

HCMC's real estate market pipeline remains modest across most sectors

▲ +7.52%
VIETNAM GDP

▲ +7.82%
HCMC GRDP

▲ +7.63%
HANOI GRDP

▲ +8.60%
VN-INDEX

Note: Arrows indicate y-o-y change.

HOT TOPICS

- **Office:** Grade A offices continued to experience improvement in vacancy rate, decreased by 0.9 ppts y-o-y, at 16.9%, mainly driven by the trend of tenants opting for high-quality buildings in District 1 and Thu Duc City.
- **Retail:** The HCMC retail market in Q2 2025 recorded no new supply. The city net absorption was 5,790 sqm, an 8% decrease from the previous quarter. The vacancy rate in the CBD area remained stable at 5.2%. Meanwhile, the non-CBD vacancy rate dropped to 8.0%, a decrease of 0.6 percentage points q-o-q.
- **Residential:** The number of new launches in HCMC remained modest with a total of 1,400 new high-rise supply and 74 new low-rise supply in H1 2025. The primary prices continued to increase 7% q-o-q for condominium but declined 2% q-o-q for landed property as new landed property developments located in the fringe area.
- **Industrial land:** The market experienced H1 2025 slowdown due to US-Vietnam tariff concerns. New leases totaled 55 hectares, 42% lower than the Q1 2023-Q1 2025 average.
- **RBW/RBF:** The market showed significantly improved performance, driven by logistics and e-commerce, absorbing 300,000 sqm (warehouses) and over 400,000 sqm (factories) for first 6 months 2025. By Q2 2025, occupancy reached 74% (warehouses) and 93% (factories).

Vietnam Economic Overview in the First Six Months

- The real GDP growth rate for the first 6 months of 2025 was at 7.52% y-o-y, the highest ever recorded for the first half of a year within the period 2011-2025.
- The total registered FDI (including newly registered capital, adjusted and contributed capital to buy shares and buy contributed capital) reached US\$21.52 billion, a significant increase of 32.6% compared to the same period last year and the highest level ever recorded since 2009.
- Vietnam's total export turnover reached US\$219.83 billion, up by 14.4% y-o-y. The total import turnover of the country was US\$212.2 billion, leading to a trade surplus of US\$7.63 billion.
- The CPI rose by 3.27% y-o-y in 6M 2025, mainly driven by the increase in fuel prices, construction materials and several essential services.
- Vietnam's total retail sales of consumer goods and services reached VND3,416.8 trillion, up by 9.3% y-o-y, slightly higher than the 8.9% growth observed in the same period of 2024.
- The total number of international arrivals recorded approximately 10.7 million visitors, which represents a 20.7% increase y-o-y. This marks the highest first-half total ever recorded in Vietnam's tourism sector.

Office

Vacancy rising when new supply comes online

As of Q2 2025, HCMC office market welcomed three new projects, including Marina Central Tower - Grade A building (District 1) and two Grade B buildings in District 3 – Yteco Tower and Halo Signature Building, providing 87,139 m2 NLA, bringing the total office supply to over 1.7 million sqm NLA. An additional 4,800 m2 NLA is expected to be offered for lease in the latter of 2025.

As these projects were newly completed and launched for lease at the end of Q2 2025, their vacancy rates were relatively high, leading to an increase in the average Grade A vacancy rate across the market in Q2 to 22.8%, a 2.0 ppts increase y-o-y. Excluding the new office buildings, the average Grade A vacancy rate was recorded at 14.8%, a 0.1 ppt increase y-o-y and a 2.2 ppt decrease q-o-q.

Similarly for Grade B offices, the vacancy rate in Q2 2025 increased by 2.7 ppt y-o-y, reaching 12.5%. Excluding the new supply from the two new buildings, the vacancy rate this quarter decreased to 10.7%, a 1.1 ppts decrease q-o-q.

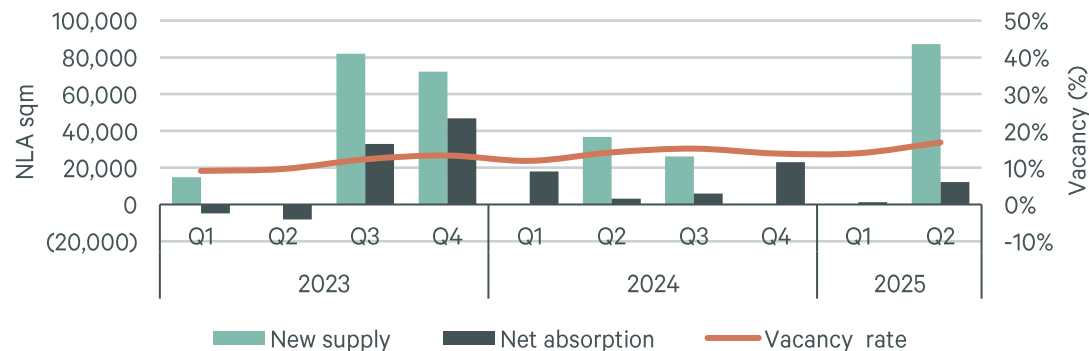
The net absorption for HCMC office market in the first half of 2025 remained positive, with over 13,000 m2 NLA taken up, primarily from Grade A office transactions. New buildings in decentralized areas, including The Mett, The Hallmark, and UOA Tower, achieved favorable occupancy rates of over 90%. Consequently, the average Grade A asking rent increased by 1.1% compared to Q2 2024, reaching 46.5 USD/m2/month.

The average Grade B asking rent in Q2 2025 reached 26.8 USD/m2/month, a 2.1% increase y-o-y, mainly driven by price increases in some buildings in District 1, District 3, and Thu Thiem.

Expansion transaction purposes dominate major demands in the first quarter of 2025

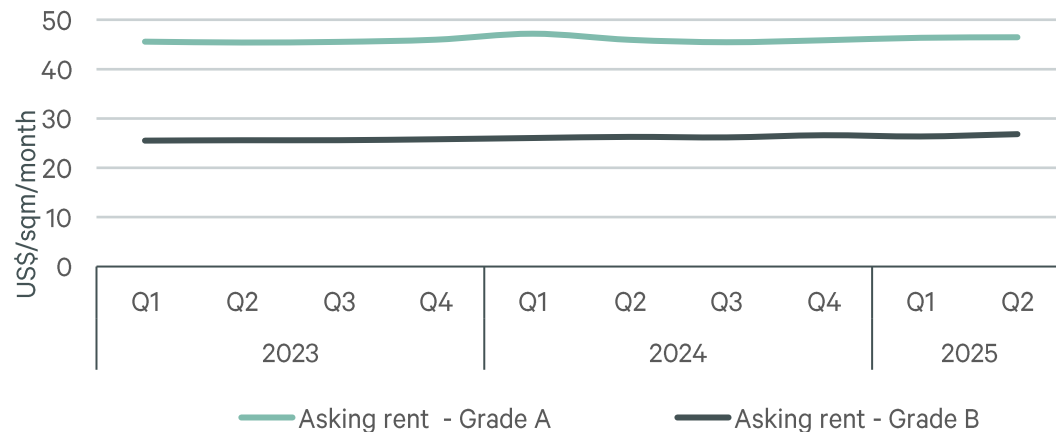
The Information Technology sector continued to lead the market in both transaction volume and area in Q1/2025, representing 25% and 31%, respectively. Following closely were the Finance/Banking/Insurance and Manufacturing sectors, accounting for 16% and 14% of this quarter's recorded transaction area.

FIGURE 1: Office Performance, HCMC



Source: CBRE Research & Consulting, Q2 2025

FIGURE 2: Asking rent, Office, HCMC



Asking rent is exclusive of service charge and VAT.

Source: CBRE Research & Consulting, Q2 2025

Retail

Expansion of lifestyle category driven by Chinese brands

In Q2 2025, the retail market in HCMC recorded no new supply. The city net absorption was 5,790 sqm, an 8% decrease from the previous quarter. Most newly leased space came from brands relocating or opening new branches in densely populated areas, such as Watson, Elmich, Chaufifth, Matsukiyo, and KKV, etc.

The vacancy rate in the CBD area remained stable at 5.2%, increasing by only 0.1 ppt q-o-q and 0.6 ppt y-o-y, reflecting the strong appeal of prime retail spaces where brands are willing to pay higher rents for the best locations. Meanwhile, the non-CBD vacancy rate dropped to 8.0%, a decrease of 0.6 percentage points q-o-q and unchanged y-o-y.

One notable highlight of the HCMC retail market since late 2024 has been the entry and expansion of Chinese brands, a trend that is still ongoing. Several brands, such as Oh!Some, Polarpopo, KKV, BanTianYao, and Wayjie, have continuously launched and expanded in recent months.

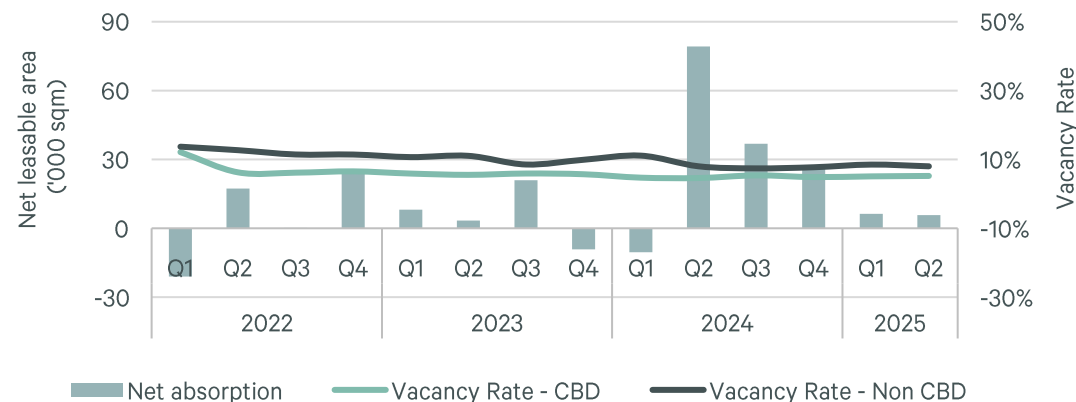
Rental growth ceases at high plateau

In the CBD area, the average asking rent was US\$278.6/sqm/month, increasing by 1.6% q-o-q and 0.1% y-o-y. Asking rents in the non-CBD area averaged US\$52.9/sqm/month, dropping 1.7% y-o-y but increasing 0.5% q-o-q. For other floor areas, landlords are tending to refine their tenant mix by combining smaller spaces and replacing them with larger tenants, especially major lifestyle brands, to enhance the shopping experience.

In the second half of the year, HCMC is expected to welcome approximately 25,000 sqm of new retail space from the podiums of two projects in the CBD area.

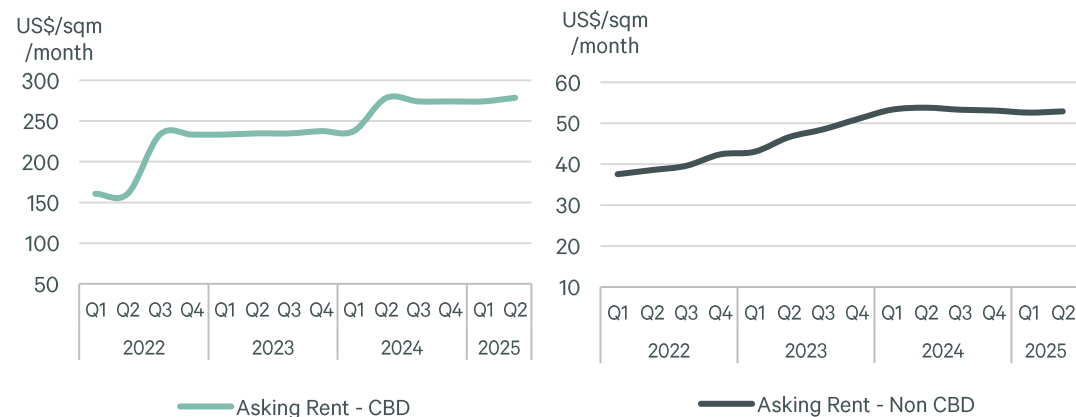
Most new retail brands in HCMC tend to prioritize spaces in shopping malls with stable foot traffic. However, as consumers today are smarter than ever, they are willing to spend more time researching, comparing prices, and hunting for every deal from promotions and discount codes to loyalty points, all to optimize spending. Therefore, traditional stores need to significantly develop omnichannel shopping channels to adapt to this rapidly changing consumer trend.

FIGURE 3: Market performance, Retail, HCMC



Source: CBRE Research & Consulting, Q2 2025

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 2025

Condominium

Limited new supply in the first half of 2025 at high primary prices

HCMC saw just 1,400 new condominium launches during the first half of 2025. Despite new condominium supply doubling from Q1 to Q2 2025, the total for the first six months of 2025 remained 16% lower than the same period in 2024, marking the lowest level since 2015. This indicates that efforts to resolve project legal issues, have yet to trigger a strong recovery in HCMC's new residential supply.

The average primary selling price hit VND 82 million per sqm, up by nearly 7% q-o-q and 29% y-o-y. New supply launched during this quarter included one new project and subsequent phases of previously launched projects, in which prices for these launches during Q2 were adjusted upwards by 10%-13% compared to earlier phases.

While the primary selling price saw a significant 29% y-o-y increase, the absorption rate for new launches in the first half of 2025 was 74% of total units launched, a decrease compared to the same period in 2024 (86%).

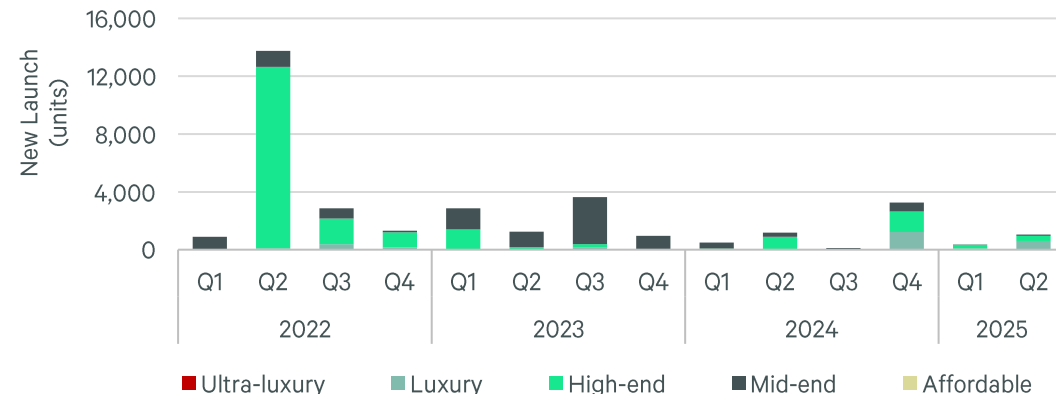
In contrast, during the first six months, new condominium supply in Binh Duong (nearly 8,300 new launched units) was almost 6 times higher than in HCMC.

Second half of 2025 expects improved supply from HCMC's suburbs

Looking ahead, new condominium supply in HCMC is expected to remain limited in the second half of 2025, with around 6,000 new condominium units projected. Instead, provinces like Binh Duong, Long An, and Dong Nai are emerging as key hubs for residential development, making up almost 70% of the total new supply in the greater HCMC area (including HCMC and suburbs like Binh Duong, Long An, and Dong Nai) in 2025.

The official provincial merger, effective July 1st, 2025, will create a Greater HCMC market by combining HCMC with Binh Duong and Ba Ria – Vung Tau. This is expected to shift population towards the outer city core, benefiting not only Binh Duong and Ba Ria – Vung Tau, but also nearby suburban markets like Long An and Dong Nai, through a redistribution of supply and demand.

FIGURE 5: New supply, Condominium, HCMC



Source: CBRE Research & Consulting, Q2 2025.

FIGURE 6: Average primary price, Condominium, HCMC



Source: CBRE Research & Consulting, Q2 2025. 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

New supply in Q2 driven by a single new project

HCMC recorded only 132 landed property units launched in the first six months of 2025, with the second quarter accounting for roughly 74 low-rise units, a 2.8-fold increase in new supply during Q2 2025 compared to the previous year, driven entirely by a single project in Nha Be district.

With this new developments, the average primary price for landed properties in HCMC market fell by 2% q-o-q and 3% y-o-y, settling at VND 303 million per sqm land. In the secondary market, the average landed property asking prices rose 2.4% q-o-q and 11% y-o-y in Q2 2025, narrowing the gap with primary market prices.

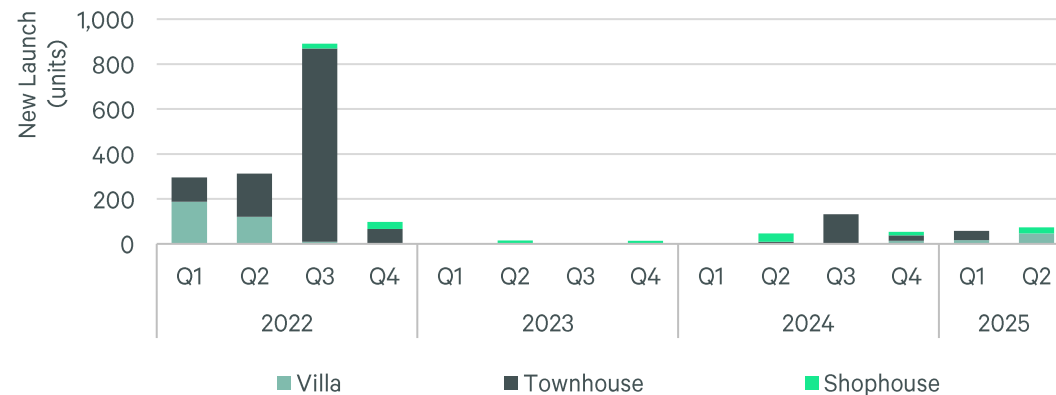
In contrast, new landed property supply in Long An (nearly 4,400 new launched units) was an astounding 33 times greater than HCMC's new supply for the same period. These new projects, typically situated 25-35km from the city center, include prominent large-scale developments designed as multi-functional urban areas, which is set to encourage population decentralization to the suburbs when urban amenities and connecting infrastructure are completed and operational.

Future supply stays low in HCMC but expands to the suburbs

New residential supply is expected to remain limited, with only 800 new landed property units projected to be launched in HCMC for the second half of 2025, totaled at around 1,000 new units expected to launch for the whole year.

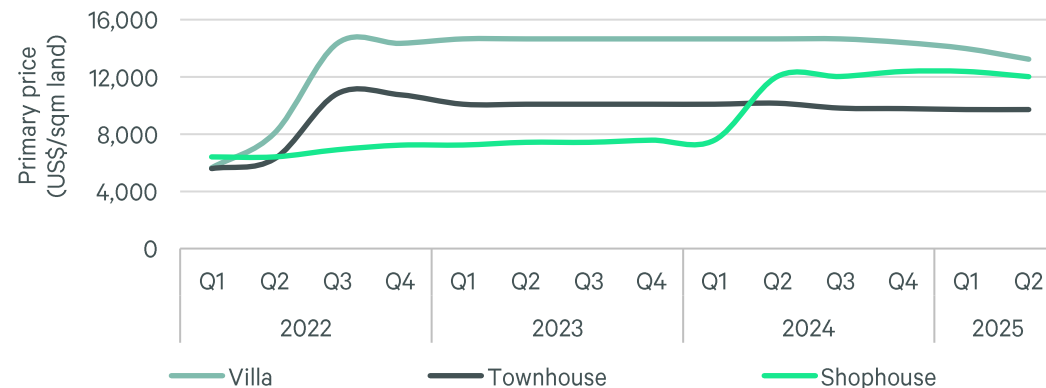
Meanwhile, benefitting from the official provincial merger, Binh Duong, Ba Ria – Vung Tau and suburban markets like Long An, Dong Nai present a compelling investment opportunity. As of Q2 2025, their primary selling prices of landed properties in these areas are 80% lower than HCMC's. This price gap, coupled with a more abundant future supply, suggests substantial room for price increase in these suburban areas.

FIGURE 7: New supply, Landed property, HCMC



Source: CBRE Research & Consulting, Q2 2025

FIGURE 8: Average primary price, Landed property, HCMC



Source: CBRE Research & Consulting, Q2 2025

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 end next phases of existing projects.

Southern Industrial Market

Industrial Land: Southern market experiences H1 2025 slowdown amidst tariff concerns

As In the first six months of 2025, the industrial land market in Southern Vietnam experienced fluctuations and a general slowdown. This was primarily due to investor and business concerns over ongoing tariff policies between the United States and Vietnam, which fostered a cautious sentiment and impacted investment decisions. Most industrial land transactions in the Southern region occurred in Q1 2025. The total newly leased industrial land area in the first half of 2025 was 55 hectares, 42% lower than the average quarterly absorbed area from Q1 2023 to Q1 2025. Despite this slowdown in transactions, the average asking rent and occupancy rate for industrial land remained stable compared to Q1 2025, at US\$179/sqm/remaining lease term and 89% occupancy, respectively.

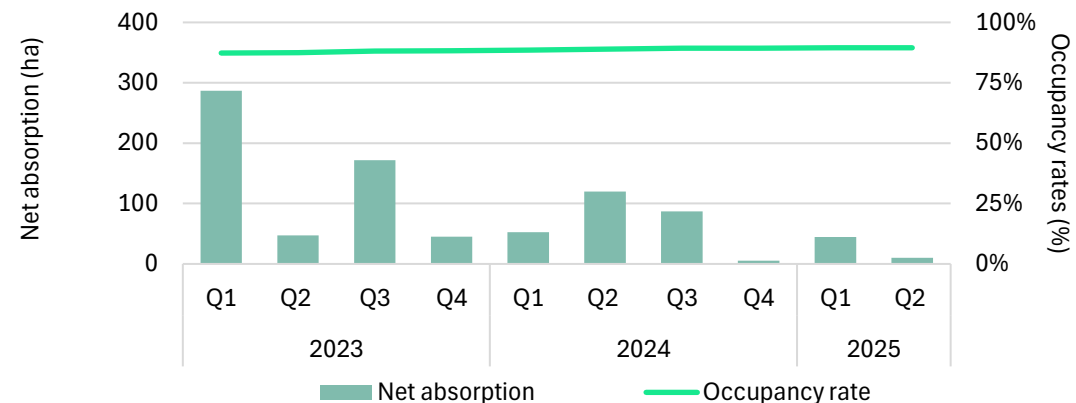
RBF/RBW Performance: Positive growth driven by leasing transactions from E-commerce and logistics enterprises

The ready-built warehouse and factory segment in Southern Vietnam demonstrated significantly improved performance during the first half of 2025. This market continued to record substantial transactions in Q2 2025, underscoring its positive absorption. The majority of these significant transactions originated from businesses primarily engaged in the logistics and e-commerce sectors. This keen interest is largely driven by the considerable demand from companies looking to diversify their operational locations. Their aim is to mitigate potential impacts from tariff policies and reduce over-reliance on a single market.

For the first six months of the year, the total absorbed area for warehouses and ready-built factories was 300,000 sqm and over 400,000 sqm, respectively. Occupancy rates reached favorable levels in Q2 2025, with warehouses at 74% and factories at 93%.

Regarding rental prices, the ready-built warehouse and factory market continue to maintain stability. The monthly average rental price for warehouses reached US\$4.9/sqm and for factories US\$5.2/sqm.

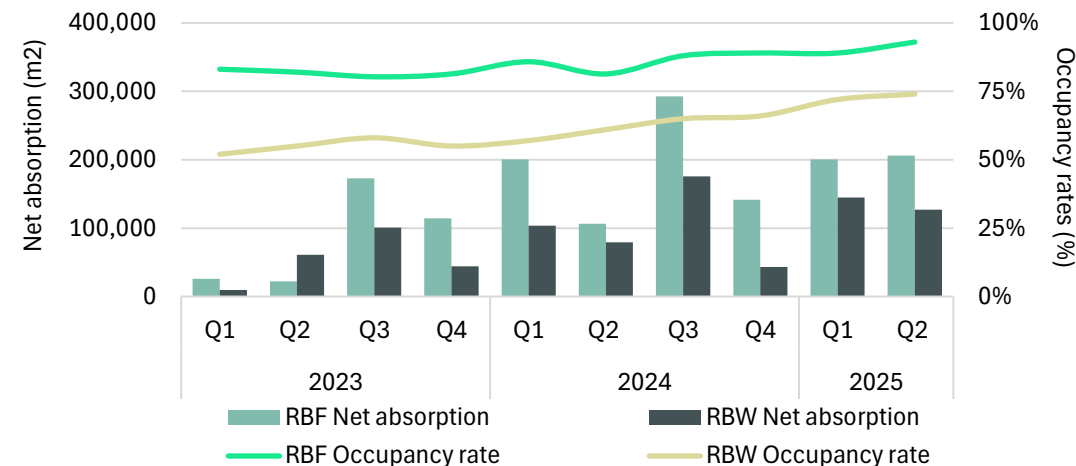
FIGURE 9: Industrial land, Southern region, Tier – 1 provinces



Source: CBRE Vietnam Research & Consulting, Q2 2025.

Note: Tier 1 markets include HCMC, Binh Duong, Dong Nai, Long An & BR-VT.

FIGURE 10: Ready-built factory and warehouse (RBF/RBW), Southern region, Tier – 1 provinces



Source: CBRE Vietnam Research & Consulting, Q2 2025.

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:

$$\begin{aligned} \text{net absorption} &= \text{new completions} \\ &+ \text{vacancy figures at the beginning of the period} \\ &- \text{demolition - vacancy figures at period-end} \end{aligned}$$

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.

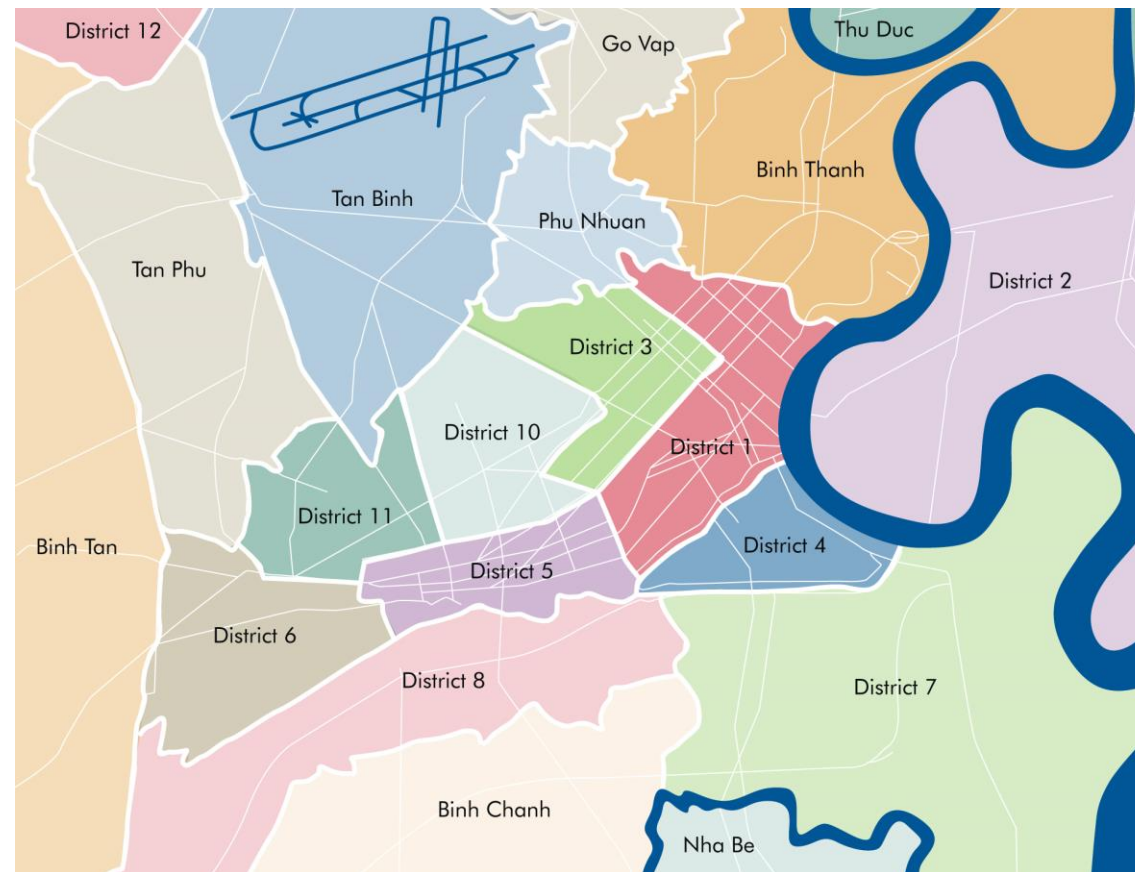
Rents or average room rates are quoted on the following basis:

- 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.





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