



Vietnam Real Estate Market

Quarterly Market Highlights – Q2 2025

Vietnam Highlights

Economic

Q2 2025

A summary of key macroeconomic indicators for Vietnam, including GDP, inflation, interest rates, FDI, and trade, as of Q2 2025.

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Vietnam's Economy Sustains Robust Growth in 6M 2025

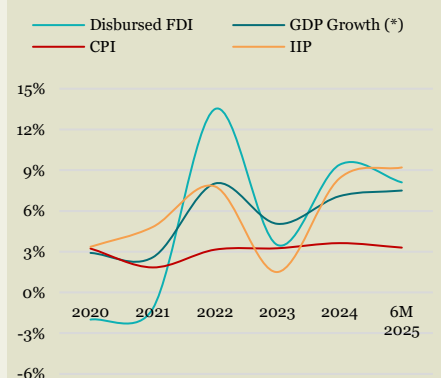
- ▶ Vietnam's GDP grew by 7.52% y-o-y in H1 2025, driven by a 9.2% surge in industrial output. Export earnings increased by 14.4% to US\$219.8 billion and a US\$7.63 billion trade surplus. The average CPI held at 3.27%, while realised FDI increased by 8.1% to US\$11.7 billion, underscoring sustained investor confidence despite ongoing tariff concerns.

VIETNAM

Vietnam maintained strong momentum in H1 2025, with GDP expanding 7.52% year-on-year, supported by a 9.2% increase in industrial output, robust domestic demand, and a 14.4% rise in exports to US\$219.8 billion. Manufacturing, electronics, and agriculture remained the primary engines of growth, supported by an 8.1% increase in disbursed FDI to US\$11.7 billion.

Inflation averaged just 3.27%, well below the SBV's 4.5% ceiling, while a US\$7.63 billion trade surplus underscored Vietnam's external strength and macroeconomic stability amid global uncertainty.

Fig 1: GDP, FDI, CPI, and IIP Growth



(*) GDP growth is measured at constant 2010 prices (real terms).
Exchange rate: 1 USD = 26,000 VND
Sources: Knight Frank Vietnam Research, GSO, World Bank, ADB, IMF

The government kept the fiscal deficit close to 3.5% of GDP through disciplined budgeting; accelerated infrastructure spending, and a skilled workforce continue to underpin Vietnam's positive outlook for the rest of 2025.

HO CHI MINH CITY

Ho Chi Minh city maintained strong momentum in H1 2025, with GRDP growing 7.49% y-o-y. Industrial production rose by approximately 8%, while retail sales surged 18.9% to VND 675 trillion (around US\$26.4 billion). The city also welcomed 3.8 million international visitors, a 44% increase from the same period last year, providing a significant boost to the tourism and hospitality sectors.

Metro Line 1 is now fully operational, while land clearance for Line 2 is nearing completion. Major infrastructure projects such as Ring Road 3 and the Thu Thiem 4 Bridge are steadily enhancing connectivity and easing traffic congestion. Steady inflows of FDI into industrial parks and the Saigon Hi-Tech Park continue to reinforce Ho Chi Minh City's position as a dynamic commercial and manufacturing hub.

HANOI

Hanoi recorded GRDP growth of approximately 7.1% y-o-y in 6M 2025, fuelled by an 8.5% rise in industrial output and retail sales up 14% to VND 510 trillion (around US\$20.1 billion).

7.52% y-o-y

GDP Growth – Among the fastest-growing economies in H1 2025

3.27%

Inflation (CPI) in H1 2025 (y-o-y)

8.1%

Disbursed FDI Growth in H1 2025 (y-o-y)

9.2%

Industrial Production Index (IIP) growth in H1 2025

4.5%

Refinancing Interest Rate (unchanged, as of H1 2025)

The city attracted 3.6 million international tourist arrivals, up 22% y-o-y, providing a solid boost to hospitality and services.

Construction of Ring Road 3.5, preparatory works for Metro Lines 3 and 4, and a range of smart city initiatives all progressed during the period, improving mobility and advancing digital governance. At the same time, heritage-site preservation efforts continued alongside these upgrades, helping to ensure balanced growth and reinforcing Hanoi's role as the economic and administrative center of northern Vietnam.



HCMC

Real Estate Market

Quarterly Market Highlights – Q2 2025

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HCMC Highlights Office

Q2 2025

An overview of HCMC's office market as of Q2 2025

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Ho Chi Minh City Welcomes Its Largest Grade A Office Building

- Despite global macroeconomic uncertainties, Ho Chi Minh city's office leasing market maintained steady demand during Q2 2025 with several large-scale transactions and new enquiries. Thanks to new supply arriving, Grade A CBD office asking rents claimed to new heights at US\$65 per sq m per month, up 1.8% q-o-q and 3.3% y-o-y.

86,700 sq m

New supply in Q2 2025 came from Marina Central Tower (CBD), Saigon First House & Daikin Air Tower (CBD Fringe)

US\$40.8

2.9% q-o-q
2.7% y-o-y

New completions in prime locations slightly boosted the market-wide asking rents.

16,800 sq m

91% q-o-q
23% y-o-y

Net absorption as of Q2 2025, driven by IT/Tech, Pharma & Logistics

85.8%

Overall market occupancy moderately decreased, mainly from new launches

No new supply

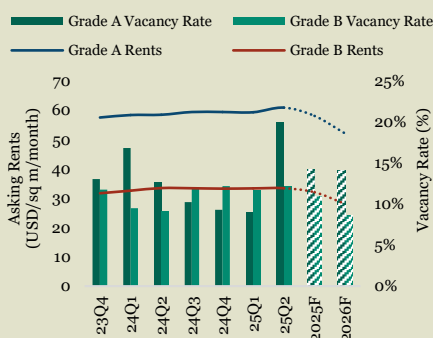
For the remainder of 2025, no new Grade A or Grade B office projects will come into operation

OUTLOOK

Looking ahead to 2026, the total stock of Grade A office space in HCMC is expected to increase by 32,000 sq m NLA from the Lotus Tower project. However, there are no new Grade B projects in the city's pipeline, for at least the next 2 years.

As one of the APAC region's most dynamic office markets, HCMC is expected to maintain a positive outlook in the coming years, fuelled by strong demand from foreign enterprises, particularly those in the technology and financial services sectors.

Fig 1: HCMC Office Rents and Vacancy by Grade



Southern Highlights

Industrial Park

Q2 2025

An overview of industrial park market in the Southern region as of H1 2025.

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Sustainable Industrial Leasing Demand Against Global Headwinds

- During H1 2025, the southern market welcomed new supply from Long An, following a quiet year, driving total supply to around 27,000 ha. The steady demand from both foreign and local manufacturers, amid numerous global macroeconomic uncertainties, has reinforced market resilience in the South.

85 ha

New supply in H1 2025 came from Prodezi Eco Long An IP – Phase 1

US\$169

4.5% h-o-h

4.4% y-o-y

High demand but limited new supply brought average asking price to higher level

32 ha

Net absorption during H1 2025

90.2%

0.2 ppts h-o-h

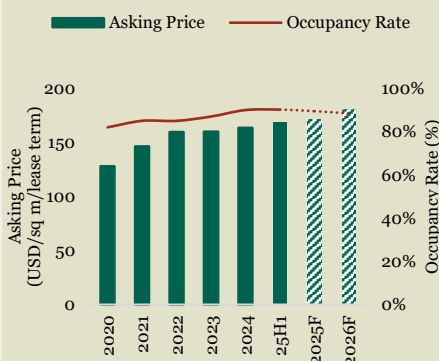
0.2 ppts y-o-y

Market occupancy rate remained at over 90%, driven by the steady demand

490 ha

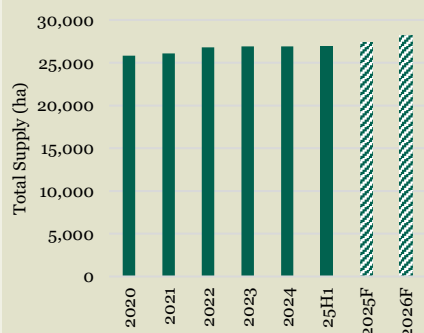
Future supply in H2 2025 from Cay Truong IP, located in Bau Bang, Binh Duong

Fig 1: Industrial Park Market Performance



Note: Asking price per unexpired lease term

Fig 2: Industrial Park Total Supply



Southern Region includes HCMC, Binh Duong, Dong Nai, Long An and Ba Ria – Vung Tau
Sources: Knight Frank Vietnam Research

ASKING PRICE

In the South, a lack of new supply contributed to a 4.4% increase in average asking prices, reaching US\$169.4 per sq m per lease term. Ho Chi Minh City and Binh Duong remained the most expensive submarkets, with rates ranging from US\$198 to US\$270 per sq m per lease term.

Overall, southern IP occupancy remained at a high level of 90% in H1 2025, fuelled by steady market demand.

SUPPLY

Following a quiet 2024 without any new supply, the Southern IP market welcomed a brand-new industrial park, namely Prodezi Eco Long An – Phase 1, which added around 85 ha to the total stock.

Due to its abundant land bank and ongoing infrastructure upgrades, Long An is gaining traction as an industrial hub in the South, currently accounting for 17% of the total supply.

DEMAND

In H1 2025, the southern market, facing limited land availability and rising rents, saw net absorption of just 32 hectares.

The majority of new land lease deals came from Long An and Dong Nai, driven by Chinese, Taiwanese and local manufacturers. Additionally, BR-VT continues to emerge as a more attractive investment destination for FDI companies, following the approved merger plan with HCMC and Binh Duong.

OUTLOOK

By 2026, new supply from Binh Duong, including Cay Truong IP and VSIP III – Phase 2, will be key demand drivers for the southern market. Additionally, local authorities are actively promoting the expansion of industrial development space towards further locations, such as Bac Tan Uyen (Binh Duong) and Trang Bom (Dong Nai).

Southern Highlights

Ready-built Factory

Q2 2025

An overview of ready-built factory market in the Southern region as of H1 2025.

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Southern Market Expands with Steady Demand

- In H1 2025, southern Vietnam leased approximately 160,000 sq m of factory space, primarily driven by Chinese tenants. Dong Nai and Binh Duong led the leasing activity. Supply reached 4.98 mil sq m with a 49,000 sq m addition, and rents rose 0.7% y-o-y to US\$4.9 per sq m per month, supported by major infrastructure projects.

49,000 sq m

New supply in H1 2025 came from an international developer in Dong Nai Province.

US\$4.9

Average asking rents per sq m per month

160,000 sq m

Net absorption in H1 2025 maintained strong take-up of new supply.

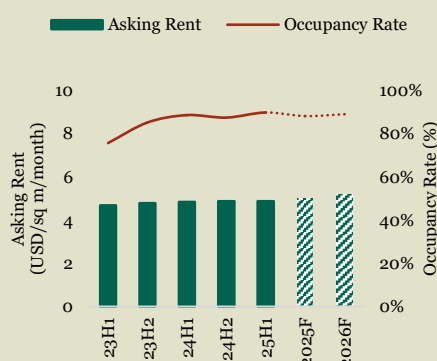
89%

Occupancy rate

127,300 sq m

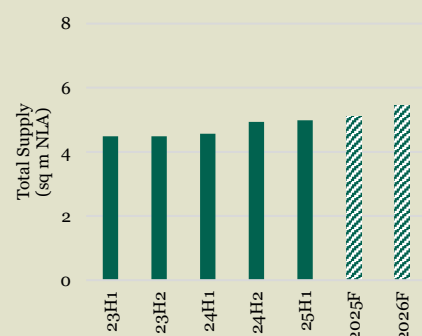
New supply in H2 2025

Fig 1: Ready-built Factory Market Performance



Note: Asking rent is inclusive of service charge and exclusive of VAT

Fig 2: Ready-built Factory Total Supply



Southern Region includes HCMC, Binh Duong, Dong Nai, Long An and Ba Ria - Vung Tau
Sources: Knight Frank Vietnam Research

ASKING RENT

In H1 2025, the asking rents of RBF in the South reached US\$4.9 per sq m per month (up 0.7% y-o-y). Most of the rental growth was observed in areas that have benefited significantly from upcoming infrastructure projects, such as Ring Road No. 3, the Ben Luc-Long Thanh Expressway, and Long Thanh International Airport. Occupancy remained at a high level of 89%.

SUPPLY

In H1 2025, KTG Industrial Nhon Trach 2 added 49,000 sq m to the market, bringing the total supply of ready-built factories (RBF) in the south to 4.98 mil sq m. With this new addition, Dong Nai maintained its leading position in the southern market, accounting for 41% of the total supply, followed by Binh Duong with 27% and Long An with 19%.

DEMAND

In H1 2025, the southern market recorded approximately 160,000 sq m of factory space being leased out. Major deals, averaging from 2,000 – 8,000 sq m NLA, were completed in Binh Duong and Dong Nai. Chinese tenants constitute a significant demand source in the reviewed period. Ongoing global trade uncertainties and the need for supply chain diversification among multinational manufacturers are driving increased demand for ready-built factories.

OUTLOOK

In H2 2025, new supply is expected to reach 127,300 sq m, with nearly 80% contributed by international developers. In response to limited land availability in prime locations, these developers are also pioneering the development of multi-storey ready-built facilities, setting a new standard in product offerings.

Southern Highlights

Ready-built Warehouse

Q2 2025

An overview of ready-built warehouse market in the Southern region as of H1 2025.

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E-commerce and Manufacturing Sector Boosted The Warehouse Demand

- The increase in new, modern warehouse supply has driven up market-wide asking rents in the southern region. Long An continued to emerge as a key hub for warehouse development, highlighted by a single transaction exceeding 140,000 sq m, along with several other large deals during the period.

19,000 sq m

New supply in Binh Duong over H1 2025, namely BW Dong An 2 Industrial Hub

US\$4.4

0.2% h-o-h

1% y-o-y

Increasing average asking rent, mainly from new supply in prime locations

169,200 sq m

The e-commerce and manufacturing sectors have driven the improvement in net absorption

86%

2.7 pts h-o-h

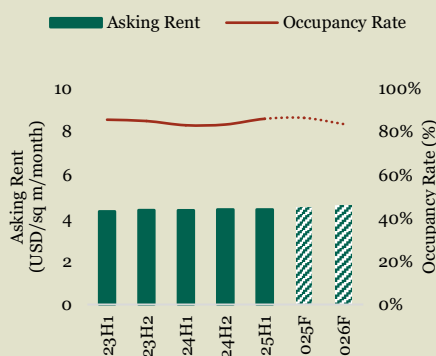
3 pts y-o-y

The steady demand boosted the warehouse market's occupancy.

203,200 sq m

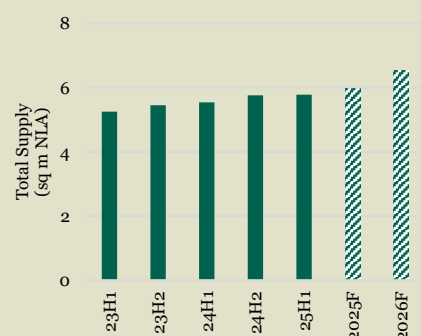
The projected future supply by the end of 2025, mainly from Long An and Dong Nai

Fig 1: Ready-built Warehouse Market Performance



Note: Asking rent is inclusive of service charge and exclusive of VAT

Fig 2: Ready-built Warehouse Total Supply



Southern Region includes HCMC, Binh Duong, Dong Nai, Long An and Ba Ria - Vung Tau
Sources: Knight Frank Vietnam Research

ASKING RENT

As of H1 2025, the average asking rent for southern warehouses increased by 1% y-o-y to US\$4.4 per sq m per month. Some notable projects, offering high-standard facilities and professional management in prime locations, are quoting from US\$5.5 to US\$6.5 per sq m per month on average. The market occupancy rate was 86% as of H1 2025.

SUPPLY

With the completion of BW Dong An 2, the total supply of southern ready-built warehouse space increased to 5.8 mil sq m as of H1 2025. This has driven total modern supply to 2.4 mil sq m, marking 41.5% of total stock.

In terms of location, Binh Duong dominated the warehouse market in the region, with 44.3% of the total supply. Meanwhile, Dong Nai and Long An took over around 19.4% and 16.8% of total warehouse space, respectively.

DEMAND

Over H1 2025, the southern ready-built warehouse market recorded net absorption of 169,200 sq m. The robust growth of the e-commerce and manufacturing sectors boosted warehouse demand in the south, as demonstrated by the completion of large-scale deals.

Due to the recent influx of new supply, Long An has become an ideal option for large tenants.

OUTLOOK

For the remainder of 2025, the southern market is expected to complete 203,200 sq m of new warehouse spaces, including BW Vinh Loc 2, Logicross Nam Thuan and KCN Nhon Trach 6D – Phase 1.

Looking towards 2026, due to the extensive land bank and improving infrastructure, Long An and Dong Nai will remain hotspots for new warehouse development in the south.

HCMC Highlights

5-star Hotel

Q2 2025

An analysis of 5-star hotel market supply, demand, room rates, and trends in HCMC as of H1 2025.

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Robust Recovery and Future Growth Driven by Strong International Tourist Demand

- The 50th anniversary of Reunification Day (30 April) was meticulously planned, featuring a wide range of cultural, historical, and entertainment activities throughout April and May. These celebrations successfully attracted a significant number of both international and domestic tourists. As a result, the overall occupancy rate of hotels in the city centre reached nearly 100% during this period.

44 rooms

New supply in H1 2025 included 150 rooms from The Indigo Saigon The City, while 106 keys at the Sheraton Grand Opera Hotel were closed for renovation

7,304

▲ 0.6% y-o-y

Total room supply in HCMC as of H1 2025

US\$152

▲ 2.4% y-o-y

ADR in H1 2025 continued its steady improvement since the COVID-19 period

70%

▲ 4.6 ppts y-o-y

The occupancy rate in H1 2025 improved gradually, supported by eased visa policies for international tourists.

No new supply

No new supply in 2025-2026

OUTLOOK

Between 2025 and 2026, no new 5-star hotels are expected to open in Ho Chi Minh City, which is likely to maintain higher ADR's and occupancy. From 2027 onwards, the market is poised to enter a dynamic new phase, with the launch of long-delayed projects set to enhance the overall quality and competitiveness of the city's hospitality sector.

Fig 1: HCMC 5-star Hotel – Total Supply and Occupancy Rate

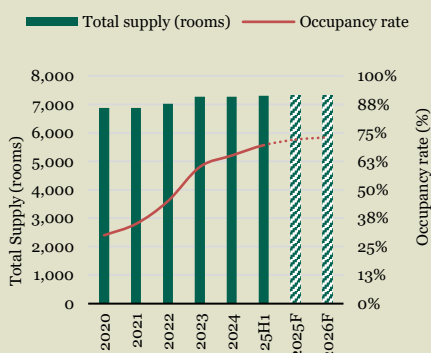
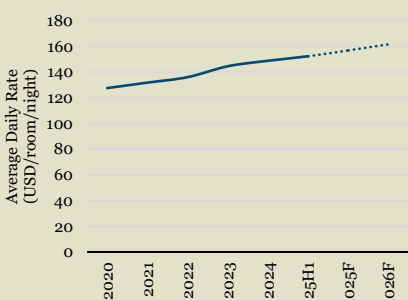


Fig 2: HCMC 5-star Hotel - Asking Average Daily Rate (ADR)



Note: The asking average daily rates are collected from daily rate listings on online travel agent websites. The rates are exclusive of VAT and service charges.
(*) 2025F is the forecast for the remaining quarters
Sources: Knight Frank Vietnam Research

AVERAGE DAILY RATE

In H1 2025, the average daily rate reached US\$152 per room per night, a 2.4% year-on-year increase driven by improved performance across all hotel segments and strong demand during the Tet and summer seasons. The opening of a new branded hotel also contributed to the ADR increase, with a high average daily rate of over US\$200 per room.

SUPPLY

During H1 2025, The Indigo Saigon The City, operated by IHG, added 150 rooms to the total supply. This marks the first step in the brand's strategy to expand its presence in Vietnam, with plans to grow from 16 to over 40 hotels.

DEMAND

The hospitality sector benefitted from visa relaxations under Resolutions No. 44/NQ CP and 11/NQ CP, and increased direct flights from Europe, the Middle East, and India. Major events such as Lunar New Year, Reunification Day, United Nations Day of Vesak 2025 have significantly boosted tourism activity. As a result, over the past six months of 2025, total international tourist arrivals reached 3.8 million in Ho Chi Minh city (up 44% y-o-y), with key source markets including China, South Korea, the United States, and India. Driven by strong demand, the occupancy rate for 5-star hotels rose to 70%, representing a year-on-year increase of 4.6 percentage points.



Hanoi

Real Estate Market

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Hanoi Highlights

Office

Q2 2025

An overview of Hanoi's office market as of Q2 2025

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Hanoi Office Markets Maintained Positive Performances, With Several Major Leasing Transactions Completed

- The Hanoi office-for-lease market remained active in Q2 2025, supported by steady demand from foreign-invested companies. Multiple office developments are currently underway, particularly in the West and West Westlake areas, gradually expanding overall market supply and contributing to the city's ongoing shift towards decentralisation of office space.

No new supply

No new office supply recorded in Hanoi during Q2 2025

US\$24.4

0.0% q-o-q
1.6% y-o-y

Average asking rent for both grades remained stable

18,700 sq m

24% q-o-q

Net absorption as of Q2 2025, driven by the IT/Tech sector

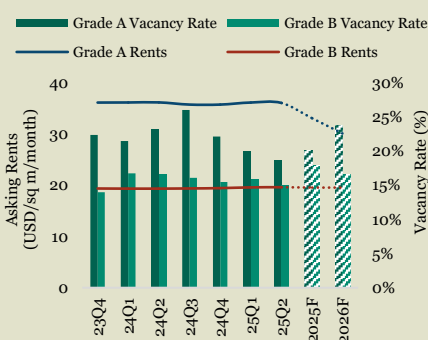
84%

The overall market occupancy rate saw a modest improvement

79,800 sq m

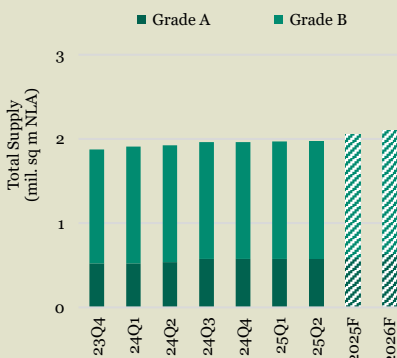
The projected supply pipeline by 2025, mainly towards the West & West Westlake

Fig 1: Hanoi Office Rents and Vacancy by Grade



Note: Asking rent is inclusive of service charge and exclusive of VAT.

Fig 2: Hanoi Office Total Supply Change



Sources: Knight Frank Vietnam Research

ASKING RENT AND VACANCY RATE

With no new office buildings recorded, average asking rents in the Hanoi market remained unchanged over the quarter. As of Q2 2025, market-wide asking rents were quoted at US\$36 per sq m per month for Grade A and US\$19.6 per sq m per month for Grade B.

The steady demand for leasing offices in Q2 2025 improved the market vacancy rate to 16%, down 1% y-o-y and 2.3% q-o-q.

SUPPLY

During Q2 2025, with no new supply, total office space in Hanoi remained at nearly two mil sq m, up 2.5% y-o-y.

Driven by an influx of new supply over the past five years, Midtown and West areas remain key office hubs in the capital, accounting for 32% and 37.2% of total stock, respectively.

DEMAND

Hanoi's office market continued to record positive net absorption, reaching 18,700 sq m as of Q2 2025, up 24% q-o-q.

This has been driven by the expansion of the IT and Tech sector in the capital city, with large-scale transactions of up to 8,000 sq m.

Prime office buildings with high quality, offering flexible leasing schemes, continued to draw considerable tenant interest over the quarter.

OUTLOOK

By the end of 2025, the capital is expected to see a surge in new supply, including Tien Bo Plaza, Phuc Hung Tower, Oriental Square, and The Marc 88.

Additionally, Hanoi has recently seen construction commence on a series of new office developments, mainly in the Midtown and West Westlake areas. This reflects strong investor confidence in Hanoi's office market.

Hanoi Highlights

Apartment

Q2 2025

An analysis of apartment market supply, demand, prices, and trends in Hanoi as of Q2 2025.

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Single Projects Back to Roadshow, Setting New Price Benchmarks in Nam Tu Liem and Hoang Mai Districts

- Thanks to increasing single developments, Hanoi's new supply doubled in Q2 2025, to around 7,100 units. In line with the new supply, market performance rebounded, reaching approximately 7,400 units sold, equivalent to 85% absorbed. Price escalation continued to ease at 6% q-o-q, drawing the primary price to US\$3,284 per sq m.

7,123 units ▲ 129% q-o-q ▼ 17% y-o-y

New supply in Q2 2025, non-township projects are returning

7,427 units ▲ 180% q-o-q ▼ 22% y-o-y

New demand (units sold) in Q2 2025, substantially absorbed in both single and township sites

85%

Absorption rate in Q2 2025, significantly increased post-Tet, thanks to diversified developments during this quarter

US\$3,284 ▲ 6.5% q-o-q ▲ 26% y-o-y

Average primary asking price per sqm NSA in Q2 2025, continued to ease its escalation due to secondary supply dominance last year

26,400 units

New supply in H2 2025-2026, mainly driven by suburban districts, especially Dong Anh, Hoang Mai, and Ha Dong.

OUTLOOK

By 2026, supply is projected to remain steady at 26,400 units, with 34% originating from the CBD and 66% from suburban areas. The pipeline is shifting to high-end and luxury segments, which now account for 60% of future supply. Demand remains resilient but slightly lower than last year. This has helped moderate price escalation to 5–6% q-o-q, pushing the primary market price to US\$3,400–3,500 per sq m.

Fig 1: Hanoi Apartment New Supply and Absorption Rate

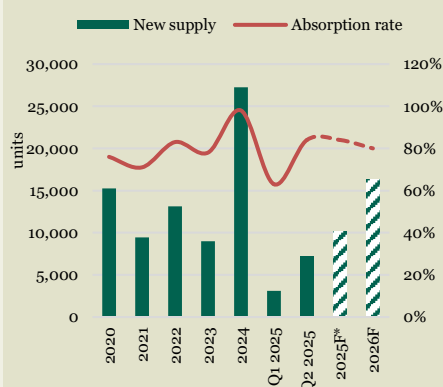


Fig 2: Hanoi Apartment Primary Asking Price



Note: Absorption rate is new units sold divided by (new supply + supply at the beginning of year/quarter)
 (*) 2025F is the forecast for the remaining quarters
 CBD fringe areas: Tay Ho, Ba Dinh, Dong Da, Hai Ba Trung, Thanh Xuan
 Suburban areas: Dong Anh, Long Bien, Hoang Mai, Ha Dong, etc
 Sources: Knight Frank Vietnam Research

PRIMARY ASKING PRICE

Primary price escalation remained at 6% q-o-q, reflecting the current primary price of US\$3,284 per sq m. Nam Tu Liem's and Ha Dong's primary prices reached new levels of US\$4,500 and US\$2,900 per sq m, q-o-q growth rates of 40% and 34%, respectively, resulting from new introductions such as The Matrix One and Kepler Tower.

SUPPLY

In Q2 2025, new supply doubled to 7,100 units, accounting for approximately 80% of the total primary stock of nearly 9,000 units. Non-township sites increased across the mid-to-luxury segments, accounting for 60% of the new supply. Notably, the luxury segment reached its highest record ever, with 2,500 new units. Dong Anh, Gia Lam, Ha Dong, and Nam Tu Liem continued to lead the market, dominating 85% of total new launches, primarily from Vinhomes Global Gate, Vinhomes Ocean Park, Kepler Tower, and The Matrix One.

DEMAND

Market demand remained resilient following Tet, with 7,400 units sold, equivalent to 85% absorbed. New units achieved a remarkable sales rate of over 90%. In comparison, inventory units showed a more moderate pace with nearly 60% absorbed, resulting from diversified sales promotions and supportive payment options amid skyrocketing primary prices last year.

Northern Highlights

Industrial Park

Q2 2025

An analysis of industrial park market supply, demand, prices, and trends in Northern provinces in H1 2025.

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Unlocking Opportunities Amid Global Economic Uncertainty

Buoyed by positive FDI signs in the H1 2025, new IP supply in the north reached 280 ha. In line with the new supply, market performance showed positive signs amid global headwinds, achieving an uptake of around 400 ha and an occupancy rate of 80%. Asking price escalation continued to stabilise at 5% annually, driving the current market rent to US\$136 per sq m per lease term.

280 ha ▲ 162% h-o-h
▼ 28% y-o-y

New supply in H1 2025, from only Trang Due 3 IP (Phase 1) in Hai Phong province

400 ha ▲ 25% h-o-h
▲ 42% y-o-y

Net absorption in H1 2025, significant expansion amid global uncertainty

80%
Occupancy rate in H1 2025, the highest level ever due to limited new expansions

US\$136 ▲ 3.8% h-o-h
▲ 5.4% y-o-y

Average asking price per sqm per lease term in H1 2025, maintaining a steady escalation rate

1,500 ha
New supply in H2 2025-2026, significant new expansions, thanks to increasing FDI into Vietnam recently

OUTLOOK

In H2 2025, the north market is expected to welcome 300 ha from Kim Thanh 2 IP (Phase 1) and Gia Loc IP in Hai Duong. The 2026 pipeline remains abundant with over 1,200 ha, thanks to various approvals earlier this year. Demand remains resilient, with occupancy at 80%. Rents are expected to increase steadily by 4–6% annually, equivalent to around US\$140.

Fig 1: IP Supply and Occupancy Rate

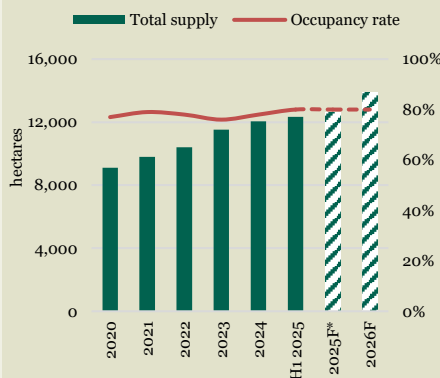
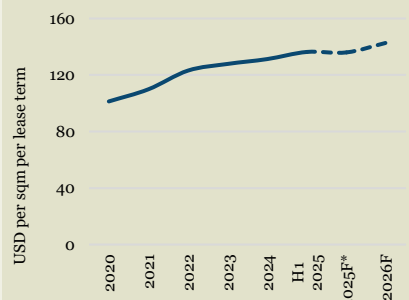


Fig 2: IP Average Net Asking Rent



Note: Occupancy rate is the cumulative occupied area divided by the cumulative supply
Net asking rent is exclusive of VAT and management fees, reflecting over the lease term, counting remaining time based on the expired date of each IP.
(*) 2025F is the forecast for the remaining quarters
North provinces include Hanoi, Bac Ninh, Hai Phong, Hung Yen, and Hai Duong.

AVERAGE ASKING PRICE

As of H1 2025, the average asking price in the north reached US\$136 per sq m per lease term, marking a 5.4% y-o-y increase. This growth was primarily driven by supply expansion and substantial price escalation rates in Hai Phong, which recorded its highest annual growth rate at 9%. Despite this growth, Hai Phong's current asking price of US\$133 remains lower than Bac Ninh's (US\$155), but higher than prices in Hung Yen and Hai Duong (US\$120–130).

SUPPLY

In H1 2025, Trang Due 3 IP (Phase 1) added 280 ha, bringing the total IP supply to 12,300 ha. Bac Ninh and Hai Phong led the market with 3,800 ha each, followed by Hai Duong and Hung Yen with 1,500–2,000 ha. Hanoi's supply remained stable at 1,100 ha. With limited land banks in Hanoi and Bac Ninh, investor interest is shifting toward port-adjacent areas where land is more readily available and competitively priced.

DEMAND

Market demand remained strong, with optimistic absorption of 400 ha, reflecting 80% occupancy despite global economic uncertainty. Transactions were led by sub-developers building ready-built factories and warehouses (45%) and electronics manufacturers (31%) in Bac Ninh and Hai Duong, during the first half. This activity was driven by prominent "queen bee" manufacturers, including Goertek, Shengtian, and Nitto.

Northern Highlights

Ready-built Factory

Q2 2025

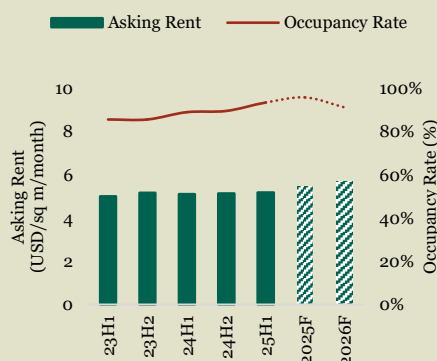
An overview of ready-built factory market in the Northern region as of H1 2025.

knightfrank.com/research

Factory-for-Lease Segment Outperforms On Back of FDI Influx

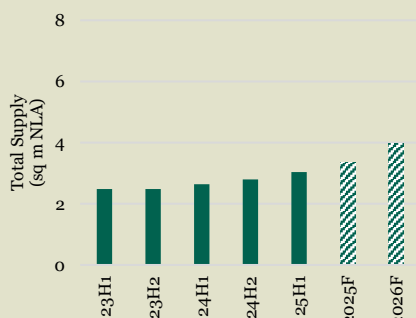
- The northern ready-built factory (RBF) market witnessed numerous large-scale transactions during the first half of 2025, primarily driven by Chinese and Taiwanese manufacturers. Prime locations such as Bac Ninh, Hai Phong, and Hung Yen were the most active spots for factory leasing activities over the period.

Fig 1: Ready-built Factory Market Performance



Note: Asking rent is inclusive of service charge and exclusive of VAT

Fig 2: Ready-built Factory Total Supply



Northern Region includes Hanoi, Hung Yen, Bac Ninh, Hai Phong and Hai Duong
Sources: Knight Frank Vietnam Research

AVERAGE ASKING RENT

As of H1 2025, the average asking rent for ready-built factories (RBFs) in Northern Vietnam increased moderately by 1.5% year-on-year, reaching US\$5.2 per sq m per month.

The introduction of new high-quality factories in prime locations, offering rents ranging from US\$5 to US\$6 per sq m per month, has pushed up the market-wide rate in the North.

SUPPLY

During H1 2025, the Northern RBF market experienced a surge in new supply of 243,700 sq m, marking a total supply of over three mil sq m NLA. Bac Ninh and Hai Phong reaffirmed their position as major industrial hubs in the region, accounting for 76% of the total stock.

DEMAND

The influx of FDI into the manufacturing sector in H1 2025 is the key demand driver for the factory-for-lease market. As of H1 2025, net absorption of Northern RBF exceeded 336,600 sq m of NLA, resulting in a market occupancy rate of 93.5%. Electronics and automobile/vehicle components continue to expand in the north, primarily from prime locations including Bac Ninh, Hai Phong, and Hung Yen, with average sizes ranging from 3,000 to 10,000 sq m.

243,700 sq m

New supply in H1 2025, mainly located in Bac Ninh and Hung Yen.

US\$5.2

▲ 1% h-o-h
▲ 1.5% y-o-y

Average asking rents continued to rise, supported by new prime supply

336,600 sq m

Net absorption over H1 2025, with several major deals across Bac Ninh, Hai Phong & Hung Yen

93.5%

▲ 3.9 ppts h-o-h
▲ 4.4 ppts y-o-y

Occupancy rate as of H1 2025, driven by the influx of FDI into the manufacturing sector

312,000 sq m

Future supply projected in H2 2025, dominated by international developers

OUTLOOK

By the end of 2025, Bac Ninh, Hai Phong and Hung Yen are expected to remain key hotspots for new factory spaces in the Northern market.

Strong factory leasing demand from FDI manufacturers, especially in the electronics sector, has paved the way for the growth of the Northern RBF market. Tier-2 markets, such as Ha Nam, Vinh Phuc, or Bac Giang, are also benefiting from the spillover effect on industrial development.

Northern Highlights

Ready-built Warehouse

Q2 2025

An overview of ready-built warehouse market in the Northern region as of H1 2025.

knightfrank.com/research

New Modern Developments Strengthen the Warehouse Market Landscape

- Robust growth in the manufacturing industry has aided the expansion of the Northern logistics market. New modern warehouse developments in key industrial hubs, such as Bac Ninh and Hung Yen, are driving up average rents for Northern ready-built warehouses (RBWs).

115,800 sqm

New supply in H1 2025, coming from DPL Minh Quang, Logoi Hung Yen (Hung Yen) & KCN Thuan Thanh 3B (Bac Ninh)

US\$4.6

0.8% h-o-h
2.6% y-o-y

Continuously increasing asking rents for RBW, due to new modern supply in prime locations

70,300 sq m

Net absorption in H1 2025

81.7%

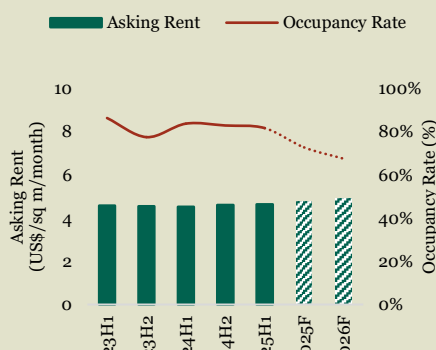
1.2 ppts h-o-h
2.1 ppts y-o-y

Moderately lower market occupancy in H1 2025, due to new supply

743,000 sq m

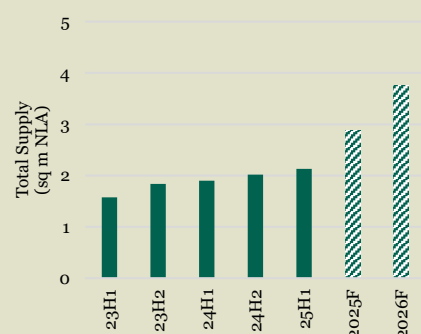
Future supply projected by the end of 2025, mainly from modern warehouse developments

Fig 1: Ready-built Warehouse Market Performance



Note: Asking rent is inclusive of service charge and exclusive of VAT

Fig 2: Ready-built Warehouse Total Supply



Northern Region includes Hanoi, Hung Yen, Bac Ninh, Hai Phong and Hai Duong
Sources: Knight Frank Vietnam Research

AVERAGE ASKING RENT

In H1 2025, market-wide asking rent for Northern RBW climbed to US\$4.6 per sq m per month, up 2.6% y-o-y. The increase in average rents mainly resulted from the higher rents of new modern supply in strategic locations.

Although asking rents saw no significant change, many recently launched warehouses, especially in Hung Yen, tend to offer more incentives, like longer rent-free fit-out periods, to attract new tenants.

SUPPLY

With new completions in Hung Yen and Bac Ninh, the total supply of Northern RBW increased to 2.1 mil sq m as of H1 2025.

Additionally, total modern supply increased from 1.4 mil sq m in 2024 to around 1.5 mil sq m in H1 2025.

As a key logistics hub in the North, Bac Ninh accounted for around 45% of total warehouse stock, followed by Hung Yen and Hai Phong.

DEMAND

During H1 2025, the Northern RBW market recorded total net absorption of 70,300 sq m, representing a positive recovery compared to the previous period.

The strong growth of the manufacturing sector over the period created momentum for the logistics sector. New warehouse transactions in H1 2025 mostly came from Chinese manufacturers, ranging from 5,000 – 10,000 sq m NLA on average.

OUTLOOK

In the coming quarters, the Northern market will experience a further rise in warehouse supply, mainly in key hubs including Bac Ninh and Hai Phong. Major warehouse pipeline in the region include BW VSIP Bac Ninh 2, BW ESR Nam Son Hap Linh, Logoi Yen Phong 2A, and Logicross Hai Phong.

The influx of new warehouse supply might require investors to become more flexible in both product development and leasing strategies to draw tenant interest.

Hanoi Highlights

5-star Hotel

Q2 2025

An analysis of 5-star hotel market supply, demand, room rate, and trends in Hanoi as of Q2 2025.

knightfrank.com/research

Several Luxury Hoteliers Plan to Set Their First Footprints In Hanoi

► Driven by the peak season of international tourists over the first half of 2025, Hanoi's 5-star hotel market experienced a strong recovery in both average room rate and occupancy. With new supply from the West Westlake area, the 5-star segment now features a greater presence of international hotel operators.

207 rooms

Completion of Dusit Le Palais Tu Hoa Hanoi added 207 rooms to the total stock

5,800 rooms

Total existing supply of 5-star hotels in Hanoi as of H1 2025

US\$135.5 ▲ 2.6% y-o-y

Upward trend in average daily rate, driven by the increasing number of tourist arrivals

67% ▲ 2 ppts y-o-y

Overall market occupancy over H1 2025, moderately improved compared to 2024

1,600 rooms

Future supply from H2 2025 – 2026, mainly in Core CBD and Mid-town areas

OUTLOOK

By 2026, the Hanoi 5-star hotel market will see a surge in new supply, particularly from Four Seasons Hotel Hanoi, Fairmont Hotel, Tien Bo Plaza, Shilla Hotel and Waldorf Astoria Hanoi (rebranded from Hilton Hanoi Opera), providing more than 1,600 rooms to the market. Such new supply with more international luxury hoteliers might bring average room rate to new heights in upcoming years.

Fig 1: Hanoi 5-star Hotel - Total Supply and Occupancy Rate

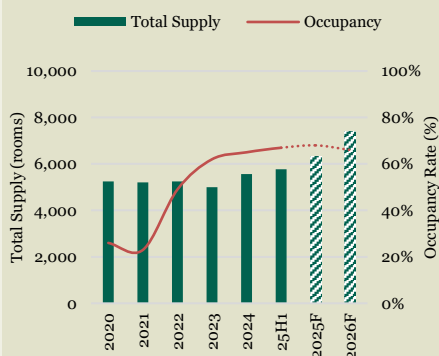
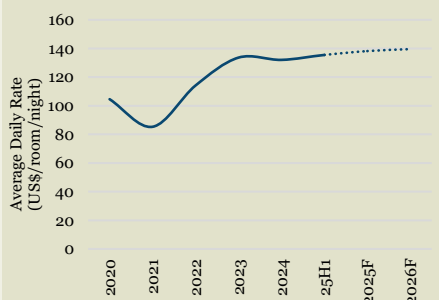


Fig 2: Hanoi 5-star Hotel - Asking Average Daily Rate (ADR)



The asking average daily rates are collected from daily rate listings on online travel agent websites. The rates are exclusive of VAT and service charges.
(*) 2025F is the forecast for the remaining quarters
Sources: Knight Frank Vietnam Research

AVERAGE DAILY RATE

Market-wide ADR of Hanoi's 5-star hotel was quoted at US\$135.5 per room per night, reflecting a moderate increase of 2.6% compared to last year.

Core CBD, a prime tourism hub, recorded the highest level, at US\$220.6 per room per night, supported by high-end properties including Sofitel Legend Metropole Hanoi and Capella Hanoi. The West emerged as the premium-priced location for 5-star accommodations, averaging US\$132.6 per room per night.

SUPPLY

During H1 2025, the Hanoi market welcomed a brand-new premium hotel, bringing the total supply to around 5,800 rooms. This marked Dusit's debut in the Vietnamese capital, and a diversification of the 5-star hotel landscape.

The Midtown and West submarkets led the market, accounting for 34.9% and 30.2% of total upscale hotels, respectively.

DEMAND

Over H1 2025, the capital city has promoted numerous attractive campaigns, along with large-scale events, to boost tourism demand, such as "Get on Hanoi 2025" and the "Hanoi Tourism Festival 2025".

The increasing number of foreign tourists has improved hotel occupancy, reaching 67% as of H1 2025, up two percentage points compared to 2024.


We like questions, if you’ve got one about our research, or would like some property advice, we would love to hear from you

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Definition

Vietnam’s apartment market is divided into five segments based on Net Floor Area (NFA) selling price, excluding VAT: Ultra-luxury (> US\$10,000/m²), Luxury (> US\$4,000/m²), High-end (US\$3,000 – 4,000/m²), Mid-end (US\$2,000 – 3,000/m²), and Affordable (< US\$2,000/m²). All apartment prices are quoted in US dollars per square meter of NFA, excluding VAT.

The absorption rate is the ratio of new sales to the total of new supply plus existing supply at the start of the period. It indicates how quickly newly launched units are taken up by buyers within a given timeframe.

In Ho Chi Minh City, office submarkets are grouped into the CBD (Central Business District), CBD Fringe, Non-CBD, Saigon South, and Thu Duc City. Meanwhile, Hanoi’s office submarkets are divided into the CBD, CBD Fringe, The West, The Westlake, and Non-CBD.

All office rents are quoted in US dollars per square meter of Net Leasable Area (NLA) per month, and office supply is also reported in total NLA. This standard ensures consistency and clarity when comparing rental rates and available space across different submarkets.

Glossary of term

Key Definitions	Explanation
NLA	Net Leasable Area
q-o-q	quarter over quarter
y-o-y	year over year
h-o-h	half year over half year
p.m.	per square meter
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
CPI	Consumer Price Index
IIP	Index of Industrial Production
CBD	Central Business District

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