CBRE

Residential Demand Normalizes in a Higher-Rate Environment, While Industrial Real Estate Benefits from the Global AI Investment Wave

▲ +8.18%	▲ +8.27%	▲ +8.22 %	▲ +35.17 %
VIETNAM GDP	HCMC GRDP	HANOI GRDP	VN-INDEX

Note: Arrows indicate y-o-y change.

HOT TOPICS

- **Office:** Rental growth across both Grade A and Grade B offices remained stable in Q2 2026. Leasing activity softened and pushed vacancy rates up slightly q-o-q, with Grade A vacancy rising by 0.1 ppts to 16.7% and Grade B vacancy increasing by 0.6 ppts to 12.5%.
- **Retail**: HCMC did not record any new supply in the first half of 2026. The overall market vacancy rate in Q2 remained stable at 6%.
- **Residential:** Condominium supply declined by 48% q-o-q, with only 850 units launched to the market. In contrast, the landed property market experienced a strong rebound, recording 1,934 newly launched units, primarily from a township project located in the suburban area of former HCMC. As a result, the average primary selling price across the market declined 3% q-o-q and 29% y-o-y.
- **Industrial land:** In H1 2026, the Southern industrial real estate market demonstrated robust recovery and a strategic shift towards high-tech FDI, highlighted by a 125% y-o-y surge in industrial land net absorption to 124 hectares, predominantly driven by Binh Duong and Dong Nai.
- **RBW/RBF:** Ready-built space recorded healthy absorption (0.37 million sqm), stable rents (RBF: USD 5.2, RBW: USD 5.0), and robust occupancy (RBF: 91%, RBW: 80%). Concurrently, Built-to-Suit (BTS) emerged as the preferred strategy for large, customized logistics hubs.

VIETNAM ECONOMIC OVERVIEW

- GDP growth rate for 6M 2026 recorded at 8.18% y-o-y, which was the highest growth rate ever recorded for 6M within the period 2011-2026 (except for the post-Covid period in 2022).
- The total registered foreign direct investment (FDI) in Vietnam (including newly registered capital, adjusted and contributed capital to buy shares and buy contributed capital) reached US$ 34.65 billion in 6M/2026, an increase of 61% compared to the same period last year.
- Vietnam's total export turnover reached US$ 266.52 billion, up by 21% y-o-y. On the other hand, total import turnover of the country recorded approximately US$ 283.17 billion, leading to a trade deficit to be US$ 16.65 billion in 6M 2026.
- Vietnam's consumer price index (CPI) rose by 4.38% y-o-y in 6M 2026, mainly driven by rising fuel costs and import prices.
- Vietnam's total retail sales of goods and services reached VND 3,889.5 trillion, up by 12.9% y-o-y.
- During the period, the total number of international arrivals recorded approximately 12.3 million visitors, which represents a 14.9% increase y-o-y. This marks the highest number ever recorded in Vietnam’s tourism sector, underscoring the strong recovery and growing appeal of Vietnam as a global travel destination.

Office

Steady Rental Growth Amid Moderating Absorption in H1 2026

Ho Chi Minh City's office market remained stable in H1 2026, with no new supply entering the market and total stock held at 1.7 million sqm NLA. The absence of new supply supported stable rental growth, with average rents increasing marginally by 0.1% quarter-on-quarter (q-o-q) for Grade A offices and 0.6% q-o-q for Grade B offices. On an annual basis, Grade A rents rose by 1.6% to US$47.2/sqm/month, while Grade B rents increased by 1.1% year-on-year (y-o-y) to US$27.1/sqm/month.

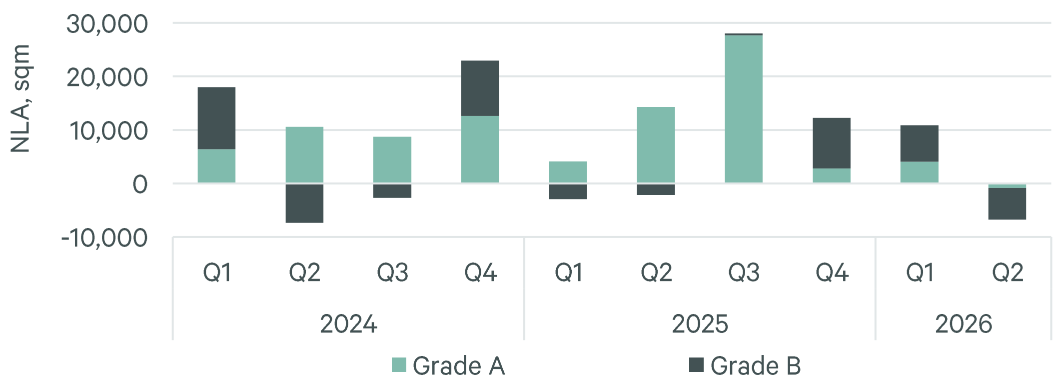
Leasing momentum softened in Q2 2026, leading to a slight quarterly increase in vacancy rates. The vacancy rates edged up slightly on a quarterly basis, with Grade A vacancy rising by 0.1 percentage points to 16.7% and Grade B vacancy increasing by 0.6 percentage points to 12.5%. However, it is noteworthy that the market fundamentals continued to improve compared with a year ago; Grade A vacancy declined by 6.2 percentage points y-o-y, while Grade B vacancy remained largely stable.

Corporate Restructuring Reshapes Office Demand

Expansion and relocation remained the key drivers of office leasing activity in H1 2026, accounting for 39% and 32% of the transacted area, respectively. Notably, more than 80% of tenants chose to move to Grade A and Grade B buildings that had just been put into operation in the last 2-3 years, highlighting occupiers' ongoing preference for higher-quality workspaces that offer greater operational efficiency and enhanced employee experience.

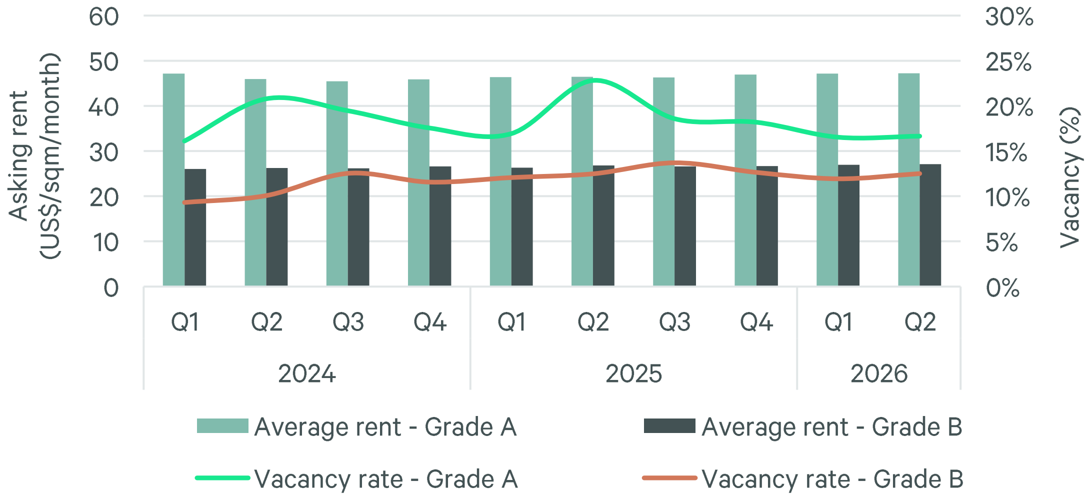
At the same time, the market recorded a gradual increase in contraction and surrender transactions as companies sought to optimize costs and adapt to evolving business conditions. Surrender transactions accounted for 15% of total transacted area in H1 2026, while contractions represented 7%. This trend has been particularly noticeable among technology occupiers, many of whom are reassessing workplace strategies amid ongoing corporate restructuring efforts.

FIGURE 1: Net absorption, Office, HCMC



Source: CBRE Research & Consulting, Q2 2026.

FIGURE 2: Asking rent and Vacancy rate, Office, HCMC



Asking rent is exclusive of service charge and VAT.
Source: CBRE Research & Consulting, Q2 2026.

Retail

The retail real estate market in HCMC did not record any new supply introduced into the market in Q2 and the first half of 2026. Asking rent and occupancy rates continue to maintain stable growth momentum.

The overall market vacancy rate in Q2 2026 remained stable and almost unchanged compared to the previous quarter, at 6%. Specifically, the CBD area recorded a vacancy rate of 3.0%, down 2.2 ppt compared y-o-y. Although the non-CBD area had a higher vacancy rate at 5.6%, this was still 1.8 ppt lower than the same period last year. According to CBRE, the non-CBD area has welcomed new brands such as Mother & Baby and F&B, while existing brands like Fashion and Health & Beauty continue to expand.

According to real estate market reports, non-CBD areas have welcomed emerging international brands in the mother-and-baby and F&B sectors, while established fashion, beverage, and retail chains continue to expand their footprint.

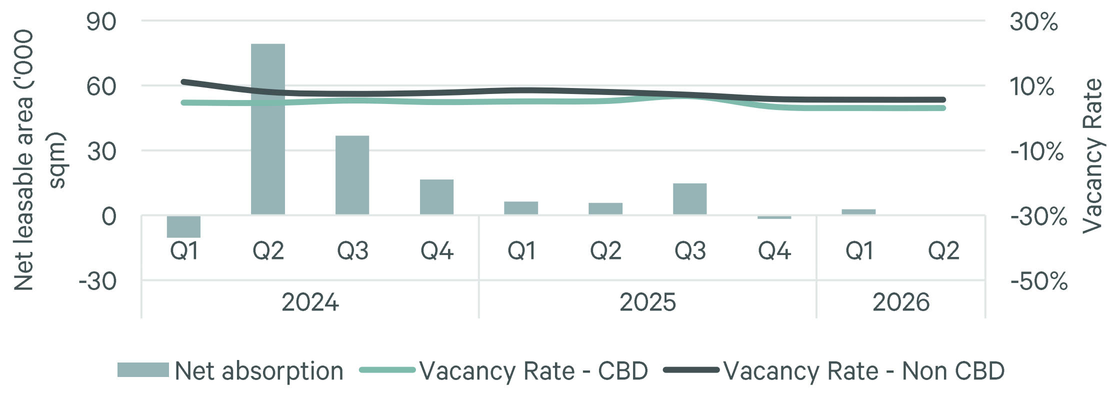
The average asking rent in the non-CBD area increased by 2.9% q-o-q and 6.2% y-o-y, reaching US$56.2/sqm/month. Asking rent in the CBD area also increased slightly at US$288.6/sqm/month, up 1.2% q-o-q and 3.6% y-o-y.

Outlook: Supply Pressures in the CBD and a Shift toward the Suburbs

The pressure of scarcity of land in the CBD area has not yet been able to cool down. Due to legal barriers and construction delays, almost no new large-scale projects are expected to become operational. New supply is expected to be opened and tend to shift strongly to non-CBD area and satellite cities (such as the East, South or along the infrastructure axes connecting the Metro). New-generation mixed-use projects will prioritize large land banks in the suburbs to optimize costs and experience space.

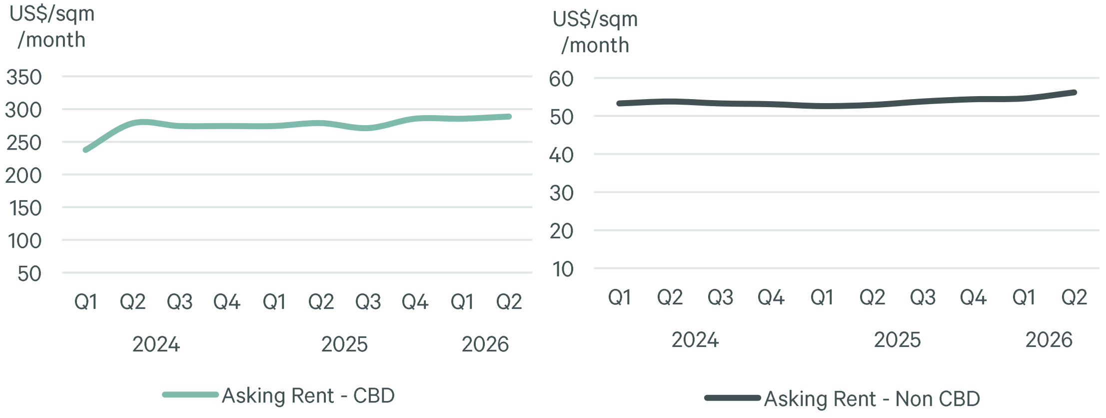
In the coming years, retail space supply in the CBD is expected to remain constrained. Asking rents are projected to remain elevated, increasing modestly by 3% to 5% per year. The area will continue to attract high-end brands, while HCMC remains a key destination for international retailers, driven by the growing middle- and upper-income population in Vietnam.

FIGURE 3: Market performance, Retail, HCMC



Source: CBRE Research & Consulting, Q2 2026.

FIGURE 4: Asking rent, Retail, HCMC



Asking rent is calculated for the Ground Floor and First Floor, excluding VAT and service charge.
Source: CBRE Research & Consulting, Q2 2026.

Condominium

Condominium supply in former HCMC declined in Q2 compared to Q1, with new launches shifting toward the expanded area

In Q2 2026, the market recorded approximately 850 new condominium units launched, representing a 48% decline compared to the previous quarter. Most new supply in the Southern market originated from the expansion of Ho Chi Minh City area, particularly former Binh Duong Province, where the number of newly launched units was seven times higher than that of former Ho Chi Minh City.

The average primary selling price reached VND 92 million per sqm (NSA), up 1% q-o-q. Price growth continued to moderate compared to 2025, as most developers maintained existing price levels while prioritizing sales velocity. Sales incentives, including extended payment schedules and selective discount programs, remained in place to support transaction activity.

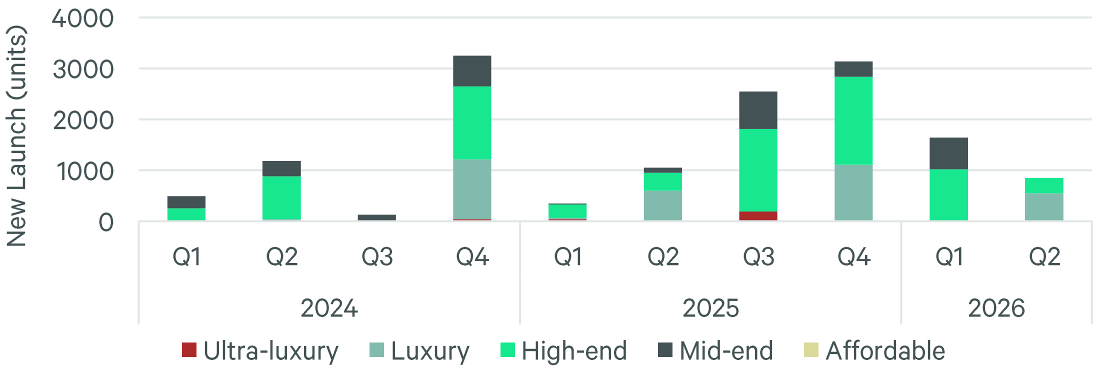
In the secondary market, the average selling price reached VND 69 million per sqm, increasing 2% q-o-q and 34% y-o-y. This growth was largely driven by the relatively low price base recorded in the first half of 2025, before the market entered a recovery and acceleration phase in the second half of the year. However, transaction activity showed signs of slowing amid higher interest rates. Price appreciation was concentrated mainly in District 2, District 9, and the southern area of former Ho Chi Minh City, supported by positive expectations surrounding ongoing transportation infrastructure development.

Outlook: Rising supply across the greater HCMC area

New condominium supply in former Ho Chi Minh City is projected to triple in 2026 compared to the previous year, with approximately 50% of upcoming launches concentrated in the southern part of the city.

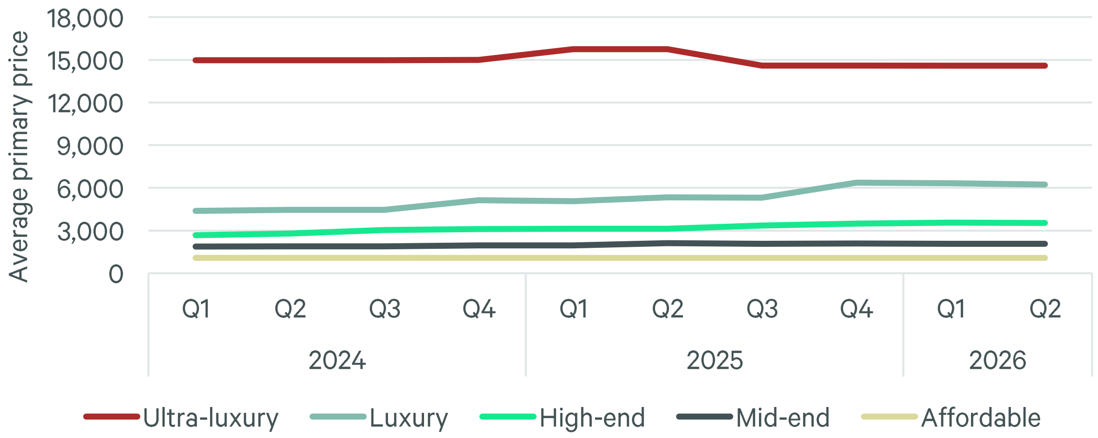
Across the greater Ho Chi Minh City, total new supply is expected to reach nearly 45,000 units in 2026. Notably, former Binh Duong is projected to account for around half of this volume, supported by its ample land bank, improving infrastructure, and more competitive pricing. The shift of new supply toward suburban and satellite urban areas is expected to continue in the coming years.

FIGURE 5: New supply, Condominium, HCMC



Source: CBRE Research & Consulting, Q2 2026.

FIGURE 6: Average primary price, Condominium, HCMC



Source: CBRE Research & Consulting, Q2 2026. Since Q1 2024, following the market movements, CBRE applied a new condominium ranking criteria (referring to Terminology page).
Average Primary Price: US$ psm (excluding VAT, maintenance fee, discounts and quoted on NSA), this index tracks all projects available for sales during the review quarter, including both first-time launched projects and next phases of existing projects.

Villa & Townhouse

A large-scale township project drives a surge in new supply

In Q2 2026, landed property market in former Ho Chi Minh City recorded 1,934 newly launched units, increase 22 times compared to the previous quarter. Notably, this surge was driven entirely by a single township project in Hoc Mon District.

The substantial volume of new launches in the suburban area of former Ho Chi Minh City pushed the average primary selling price down to VND 216 million per sqm of land, representing a decline of 3% q-o-q and 29% y-o-y.

Meanwhile in the secondary market, price growth moderated following a period of rapid appreciation since mid-2025. As of Q2 2026, the average secondary price reached VND 170 million per sqm of land, up 1% q-o-q and 5% y-o-y.

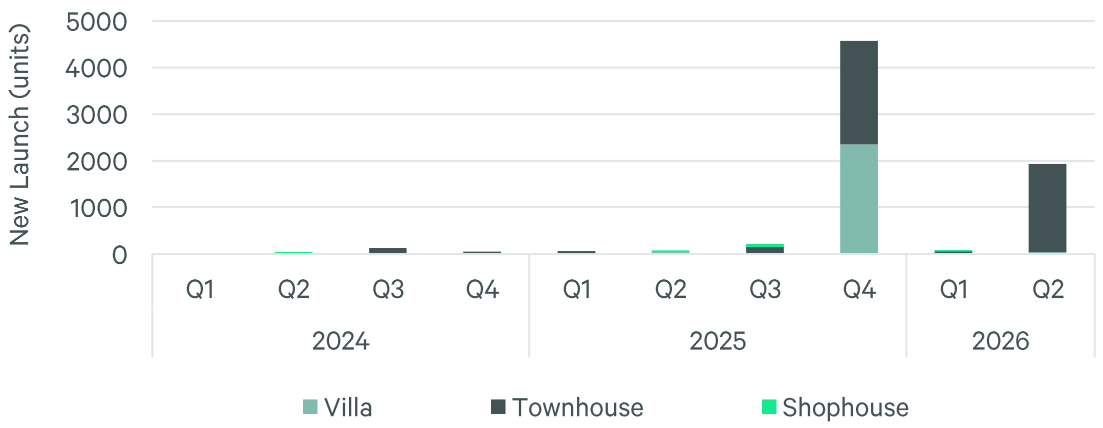
Amid abundant new supply and the remaining inventory from previously launched mega-township project, the overall market absorption rate declined to 89%. However, this largely reflects the significant increase in available stock rather than a weakening in underlying demand.

Outlook: Expanding supply pipeline reinforces long-term growth

The outlook for the coming years remains broadly unchanged, with landed property supply in Ho Chi Minh City expected to improve significantly as new township developments in the eastern and southern areas gradually come to market.

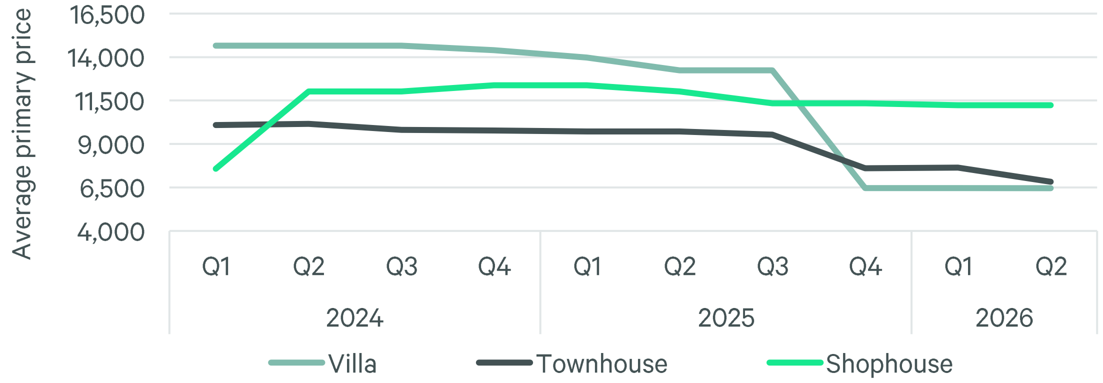
New launches are projected to reach approximately 5,500 units by the end of 2026 and continue increasing to more than 15,000 units by 2028. Future supply is expected to be largely driven by mega-township projects developed by major developers, which will remain the key growth engine supporting the recovery and expansion of Ho Chi Minh City's landed property market.

FIGURE 7: New supply, Landed property, HCMC



Source: CBRE Research & Consulting, Q2 2026.

FIGURE 8: Average primary price, Landed property, HCMC



Source: CBRE Research & Consulting, Q2 2026.
Average Primary Price: US$ psm (excluding VAT, maintenance fee, discounts and quoted on land area), this index tracks all projects available for sales during the review quarter, including both first-time launched projects and next phases of existing projects.

Southern Industrial Market

Southern industrial land market registers steady demand recovery and strategic shift towards high-tech FDI in H1 2026

CBRE data for the first half of 2026 (H1 2026) reveals continued demand recovery within the industrial real estate sector. Total industrial land net absorption reached 124 hectares, representing a robust 125% year-on-year (y-o-y) increase. The Southern Tier 1 hubs of Binh Duong and Dong Nai captured 83% of this total absorbed area, with demand primarily fueled by the electronics and logistics sectors.

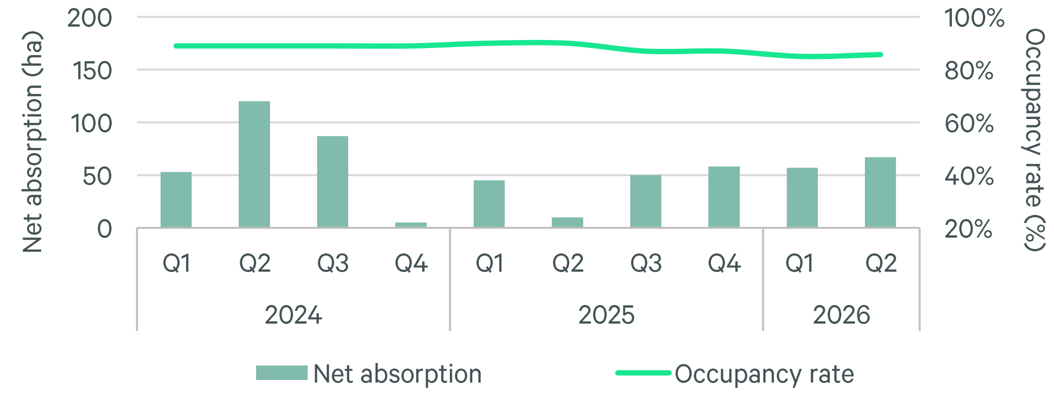
Southern ready-built market maintains positive momentum in H1 2026

In the ready-built warehouse and ready-built factory (RBW/RBF) segment, Southern Tier 1 markets recorded approximately 0.47 million sqm of Net Leasable Area (NLA) in new supply during H1 2026. This was met with healthy net absorption of over 0.37 million sqm. Regarding the tenant profile, demand for RBW continued to be led by logistics and e-commerce enterprises, while the electronics sector accounted for the majority of RBF leasing transactions.

A key highlight of Q2 2026 was a development transaction for an automated sorting center spanning over 60,000 sqm in Nam Thuan Industrial Park by an international logistics and e-commerce player. Although excluded from the total absorption figures of the traditional ready-built segment, this project highlights how Built-to-Suit (BTS) solutions are increasingly emerging as a strategic space strategy, enabling the optimization of technical specifications for large-scale logistics hubs.

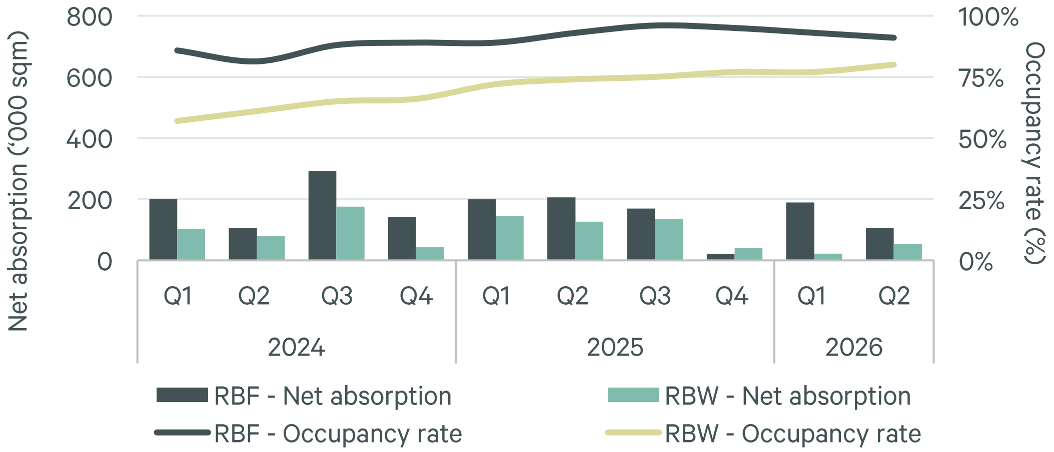
Overall, the market maintained stable performance, with average occupancy rates reaching 91% for RBF and 80% for RBW. Regarding rental rates, amid competitive pressures from new supply pipelines, developers opted to hold asking rents steady to attract tenants. Specifically, average asking rents remained largely flat quarter-on-quarter (q-o-q), stabilizing at USD 5.2/sqm/month for RBF and USD 5.0/sqm/month for RBW.

FIGURE 7: Industrial land, Southern region, Tier – 1 provinces



Source: CBRE Vietnam Research & Consulting, Q2 2026.
Note: Tier 1 markets include HCMC, Binh Duong, Dong Nai, Long An & BR-VT.

FIGURE 8: Ready-built factory and warehouse (RBF/RBW), Southern region, Tier – 1 provinces



Source: CBRE Vietnam Research & Consulting, Q2 2026.
Note: Tier 1 markets include HCMC, Binh Duong, Dong Nai & Long An.

Terminology

Grade A, B (Office): Although no formal classification system exists, grades are generally understood as follows:

Grade A Buildings: High-rise buildings, located within the CBD, with column-free floor plates of over 1,000 sq. m., ceiling heights of 2.75 meters, professional management, premium M&E design, lift lobby, and high-efficiency access.

Grade B Buildings: Generally, 75% of Grade A amenities as well as being in the CBD or periphery, with at least seven stories and floor plates of 500-1000 sq. m.

Net absorption: Net absorption figures represent the net increase in occupied floor space in the period. The figures are determined using the following method:

net absorption = new completions

+ vacancy figures at the beginning of the period

– demolition - vacancy figures at period-end

Rent: Rent is quoted as the average "asking" rent, without accounting for any incentives. Rents are stated in US$ per square meter (per sq. m.) as well as in these terms: Gross or net, inclusive (including management fees and/or property taxes) or exclusive (excluding management fees and property taxes) that are customarily employed in the respective sector.

Rents or average room rates are quoted on the following basis:

Office: Rents, NLA, exclusive of VAT and service charges.

Flexible Workspace: Rents, per person, inclusive of amenities but exclusive of VAT.

Retail: Rents, NLA, exclusive of VAT and service charges.

CBRE's condominium ranking criteria applied since Q1 2024:

Ultra-luxury: projects that have primary prices over US$12,000 per sq.m

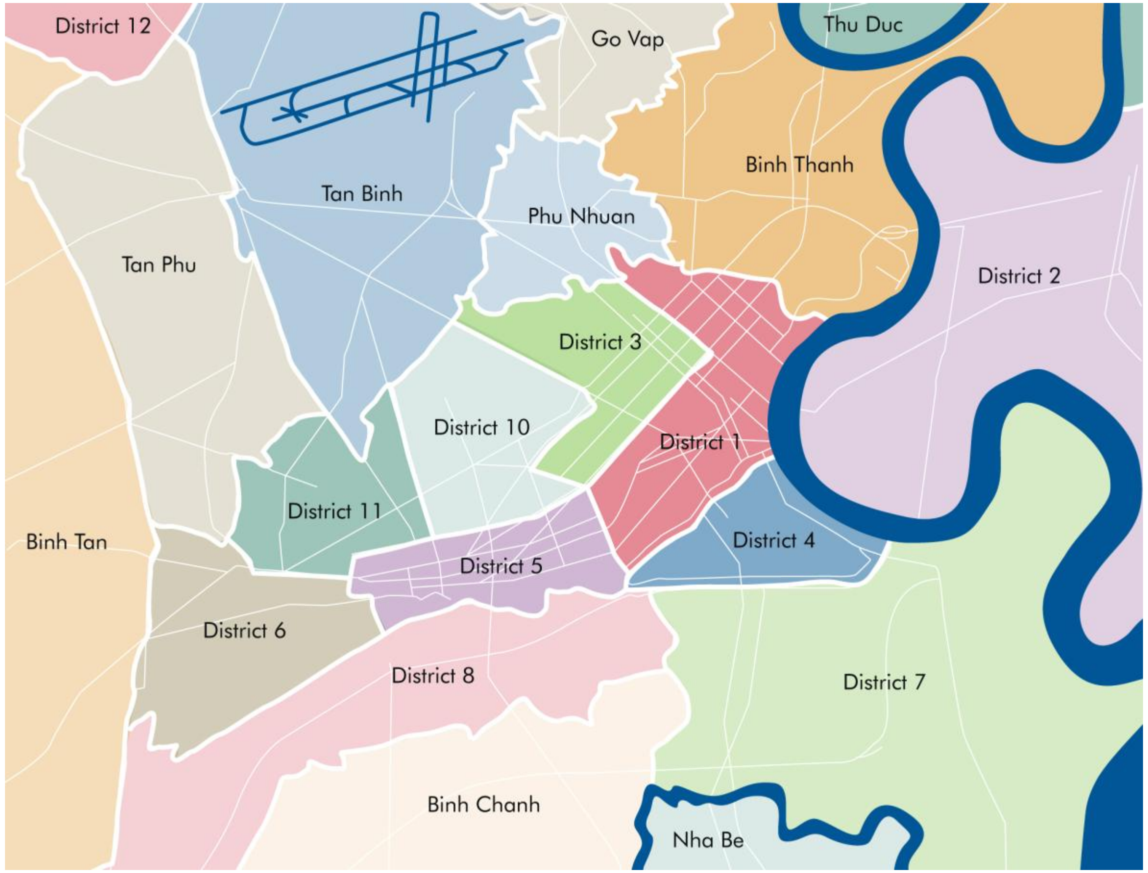
Luxury: projects that have primary prices from US$5,000 per sq.m to US$12,000 per sq.m

High-end: projects that have primary prices from US$2,500 per sq.m to US$5,000 per sq.m

Mid-end: projects that have primary prices from US$1,500 per sq.m to US$2,500 per sq.m

Affordable: projects that have primary prices under US$1,500 per sq.m

Saleable area: The saleable area of a unit is measured up to the center line of the wall separating adjoining units. The full thickness of the walls separating the units from common areas, lift shafts, light wells, staircases, etc., is included.



Note: Ho Chi Minh City (HCMC) refers to the administrative boundaries prior to the provincial merger.

Disclaimer:

Contact

Dung Duong

Executive Director, Research & Consulting
CBRE Vietnam
+84 28 6284 7668 ext. 4035
dung.duong@cbre.com

An Nguyen

Senior Director, Research & Consulting
CBRE Hanoi Branch Director
+84 24 6288 6379 ext. 4506
an.nguyen@cbre.com

Thanh Pham

Director, Research & Consulting
CBRE Vietnam
+84 28 6284 7668
thanh.pham@cbre.com