

SAVILLS PROPERTY PRICE INDEX (SPPI) – HCMC Q3/2014

1. Residential Index

The Q3/2014 residential index was 89.5, stable quarter-on-quarter (QoQ) and up 0.7 year-on-year (YoY).

The overall absorption rate was 19%, a strong increase of 2 pts QoQ and 7 pts YoY. In Q3/2014, approximately 3,280 units were sold, up 29% QoQ and 85% YoY, the highest transaction volume since Q4/2010.

The residential index has been stable in recent quarters and increased slightly compared with Q3/2013. Strong financial support from banks and developers helped increase buyer confidence. In addition, a wide range of suitable products has been developed to meet the demand of multiple targeted buyers, contributing to higher market liquidity and price improvement. The QoQ index is expected to stabilize in the coming quarters.

Residential QoQ Index



2. Office Index

In Q3/2014, the market index was 77, up 2.1 points QoQ and 3.6 points YoY. The improvement in the QoQ office index was due to an increase in both the average market occupancy (up 2 pts) and market rent (up 1%). Occupancy was at its highest level since Q1/2009

A 1 ppt increase in the CBD's occupancy raised the office index by 1.3 points. The non-CBD office index also increased 1.6 point due to increasing 2 pts in occupancy.

Office take-up was up 152% QoQ, reflecting great demand. However, in the coming quarters, a large office supply will enter the market, potentially pressuring office performance.

Office QoQ Index

