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REAL ESTATE MARKET IN ASIA PACIFIC HAS RECORDED GROWTH IN THE FIRST HALF OF 2014

Savills has just issued the Prime Benchmark publication which covers 'prime-prime' segment of the most major property sectors in key cities across Asia Pacific.

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Key highlights:

- With a generally stable economic outlook, Asian currencies have appreciated slightly between 1% and 4% during the first half of 2014. However, currency devaluation has been experienced in China and Vietnam, recording a 0.9% and 1.0% local depreciation against the US dollar respectively, compared with the end of 2013. The Japanese government increased the consumption tax rate from 5% to 8% in April 2014, which is reflected in office and retail rents in Tokyo and Osaka.
- In local terms, office rental markets recorded growth from 1.6% to 5.0% across most cities in the first half of the year. China is showing a more mixed picture, with rental markets declining in Shanghai due to supply concerns, while strong office demand was noted in Shenzhen. Hong Kong is ranked the first with the rent of \$189.4/m² per month while that in Ho Chi Minh City and Ha Noi is \$48 and \$41.7 respectively (not including VAT).
- A majority of retail markets are recording slower growth in a late up-cycle. The implications may suggest that sectors are approaching their peak in most cities. In Manila rising middle-class incomes are the main driver of consumer spending, which in turn is boosting demand for retail space.
- Luxury apartment rents are showing mild growth in some Asian cities. Rental markets in Hong Kong, Singapore, and Shenzhen are experiencing a downtrend and seeing an apparent correction. Strong rental growth in the luxury serviced apartment sector was also noted in Manila.
- In the hotel sector, Guangzhou and Osaka have both recorded high growth rates, followed by Singapore, Tokyo, and Taipei.

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Mr. Troy Griffiths, Deputy Managing Director of Savills Vietnam said: "This benchmark series continues to demonstrate that Vietnam has very competitive pricing against its regional peers, particularly in the Hotel, Retail and Serviced Apartment asset classes. With quality investment stock difficult to source and given Vietnam's recent strong macro performance and established fundamentals then these asset classes are attracting the attention of foreign investors and developers. Provided pricing is realistic then this interest is likely to continue."

In Asia Pacific, Savills has 52 regional offices comprising over 22,000 staff. We provide customers with a comprehensive range of advisory and professional property services to

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 2014 for "Best Real Estate Agency in Vietnam", "Best Lettings Agency in Vietnam" and "Best Property Consultancy in Vietnam". Moreover, in International Property Awards scope, Savills has been awarded "Best Lettings Agency in Asia Pacific" and "Best Real Estate Agency in Asia Pacific". The company consists of over 940 experienced and professional staff nationwide.

Press Release

developers, owners, tenants, and investors including consultancy services, facilities management, corporate real estate services, property management, leasing, valuation and sales. As an innovative thinking organization, Savills is committed to offer premium services to all clients.

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