q2/2014 residential index was 89.6, increasing by 0.6 index points quarter-on-quarter (QoQ) and 0.3 index points year-on-year (YoY).

The overall absorption rate was 16.9%, up a remarkable 6.6 pts QoQ and 8.9 pts YoY. There was a significant increase in transaction volume and YoY growth with approximately 2,550 absorbed units, up 60% QoQ and 115% YoY, the highest transaction volume in the last three years.

During the last four quarters, the residential index has increased slightly each quarter. A number of critical factors including better financial support, construction commitment from developers and appropriate products targeting buyers, have resulted in higher market liquidity and price improvements. These positive signs of a recovering market are expected to continue to increase the QoQ index in the future.

FIGURE 1

Residential QoQ Index



2. Office Index

In Q2/2014, the market index was 74.9, down -1.4 index points QoQ but up 3.8 index points YoY. The QoQ office index decrease was due to a slight decrease in market occupancy by -1 ppt and rent by -1% QoQ. The lower occupancy was due mainly to Grade B's soft performance.

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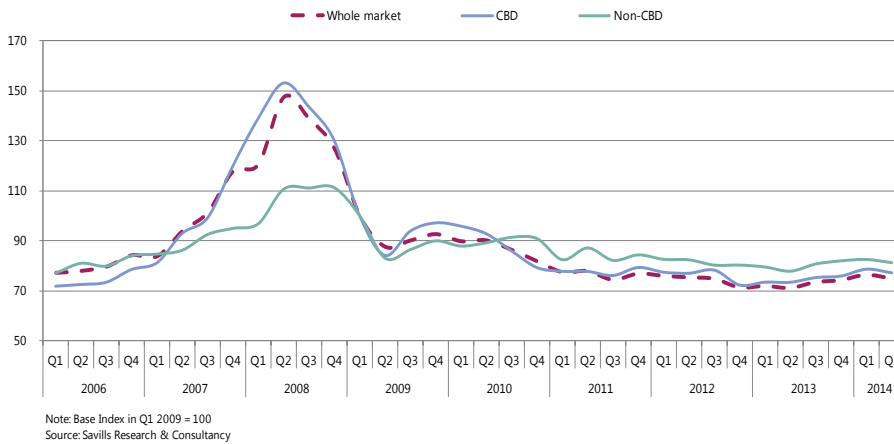
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In the CBD, the occupancy decreased by -1 ppt and average rent decreased by -1%, reducing the CBD's index by -1.5 points. In the non-CBD, a slight -1% decrease in the average rent was the reason for the -1.3 index point decrease.

The office index started increasing slightly in Q4/2012. Office demand should remain stable in the economic context and in the future FDI of HCMC. Grade A and B supply is limited short-term and is expected to slightly drive up the office index in coming quarters.

FIGURE 2

Office QoQ Index



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