



OFFICE OUTLOOK 2025

ASIA PACIFIC OUTLOOK 2025

Hanoi



HANOI

KEY MESSAGES

Supply

- /// By the end of 2024, Hanoi will welcome a total of 22,500 sq m of new supply from one project located in the non-CBD area.
- /// From 2025 to 2029, around 53,500 sq m of new supply will enter the Hanoi market each year. The West region will account for up to 80% of total new future supply.

Demand

- /// Full-year 2024 net absorption is projected to reach 40,400 sq m, mostly driven by tenants with high leasing demand who continue looking to capitalize on the current market slowdown and enjoy better negotiation advantages and better offers.
- /// Vacancy is expected to be in the range of 23% to 28%, leading to net absorption of around 35,000 to 40,000 sq m per year (2025–2029).
- /// With the abundance of new supply across Hanoi, the market is expected to be tenant-favorable over the forecast horizon period.

Rents

- /// Full-year 2024 rents are forecast to increase only slightly, by 0.3% y-o-y
- /// Rents are expected to increase at around 1.5% to 2.2% in 2025–2026 as more supply enters the market and the economic outlook becomes more positive.
- /// From 2026 and onwards, rent growth is expected to be stable at around 1.0% per annum, in line with the economic recovery.

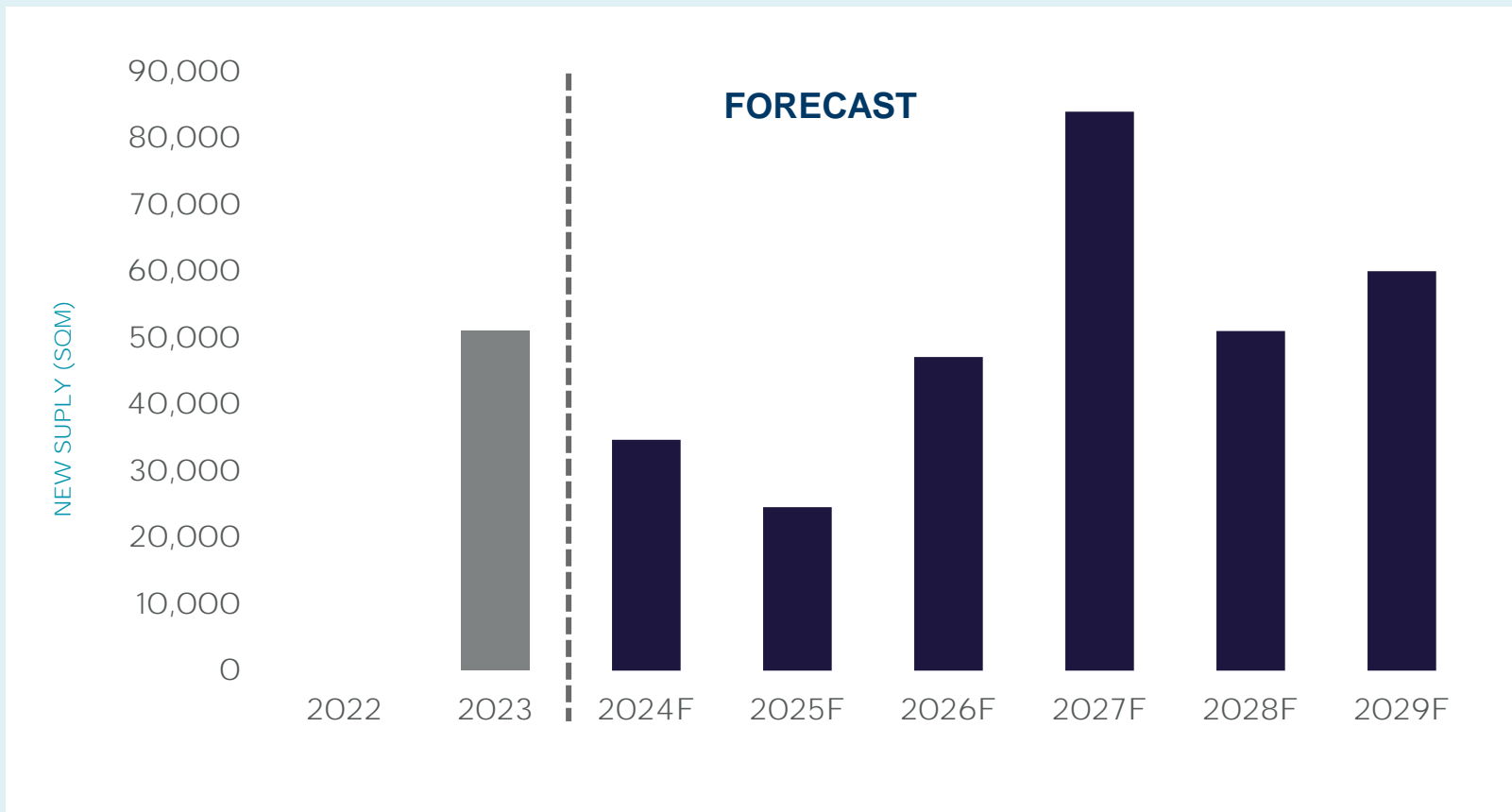
Key Outlook

- /// Sustainability and green buildings are going to be the key trend for new developments.
- /// The Starlake New Urban Area (the West region of Hanoi), which is oriented to be a new commercial and business hub in the future, is increasingly attracting new developments. New infrastructure and new projects, either planned or under construction, are likely to allow the area to attract greater occupier attention.



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NEW SUPPLY



// Hanoi is expected to welcome new supply of nearly 35,000 sq m in 2024, coming from two projects in the Secondary and West submarkets.

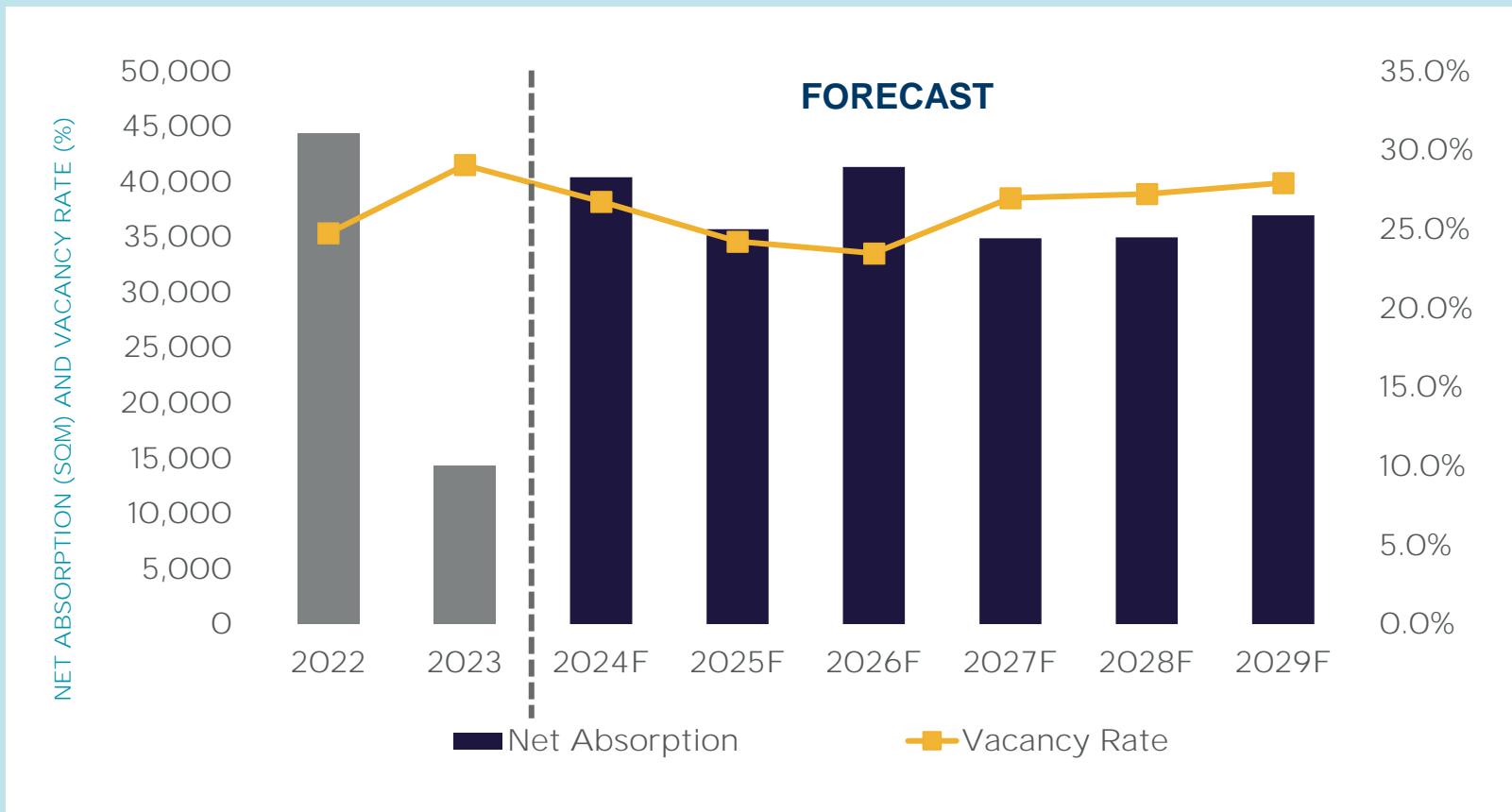
// The year 2025 will observe about 24,500 sq m of new supply entering the market, coming from two projects: one in the CBD and the second in the West submarket.

// On average, Hanoi's total stock will grow by at 7.7% per annum through the 2025-2029 period.



HANOI

DEMAND & VACANCY



// Net absorption is forecast to reach around 40,400 sq m by the end of 2024, mainly thanks to leasing demand from tenants looking to capitalize on market conditions with better negotiation advantages and better offers.

// In 2025 and 2026, the vacancy rate will gradually ease to around 23% to 24% as demand starts to recover. Starting from 2027, the vacancy rate will climb to 27% or 28% due to the influx of new supply.

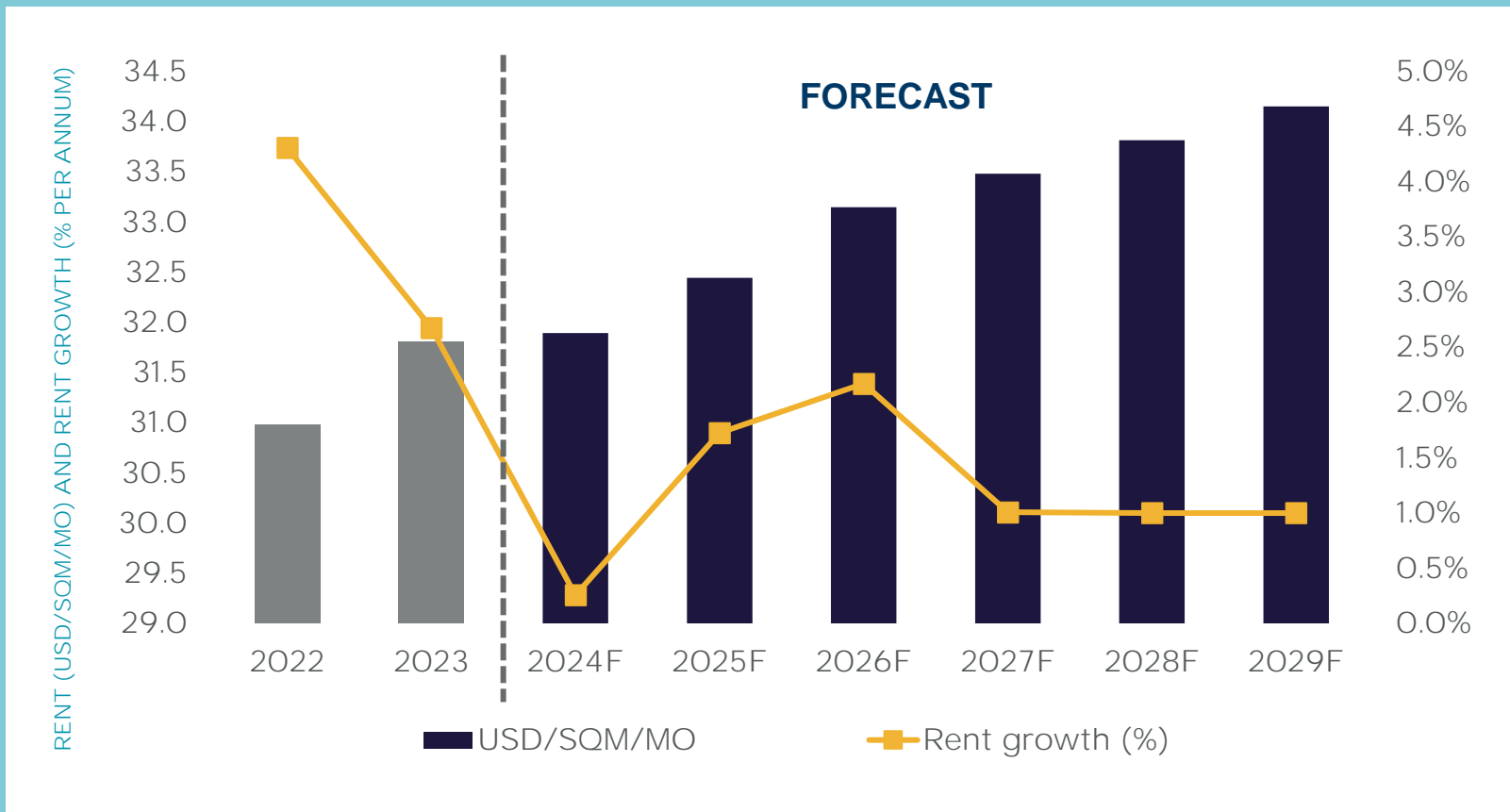
// Primary leasing activities still came from key industry sectors such as Banking, Manufacturing, IT/Technology, Insurance, and Logistics.

// Grade A tenants continue to focus on sustainable standards and hybrid working spaces.



HANOI

RENT GROWTH



// Rents are expected to increase only slightly, by 0.2% by the end of 2024. Accordingly, the citywide average gross rent is projected to reach US\$32 per sq m per month. Landlords are open to negotiations with tenants. These adjustments and incentives are designed to attract new tenants to fill vacant space and to facilitate leasing of remaining available areas.

// Rents are expected to increase at around 1.7% to 2.2% in 2025-2026 with the influx of new supply. From 2027, rent growth is projected to be at around 1.0% per year.

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OUTLOOK

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