

MARKET SNAPSHOT

HO CHI MINH CITY Q4/2024

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VIETNAM MACROECONOMICS

Vietnam's Economic Highlights (2024):

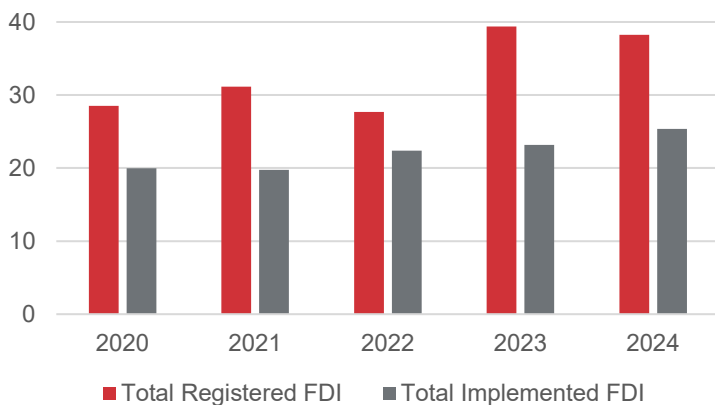
In Q4/2024, Vietnam's GDP grew by 7.6% year-on-year (YoY). For the entire year, the GDP is estimated to have increased by 7.1% YoY.

The industrial and construction sector increased by 8.4% YoY, contributing 44.1% to the overall GDP growth; while the service sector rose by 8.2%, accounting for 51.1%.

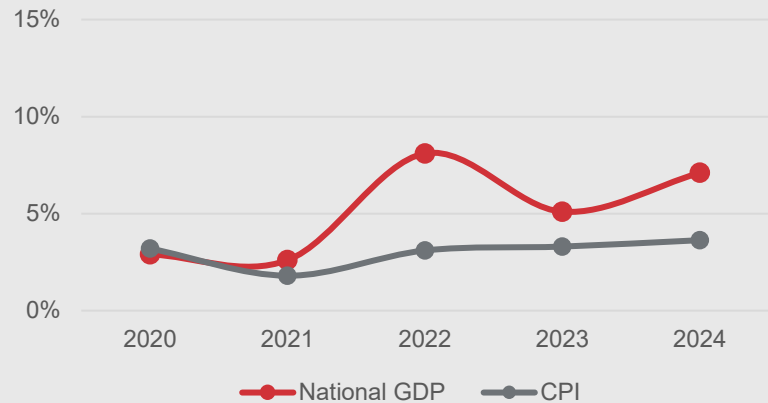
By the end of 2024, 233,400 new and reactivated enterprises joined the market, up 7.1% from 2023 while 197,900 enterprises left the market.

Foreign direct investment (FDI) registrations fell by 2.9% to US\$ 38.2 billion, but implemented FDI reached a record of US\$ 25.4 billion, an increase of 9.4% compared to last year.

TOTAL FDI TO VIETNAM 2020-2024



NATIONAL GDP AND CPI GROWTH RATE 2020-2024



Source: NAI Vietnam Research & Commercial Services

OFFICE PERFORMANCE

Stable Supply

No new Grade A or B office space was added to the market in Q4/2024; thus, the total current supply stays at approximately 1.7 million square meters (sqm).

Stable Performance

The average net rental rate of Grade A remained stable in Q4/2024, with a decrease of 0.1% QoQ but a 2.5% YoY increase, reaching US\$ 59.5/sqm/month. Grade A buildings vacancies increased slightly in this quarter, with occupancy rate at 87.1%, down by 1.4 percentage points (ppt) QoQ and 0.9 ppt YoY.

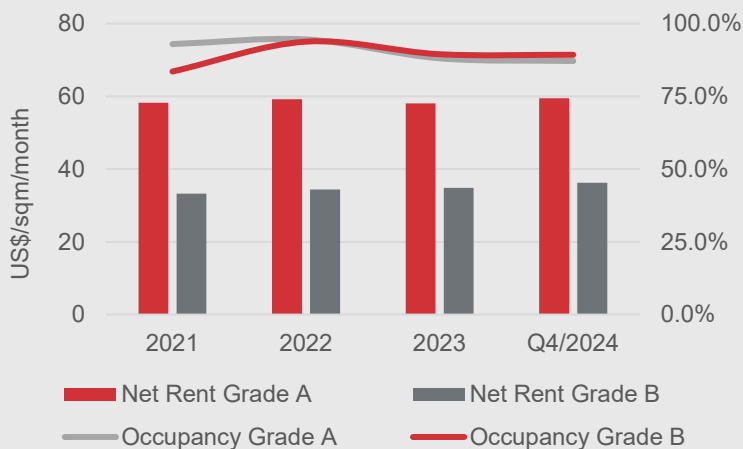
Grade B net rent is stable QoQ at US\$ 36.3/sqm/month but increased by 4.1% YoY. The occupancy rate stood at 89.3%, unchanged for both QoQ and YoY.

Currently, Grade A buildings that have been in operation for over 10 years are being under pressure not only from newer Grade A but also from Grade B buildings with high quality and prime location.

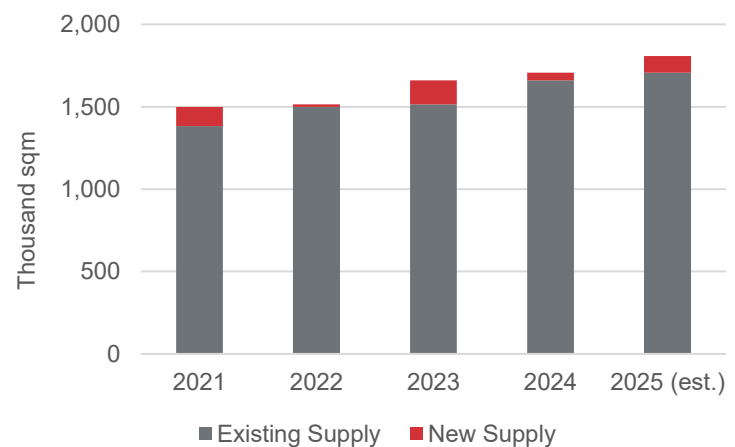
Outlook

The supply of Grade A and B offices is expected to welcome at least 3 new projects in 2025, raising the total supply to 1.8 million sqm. Thus, the office market in Ho Chi Minh City (HCMC) is forecast to be more competitive. Older buildings need to be renovated and obtain building certifications (such as green or wellness certifications) to attract tenants.

GRADE A & B OFFICE PERFORMANCE IN HCMC 2021-Q4/2024



HISTORICAL & FUTURE SUPPLY OF GRADE A & B OFFICE



Source: NAI Vietnam Research & Commercial Services

Note: Rents are inclusive of Service Charge (SC), but exclusive of VAT, 1 USD = 25,400 VND

RETAIL PERFORMANCE

Additional Stock

In Q4/2024, the supply of shopping centers increases with another mall in District 8, adding a further 22,000 sqm to the market. Thanks to this, the total supply in HCMC is now nearly 1.1 million sqm.

Stable Performance

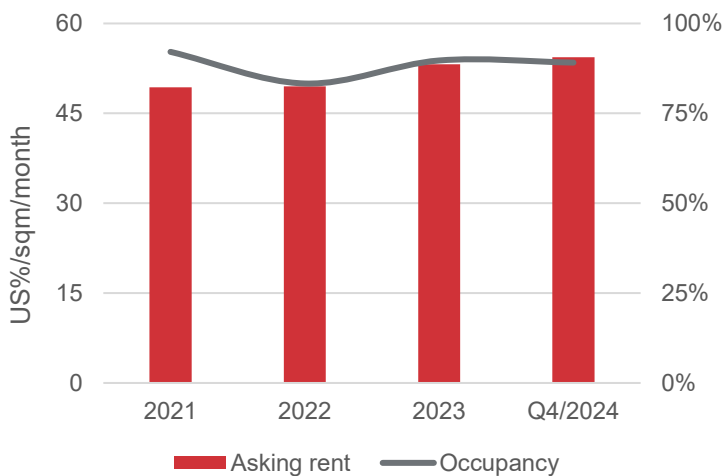
The average asking rent price for shopping centers' podium is US\$ 54.4/sqm/month in Q4/2024, down slightly by 0.5% QoQ but still up 2.2% YoY. The occupancy rate for the whole market is 89.1%, dropping by a small 0.7 QoQ and 0.6 ppt due to the entry of a new mall in the non-CBD area. In the CBD, occupancy remains the same at nearly 100%.

Outlook

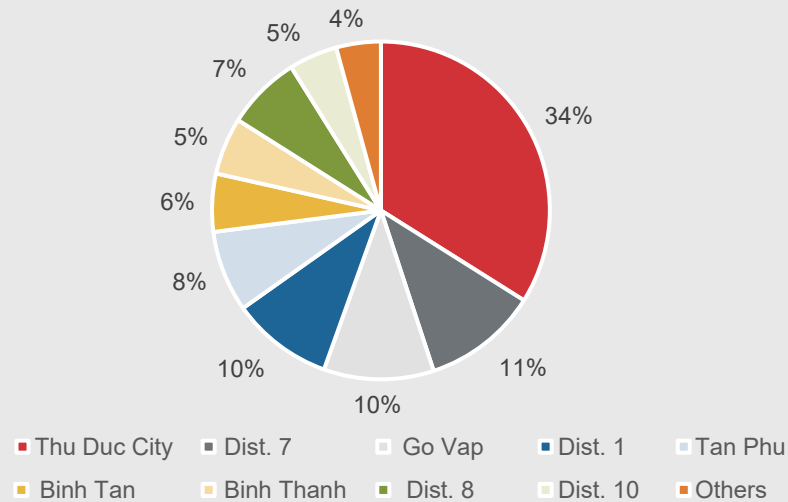
Next year, 25,000 sqm NLA of shopping area in the CBD, from Marina Central Tower and Lancaster Legacy, is expected to be opened. However, it is forecasted that retail performance will likely remain stable regardless of the new entries, because of greater demand and a strong growth of local consumption.

With the explosive growth of E-commerce, omnichannel retail model is expected to be key trend in 2025. However, large shopping malls offering unique experiences and entertainments that are unavailable online, where shoppers can spend a significant amount of time will continue to attract a lot of visitors.

SHOPPING CENTER PERFORMANCE IN HCMC 2021-Q4/2024



SHOPPING CENTER SUPPLY IN HCMC BY KEY DISTRICTS



Source: NAI Vietnam Research & Commercial Services

Note: Rents are inclusive of SC, but exclusive of VAT, 1 USD = 25,400 VND

SOUTH VIETNAM INDUSTRIAL PERFORMANCE

Stable Supply

In Q4/2024, the industrial park (IP) land supply remained stable.

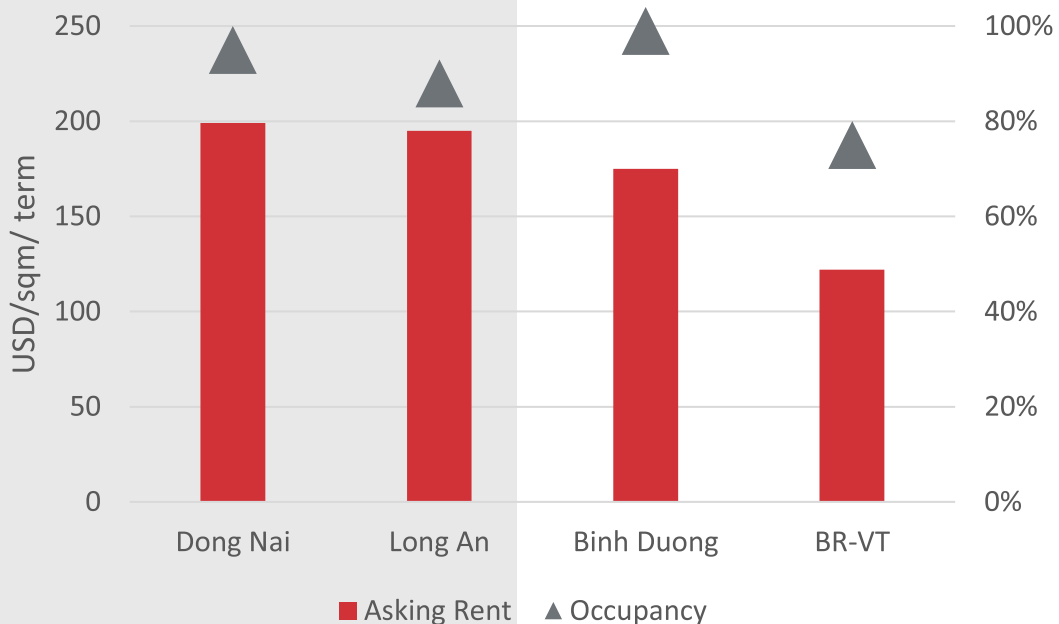
Stable Performance

The average industrial land asking price for IP land in the southern key industrial provinces — Long An, Dong Nai, Binh Duong, and Ba Ria-Vung Tau (BR_VT) — increased by 0.2% QoQ, reaching an average of US\$ 173.9 per sqm/term. Meanwhile, the occupancy rate in the key southern market is over 90%.

Outlook

From 2025–2030, southern Vietnam is expected to see a substantial increase in industrial land supply with the launch of key infrastructure projects and the implementation of the 2021–2030 land use planning. Additionally, the conversion of rubber plantations during this time will further expand industrial land areas, particularly in Dong Nai, Binh Duong, and BR-VT provinces.

IP PERFORMANCE IN SOUTHERN KEY PROVINCES Q4/2024



Source: NAI Vietnam Research & Commercial Services

Note: Rents are exclusive of SC and VAT, 1 USD = 25,400 VND

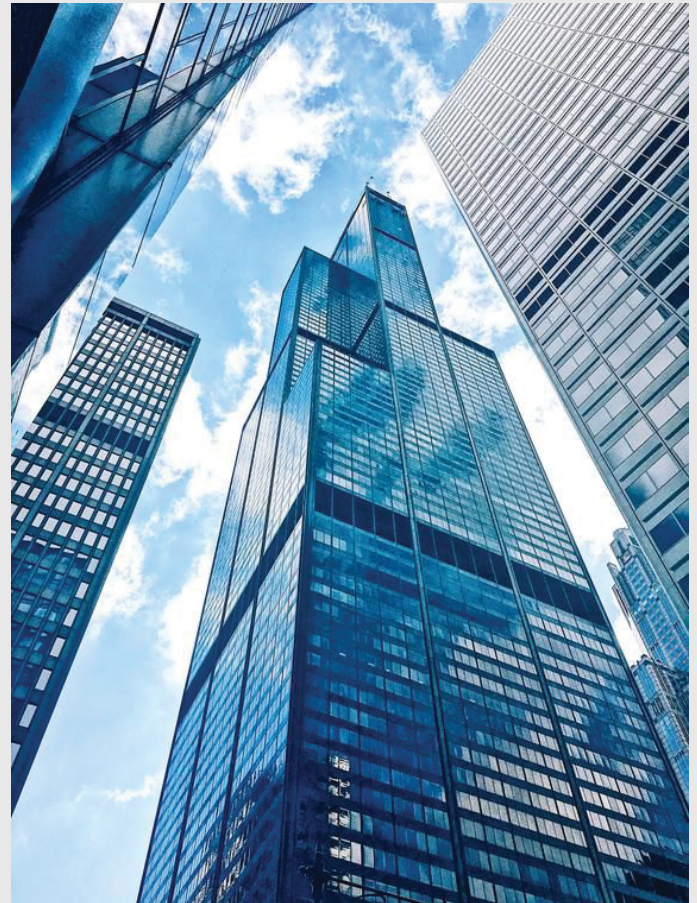
OUTLOOK: SHIFTING POLICIES SHAPE 2025

2025 brings both opportunities and challenges for Vietnam. While the country will still gain benefits from "China Plus One" strategy, it may face potential pressure from China's and Europe's slowing economy as well as unpredictable shifts in U.S. policy. To remain competitive, Vietnam must focus on self-improvement, ensuring it retains its appeal as a destination for international investors while creating an environment for domestic businesses to flourish.

The first 6 months of 2025 will be a milestone for global and domestic businesses. Additionally, new economic policies of the USA's administration toward China will become clear. Along with that, the impacts of the trade war on Vietnam will be confirmed to be more positive or more negative.

Two critical factors are expected to influence Vietnam's commercial real estate landscape in 2025. Firstly, infrastructure development, with major projects in progress, is expected to enhance connectivity, especially for industrial properties in frontier provinces of Vietnam that have lower land price and labor cost. Secondly, the rearrange and streamline governance process, thus simplify administrative procedures will be necessary in maintaining investor confidence and ensuring continued growth

In 2025, the industrial properties will continue to enjoy promising results while retails still face a number of obstacles from the popularity of E-commerce. The situation is even more serious to brick-and-mortar stores. Traditional office, especially grace C towers, must compete with co-working space, SOHO and townhouse-converted office.



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