

Strong economic expansion during Q1 helped sustain development momentum despite inflationary pressure

▲ +7.83%
VIETNAM GDP

▲ +8.27%
HCMC GRDP

▲ +7.87%
HANOI GRDP

▲ +28.13%
VN-INDEX

Note: Arrows indicate y-o-y change.

HOT TOPICS

- **Office:** Vacancy rates across Grade A and Grade B offices improved in Q1 2026. Grade A vacancy fell by 1.7 percentage points q-o-q to 16.5%, while Grade B vacancy declined by a further 0.7 percentage points q-o-q to 11.9%.
- **Retail:** Vacancy rates in both CBD and non-CBD areas decreased q-o-q. The CBD area recorded a vacancy rate of 3.0%, down 0.4 ppt q-o-q and 2.0 ppt y-o-y. Average asking rent in non-CBD areas increased by 3.8% y-o-y, while rent in the CBD area increased by 4.1% y-o-y.
- **Residential:** Condominium supply recorded a strong rebound, with 1,642 units launched, marking a notable improvement compared to the muted levels observed in early 2025, increasing by 369% y-o-y. In contrast, landed housing supply remained limited, while the market continued to absorb the existing inventory from Q4 alongside relatively few new project launches, with only 87 units introduced during the quarter.
- **Industrial land:** The Southern industrial land market recorded 52% of the total projected new supply for 2026 in the first quarter alone, with land lease transactions predominantly concentrated in areas such as Dong Nai and Long An.
- **RBW/RBF:** Occupancy rates for RBF and RBW remained healthy, reaching 93% and 77%, respectively. Amidst competitive pricing pressure to attract tenants, the average asking rents remained relatively stable q-o-q, at USD 5.2/sqm/month for factories and USD 5.0/sqm/month for warehouses.

VIETNAM ECONOMIC OVERVIEW

- GDP growth rate for Q1 2026 recorded at 7.83% y-o-y, which was the highest growth rate ever recorded for Q1 within the period 2016-2025 (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\$ 15.2 billion in Q1 2026, an increase of 42.9% compared to the same period last year.
- Vietnam's total export turnover reached US\$ 122.93 billion, up by 19.1% y-o-y. On the other hand, total import turnover of the country recorded approximately US\$ 126.57 billion, leading to a trade deficit to be US\$ 3.64 billion in Q1 2026.
- Vietnam's consumer price index (CPI) rose by 3.51% y-o-y in Q1 2026, mainly driven by rising fuel costs and import prices.
- Vietnam's total retail sales of goods and services reached VND 1,902.8 trillion, up by 10.9% y-o-y.
- During the quarter, the total number of international arrivals recorded approximately 6.76 million visitors, which represents a 12.4% 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

Stable growth in rental across Grade A and Grade B offices

The HCMC office market recorded no new supply in the first quarter of 2026.

In Q1 2026, the Ho Chi Minh City office market recorded steady rental growth across both Grade A and Grade B segments, with Grade A rents increasing 0.4% q-o-q to US\$47.2/sqm/month, supported by stable occupancy and limited new supply, while Grade B rents rose a relatively stronger 0.9% q-o-q to US\$26.9/sqm/month, driven by cost-conscious demand. This resulted in positive year-on-year growth of 1.8% and 2.2%, respectively.

Grade A office vacancy rate in Q1 2026 declined by 1.7 percentage points q-o-q to 16.5%, supported by net absorption of 4,079 sqm NLA, strong occupancy in established buildings (with 18 out of 24 achieving over 90% occupancy), and gradual leasing progress at new developments such as Etown 6 and Saigon Marina IFC, which are expected to further improve occupancy throughout 2026 and beyond.

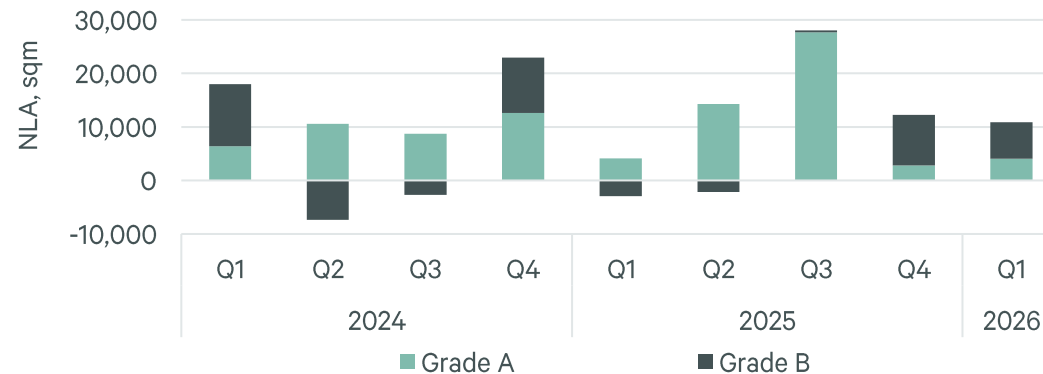
Meanwhile, the Grade B segment also recorded a further reduction in vacancy, with a decrease of 0.7 percentage points quarter-on-quarter to 11.9%. Net absorption achieved nearly 6,800 sqm NLA, marking an improvement compared to the previous quarter.

Expansion and Relocation Drive Demand in the Beginning of 2026

53% of transaction area recorded in the Q1 2026 by CBRE was for expansion purposes, followed by 37% for relocations, reflecting tenants’ continued focus on upgrading workspace quality and operational efficiency.

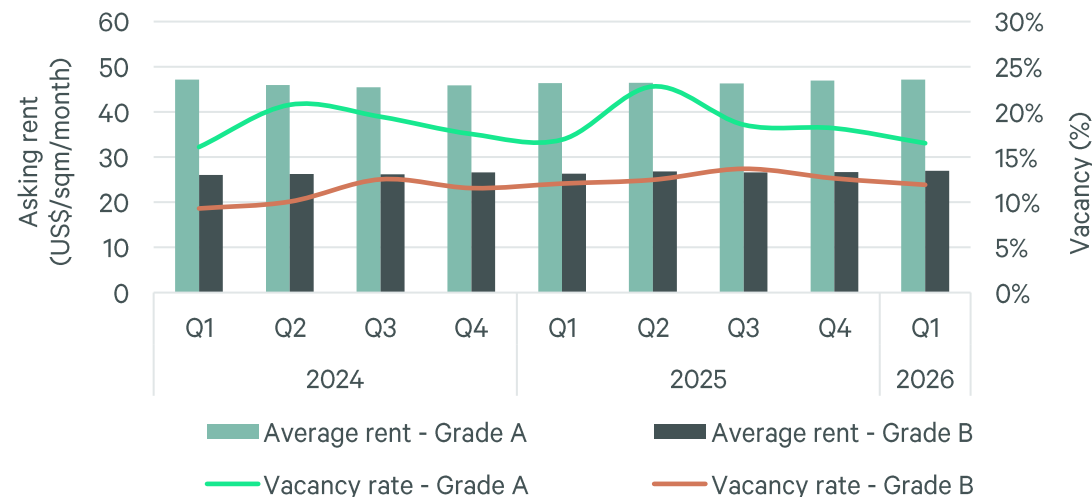
Demand is expected to remain focused on high-quality, centrally located Grade A and new Grade B offices, with the HCMC IFC emerging as a key strategic consideration for tenants, while landlords maintain cautious and flexible pricing strategies to support occupancy in 2026F – 2027F.

FIGURE 1: Net absorption, Office, HCMC



Source: CBRE Research & Consulting, Q1 2026.

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



Asking rent is exclusive of service charge and VAT.

Source: CBRE Research & Consulting, Q1 2026.

Retail

Trend of expansion into suburban areas amidst scarce supply

In Q1 2026, total retail sales of goods and consumer service revenue at current prices were estimated at VND 1,902.8 trillion, representing an increase of 10.9% compared to the same period last year. Retail sales of goods continued to play a pivotal role, accounting for over 76% of the total. Excluding price fluctuations, the real growth rate reached 7%, up 0.3 percentage points compared to the previous quarter, indicating that the market’s purchasing power remains relatively modest.

The retail market in HCMC continues to show positive signs. Vacancy rates in both the CBD and non-CBD areas declined compared to the previous quarter. Specifically, the CBD recorded a vacancy rate of 3.0%, down 0.4 percentage points q-o-q and 2.0 percentage points y-o-y. Although the non-CBD area maintained a higher vacancy rate at 5.6%, this was still 2.9 percentage points lower than the same period last year. This trend indicates that brands are actively expanding into new shopping malls in non-CBD areas to reach younger and more densely populated customer segments. The non-CBD area has seen new brands entering the market.

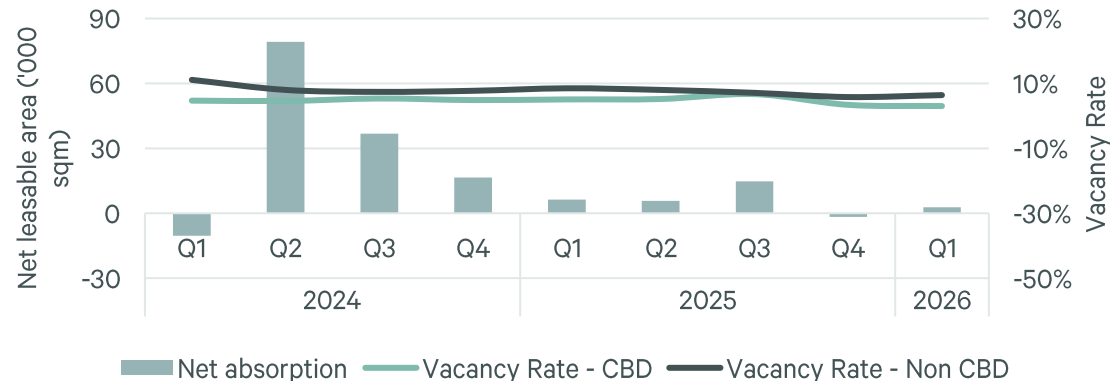
This expansion trend contributed to a slight increase of 0.4% in the average asking rent in non-CBD areas on a q-o-q basis, reaching US\$54.6 per sqm per month. Meanwhile, asking rents in the CBD remained stable at US\$285.3 per sqm per month, unchanged q-o-q.

The HCMC retail market is recovering cautiously, with a focus on enhancing customer experience and sustainable development

Forecasts indicate that in 2026, the supply of new retail space in HCMC will remain extremely limited, as most large-scale projects are still undeveloped, delayed, or facing legal obstacles. As a result, new entrants to the market will face intense competition for prime locations, especially in CBD areas.

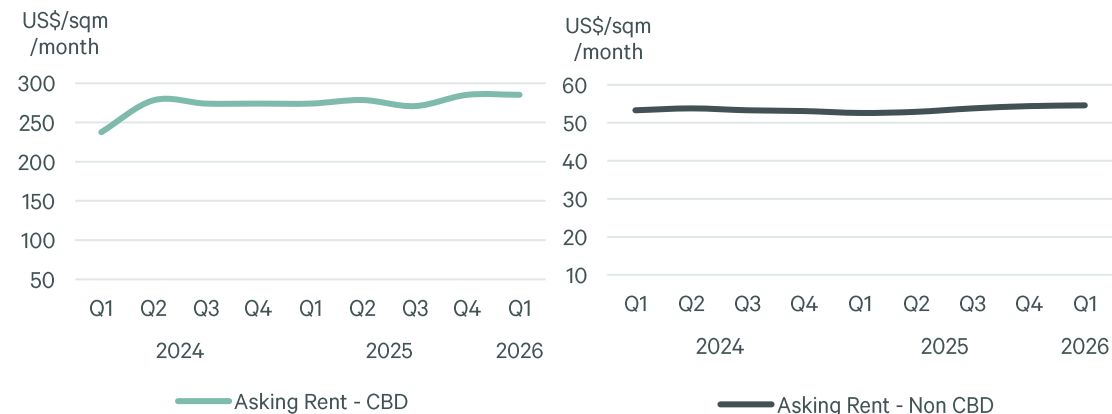
Developers are actively innovating their shopping mall concepts by integrating multifunctional exhibition and entertainment spaces. Rather than simply expanding retail space, current strategies focus on enhancing customer experience through green and sustainable elements, as well as optimizing open event spaces. This trend reflects the market’s adaptation to increasing competition from e-commerce and evolving consumer behavior.

FIGURE 3: Market performance, Retail, HCMC



Source: CBRE Research & Consulting, Q1 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, Q1 2026.

Condominium

In Q1 2026, the former HCMC’s condominium market recorded a strong rebound in new supply, alongside sustained absorption momentum and stable pricing across most segments

A total of 1,642 newly launched condominium units were recorded in Q1 2026, marking a notable improvement compared to the muted supply levels observed throughout 2024 and early 2025. While this figure declined approximately 48% q-o-q due to the high base in Q4 2025, it increased sharply by 369% y-o-y, reflecting renewed developer activity and improved market confidence.

The average primary selling price in the former HCMC stood at around 91 VND million/sqm NSA in Q1 2026, remaining largely stable q-o-q. Price growth moderated compared to 2025, with most segments maintaining current levels as developers focused on absorption rather than aggressive price hikes. Incentive schemes continued to be applied, including extended payment schedules and selective discounts, supporting transaction volumes in the quarter.

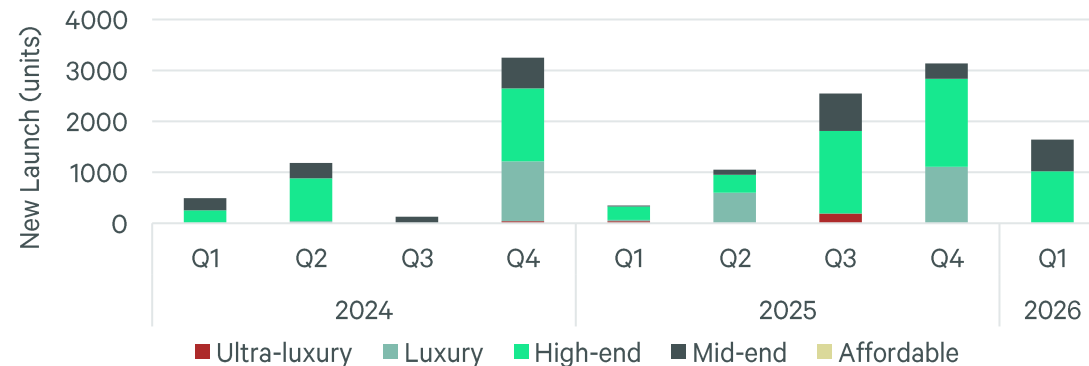
The resale (secondary) market also experienced significant volatility, with an average price of 68 VND million/sqm, up 11% q-o-q and 34% y-o-y. Activity remained focused on well-established projects with clear legal status and high occupancy, as buyers show a stronger preference for homes that are ready to move in.

Outlook: Rising supply across the greater HCMC area

Forecast 2026: New supply in the former HCMC area is expected to triple y-o-y, with about 65% coming from the southern districts.

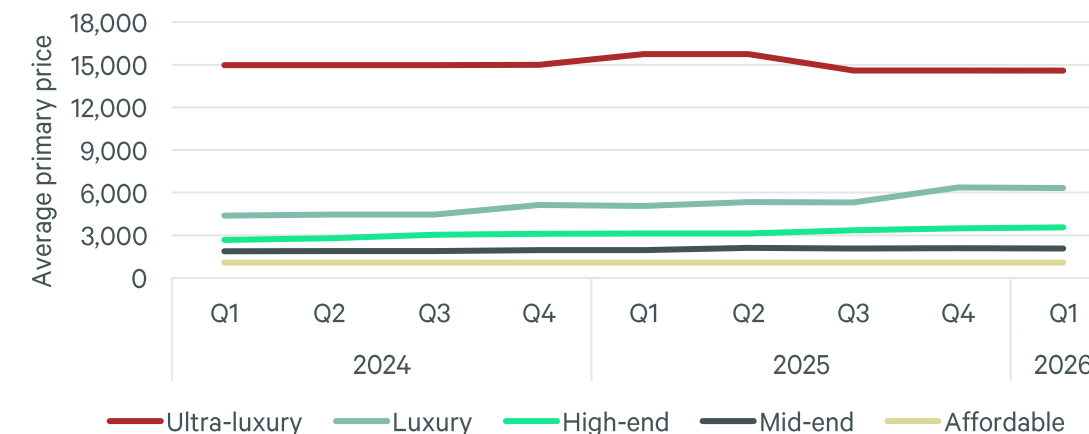
Across the expanded HCMC area post-merger, total condominium supply is projected to reach nearly 45,000 units. Former Binh Duong is expected to contribute over 40% of this volume, maintaining its role as a core supply hub while reaching a scale comparable to HCMC.

FIGURE 5: New supply, Condominium, HCMC



Source: CBRE Research & Consulting, Q1 2026.

FIGURE 6: Average primary price, Condominium, HCMC



Source: CBRE Research & Consulting, Q1 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

New Supply remains limited while the Market absorbs 2025 inventory

In Q1 2026, the former Ho Chi Minh City market recorded only 87 new units launched. This represented a sharp 98% decline q-o-q due to the surge in supply in Q4 2025, but still marked a 50% increase y-o-y.

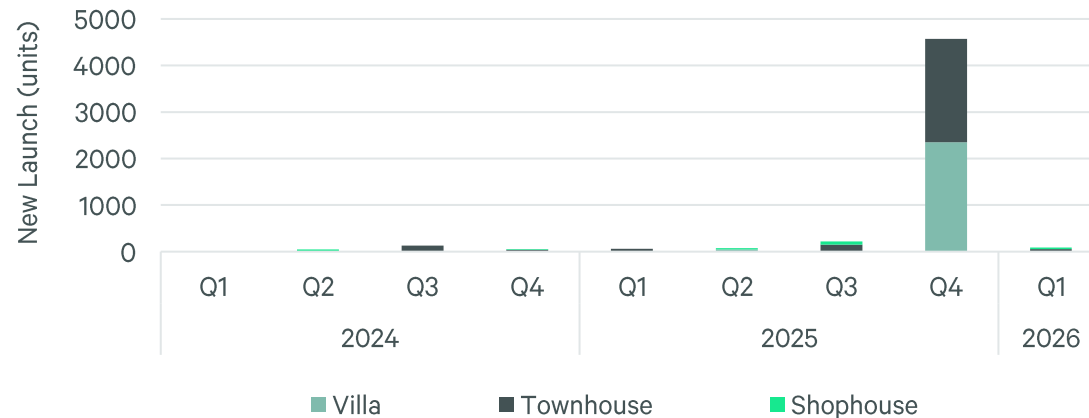
With limited new launches in Q1 2026, q-o-q price movements were marginal. However, compared with the same period last year, the gap remained evident. The average primary price slightly declined to around VND 222 million/sqm, down 0.5% q-o-q and 28% y-o-y. Meanwhile, secondary prices edged down by 1% q-o-q but rose 9% y-o-y, reaching an average of VND 169 million/sqm.

Despite the large inventory from mega-township developments, the market continued to absorb supply effectively, with a cumulative absorption rate reaching approximately 94%.

Outlook: Mega-townships driving the next supply wave

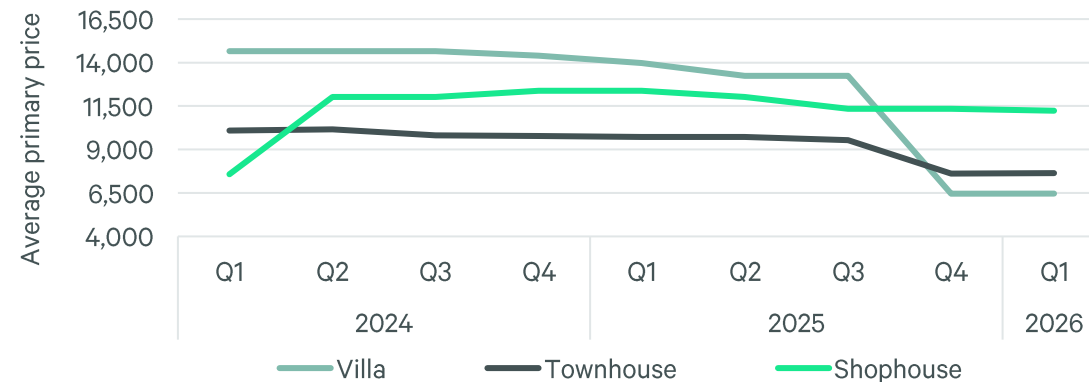
The outlook for the coming years remains in line with the previous forecast, with landed supply in Ho Chi Minh City expected to improve on the back of new township developments in the eastern and southern areas. In 2026, new supply is projected to reach around 5,500 units and gradually increase to more than 15,000 units by 2028. The majority of this pipeline will continue to be driven by mega-township projects from major developers.

FIGURE 7: New supply, Landed property, HCMC



Source: CBRE Research & Consulting, Q1 2026.

FIGURE 8: Average primary price, Landed property, HCMC



Source: CBRE Research & Consulting, Q1 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 records 52% of total projected new supply for 2026 in Q1 alone

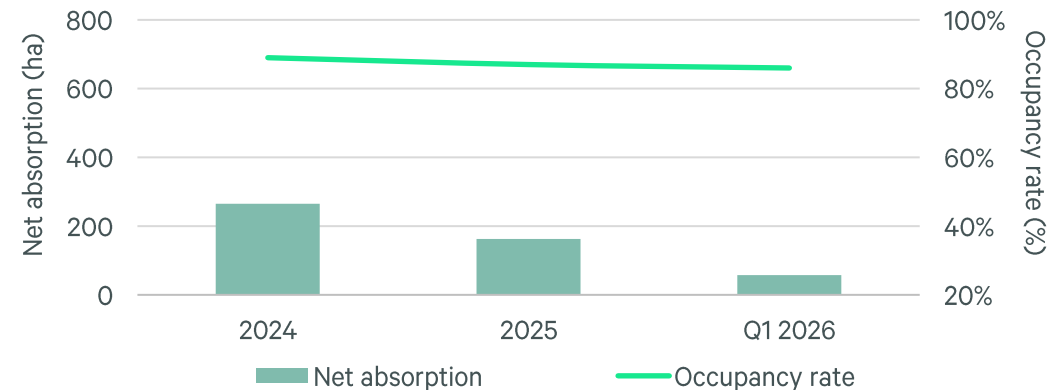
In Q1 2026, the Southern industrial land market saw new supply and land lease transactions primarily concentrated in areas such as Dong Nai and Long An. According to CBRE, this supply accounts for up to 52% of the market's total projected supply for 2026. Leveraging their strategic proximity to the seaport system, new industrial parks have pushed the market's average asking rent to USD 183/sqm/lease term, reflecting a 4.0% increase year-on-year.

Southern ready-built factory and warehouse market maintains stable performance

Following the positive recovery momentum of 2025, the ready-built factory and warehouse segments continued to maintain stable operations in Q1 2026. Specifically, 46% of the absorbed factory leasable area during the quarter was primarily driven by the electronics sector, while the warehouse segment continued to be led by storage demand from e-commerce platforms.

Occupancy rates for ready-built factories and warehouses remained healthy, reaching 93% and 77%, respectively. Amidst competitive pricing pressure to attract tenants, average asking rents for both property types remained relatively stable quarter-on-quarter, at USD 5.2/sqm/month for factories and USD 5.0/sqm/month for warehouses.

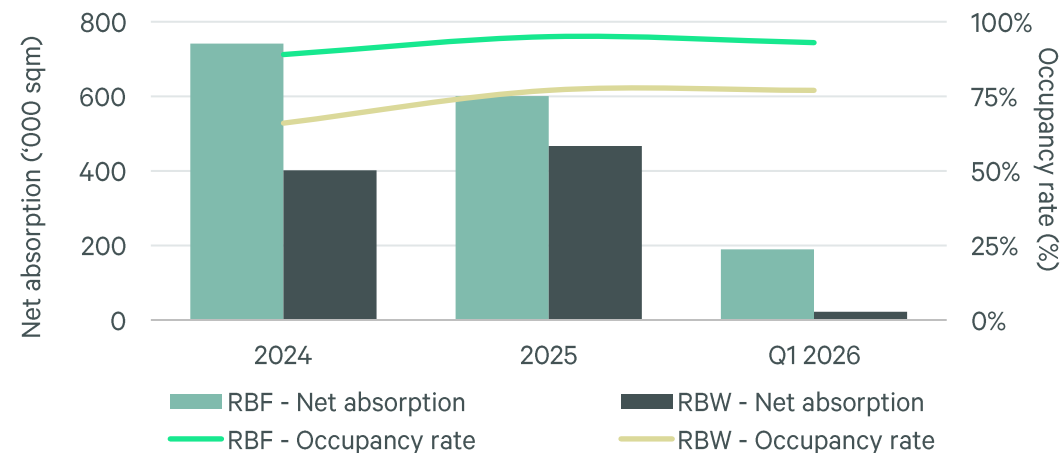
FIGURE 9: Industrial land, Southern region, Tier – 1 provinces



Source: CBRE Vietnam Research & Consulting, Q1 2026.

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, Q1 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:

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

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.

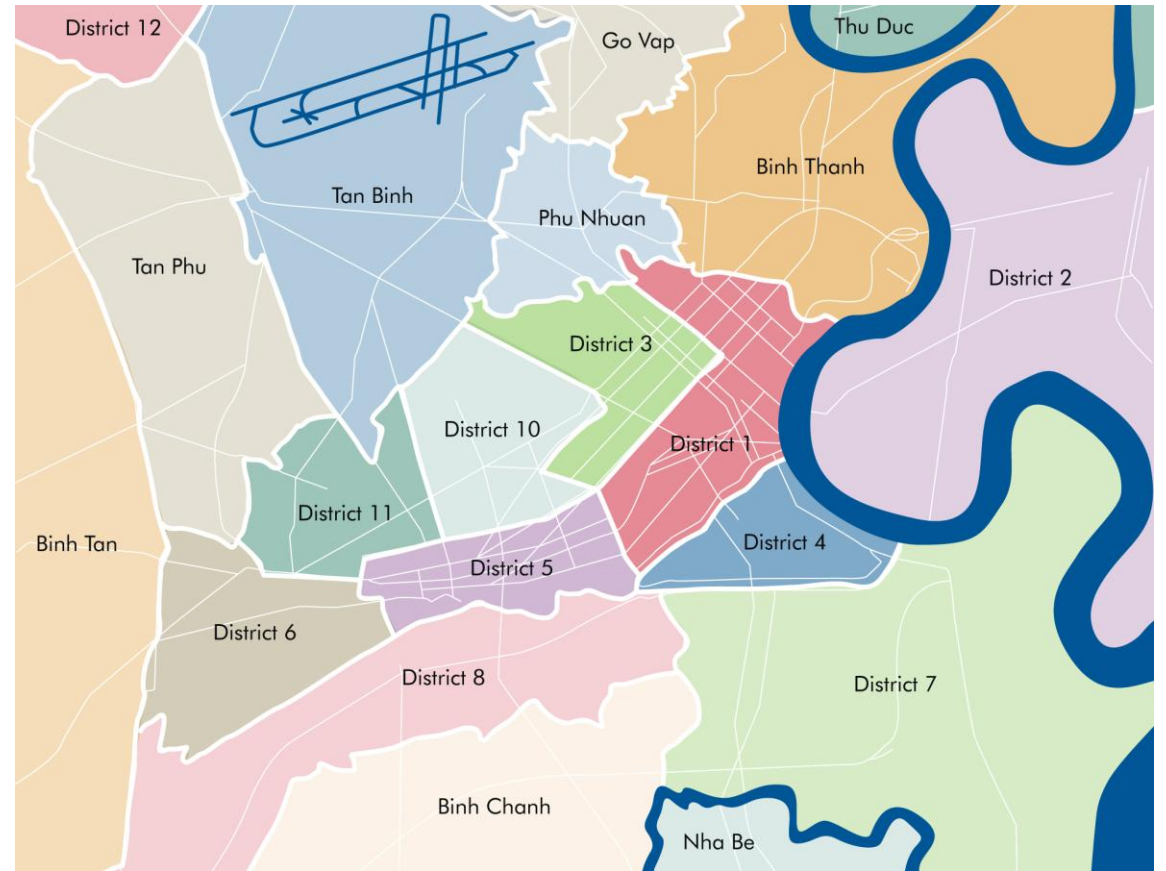
Rents or average room rates are quoted on the following basis:

- 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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