Vietnam Real Estate Market

Q4 2025

A summary of Vietnam's office, apartment, industrial sectors in Q4 2025, highlighting key performance indicators and future trends

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Vietnam Highlights

Economic

Q4 2025

A comprehensive review of Vietnam's key macroeconomic indicators, including GDP, inflation, public investment, FDI, and trade performance for the full year of 2025.

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Vietnam Outperforms Region with 8.02% Growth, Fuelled by Manufacturing & Infrastructure

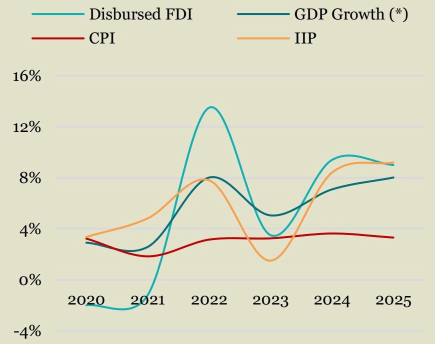
Propelled by record export performance, a surge in disbursed FDI, and robust industrial output in Q4, Vietnam exceeded its annual targets, retaining its position as Southeast Asia's fastest-growing economy in 2025.

VIETNAM

Vietnam's economy concluded 2025 on a strong footing. Real GDP grew 8.02% y-o-y. Index of industrial production (IIP) climbed 9.2%, while exports surged 17.0% to US$475 billion, driving a trade surplus of US$20 billion. Disbursed FDI rose 9.0% y-o-y to reach US$27.6 billion, while inflation (CPI) averaged 3.31%, remaining well below the policy cap.

International tourist arrivals climbed to 21.2 million, up 20.4% y-o-y. Domestic consumption remained stable with retail sales and consumer services growing 9.2%, reflecting steady demand.

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



Note: (*) GDP growth is measured at constant 2010 prices (real terms). Exchange rate: 1 USD = 26,400 VND

Sources: Knight Frank Vietnam Research, GSO, World Bank, ADB, IMF

Manufacturing output expanded 10.5% y-o-y, primarily due to strong growth in metals, chemicals, and construction materials, while the electronics and automotive sectors posted moderate gains.

HO CHI MINH CITY

HCMC maintained its position as Vietnam's economic engine. Gross regional domestic product (GRDP) expanded 8.03% y-o-y, in line with the national trend. The services sector remained the primary driver, with growth led by domestic consumption in hospitality and food services. The IIP rose 8.9%, and the city continued to lead the nation in FDI with 1,814 new projects, reinforcing its status as the commercial hub of Vietnam.

Key infrastructure upgrades, including the stable operation of Metro Line 1 and the completion of key ramps at the An Phu Intersection in Q4, have significantly bolstered logistics connectivity for the eastern gateway.

HANOI

Hanoi's economy maintained momentum in 2025, reflecting the impact of a structural shift toward high-tech manufacturing and modern services. GRDP expanded 8.16% y-o-y. FDI reached US$4.4 billion, double that of the previous year. Notably, US$3.5 billion came from adjusted capital, indicating a clear trend toward operational expansion from existing multinational tenants rather than new market entrants.

Public investment remained the key growth pillar, with state budget disbursement hitting VND 94.2 trillion (+29.9% y-o-y), the highest nationwide. This capital fuelled critical infrastructure milestones, including the technical opening of parallel routes along Ring Road 4.

The services sector flourished with 7.8 million international visitors and retail sales rising 11.5%.

US$514 bil. ⬆ 8.02% y-o-y

GDP Growth exceeded the annual target (6.5%)

3.31%

Inflation (CPI) (FY 2025) – Remained stable well below the cap

US$27.6 bil. ⬆ 9.0% y-o-y

Disbursed FDI

9.2%

Index of Industrial Production (IIP) sustained momentum

21.2 mil. ⬆ 20.4% y-o-y

International visitors (21.2 mil.) surpassed pre-pandemic peak

Note: Indicators are year-on-year unless noted.

HCMC
Real Estate Market

Quarterly Market Highlights – Q4 2025

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Published January 2026 | Prepared by Knight Frank Vietnam Research

HCMC Highlights
Office

Q4 2025

An overview of HCMC's office market in Q4 2025

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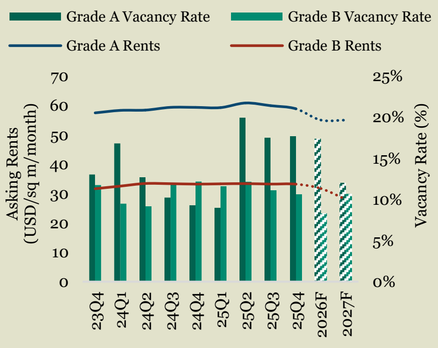
Market Rent is Expected to Continue Downward Trajectory

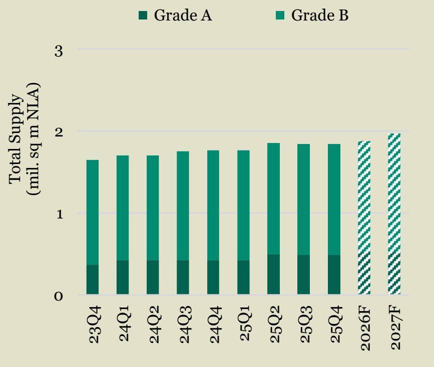
- The IT/Tech and Logistics sectors have driven office demand in the HCMC market, particularly for green office buildings. Average asking rent in HCMC trended downward throughout 2025 to US$58.9 per sq m per month, as some landlords revised their leasing strategies to improve building occupancy.

Fig 1: HCMC Office Rents and Vacancy by Grade



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

Fig 2: HCMC Office Total Supply Change



Note: Ho Chi Minh City's office for lease market mentioned in the report only includes Ho Chi Minh City before latest provincial merger.

Sources: Knight Frank Vietnam Research

ASKING RENT AND VACANCY RATE

In Q4 2025, average asking rent for Grade A office decreased slightly by 0.8% y-o-y to US$58.9 per sq m, as some landlords reduced rents to attract new tenants. Meanwhile, driven by limited new supply and steady demand, Grade B asking rent remained stable in 2025 at US$33.2 per sq m. Over the year, the vacancy rate increased minimally to 12.5%.

SUPPLY

Grade A and Grade B office supply across HCMC reached 1.8 million sq m NLA, up 4.4% y-o-y.

Notable new launches in 2025 included Saigon Marina IFC, Halo Signature and Daikin Air Tower, located across CBD and CBD Fringe.

Green offices have become a key driver of the HCMC office-for-lease market, accounting for around 41% of the total supply.

DEMAND

In 2025, the market recorded a total net absorption of over 52,800 sq m. Although it reached only half of last year's peak, it remained broadly in line with the five-year average.

Green-certified buildings dominated office leasing activities, accounting for 57% of the total market absorption over the period.

IT/Tech and Logistics companies recorded 54% of the total major transactions in 2025

US$40.1

▼ 0.7% q-o-q

▲ 1.3% y-o-y

Market-wide asking rent for Grade A and Grade B offices in HCMC as of 2025

1.8 mil sq m

Total existing office supply in 2025, without any new supply during Q4 2025

8,700 sq m

▼ 53% q-o-q

▼ 28% y-o-y

Total net absorption in Q4 2025

87.5%

▲ 0.5 ppt q-o-q

▼ 1.0 ppt y-o-y

Overall market occupancy as of Q4 2025

126,600 sq m

Office pipeline during 2026 – 2027

OUTLOOK

In 2026, the city will welcome only one new Grade A building, Kross Tower, with an NLA of around 32,000 sq m.

From 2027 onwards, the majority of the office pipeline will arrive in Thu Duc and Saigon South, with a combined supply of around 95,000 sq m anticipated.

IT/Tech occupiers look set to remain the most active, seeking offices across all grades.

In the coming months, market rents are expected to soften, along with more flexible tenant incentives.

HCMC Highlights

Apartment

Q4 2025

A snapshot of Ho Chi Minh City's apartment market in Q4 2025

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Strong Sales Momentum Driven by Newly Launched Supply

- The primary asking price reached US$3,950 per sq m in Q4 2025, with the market welcoming 6,100 new units, of which 70% were luxury developments. In line with the new supply, sales rose significantly, reaching approximately 4,600 units. The overall absorption rate edged down to 47%, due to a slower take-up of available inventory.

Fig 1: HCMC Apartment Primary Asking Price

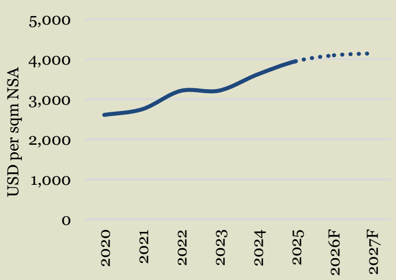
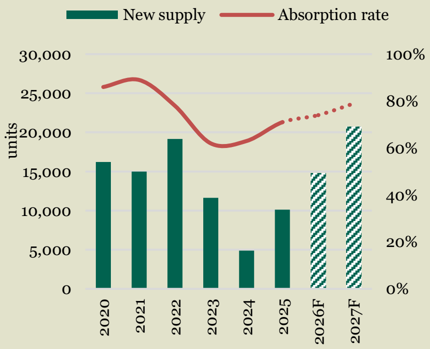


Fig 2: HCMC Apartment New Supply and Absorption Rate



Note: Absorption rate is units sold divided by total primary stock (new supply + inventory).
The West: Binh Chanh, Binh Tan | The South: District 7, Nha Be, Can Gio | Thu Duc City: District 2, District 9, Thu Duc | The North: District 12, Hoc Mon, Cu Chi, Go Vap, Tan Binh
Sources: Knight Frank Vietnam Research

PRIMARY ASKING PRICE

The average primary asking price in HCMC reached US$3,950 per sq m, up 5.2% q-o-q and 8.8% y-o-y. Price growth was supported by a diverse range of luxury products, fostering healthy competition and enhancing overall product quality. Notably, new supply in Phu My Hung approached Thu Thiem price levels, at approximately US$7,900 per sq m, approximately 1.5 times the highest price recorded in 2024.

SUPPLY

Q4 2025 recorded 6,100 units of new supply and 2,600 units of inventory, resulting in a total primary stock of 8,700 units. New supply during the quarter was dominated by luxury projects, including The Privé, Masteri Park Place, Eaton Park, The Sculptura and The Regency, which together accounted for 70%. The mid-end and high-end segments contributed an additional 25%. By location, Thu Duc City accounted for 80% of the new supply, followed by the South and the West.

DEMAND

Over 4,600 units were sold in Q4 2025, representing the highest quarterly sales in the past three years. A total of 9,800 units were sold in 2025, translating to an absorption rate of 71%. New launches accounted for the majority of sales, with 4,200 units sold in Q4 2025 and 7,700 units in 2025, driven by flexible payment schemes and low initial payments. In contrast, inventory units continued to record lower absorption rates due to inferior locations and less favourable payment terms.

US$3,950 ⬆ 5.2% q-o-q ⬆ 8.8% y-o-y

Average primary asking price per sq m NSA in Q4 2025 increased, driven by luxury developments in the East and South

6,100 units ⬆ 239% q-o-q ⬆ 147% y-o-y

New supply in Q4 2025, mostly from subsequent phases of existing projects

4,600 units ⬆ 112% q-o-q ⬆ 80% y-o-y

New demand (units sold) in Q4 2025, sustained strong demand for new units

47%

A slight softening of the absorption rate in Q4 2025 due to slower take-up of available inventory

35,500 units

New supply in 2026-2027 will be more diversified with more increased affordable and mid-end products, supported by the reactivation of on-hold projects

OUTLOOK

In 2026, the market is expected to welcome nearly 14,500 new units, primarily in the upper high-end and luxury segments. However, new supply in 2027 is projected to be more diversified, reaching around 21,000 units, supported by the revised Housing Law and Law on Real Estate Business. Demand for new launches is expected to remain consistent, supporting an average primary asking price of approximately US$4,100 per sq m.

Southern Highlights

Industrial Park

H2 2025

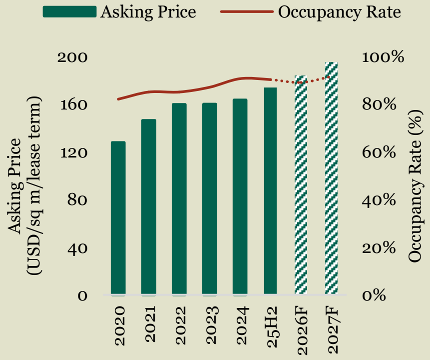
An overview of the industrial park market in the Southern region as of H2 2025.

knightfrank.com/research

Supply Constraints Drive Rents Up

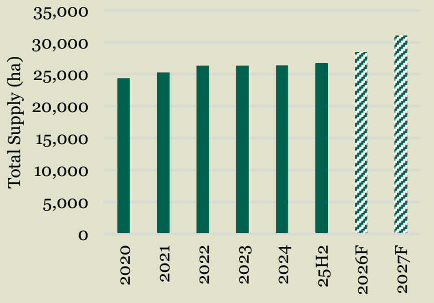
- The Southern market recorded no new industrial land supply in H2 2025, as prolonged planning bottlenecks continued to delay project launches. Despite this, net absorption remained resilient at 164 ha, pushing average asking rents to a record US$174 per sq m per term.

Fig 1: Southern Industrial Park Market Performance



Note: Asking price per remaining lease term

Fig 2: Southern Industrial Park Total Supply



*Southern Region or **Greater HCMC** includes HCMC, Binh Duong, Dong Nai, Long An and Ba Ria – Vung Tau pre-merger*
*Northern Region or **Greater Hanoi** includes Hanoi, Hung Yen, Bac Ninh, Hai Phong and Hai Duong pre-merger*
Sources: Knight Frank Vietnam Research

ASKING PRICE

As of H2 2025, the average asking rent for industrial land in the Greater HCMC area reached a record US$174 per sq m per term, up 1.9% from the first half of the year. Due to prolonged scarcity, prime projects in established hubs like Ho Chi Minh City and Dong Nai maintained premium rates, commanding rents as high as US$289 per sq m per term.

SUPPLY

The market recorded zero new supply (0 ha) in H2 2025, as major future projects faced extended legal and master planning reviews. As a result, the total accumulated stock across the region remained static at 26,750 ha. With over 90% of this area already occupied, the absence of new inventory created a critical supply constraint for new market entrants.

DEMAND

Demand remained resilient, with net absorption reaching 164 ha in H2 2025 and 195 ha for the full year, keeping the occupancy rate stable at 90.2%. Leasing activity was primarily driven by high-tech manufacturing and logistics, with notable transactions including Mapletree Logistics expanding in Dong Nai and SMC securing land for factory expansion, reflecting sustained investor confidence.

US$174
▲ 1.9% h-o-h
▲ 6.4% y-o-y

High demand but limited new supply raised the average asking price

No New Supply

No new supply was recorded in H2 2025

164 ha

Net absorption during H2 2025

90.2%
▲ 0.6 ppts h-o-h
▼ 0.4 ppts y-o-y

Market occupancy rate remained above 90%, supported by steady demand

4,654 ha

Future supply forecast for 2026–2027

OUTLOOK

Looking ahead to 2026–2027, the southern market is expected to see significant new supply, with approximately 4,654 ha expected to come online. Key contributors include Cay Truong IP and VSIP III – Phase 2 in Binh Duong, and Tandoland in Long An. This substantial influx will provide much-needed relief to the current shortage and support the continuing expansion of high-tech manufacturing hubs.

Southern Highlights

Ready-built Factory

H2 2025

An overview of the ready-built factory market in the Southern region as of H2 2025.

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Resilient Demand Lifts Occupancy Above 90% Amid Steady Supply Growth

- In H2 2025, strong net absorption of 207,000 sq m outpaced new supply, driving the average occupancy rate to 90.8%. Average asking rents continued to trend upward, rising to US$4.91 per sq m per month amid sustained demand in key logistics hubs.

US$4.9

▲ 1.1% h-o-h

▲ 1.2% y-o-y

Average asking rents per sq m per month

118,000 sq m

New supply in H2 2025, concentrated in the Long An industrial hub

207,000 sq m

Net absorption in H2 2025, significantly outpacing new supply

90.8%

▲ 1.9 ppts h-o-h

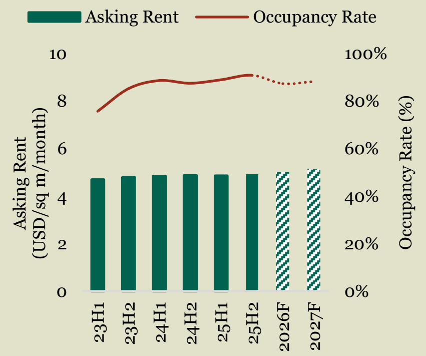
▲ 4.9 ppts y-o-y

Occupancy rate (tightened due to supply shortage)

867,400 sq m

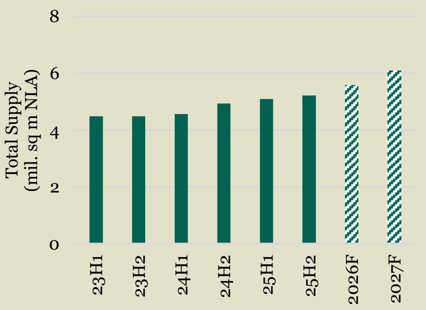
Future supply expected to come online in 2026-2027

Fig 1: Southern Ready-built Factory Market Performance



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

Fig 2: Southern Ready-built Factory Total Supply



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Sources: Knight Frank Vietnam Research

ASKING RENT

Average asking rents reached US$4.91 per sq m per month, a stable 1.1% increase from H1 and 1.2% y-o-y. This steady growth was underpinned by sustained tenant demand for high-spec, modern infrastructure in strategic logistics hubs like Nhon Trach.

SUPPLY

H2 2025 recorded 118,000 sq m of new stock, pushing total accumulated supply past 5.2 million sq m. Launches were defined by strategic expansions, notably BW Industrial and Long Hau Corporation, shifting the spotlight to the Long An industrial hub. Notably, the growing integration of LEED and EDGE green standards into these facilities has become a decisive differentiator in attracting multinational tenants with rigorous ESG mandates.

DEMAND

Net absorption surged to nearly 207,000 sq m, significantly, almost double the level of new supply. Total net absorption in 2025 reached 401,395 sq m, lifting the occupancy rate up to 90.8%. Momentum remains driven by the electronics and automotive component sectors, which prioritise ready-to-move-in solutions to ensure speed-to-market and mitigate construction risks in an increasingly competitive landscape.

OUTLOOK

Looking ahead to 2026-2027, the market is expected to expand further with approximately 867,400 sq m of new supply coming online. Developers are increasingly diversifying their portfolios into satellite industrial hubs such as Long An (e.g., BW Phu An Thanh) and Ba Ria - Vung Tau (e.g., GTI Chau Duc). This decentralisation strategy aims to provide cost-effective rental options for SMEs amid rising costs in core areas.

Southern Highlights

Ready-built Warehouse

H2 2025

An overview of the ready-built warehouse market in the Southern region as of H2 2025.

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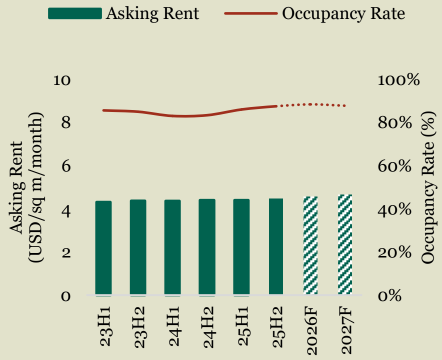
Competitive Leasing Strategies Attract E-commerce and Logistics Tenants

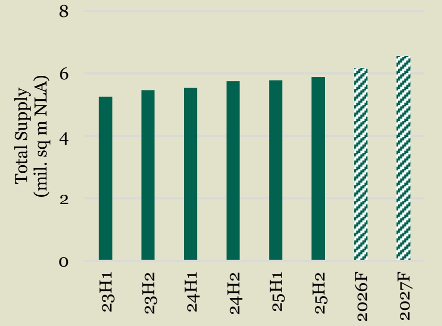
- Driven by the rapid growth of e-commerce and rising domestic consumption, the Southern logistics market remained steady during 2025. Continued expansion by key industrial players, supported by major infrastructure developments, is the driving force behind the Southern warehouse market.

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



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Sources: Knight Frank Vietnam Research

ASKING RENT

As of 2025, the average asking rent for Southern ready-built warehouses stood at US$4.5 per sq m, up 1.7% y-o-y, primarily driven by new large-scale warehouse developments. Notably, average rent for modern warehouses is quoted at US$5 per sq m, reflecting an annual growth of 3%.

Despite the surge in new supply, overall market vacancy remained positive, at around 12.5%, down 4.2% y-o-y.

SUPPLY

In 2025, the total warehouse supply in Greater HCMC reached around 5.9 million, double that of Greater Hanoi's market size.

In H2 2025, new supply in key logistics hubs in Dong Nai and Long An added over 266,400 sq m of NLA to the market.

Alongside major developers such as BWID and KCN Vietnam, Logicross made its debut in the Southern region.

DEMAND

During 2025, the Greater HCMC market recorded net absorption of around 366,800 sq m, up 52% y-o-y. The steady demand for logistics space has been supported by the rapid growth of e-commerce and improving domestic consumption, particularly during the year-end period.

Despite relatively high asking rents, some landlords in recently launched projects have offered more favourable incentives (e.g., up to 6–9 rent-free months) than those in the Northern region to boost market demand.

US$4.5

▲ 1.6% h-o-h

▲ 1.7% y-o-y

Market-wide asking rent steadily increased, due to new modern warehouse developments

266,400 sq m

New supply during H2 2025, included Logicross Nam Thuan, KCN Nhon Trach 6D – Phase 1, BW Xuyen A – Phase 2, BW Vinh Loc 2 and BW Thuan Dao

197,600 sq m

Total net absorption during H2 2025, mainly from key logistics hubs in Long An

87.5%

▲ 1.5 ppts h-o-h

▲ 4.2 ppts y-o-y

Higher demand for logistics space, especially during the year-end season, improved warehouse occupancy

667,100 sq m

Warehouse pipeline for 2026–2027, led by Dong Nai and Long An

OUTLOOK

Over the next two years, neighbouring provinces, including Dong Nai and Long An, will continue to dominate the warehouse market, bringing 87% of the total pipeline. Ongoing expansion by key players, such as KCN, BWID, SLP and Sembcorp, along with major infrastructure upgrades, including Long Thanh International Airport, the Ben Luc – Long Thanh Expressway, and Ring Road 3, will support the continued growth of the Southern logistics sector in the near term.

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Published January 2026 | Prepared by Knight Frank Vietnam Research

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Office

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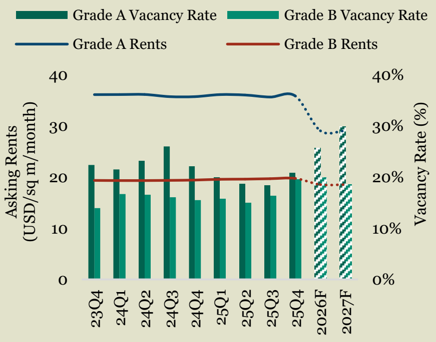
Green Offices Become A Key Development Trend in Hanoi Office Market

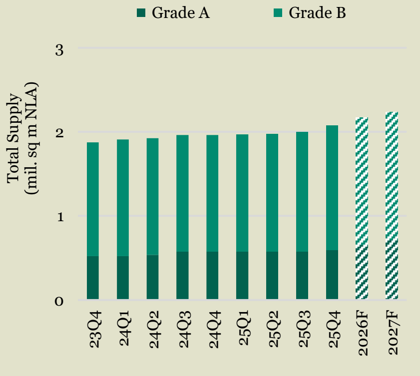
- The influx of new high-quality office supply during Q4 2025 has driven market-wide asking rent for both grades to US$24.3 per sq m. Green office developments have become the new standard for Hanoi's office-for-lease market, with the West Westlake area emerging as the potential future premier office hub in the capital.

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

In Q4 2025, driven by new high-quality supply, average asking rents for both grades across Hanoi increased to US$35.8 per sq m (up 0.4% y-o-y) and US$19.7 per sq m (up 1.7% y-o-y), respectively.

Due to the surge in new supply over H2 2025, Hanoi's average vacancy rate went up by 2.5 ppts to around 20%, compared to 2024's level.

SUPPLY

Total existing supply of Grade A and Grade B office space in Hanoi reached around 2.1 million sq m NLA, an increase of 7% y-o-y.

In 2025, new office supply mainly came from decentralised hubs such as Nam Tu Liem, Bac Tu Liem and Ba Dinh, adding more than 116,000 sq m to the current stock.

Notably, Q4 2025 saw the ROX Tower project set a new investment trend with commercial spaces not only for lease but also for sale.

DEMAND

Total net absorption across both grades in Hanoi in 2025 was approximately 44,300 sq m. Despite a 12% annual decline, the market still outperformed 2020–2023 levels.

FDI-driven expansion continued to support market demand, led by the IT/Tech sector. In 2025, 63% of the total major transactions recorded came from foreign IT/Tech giants.

Additionally, the "flight-to-quality" trend towards emerging office hubs outside the Core CBD remained a defining feature of the Hanoi office-for-lease market.

US$24.3 ↑ 0.3% q-o-q ↑ 0.6% y-o-y

Market-wide asking rent as of Q4 2025

2.1 million sq m

Total existing office supply in 2025, with the new completions of The Office and Rox Tower Goldmark City during Q4 2025

4,300 sq m ↓ 32% q-o-q ↓ 86% y-o-y

Net absorption in Q4 2025

80.1% ↓ 3.0 ppts q-o-q ↓ 2.5 ppts y-o-y

Market occupancy as of Q4 2025

153,400 sq m

Total office pipeline during 2026-2027

OUTLOOK

In 2026, the Hanoi market will welcome a total of 91,600 sq m new office-for-lease space, primarily in the West and West Westlake areas, including The Marc 88, IFC Westlake and Oriental Square.

By 2027, West Westlake is expected to become the city's premier office hub, supported by a wave of high-class new developments.

Green office space is also considered a key development trend for the upcoming year, underpinned by the growing demand from multinational companies.

Hanoi Highlights

Apartment

Q4 2025

An analysis of apartment market supply, demand, prices, and trends in Hanoi as of Q4 2025

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Luxury Sector Expansion Drives Primary Prices to New Record

Hanoi's primary asking price set a new benchmark at US$3,877 per sq m, propelled by the debut of luxury developments in Long Bien. New supply increased by approximately 40% q-o-q to 7,491 units. Despite higher price points moderating sales volume to 6,064 units, the market maintained resilient liquidity.

Fig 1: Hanoi Apartment Primary Asking Price

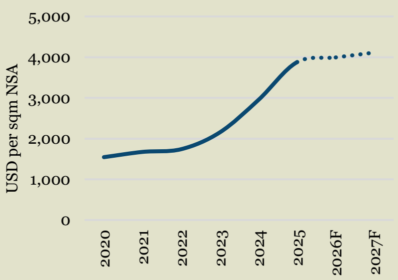
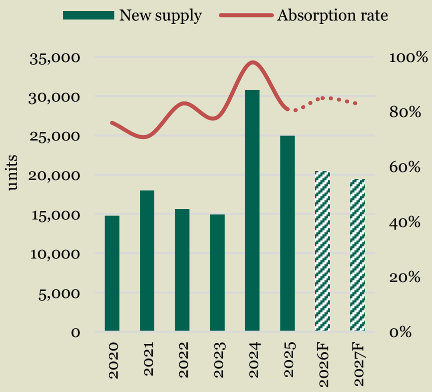


Fig 2: Hanoi Apartment New Supply and Absorption Rate



Note: Absorption rate is units sold divided by total primary stock (new supply + inventory).
CBD Fringe: Tay Ho, Ba Dinh, Dong Da, Hai Ba Trung, Thanh Xuan.
Suburban: Nam Tu Liem, Gia Lam, Dong Anh, Long Bien, Ha Dong, etc.
Sources: Knight Frank Vietnam Research

PRIMARY ASKING PRICE

The average primary asking price hit a record US$3,877 per sq m, marking a pronounced 31.4% y-o-y increase. This surge is primarily driven by a structural shift in the new supply basket, where the luxury segment now dominates. The introduction of superior product standards in prime locations, particularly in the East, has established a new pricing baseline for the entire market.

SUPPLY

Total primary stock reached 9,269 units, comprising 7,491 new launches and 1,778 existing units. The basket was reshaped by the injection of 3,233 luxury units. This positioning is validated by superior build quality, reputable foreign developers, and critical infrastructure upgrades in emerging hubs. In 2025, new supply totalled 24,944 units, led by Dong Anh with a 30% share, followed by the Gia Lam area at 14%.

DEMAND

Liquidity remained notably strong with 6,064 units sold (81% absorption), fuelled by capital flows from Hanoi-based investors seeking asset preservation. Demand is heavily concentrated in integrated mega-townships like Vinhomes Global Gate, where buyers prioritise long-term value growth within complete ecosystems over immediate rental income. Total units sold in 2025 reached 22,745.

US$3,877 ▲ 11% q-o-q ▲ 31% y-o-y

New price peak driven by luxury and high-end launches

7,491 units ▲ 29% q-o-q ▼ 11% y-o-y

New launches in Q4 2025, a strategic surge to capture year-end capital flows

6,064 units ▲ 2.4% q-o-q ▼ 35% y-o-y

Sales volume cooled amid cautious buyer sentiment

81%

Healthy sell-through rate despite higher asking prices

39,915 units

Future supply in 2026-2027, anchored by integrated mega-townships

OUTLOOK

Future supply is forecast at 39,915 units in 2026-2027, anchored by mega-townships such as Vinhomes Global Gate and Dan Phuong. Sustainable appreciation hinges on critical infrastructure breakthroughs, notably Ring Road 4 and the Tu Lien Bridge, to validate new pricing benchmarks. Meanwhile, the high-end influx will sustain upward pressure on primary levels. This cements the East and West corridors as the capital's primary growth engines.

Northern Highlights

Industrial Park

H2 2025

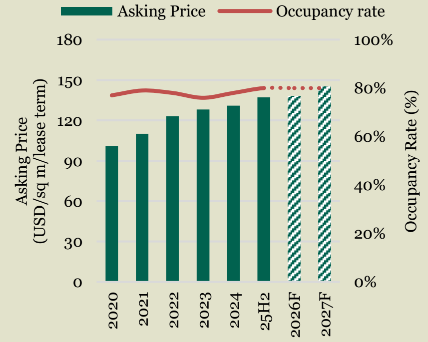
An analysis of industrial park market supply, demand, prices, and trends in Northern provinces in H2 2025.

knightfrank.com/research

Robust Future Pipeline Anchors Long-term Market Competitiveness

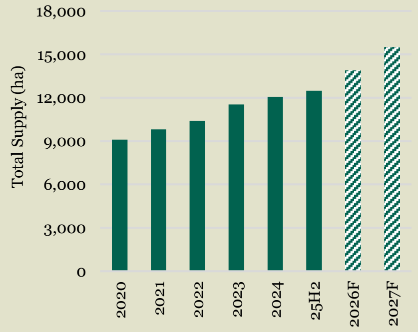
The market absorbed 139 ha of new supply while maintaining US$137 rents and 80% occupancy, fuelled by high-tech expansion in Hai Phong and Hung Yen. This highlights a shift toward the Hai Duong–Hai Phong axis, which is set to dominate the 1,383-ha pipeline forecast for 2026, followed by another 1,652 ha in 2027.

Fig 1: Northern Industrial Park Market Performance



Note: Asking price per remaining lease term

Fig 2: Northern Industrial Park Total Supply



*Southern Region or **Greater HCMC** includes HCMC, Binh Duong, Dong Nai, Long An and Ba Ria – Vung Tau pre-merger*
*Northern Region or **Greater Hanoi** includes Hanoi, Hung Yen, Bac Ninh, Hai Phong and Hai Duong pre-merger*
Sources: Knight Frank Vietnam Research

ASKING PRICE

Northern asking rents continued to trend upward, increasing 0.5% h-o-h to average US$137 per sq m per term. This resilience reflects strong landlord confidence in prime logistics hubs, where scarcity has pushed premium rates to as high as US$180 per sq m, decoupling from broader supply pressures in emerging provinces.

SUPPLY

New supply in H2 2025 totalled 139 ha, anchored by the strategic launch of Gia Loc IP in Hai Duong. This fresh injection not only alleviates land scarcity in core hubs but also establishes Hai Duong as a competitive alternative, diversifying the region's industrial land bank beyond the traditional Hanoi–Hai Phong corridor.

DEMAND

Demand remained robust, with net absorption of 192 ha in H2 2025 and 560 ha for the full year, anchored by large-scale expansions in the electronics and semiconductor sectors, notably in Hai Phong and Hung Yen. This high-tech influx sustained a healthy occupancy rate of 80%, demonstrating the market's capacity to absorb new stock without compromising liquidity. Furthermore, the persistent "China-Plus-One" tailwind is fostering specialised industrial ecosystems, attracting not only anchor tenants but also a critical network of supporting satellite vendors.

US$137
↑ 0.5% h-o-h
↑ 4.3% y-o-y

Average asking price (per sq m per term), maintaining a steady upward trend

139 ha

New supply in H2 2025, delivered exclusively by Gia Loc IP (Hai Duong)

192 ha

Net absorption in H2 2025

80%
↑ 0.6 ppts h-o-h
↑ 2.0 ppts y-o-y

Occupancy rate in H2 2025

3,035 ha

Future supply forecast for 2026-2027, concentrated in Hai Duong and Hai Phong

OUTLOOK

The market is on the cusp of a major transformation. The supply pipeline is forecast to expand aggressively with approximately 1,383 ha coming online in 2026, followed by another 1,652 ha in 2027. This upcoming inventory will solidify the position of the Hai Duong – Hai Phong axis as the new industrial engine of the North, capitalising on the improved infrastructure connectivity.

Northern Highlights

Ready-built Factory

H2 2025

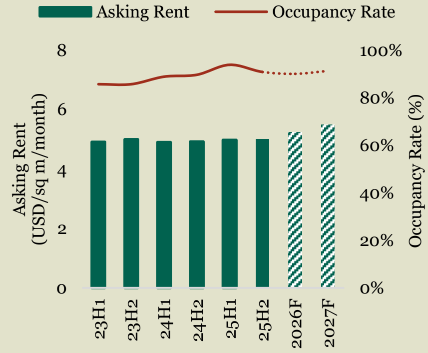
An overview of the ready-built factory market in the Northern region as of H2 2025.

knightfrank.com/research

Supply Wave Pressures Occupancy Rates While Rents Remain Competitive

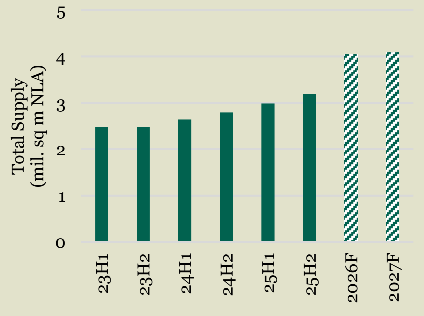
- Northern RBF demonstrated impressive resilience in H2 2025, sustaining peak rents of US$5 per sq m despite a substantial 208,225 sq m supply influx. Strong absorption from 'China-Plus-One' manufacturers kept occupancy healthy at 90.8%, validating the structural shift toward multi-story facilities in prime, land-scarce hubs.

Fig 1: Northern Ready-built Factory Market Performance



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

Fig 2: Northern Ready-built Factory Total Supply



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*Northern Region or **Greater Hanoi** includes Hanoi, Hung Yen, Bac Ninh, Hai Phong and Hai Duong pre-merger*
Sources: Knight Frank Vietnam Research

AVERAGE ASKING RENT

As of H2 2025, the average asking rent for ready-built factories in Northern Vietnam reached US$5.0 per sq m per month, increasing 0.5% h-o-h and 1.7% y-o-y. This rate remains the highest nationwide, reflecting the premium placed on modern facilities in strategic corridors. New high-quality supply continues to set competitive benchmarks, maintaining the region's pricing leadership.

SUPPLY

H2 2025 recorded 208,225 sq m of new supply, driven by key launches including BW VSIP Bac Ninh 2, LŌ-GOI Yen Phong 2A, NPL Nam Son Hap Linh, and Frasers Yen Phong 2C (Phase 2). A notable structural shift is the adoption of multi-story factories by developers (e.g. BW VSIP Bac Ninh) to maximise floor area ratios in land-constrained provinces like Bac Ninh.

DEMAND

Demand remained resilient, supported by strong uptake from high-tech vendors and "China-Plus-One" investors prioritising immediate operational readiness. This robust activity kept the occupancy rate tight at 90.8%. Tenants continue to favour ready-to-move-in solutions to minimise setup time, with strong absorption observed in established high-tech ecosystems. Total net absorption in 2025 reached 440,000 sq m.

US$5.0 ▲ 0.5% h-o-h ▲ 1.7% y-o-y

Average asking rents continued to rise, which remains the highest level nationwide

208,225 sq m

New supply in H2 2025 was recorded

99,902 sq m

Net absorption in H2 2025, fuelled by "China-Plus-One" flows and high-tech ecosystems

90.8% ▼ 3.0 ppts h-o-h ▲ 1.2 ppts y-o-y

Occupancy rate remains robust despite the significant influx of new supply

906,000 sq m

Future supply projected for 2026-2027, as developers aggressively expand land banks in key industrial hubs

OUTLOOK

Looking ahead to 2026-2027, the market is poised for a significant expansion with approximately 906,000 sq m of new supply expected, heavily front-loaded in 2026. The pipeline will be anchored by major developers such as BW Industrial and KCN Vietnam, which are aggressively expanding their land banks in key logistics hubs such as Hai Phong and Hung Yen.

Northern Highlights

Ready-built Warehouse

H2 2025

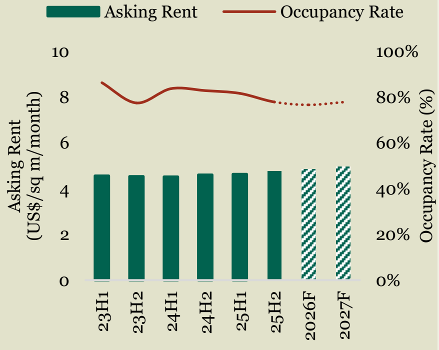
An overview of the ready-built warehouse market in the Northern region as of H2 2025.

knightfrank.com/research

A Stronger Shift Towards High-Specification Warehouse Facilities

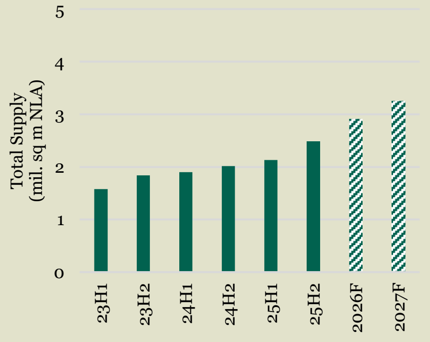
- The continued expansion of key foreign institutional developers across major industrial hubs has generated significant momentum for the Northern logistics market. The "China-Plus-One" strategies, through manufacturing FDI inflows and key infrastructure developments, have increased demand for high-specification facilities.

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



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Sources: Knight Frank Vietnam Research

AVERAGE ASKING RENT

As of 2025, market-wide asking rent for Northern ready-built warehouses rose by 3% y-o-y to US$4.8 per sq m. The increase in market rents was primarily driven by new premium warehouse space in key industrial hubs, averaging US$5.5 – 6 per sq m. However, the influx of new supply in recent months across the region drove the market vacancy rate up by 5 ppts to approximately 22% for 2025.

SUPPLY

In 2025, the total existing warehouse supply in the North stood at approximately 2.5 million sq m. Of which, modern supply dominated the market, accounting for around 74% of the total stock.

During H2 2025, new, modern, ready-built facilities in key hubs such as Bac Ninh and Hai Phong contributed to a reshaping of the Northern logistics market, notably BW-ESR Nam Son Hap Linh, LŌ-GOI Yen Phong 2A and Logicross Hai Phong.

DEMAND

In 2025, total net absorption reached 260,700 sq m, indicating a 6% y-o-y increase.

Over this period, the steady demand for high-specification warehouses from Chinese electronics and 3PL occupiers, amidst global trade uncertainty, was the key driver for the Northern region.

US$4.8

▲ 2.6% h-o-h
▲ 3.4% y-o-y

Increasing average asking rent, driven by new modern warehouse supply

347,212 sq m

New supply during H2 2025, dominated by Bac Ninh and Hai Phong

252,170 sq m

Total net absorption during H2 2025, supported by Chinese manufacturers

77.9%

▼ 3.8 ppts h-o-h
▼ 5 ppts y-o-y

Lower market occupancy in H2 2025, due to the surge in new supply

773,600 sq m

Future supply projected during 2026 - 2027, mainly from modern warehouses

OUTLOOK

Looking ahead to the next two years, the Northern market will welcome an additional 773,600 sq m, led by modern supply.

Bac Ninh and Hai Phong remain major logistics hubs in the region, strengthened by substantial infrastructure upgrades and FDI inflows into the manufacturing sector, particularly in hi-tech industries.

Although market-wide asking rents are expected to remained flat, landlords will offer more flexible leasing terms to fill vacant space ahead of the arrival of new supply.

Knight Frank Research Reports are available at KnightFrank.com/Research

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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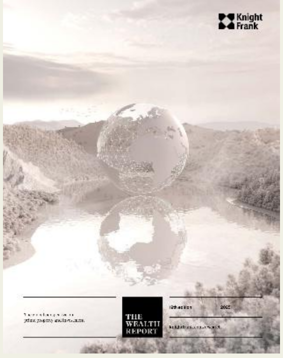

The Wealth Report 2025

Knight Frank Vietnam Research provides strategic advice, consultancy services, and market forecasts to a wide range of domestic and international clients, including developers, investors, funding organizations, corporate institutions, and the public sector. All our clients recognize the need for expert, independent guidance tailored to their unique objectives in Vietnam's dynamic property market.

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Definition

Vietnam's apartment market is divided into five segments based on 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.

In Ho Chi Minh City, office submarkets are grouped into the CBD, 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 West Westlake, and Non-CBD. All office rents are quoted in US dollars per square meter of NLA per month, and office supply is reported in total NLA. This report covers Ho Chi Minh City's pre-merger administrative boundaries (before July 1, 2025 consolidation with Binh Duong and Ba Ria-Vung Tau) to maintain consistency with prior quarterly publications and established market definitions.

Vietnam's retail market is segmented into prime and non-prime based on international benchmarking and Knight Frank standards. Prime retail comprises institutional-quality assets in CBD and premium zones, featuring modern infrastructure, professional management, established brands, and top-tier rents. Non-prime includes secondary properties in suburban locations with lower specifications and below-median rents. Supply data tracks both segments for comprehensive market coverage, while rent and vacancy metrics focus on prime space as the institutional investment benchmark and most liquid market segment.

Glossary of term

Key Definitions	Explanation
GSO	General Statistics Office
SBV	State Bank of Vietnam
ADB	Asian Development Bank
IMF	International Monetary Fund
NLA	Net Leasable Area
NFA	Net Floor Area
q-o-q	quarter over quarter
y-o-y	year over year
h-o-h	half year over half year
Per sq 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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