



# OFFICE OUTLOOK 2025

## Ho Chi Minh City



# HO CHI MINH CITY

## KEY MESSAGES

### Supply

- // The future new pipeline for 2025 to 2029 will be healthy with several completions totaling 505,000 sq m.
- // Specifically, 2025 will be a dynamic year for the market with two Grade A projects entering the market, providing 165,000 sq m of new space into the market.
- // All prospective projects are either pursuing or have attained ESG certifications, highlighting the shift in interest toward more sustainable development.

### Demand

- // Together with the new supply, and economic recovery, office demand has improved with forecast 2024 net absorption reaching 78,000 sq m
- // Office demand will remain healthy in the next five years, with net absorption of around 55,000 to 60,000 sq m each year, driven by higher-quality new supply and improved economic conditions.
- // With such an influx of new supply in 2025, the vacancy rate is expected to nearly double, from 13% in 2024, to 24% in 2025, and will remain at 24%–26% up to 2029.

### Rents

- // The Grade A office rental level is to be maintained at around US\$55.5 per sq m per month in 2024, before rising to US\$58.5 per sq m per month in 2025 with the entry of the largest new Grade A project in the heart of the CBD area.
- // From 2026, rents are forecast to remain stable with a less than 1% change until 2029, due to rising competition within both the CBD and Non-CBD.

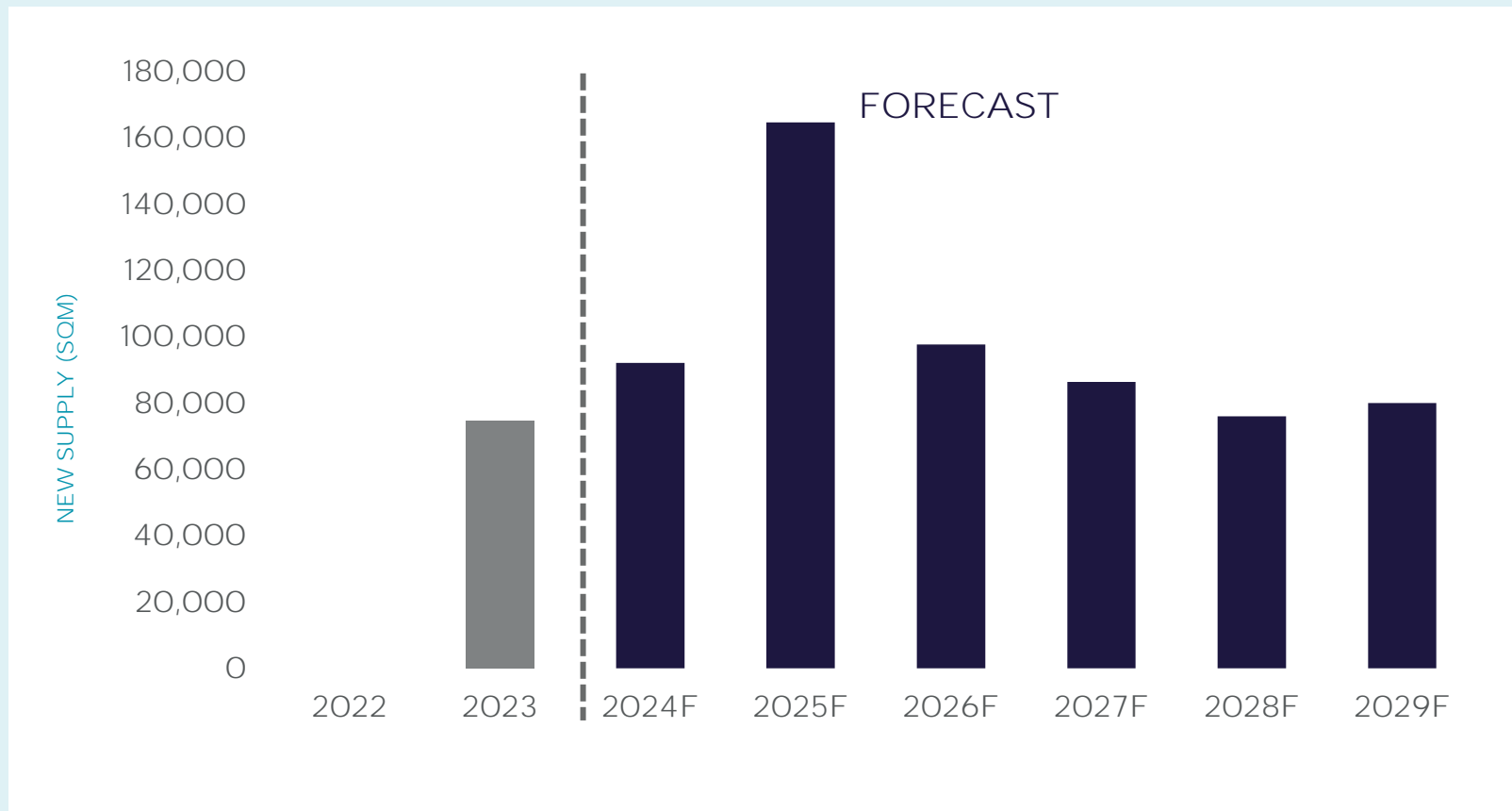
### Key Outlook

- // New supply from Thu Thiem New Urban Area (neighboring the CBD) marked a significant step for this submarket to be an extension of the current CBD area.
- // District 7 and Thu Thiem New Urban Area will rise as new business and commercial hubs of the city, due to affordable rents, newer projects with advanced technology, abundant space for new development, and potential new infrastructure.



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## NEW SUPPLY



// HCMC will welcome five new Grade A buildings into the market in 2024, bringing 117,500 sq m of space into the market. Three out of the five buildings are located in the CBD.

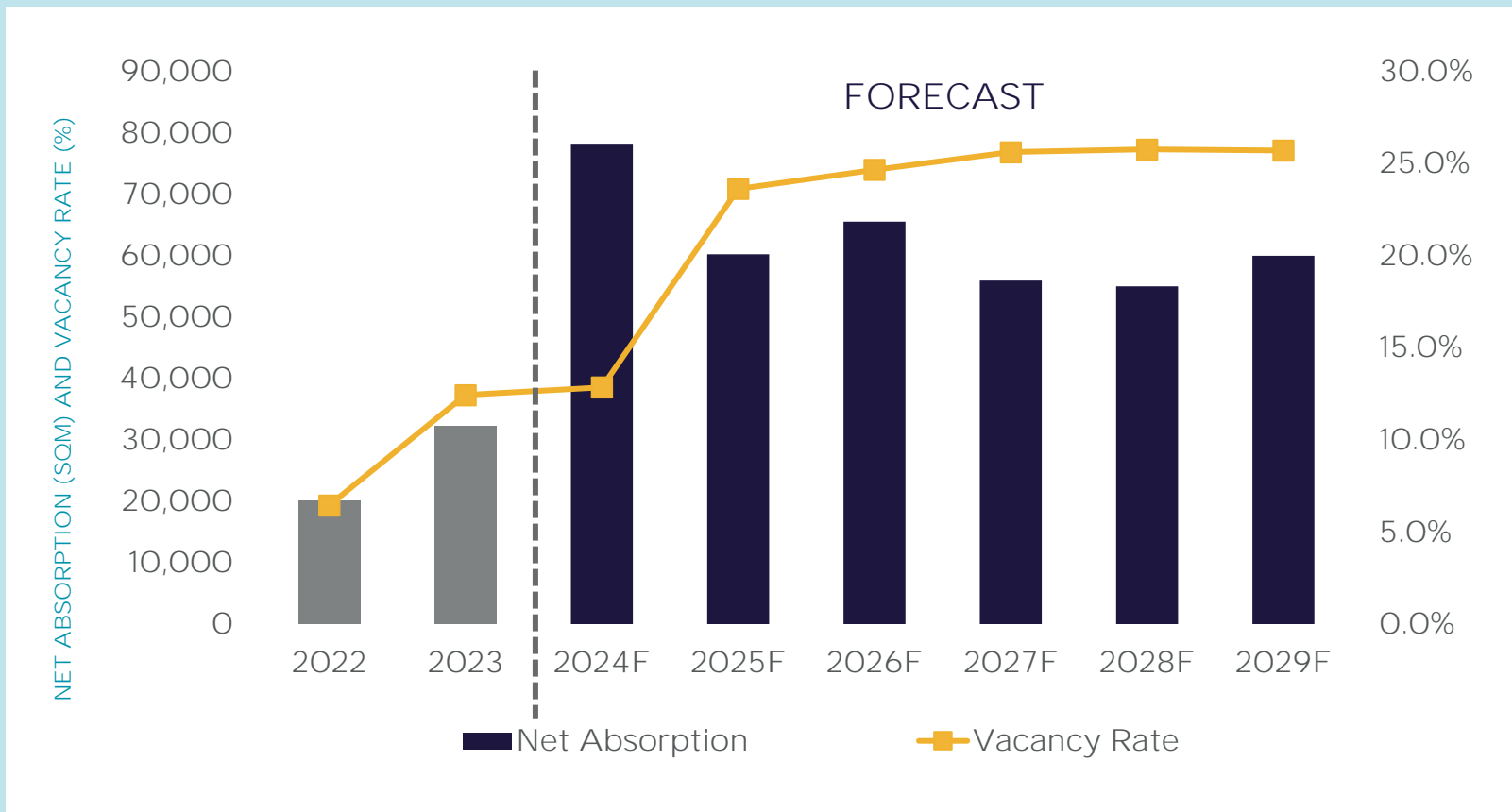
// In 2025, two office projects in both CBD and non-CBD areas will be introduced into the HCMC market, providing new supply of about 165,000 sq m.

// From 2026 onwards, the market is expected to welcome about 85,000 sq m each year. Thu Thiem New Urban Area and Phu My Hung New Urban Area will emerge as new office hubs



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## DEMAND & VACANCY



// The Manufacturing, Information Technology (IT), Retail, and Healthcare industry sectors are experiencing the most leasing activity. Grade A new supply in the CBD and the East witnessed the most expansion and relocation activity in 2024, demonstrating that supply generally leads demand in Vietnam.

// Citywide net absorption of Grade A office space is expected to remain healthy in the upcoming year, driven by new and high quality supply.

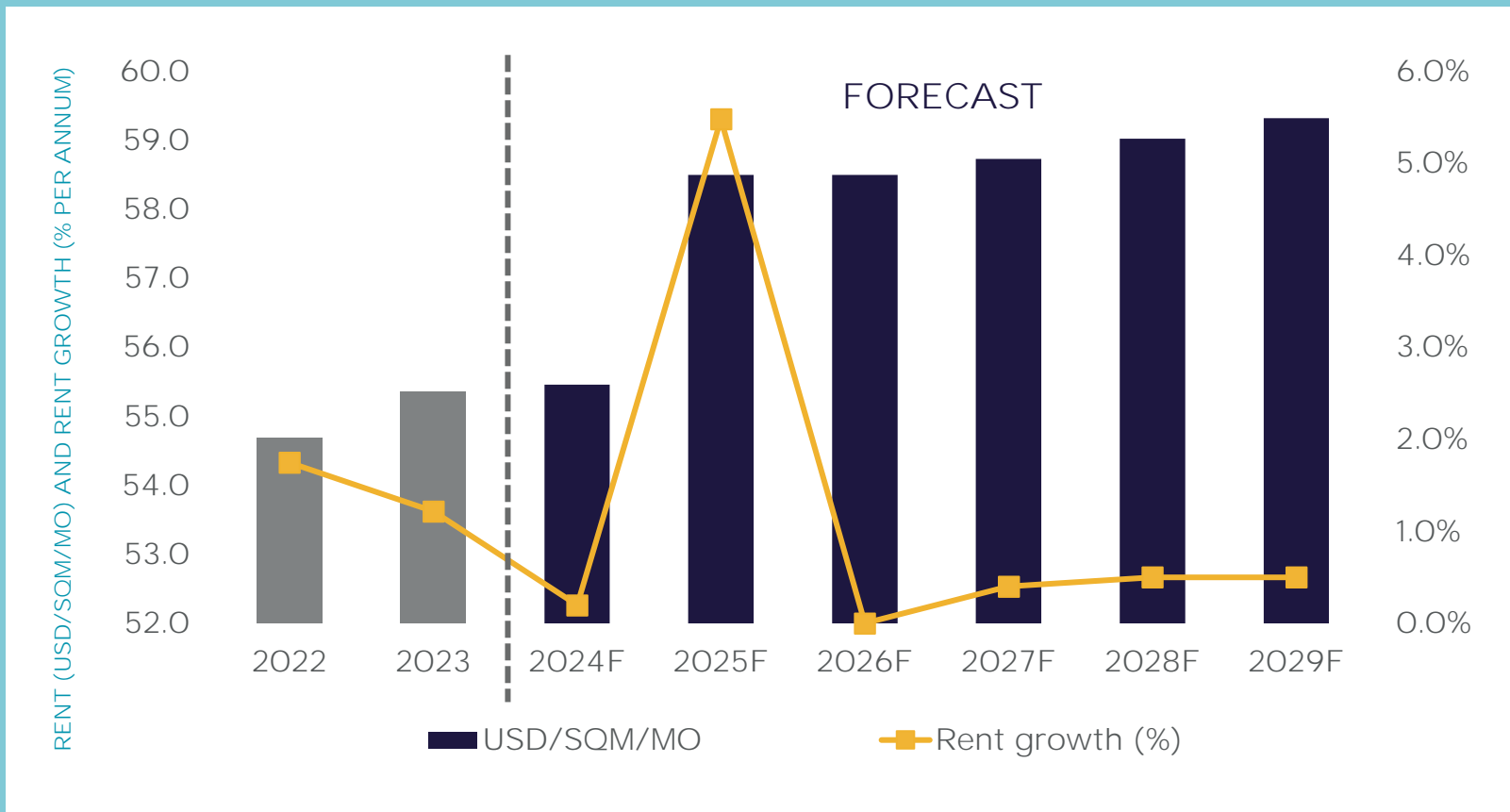
// With a consistent stream of new supply, vacancy is expected to remain high, even exceeding 24%, starting from 2025 and remaining through to 2029.





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## RENT GROWTH



// With new supply from non-CBD districts along with slowing demand due to economic challenges, landlords will likely remain cautious in rent offers and escalation throughout 2024.

// In 2024-2029, the HCMC average rent is forecast to remain stable, with a less than 1% change each year, except for a jump in rent forecast for 2025.

// Rent growth may jump up to 5% in 2025 with the entry of new supply in the CBD.

// The average rent growth surge of 5% is due to new supply in the CBD in 2025 but is expected to fall back to around 0.4%-0.5% with the introduction of additional new supply in the non-CBD in 2026.

// Generally, the HCMC office market rent growth is sensitive to new supply and economic conditions.

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ASIA PACIFIC

# OUTLOOK

2025

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