CBRE

Hanoi Residential Supply Picks up Strongly as Development Momentum Gathers Pace

▲ +7.52%	▲ +7.82%	▲ +7.63%	▲ +8.60%
VIETNAM GDP	HCMC GRDP	HANOI GRDP	VN-INDEX

Note: Arrows indicate y-o-y change.

HOT TOPICS

- **Office:** Hanoi office market maintains momentum in Q2 2025 with continued rental growth and quality-focused demand.
- **Retail**: Hanoi's retail market is witnessing increasing emergence of new brands and diverse store chains, generating significant market dynamism.
- **Residential:**. Q2 2025 witnessed the dominance of high-end new supply in the condominium market, leading to the continued increase in the primary selling price market-wide. 2025 is anticipated to be a busy year for developers, with numerous projects prepared for launch, particularly in Hanoi's Northern and Eastern areas. The total new supply for the entire year is projected to reach approximately 31,000 units, on par with or potentially surpassing the 2024 figure.
- **Industrial:** Vietnam's industrial real estate market remained resilient in H1 2025, supported by strong manufacturing activity and robust FDI inflows, despite challenges from U.S. tariffs and global economic uncertainty. According to the General Statistics Office, the industrial production index rose 9.2% y-o-y, while implemented FDI hit a five-year high of US$11.72 billion

Vietnam Economic Overview

- 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

Hanoi office market maintains momentum in Q2 2025 with continued rental growth and quality-focused demand

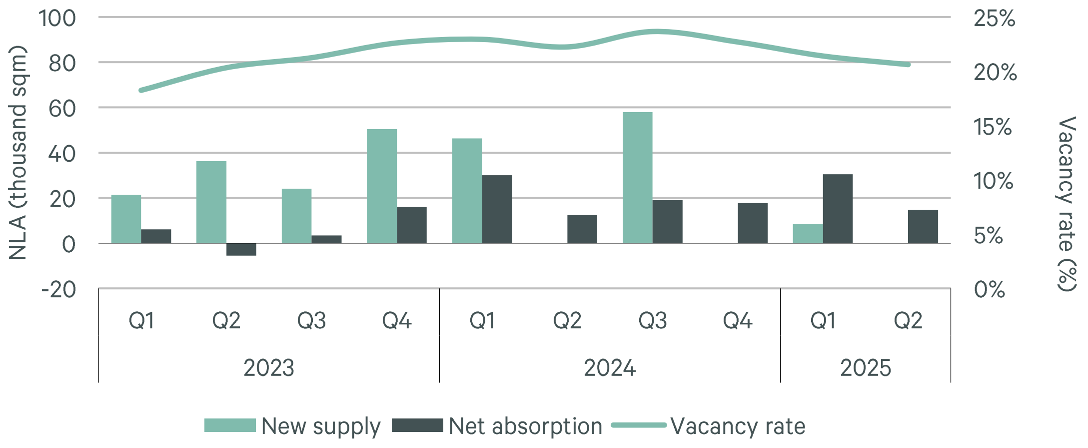
The first half of 2025 saw Hanoi's office market expand with the addition of Thaisquare Caliria, a Grade B development in the Midtown area, contributing over 8,400 sqm NLA and elevating total office rental stock to 1.86 million sqm NLA. Net absorption demonstrated robust performance at over 45,000 sqm, driven primarily by previously negotiated transactions. The market anticipates two additional office developments in the latter half of 2025, concentrated in Midtown and the West, which will provide nearly 48,000 sqm NLA, creating positive momentum for market development.

Both market segments experienced modest rental growth as some office towers in Midtown achieved strong occupancy rates. Grade A properties commanded average asking rents of US$27.5/sqm/month, representing a 1.0% q-o-q increase and 3.3% y-o-y growth. Grade B properties averaged US$15.0/sqm/month, marking a 0.2% quarterly rise and 2.3% annual growth.

With no new Grade A supply entering the market in Q2 2025, the segment's average vacancy rate decreased by 1.9 ppts compared to the previous quarter and by 0.3 ppts compared to the same period last year, reaching 29.5%. Grade B vacancy rates stood at 15.0%, declining marginally by 0.1 ppts quarterly and by 2.8 ppts annually. However, the completion of new projects in H2 2025 is anticipated to drive vacancy rates higher across both segments.

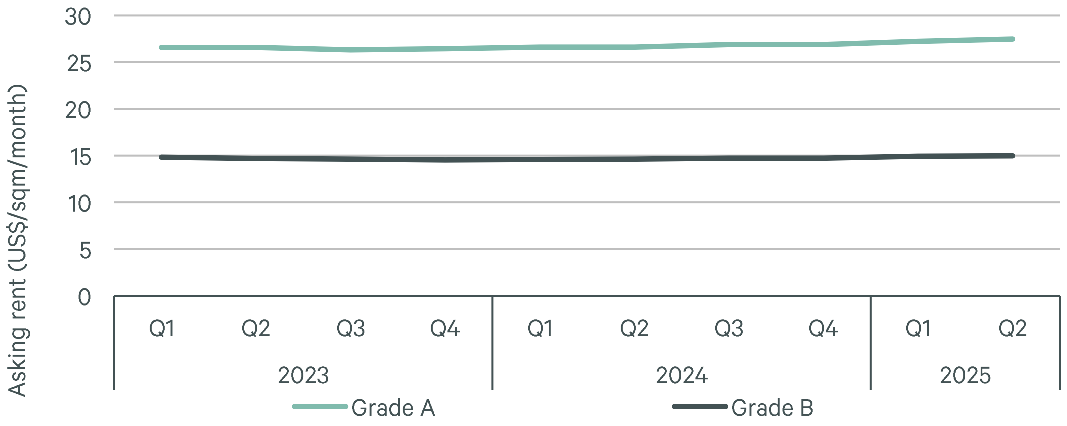
Regarding demand, "flight-to-quality" relocation transactions dominated market activity, comprising 65% of total major transactions tracked by CBRE in Hanoi during the first half. This shows that upgrading office quality remains a factor carefully considered by enterprises in Hanoi in their long-term strategies, even amid cautious market sentiments driven by global uncertainties. From an industry perspective, Banking/Finance/Insurance and Information Technology sectors continued to lead office rental demand, accounting for 40% and 28% respectively of total major transaction area in H1 2025.

FIGURE 1: Market Performance, Office, Hanoi



Source: CBRE Research, Q2 2025

FIGURE 2: Asking Rent, Office, Hanoi



Source: CBRE Research, Q2 2025
Asking rent is exclusive of service charge and VAT.

Hanoi Retail

New brands and diverse chains are creating dynamism in retail market

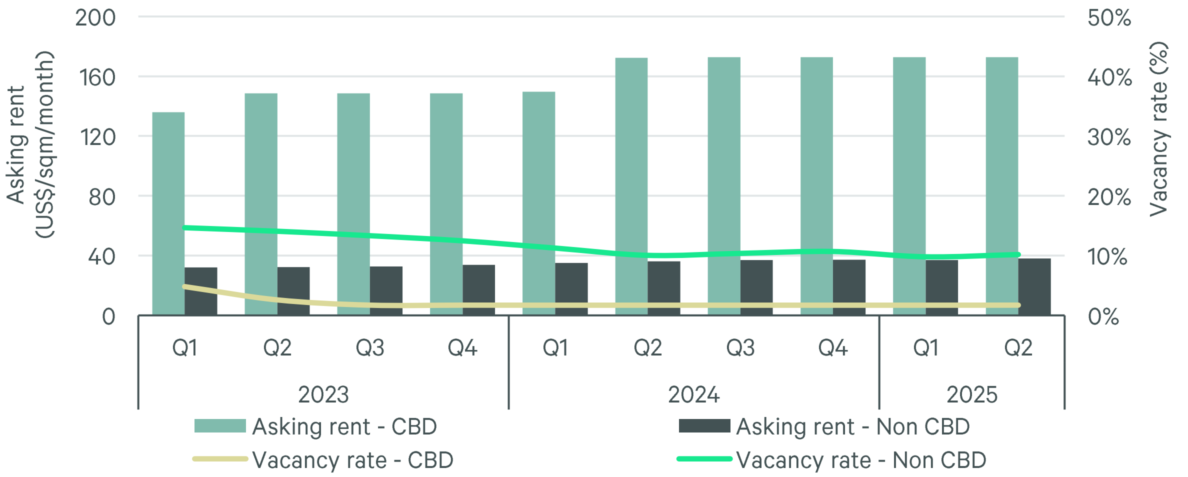
Hanoi's retail market welcomed the addition of AEON Xuan Thuy shopping center (18,000 sqm NLA) during the first half of 2025. The market is poised to receive two new supply projects in Q2 and Q3 2025, including Vincom Megamall Ocean City (40,000 sqm NLA) and Hanoi Centre (43,000 sqm NLA). This substantial supply increase may intensify competition while simultaneously creating opportunities for retailers seeking premises aligned with their scale and strategic objectives.

First-half absorption reached 17,000 sqm, though Q2 recorded a decline of approximately 4,000 sqm. Most existing projects maintained strong occupancy rates; only a few older developments in non-CBD locations experienced rising vacancy, reflecting tenant preferences for relocating to more professionally managed shopping centers at superior locations. Market-wide average vacancy increased marginally by 0.4 ppts q-o-q and 0.1 ppts y-o-y to 9.8%. Specifically, CBD vacancy remained stable at 1.7%, while non-CBD's vacancy was up 0.4 ppts quarterly to reach 10.2%.

CBD's ground and first-floor space asking rents averaged US$172.7/sqm/month, maintaining quarterly stability with only a modest 0.2% annual increase. This represents the lowest annual growth rate since 2019 (excluding the COVID-19 period), indicating retail rental stabilization in the post-pandemic period. Non-CBD areas recorded average rents of US$38.1/sqm/month, up 2.6% quarterly and 5.3% annually. This attractive price point particularly appeal to mid-end brands, restaurant chains, and convenience stores targeting working professionals, young consumers with moderate incomes, and local residential communities.

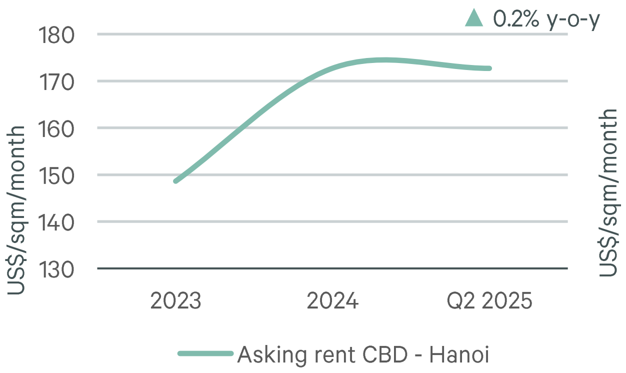
Hanoi's retail market is witnessing increasing emergence of new brands and diverse store chains, generating significant market dynamism. In the convenience store category, international chains GS25 and 7-Eleven officially entered the Hanoi market following stable operations in HCMC, competing with local and regional brands. Additionally, the pharmaceutical retail sector recorded robust expansion by Long Chau pharmacy chain. Notably, Chinese retailers wave continues spreading with prominent names including Oh!Some, KKV, and Mr DIY actively expanding and launching new stores in recent months. This diversification not only provides consumers with greater choices but also drives market growth and service quality enhancement across Hanoi's retail market.

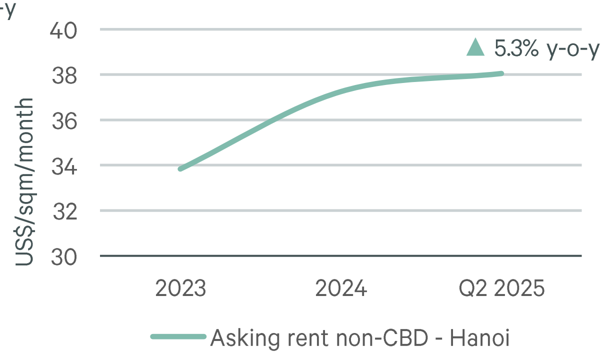
FIGURE 3: Market Performance, Hanoi Retail



Source: CBRE Research., Q2 2025. Asking rent is for the ground floor, exclusive of VAT and service charge

FIGURE 4: Average Ground Floor Asking Rent, Hanoi Retail





Source: CBRE Research., Q2 2025. Asking rent is for the ground floor, exclusive of VAT and service charge

Condominium

The dominance of high-end segment in new supply

In Q2 2025, the Hanoi condominium market recorded a total new supply of nearly 6,846 units from 8 projects, almost double the figure from Q1. Cumulatively for the first six months of the year, total new supply reached over 10,760 units, marking the second - highest first-half launch volume in the past five years, trailing only behind H1 2024.

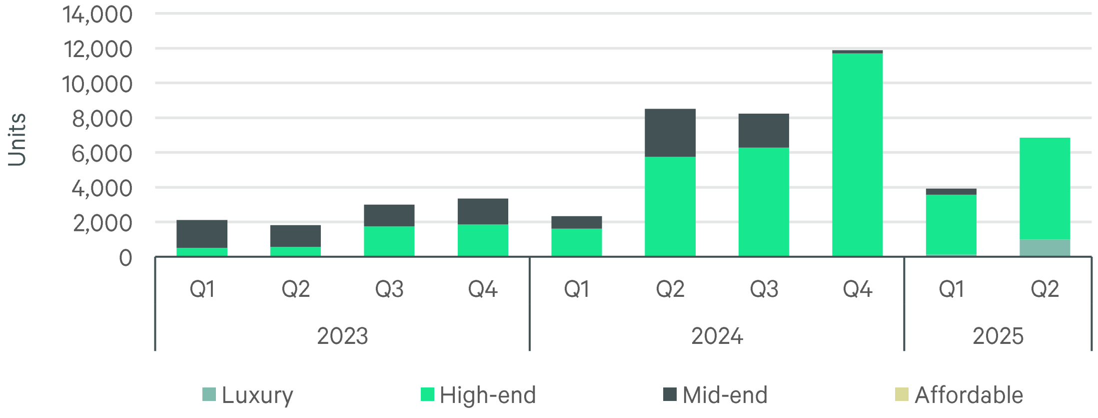
The total transaction volume in Q2 2025 reached nearly 5,810 condominium units on the primary market, bringing the total units sold in the first half of the year to approximately 9,130 units. This marks a 31% increase q-o-q but a 27% decrease y-o-y. The average absorption rate for newly launched projects during their first sales quarter was around 60%, a slight decrease from the 70% recorded in 2024.

Due to the dominance of high-end segment in this quarter's new supply, average primary selling prices at the end of Q2 2025 reached approximately VND 79 million/sqm NSA or US$ 3,023/sqm (excluding VAT, maintenance fees and discounts), representing a 6% increase q-o-q and a 33% surge y-o-y. Notably, some areas, including Ha Dong and Hoang Mai, which used to see selling prices commonly of VND 40-50 million/sqm NSA, are now witnessing new projects selling for over VND 70 million/sqm NSA or US$ 2,692.

In the secondary market, selling prices appeared to be stabilizing, with market-wide prices on average recorded at VND 50 million/sqm or US$ 1,933/sqm. This is a slight increase of 1% q-o-q and a 15% rise y-o-y, which has cooled compared to the 26% y-o-y surge recorded at the end of 2024.

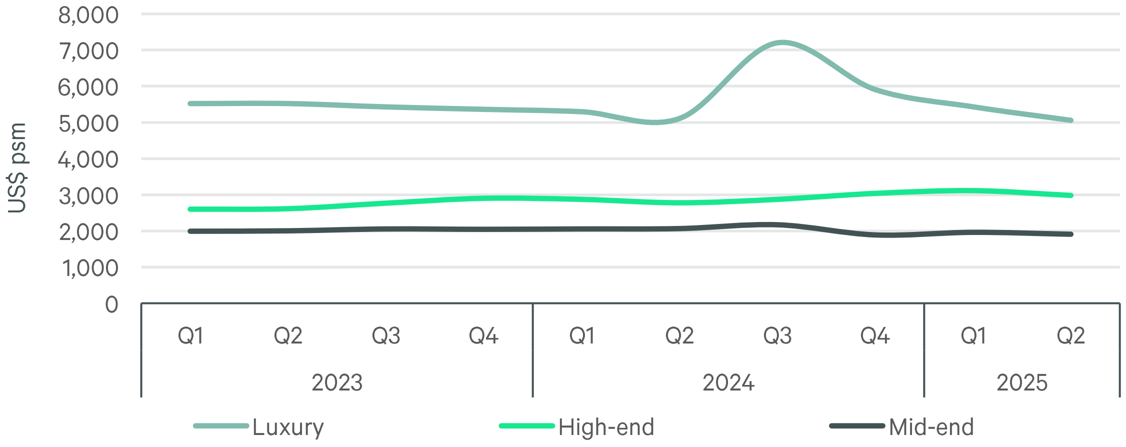
In 2025 is anticipated to be a busy year for developers, with numerous projects prepared for launch, particularly in Hanoi's Northern and Eastern areas. The total new supply for the entire year is projected to reach approximately 31,000 units, on par with or potentially surpassing the 2024 figure.

FIGURE 5: New supply, Condominium , Hanoi



Source: CBRE Research, Q2 2025

FIGURE 6: Average primary prices, Condominium, Hanoi



Source: CBRE Research, Q2 2025. Prices before VAT and maintenance fee

Villa & Townhouse

Sustained demand in the market

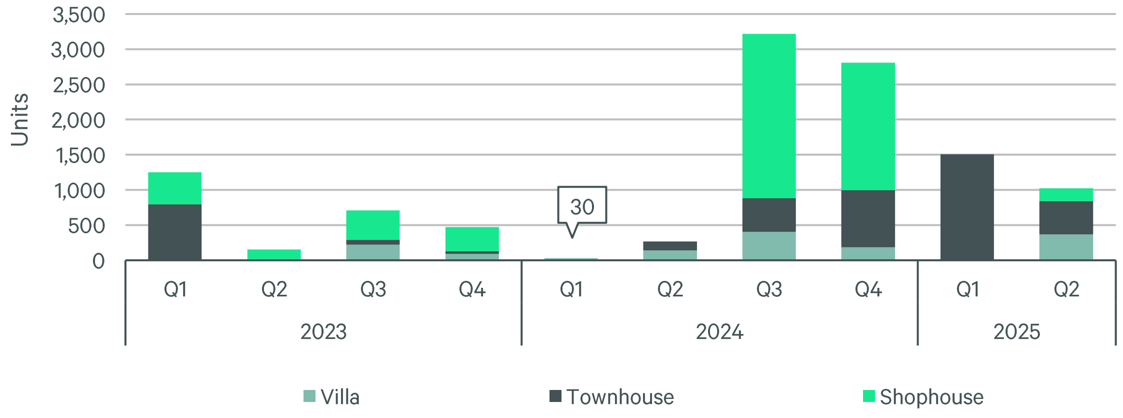
In Q2 2025, the market recorded over 1,000 new low-rise units, a 32% decrease compared to Q1 but five times higher than the same period last year. For the first six months of the year, the total new supply reached over 2,500 units, nearly nine times higher than the first half of the 2024 figure but still accounted for less than 50% of the supply recorded in the latter half of 2024.

The total transaction volume for Hanoi landed property market in Q2 2025 reached 2,566 units, surpassing the number of newly launched units during the same period. This reflects sustained demand and continued local buyers preference for low-rise housing products.

In Q2 2025, primary selling prices saw a slight increase of 1.5% q-o-q, reaching approximately VND 230 million/sqm of land on average or US$ 8,815/sqm (excluding VAT, maintenance fees, and discounts). The introduction of new projects in more diverse and centrally located areas contributed to raising the overall price level this quarter, with more projects being launched at over VND 200 million/sqm or US$ 7,692/sqm.

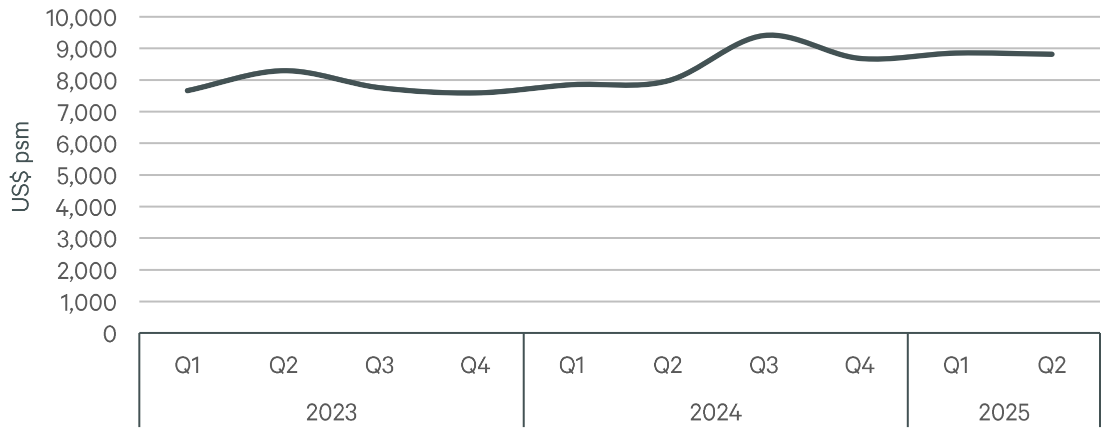
For the full year 2025, the total new supply of landed property in Hanoi is projected to reach over 6,300 units, with the second half of the year expected to contribute nearly 3,800 units. Notably, several landed property projects that had been stalled for an extended period are now being restarted and prepared for their next sales phases this year. This demonstrates developers' confidence in the market outlook and sustained demand potential.

FIGURE 7: New Launch vs Sold Unit, Hanoi Landed Property



Source: CBRE Research., Q2 2025.

FIGURE 8: Average Primary price, Hanoi Landed Property



Source: CBRE Research., Q2 2025. Prices include construction cost, before VAT

Northern Industrial

Industrial land absorption declines, while the ready-built facilities market maintains stable performance

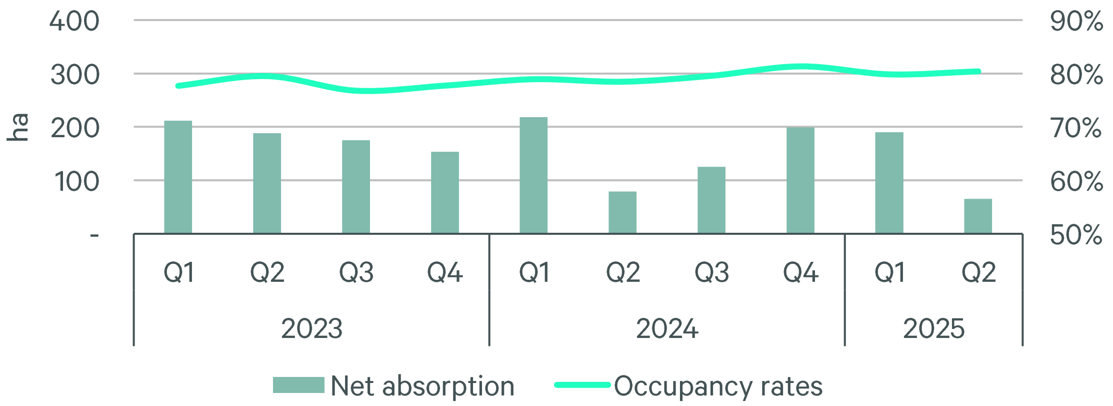
For the industrial land market, in the first six months of 2025, two new industrial parks (IPs) will begin offering leases in Tier 1 markets starting in Q1, with a total leasable land area of nearly 340 ha. Net absorption of industrial parks in the Tier 1 markets of North Vietnam during the first six months of 2025 reached nearly 260 hectares, and the occupancy rate maintained at 80.4% at the end of Q2 2025; an increase of 1.9 ppts compared to the same period last year. 75% of the absorption area in the first six months was recorded in Q1, before the release of information about new US tariff policies on several countries, including Vietnam.

For the ready-built warehouse and factory markets (RBW and RBF), numerous large-scale projects continued to launch in the Northern region during the first six months of the year, primarily concentrated in the Bac Ninh and Hung Yen markets. With the continued introduction of new supply, the average occupancy rate in Tier 1 Northern Vietnam reached 82.7% for RBW, a decrease of 1.0 ppt compared to the previous quarter, and 90.0% for RBF, an increase of 1.3 ppts compared to the previous quarter. Regarding rental rates, the average rental rates for RBW and RBF in the Tier 1 market reached US$4.7 and $4.9/sqm/month, respectively. These rental rates remained stable quarter-on-quarter and increased by approximately 1.8% y-o-y. In terms of demand, the market recorded large factory leasing transactions from electronics and sports equipment manufacturing companies; meanwhile, the logistics sector is the main driver of demand for RBW in the North. During the quarter, SPX Express also announced the development of the largest Southeast Asian goods sorting center, with a scale of 170,000 sqm at the Industrial Centre Yen My project, demonstrating the strong expansion of the e-commerce sector in Vietnam.

After a period of strong growth, Vietnam's industrial real estate market is entering a new phase marked by numerous variables and challenges. Nevertheless, the country is demonstrating its proactiveness by becoming the first in Southeast Asia to reach a trade framework agreement with the United States. Additionally, Vietnam is undergoing comprehensive administrative reforms that promise long-term positive impacts—such as streamlining licensing procedures, expanding land for industrial and economic zones, and establishing free trade areas.

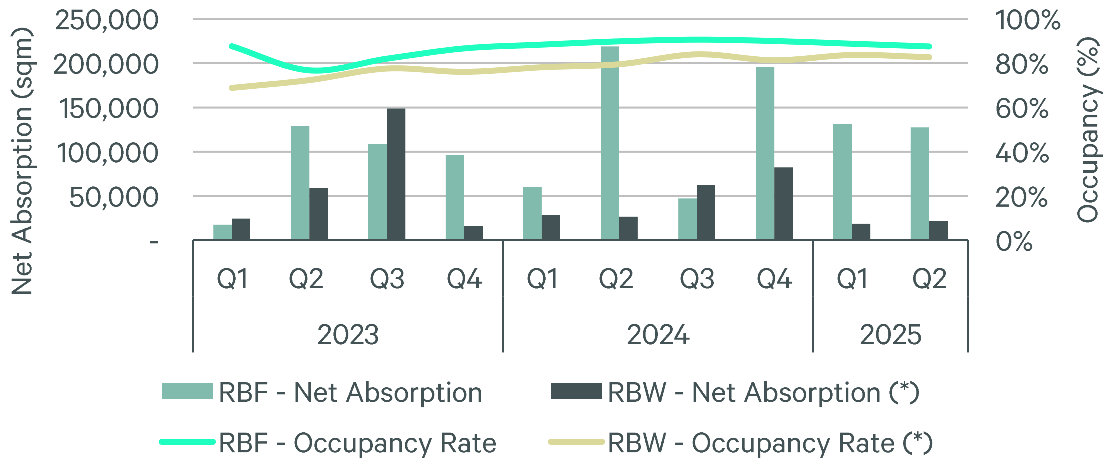
Note: Tier-1 markets include Hanoi, Hai Phong, Hai Duong, Hung Yen and Bac Ninh.

FIGURE 9: Industrial Land, Net absorption and Occupancy rates, Northern Tier-1 markets



Source: CBRE Research., Q2 2025

FIGURE 10: Ready-built Warehouse (RBW) and Factory (RBF), Net absorption and Occupancy rates, Northern Tier-1 markets



Source: CBRE Research., Q2 2025. (*) Exclude service warehouse and include absorption from ready-built hybrid projects.

Serviced Apartment

Hanoi's serviced apartment market adjusts pricing strategies in Q2 2025 amid rising vacancy

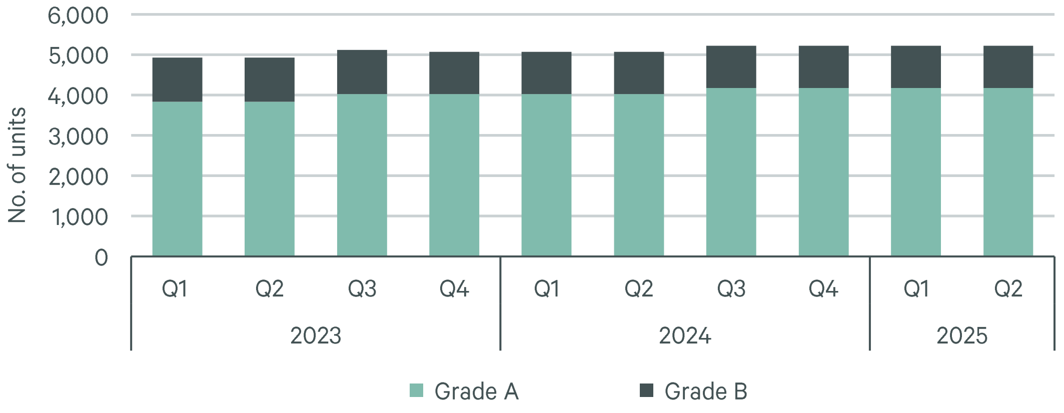
In Q2 2025, the Serviced Apartment market did not welcome any new projects. The total supply of the market reached 5,222 Serviced apartment units. Grade A Serviced Apartments continued to dominate the market, representing 80% of the total supply.

Hanoi's serviced apartment market is strategically adjusting rental rates to attract tenants, revealing distinct trends across segments. Grade A apartments saw a marginal 0.1% quarterly increase, reaching US$27.0/sqm/month, yet a 2.3% y-o-y decline points to a broader softening in the premium market. Meanwhile, Grade B properties remained largely stable at US$18.6/sqm/month, with only minor quarterly changes (-0.2%) and a slight 0.7% y-o-y increase. This slight reduction in Grade B rental prices clearly reflects landlords' intent to attract renters through price adjustments. Overall, the market average stands at US$25.2/sqm/month, underscoring a clear focus on boosting occupancy and retaining tenants via flexible pricing strategies.

Hanoi's serviced apartment market saw an overall uptick in vacancy rates this quarter, though the dynamics differed across segments. Grade A properties experienced a slight increase in vacancy, reaching 18.0%, up 0.2 ppts q-o-q, but still shows a significant improvement of 4.1 ppts y-o-y. The Grade B serviced apartment category faced a more substantial increase in vacancy, climbing to 27.1% (up 2.7 ppts q-o-q). This notable rise is largely due to tenants returning home or moving to condo projects once they became more familiar with the local area. When both segments are combined, the overall market vacancy rate stands at 19.8%.

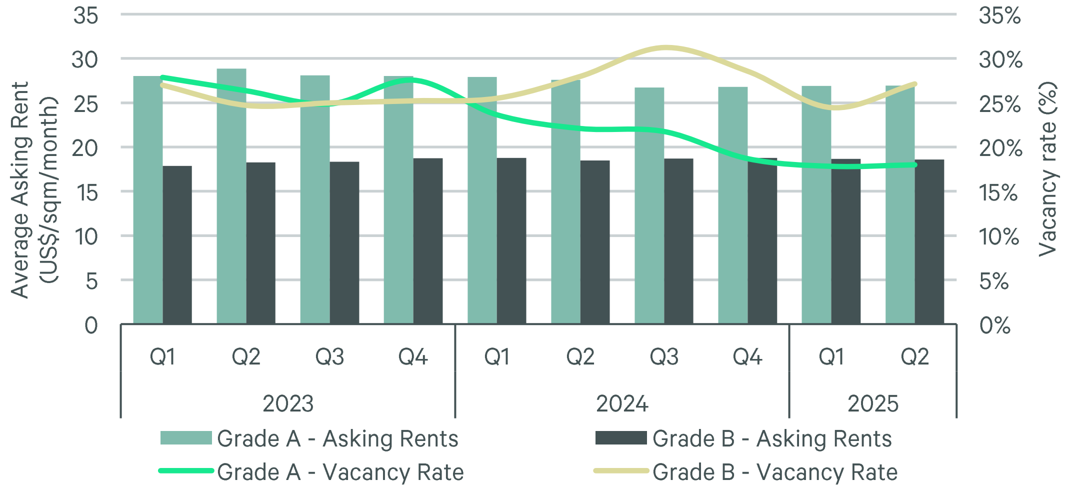
Hanoi's serviced apartment market is poised for significant growth, with over 2,300 new high-end Grade A units expected by the end of 2025, primarily in the popular Tay Ho and Ba Dinh districts. An additional 1,000 serviced apartments are projected to come online between 2026 and 2027. This substantial expansion of premium inventory in key expat and diplomatic areas signals the market's strong recovery.

FIGURE 11: Total supply, Hanoi Serviced Apartment



Source: CBRE Research., Q2 2025

FIGURE 12: Asking price and Vacancy rate, Hanoi Serviced Apartment



Source: CBRE Research., Q2 2025

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:

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

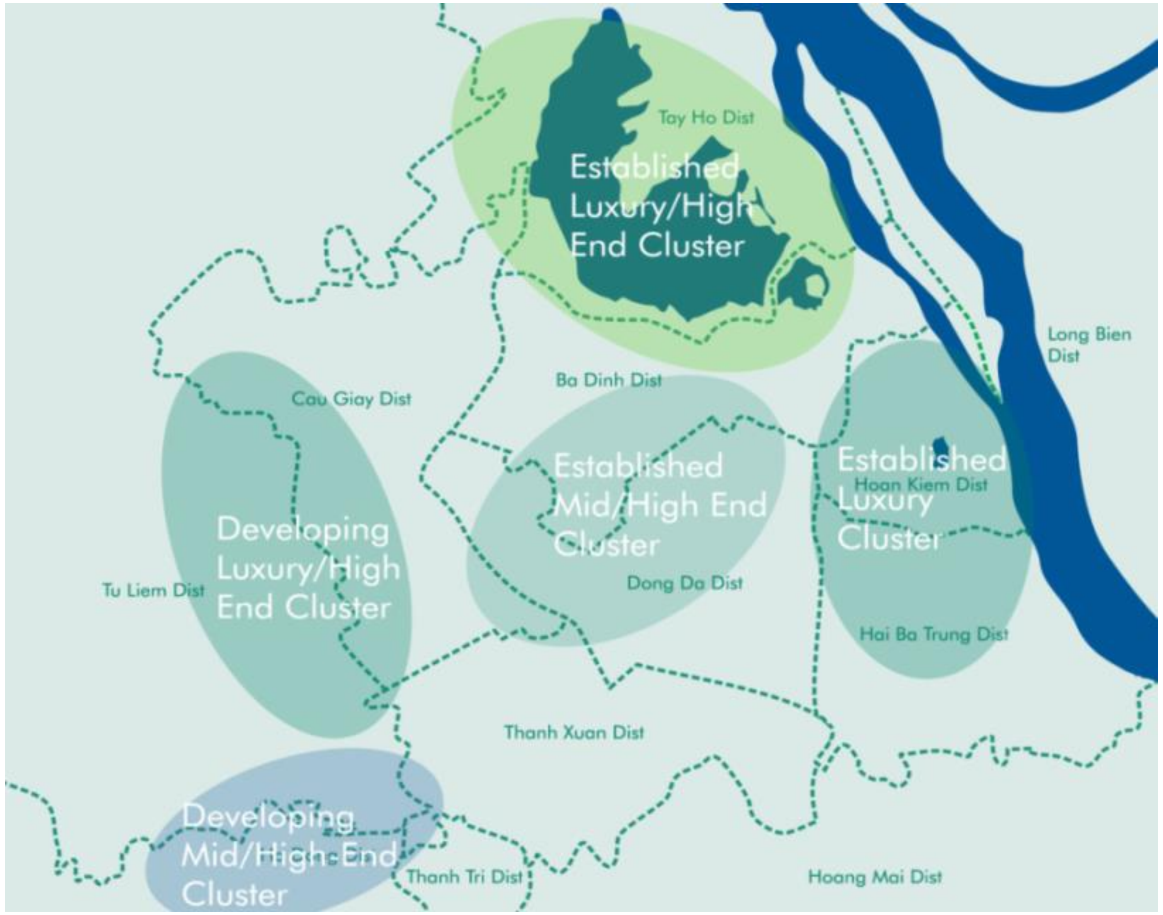
Luxury: projects that have primary prices from US$5,000 per sq.m to US$12,000 per sq.m

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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