



# MARKET SNAPSHOT

HO CHI MINH CITY Q3/2024

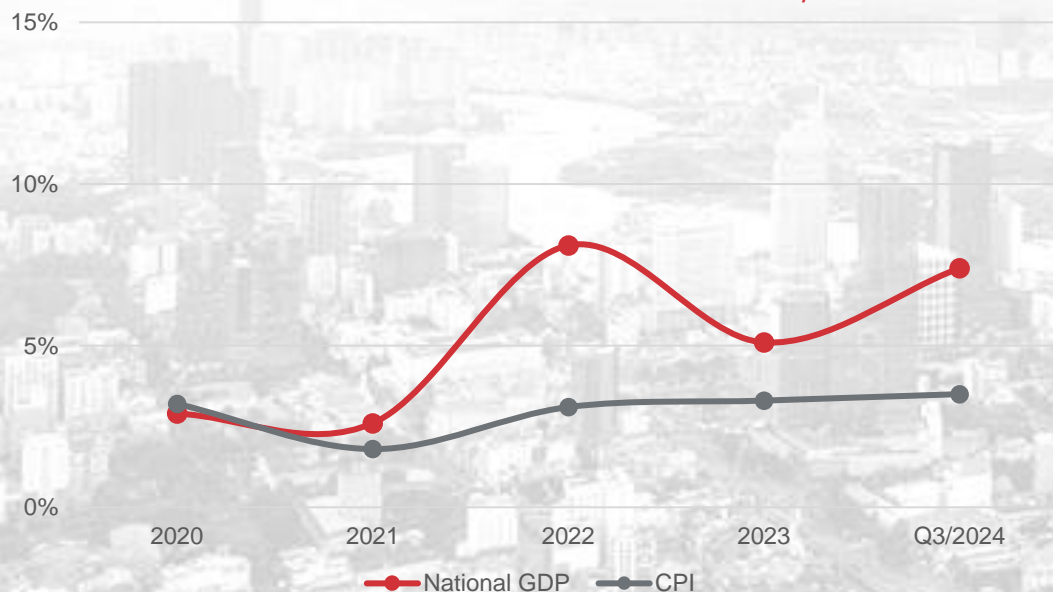
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OCTOBER 2024

## Vietnam's Economic Highlights (Q3 2024):

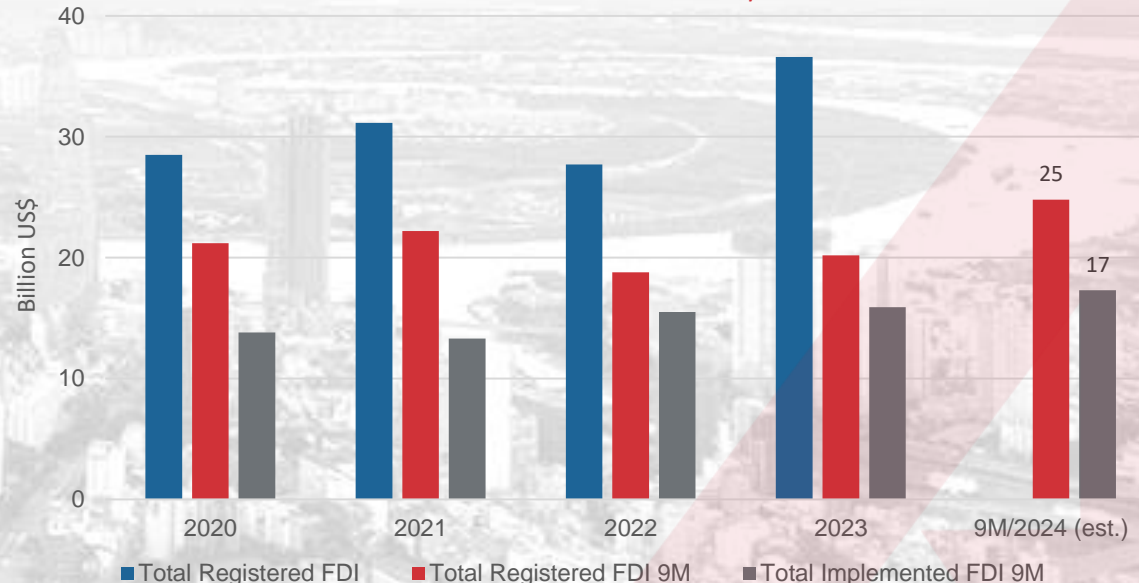
- **National GDP growth** was reported at **7.4% year-on-year (YoY)**, surpassing forecasts of 6.0-6.5%
- Total sales of goods and service revenue increased by **8.8% YoY**. Furthermore, international tourism reaching **12.7 million** visitors, increased by **43% YoY**
- Business activity surged with **183,000 new and reactivated enterprises**, up **9.7%** from previous year
- Vietnam witnessed a **11.6% YoY increase in registered FDI** and an **8.9% YoY rise in implemented FDI**

NATIONAL GDP AND CPI GROWTH RATE 2020-H1/2024



Source: NAI Vietnam Research & Commercial Services, General Statistics Office (GSO)

TOTAL FDI TO VIETNAM 2020-9M/2024



Source: NAI Vietnam Research & Commercial Services, GSO

In Q3/2024, stable performance was observed in rental rates and occupancy of Grade A and B office buildings. Looking forward, green-certified buildings are becoming increasingly prominent, reflecting a growing demand for sustainable office spaces.

## Positive Growth in Grade B Supply

The opening of ThaiSquare The Merit and CMC Tower B has increased Ho Chi Minh City's Grade A and B office total supply by 1.8% QoQ to nearly 1.7 million sqm.

## Stable Performance

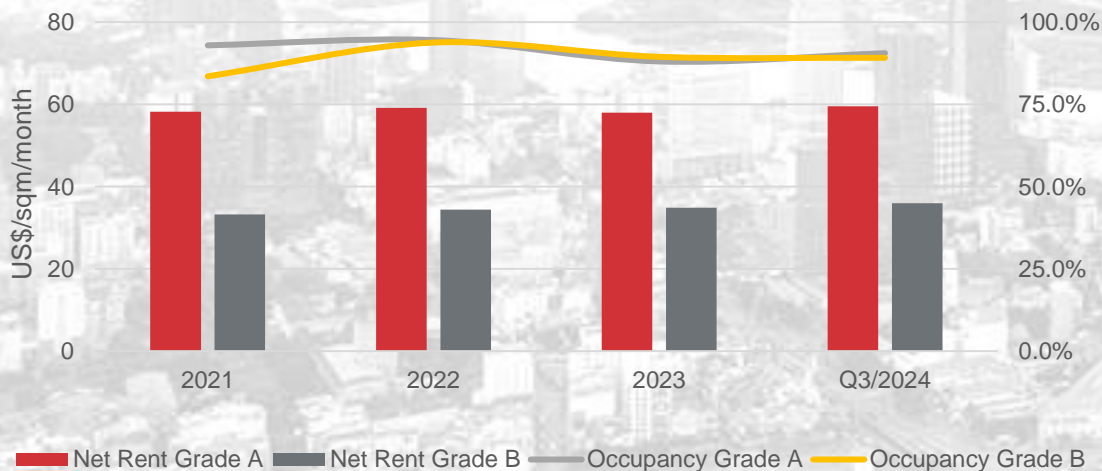
Grade A net rent reached US\$ 59.5/sqm/month, a 0.4% QoQ and 2.6% YoY increase. Occupancy rose to 89.3%, improving by 1.3 percentage points (ppt) QoQ and 2.4 ppt YoY, thanks to the good performance of new grade A buildings in District 1 and District 2. Grade B net rent experienced an increase by nearly 1.8% QoQ and 3.1% YoY at US\$ 35.9/sqm/month, while occupancy rates at 89.1% dipped by 1.4 ppt QoQ and 0.4 ppt YoY. The changes of Grade B performance is primarily due to the introduction of new projects in the CBD, and some buildings no longer offer incentives for vacant space to attract clients.

## Outlook

The supply for Grade A and B offices is expected to remain stable in the rest of 2024. Green-certified buildings now account for a significant portion of the market. As of Q3/2024, more than 70% of Grade A buildings in HCMC have green certification, and nearly 30% of the total leasable area in Grade A and B buildings is green-certified.

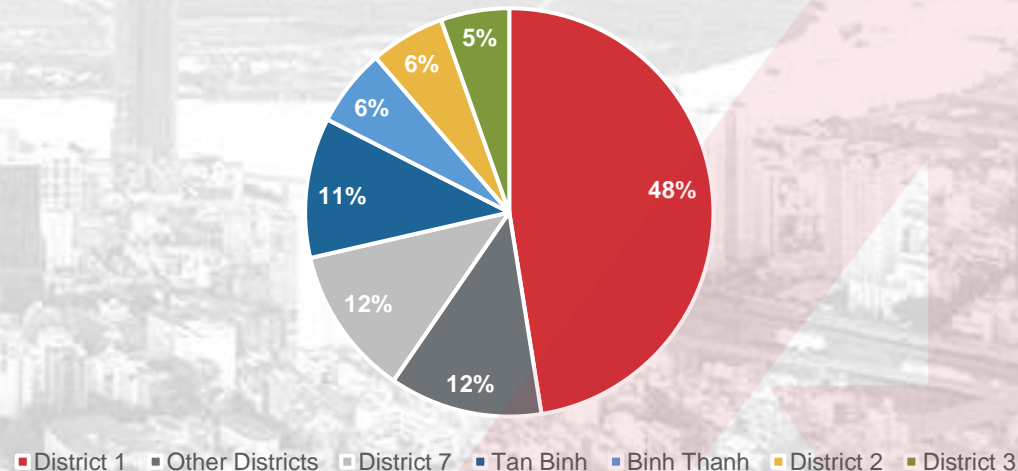
*Note: Rents are inclusive of Service Charge (SC), but exclusive of VAT, 1 USD = 25,000 VND*

GRADE A & B OFFICE PERFORMANCE



Source: NAI Vietnam Research & Commercial Services

GRADE A & B OFFICE SUPPLY BY KEY DISTRICTS



Source: NAI Vietnam Research & Commercial Services



In Q3/2024, HCMC's retail market showed positive growth with two new malls while having positive performance. Looking ahead, the market is set to expand, driven by economic recovery and growing demand for upscale, health-conscious, and sustainable shopping.

## Positive Growth in Supply

In Q3/2024, the supply of shopping centers increases with two malls in Thu Duc City and District 8 add a further 103,000 sqm to the market, with more than 1 million sqm in total supply.

## Positive Performance

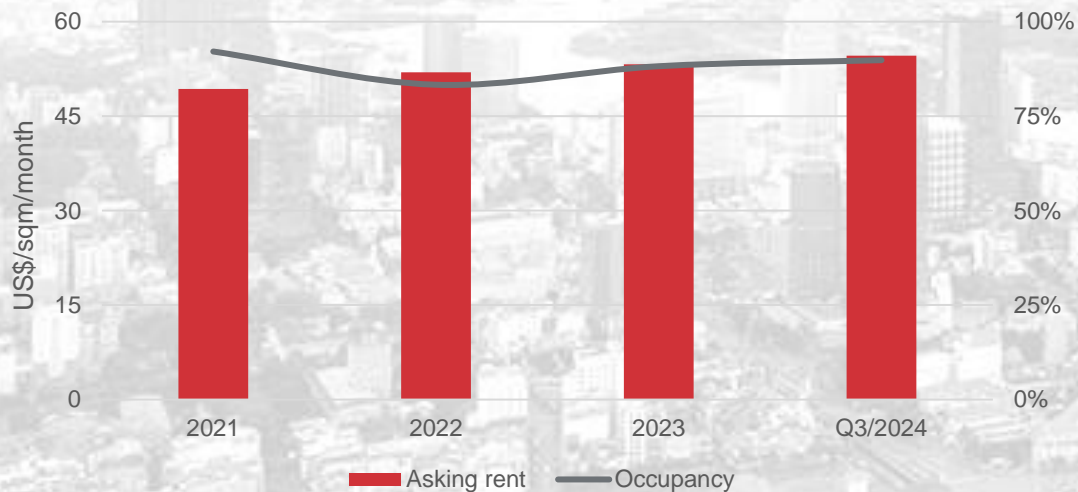
The average asking rent price for ground floors of shopping centers is US\$ 54.6/sqm/month in Q3/2024, up by 3.4% YoY and 0.5% QoQ. The slight rent increase is despite the entry of new shopping centers in non-CBD areas. The occupancy rate is 89.8%, remaining stable QoQ and only dropping by a small 0.2 ppt YoY. This stability is attributed to the good occupancy of new supplies in Thu Duc City and District 8.

## Outlook

In Q4 2024, 22,000 sqm NLA of shopping mall in non-CBD area is expected to be opened. Income growth and the shift towards more upscale shopping habits are anticipated. While price, lifestyle, and convenience remain top factors in product selection, health and sustainability are becoming increasingly important as consumers become more aware, opening up opportunities for new services related to well-being.

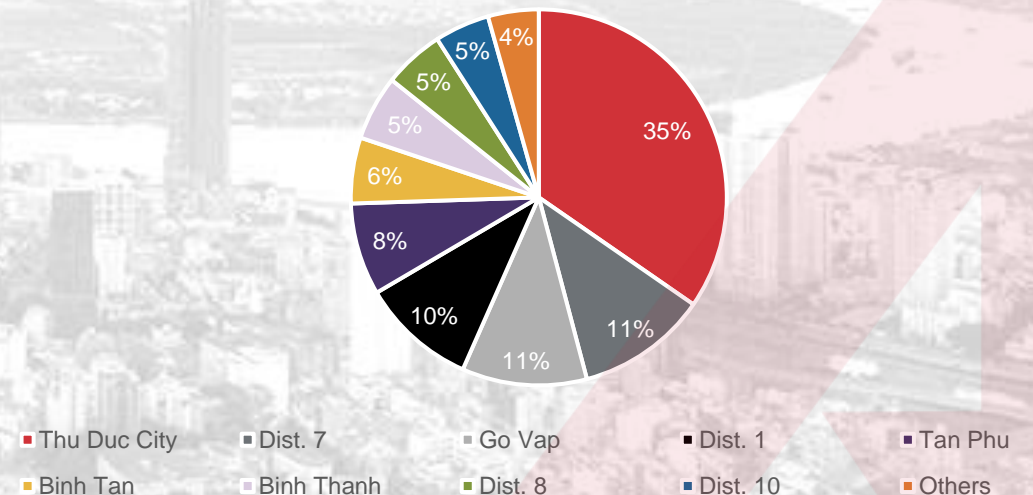
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SHOPPING CENTER PERFORMANCE IN HCMC



Source: NAI Vietnam Research & Commercial Services

SHOPPING CENTER SUPPLY BY KEY DISTRICTS



Source: NAI Vietnam Research & Commercial Services



With economic recovery and inflows of FDI, especially from Singapore, Korea, and Taiwan, southern industrial parks are enjoying positive performance. Future growth is anticipated to expand into the Mekong Delta, driven by infrastructure development.

### Stable Supply

In Q3/2024, the industrial park (IP) supply remained stable. However, at this time, both developers and tenants tend to expand their search to markets with larger industrial land reserves and more competitive price, such as Long An, Binh Duong or Ba Ria-Vung Tau (BR-VT).

### Positive Performance

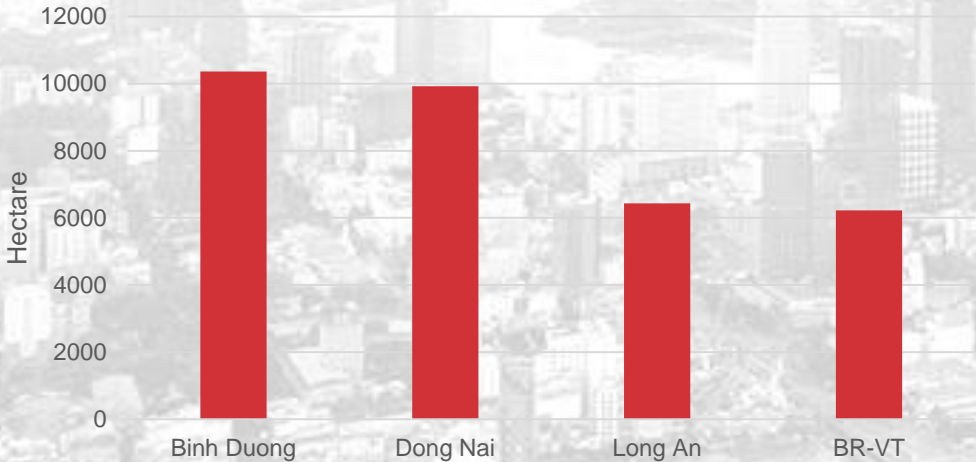
The average industrial land asking price for IP land in the southern key industrial provinces — Long An, Dong Nai, Binh Duong, and BR-VT — increased slightly by 0.5% QoQ and 1.2% YoY, reaching an average of US\$ 173.7 per sqm/term. Meanwhile, the occupancy rate in the southern market remained stable at over 89%.

### Outlook

In the future, with the infrastructure development in the South, including both Southeast Vietnam and Southwest Vietnam regions, the industrial market is expected to grow and expand into provinces within the Mekong Delta.

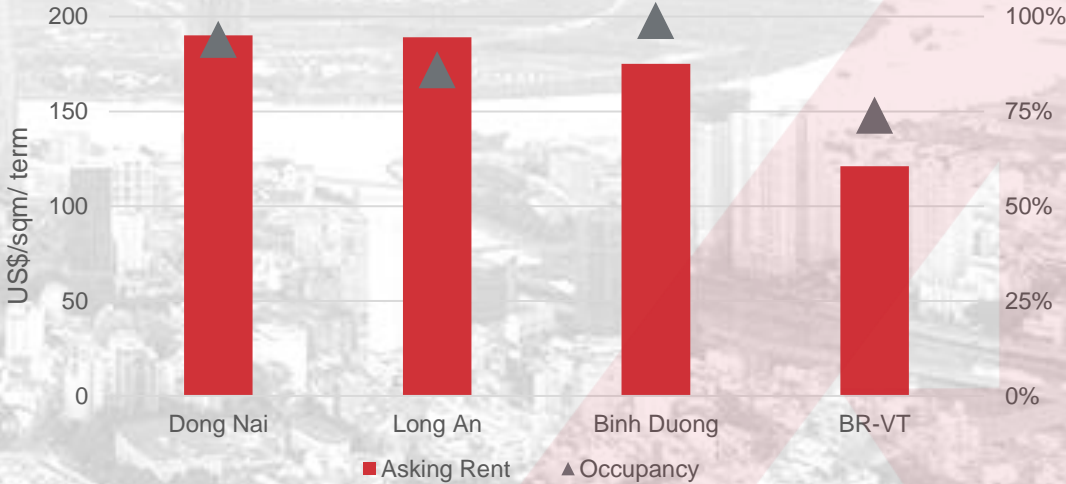
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IP SUPPLY IN SOUTHERN KEY PROVINCES Q3/2024



Source: NAI Vietnam Research & Commercial Services

IP PERFORMANCE IN SOUTHERN KEY PROVINCES Q3/2024



Source: NAI Vietnam Research & Commercial Services

# Thank you!

For inquiries about our research and property services, or for any other questions, please contact:



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