



# MARKETBEAT Q2 2024

HANOI

Better never settles



**MARKETBEAT Q2 2024**

HANOI

# VIETNAM ECONOMIC OVERVIEW

Better never settles



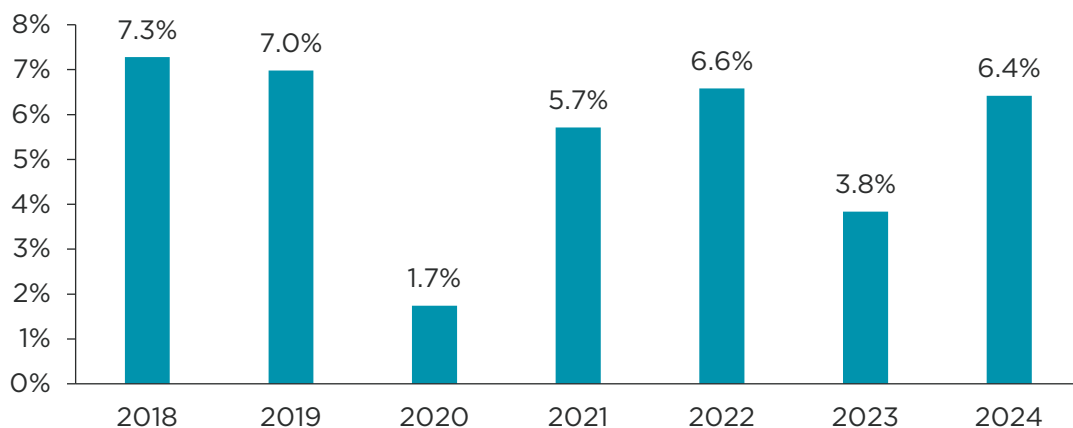
# GDP GROWTH

## Strong growth amidst slowdown

Vietnam has achieved a GDP growth of 6.4% in H1 2024<sup>(\*)</sup>, the second highest H1 growth in 2020-2024 period. The GDP growth in Q2 improved compared to Q1, reaching 6.9% from the previous 5.7%.

The National Assembly targets to achieve 6.0-6.5% GDP growth in 2024, prioritizing economic growth while maintaining balance among economic factors. To achieve this target, Vietnam strives to achieve the GDP growth of above 6.5% in the latter half of 2024.

### VIETNAM GDP GROWTH IN H1 PERIOD, BY YEAR



Source: General Statistics Office, Vietnam

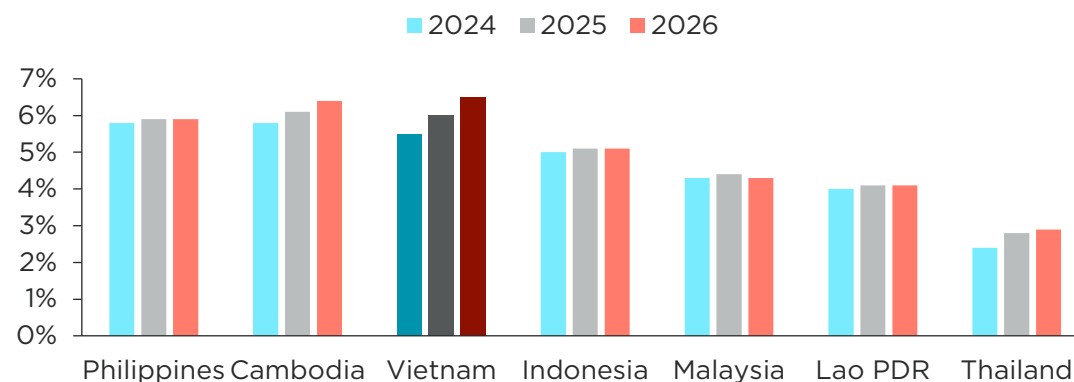
<sup>(\*)</sup> H1: First half of the year

## Bright growth prospect

In the “Global Economic Prospects” launched by World Bank in June 2024, Vietnam is forecast to witness rapid market growth throughout 2024-2026 (5.5% - 6.0% - 6.5% respectively).

Vietnam is among the highest-growing countries forecasted in the ASEAN region. Other organizations share similar outlooks on Vietnam economic growth in 2024, such as IMF (5.8%), ADB (6.0%), OECD (6.0%).

### WORLD BANK GDP FORECAST FOR ASEAN (JUNE 2024)



Source: World Bank

# CPI, EXCHANGE RATE, & INTEREST RATE

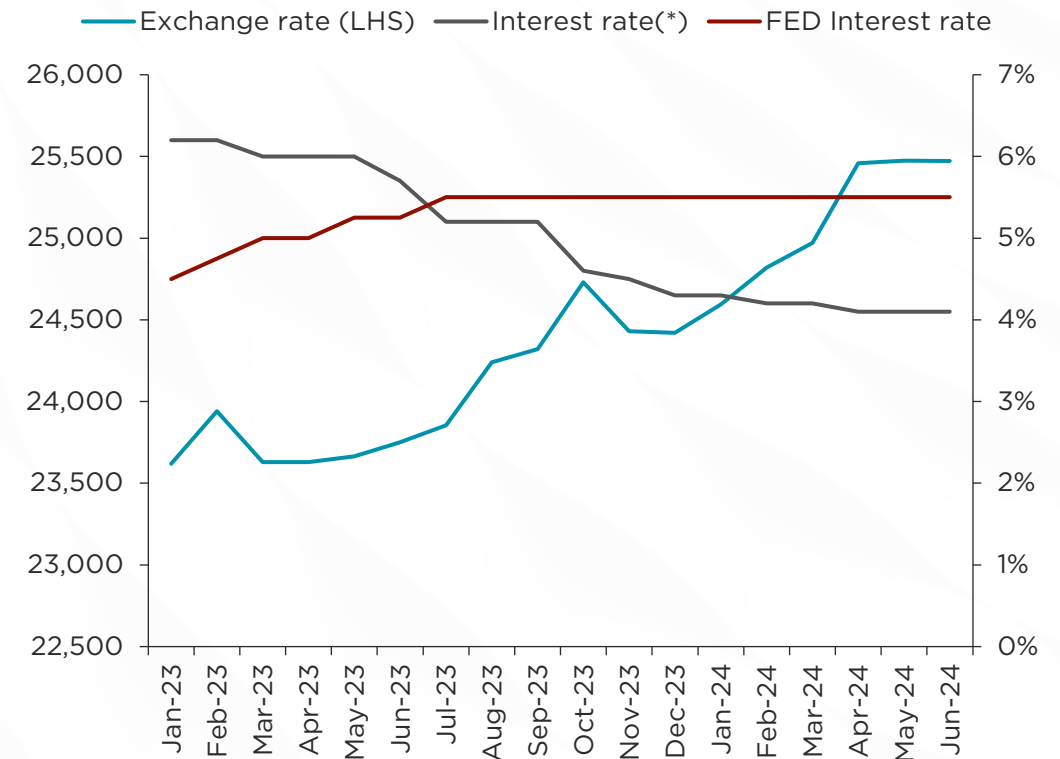
**CPI:** Vietnam's CPI reached 4.08% in H1 2024, driven by rising prices in food (especially rice prices upon export recovery), education, healthcare, energy, and other aspects. Although approaching the 4.5% limit for 2024, the CPI is still under control.

## Interest rate:

- Fed interest rate has been maintained at 5.25–5.50% since July 2023, and Fed expects to decrease the interest rates once in 2024 upon favorable context.
- In Vietnam, the lending interest rate remains low to encourage economic growth. However, amidst rising inflation and competition with other investment channels (e.g., gold, stocks), some banks have slightly increased the deposit interest rates in recent months.

**USD/VND exchange rate:** The gap between Vietnam's and Fed interest rates has contributed to the rising USD/VND exchange rate. After the soaring period in Q1, the exchange rate has been regulated at around 25,500 VND per 1 USD in Q2 2024.

USD/VND EXCHANGE RATE AND INTEREST RATE IN VIETNAM, 2023 - H1 2024



Source: Fed, Vietcombank

All rates are taken at the end of the month.

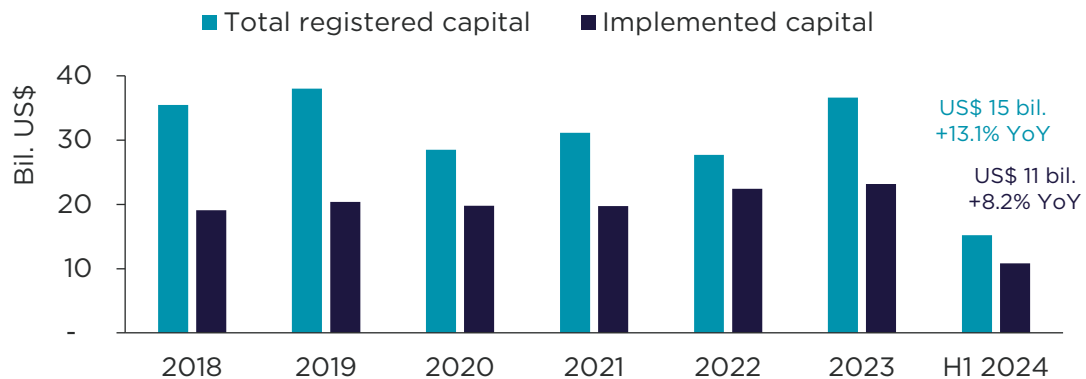
\*Vietcombank's 12-month-period Interest Rate for Organizations is used as a demonstration of interest rate trend

# FDI ATTRACTION

## H1 2024 highlights

- New record of highest FDI implementation in the H1 period in the past 5 years. Additionally, both registered FDI inflow and implementation FDI recorded high YoY growth.
- The Manufacturing sector accounts for 72% of newly registered FDI capital and 79% of implemented FDI, signifying the rebound of manufacturing industries.
- Real estate business accounts for 20% of newly registered capital and 9% of implemented capital, which hints that the real estate market is preparing to welcome the upcoming cycle

### VIETNAM FDI ATTRACTION & IMPLEMENTATION BY YEAR



Source: General Statistics Office, Vietnam

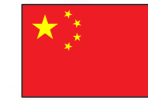
## TOP INVESTING COUNTRIES INTO VIETNAM IN H1 2024



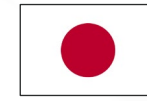
Singapore  
42%



Hong Kong  
12%



China  
11%



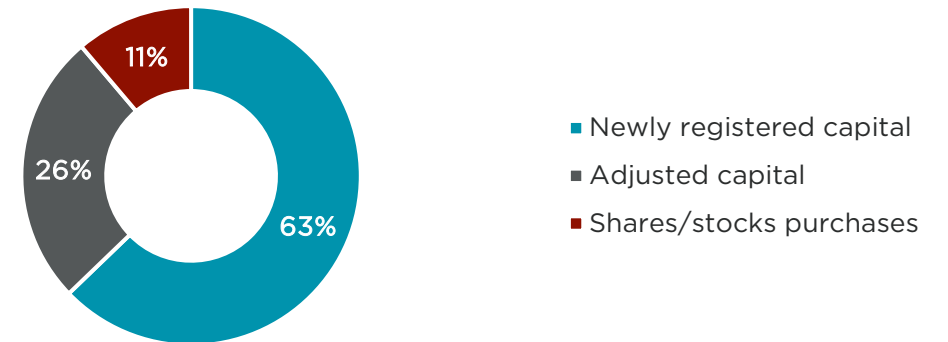
Japan  
10%



Türkiye  
8%

\*Of total newly registered capital

### STRUCTURE OF FDI INFLOW IN H1 2024



Source: General Statistics Office, Vietnam

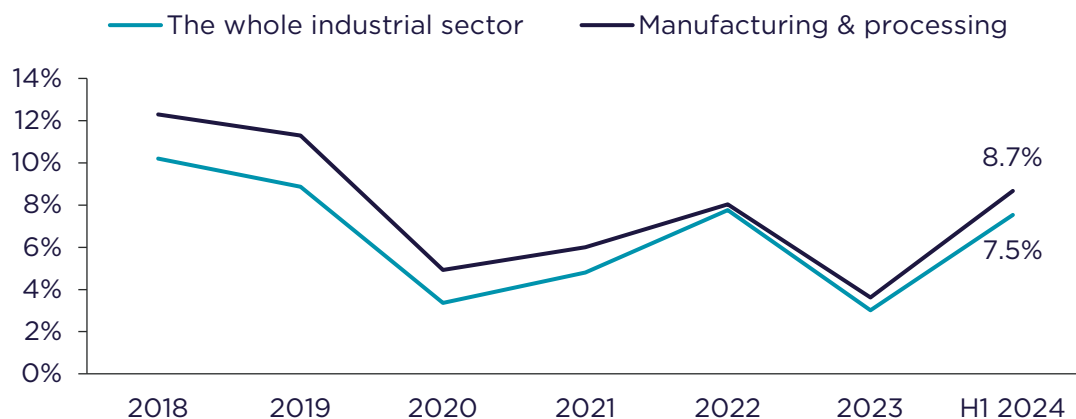
# INDUSTRIAL PRODUCTION

## RECOVERY OF MANUFACTURING ACTIVITIES

The industrial sector improved in Q2 2024, with the quarter's IIP reaching 8.6% compared to 6.2% in Q1. Altogether, in H1 2024, the overall IIP was recorded at 7.5%, with the manufacturing segment achieving 8.7%. Electricity production and distribution also recorded a high IIP of 13.3% in H1 2024, as Vietnam is striving for energy security to attract FDI inflow.

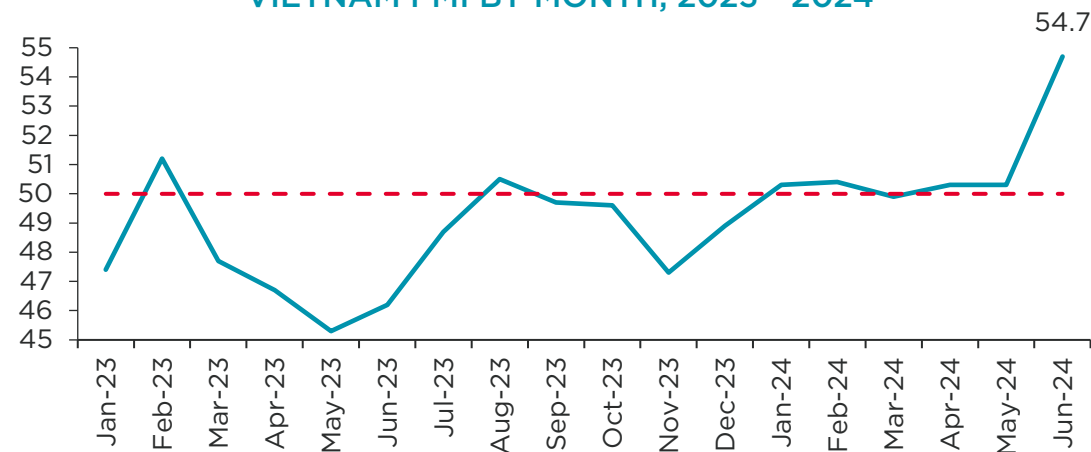
According to S&P Global, Vietnam's PMI hovered around 50.3 in April and May, then leaped to 54.7 in June, signifying the rapid expansion of the manufacturing sector at the end of Q2 2024. New orders surged at one of the fastest rates on record (only second to March 2011's record), which in turns drove new staff hiring, production, and purchasing activities for the first time in the past three months.

### VIETNAM INDEX OF INDUSTRIAL PRODUCTION (IIP)



Source: General Statistics Office, Vietnam

### VIETNAM PMI BY MONTH, 2023 - 2024



Source: S&P Global

# IMPORT - EXPORT

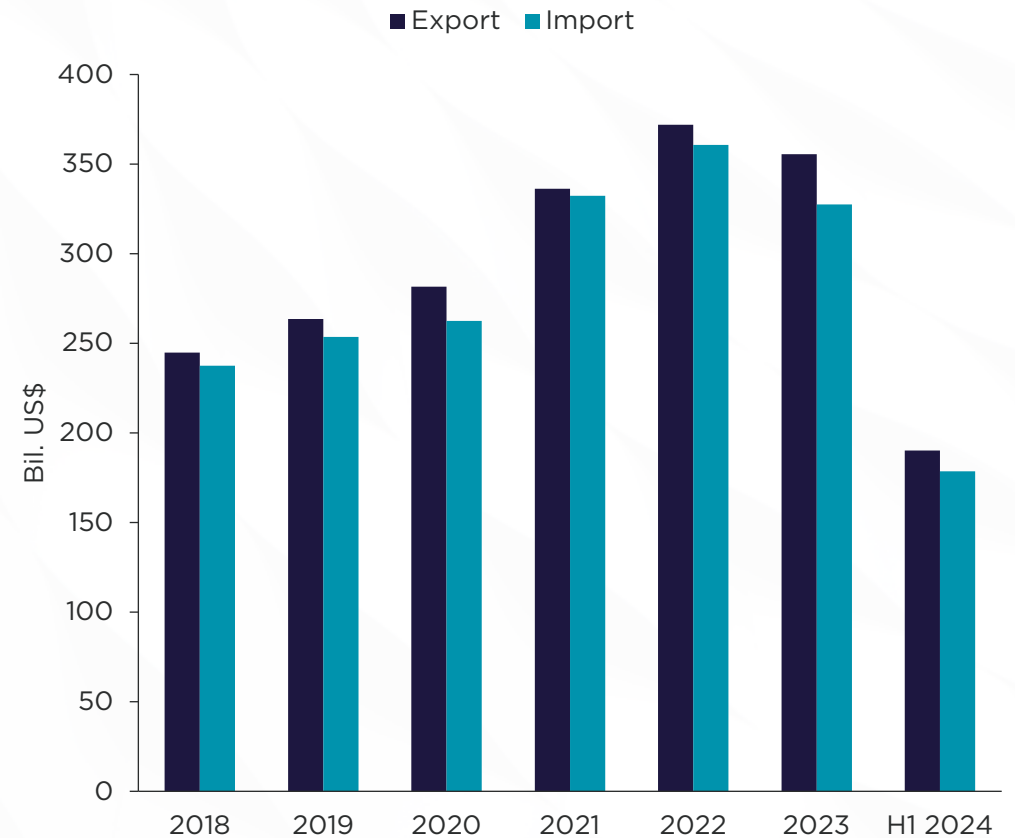
## HIGHEST EXPORT TURNOVER IN H1 PERIOD SINCE 2020

Global trade in 2024 is forecast to grow by 2.5% by World Bank and 2.6% by IMF, compared to last year. The general global economy is expected to improve and stabilize, consumption demands will start to recover, and inflation will be put under control. Vietnam's major export markets (such as the US and EU) are witnessing positive market signs with easing inflation and recovered demands.

Import-export is one of the spotlights in Vietnam's economy in H1 2024, with 14.5% YoY growth in export turnover and 17.0% YoY growth in import turnover. Altogether, the total turnover amounts to US\$368.5 billion, up 15.5% YoY, with a trade surplus of US\$11.6 billion.

The current export turnover was the highest record in H1 period since 2020; and the import turnover was the second-highest record (only after the figure of H1 2022). This hints at the improved manufacturing demands domestically as well as the recovery of consumption demands internationally.

### VIETNAM IMPORT - EXPORT TURNOVER



Source: General Statistics Office, Vietnam

# ENTERPRISE REGISTRATION STATUS

## IMPROVED BUSINESS REGISTRATION AND OPERATION

New and re-operating enterprises

**119.6 thou.** +5.3% YoY

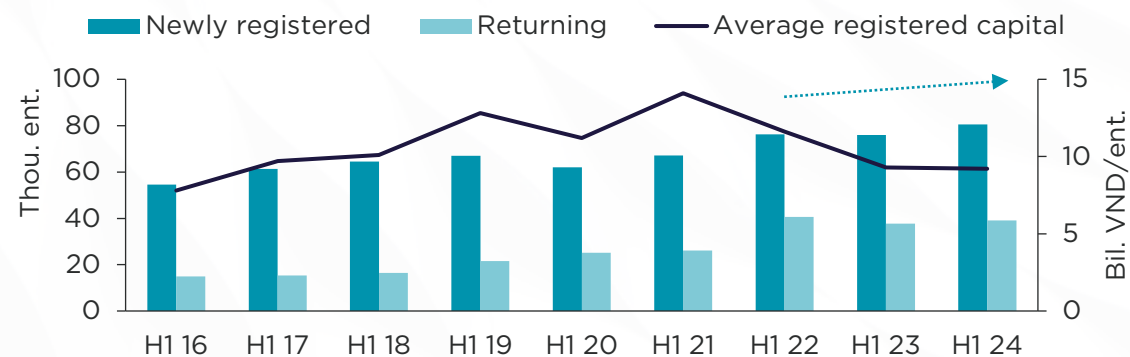
Temporarily ceased and dissolution enterprises

**110.3 thou.** +18.4% YoY

### Key highlights:

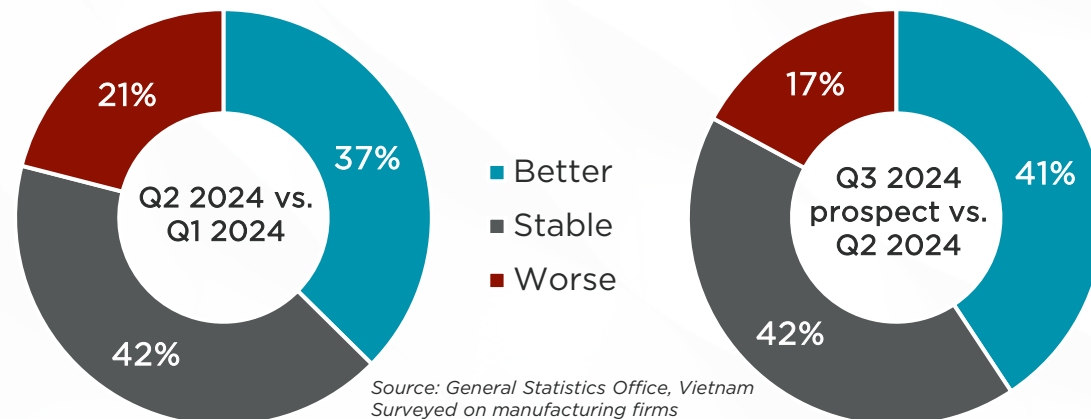
- The number of new and returning enterprises grew sustainably.
- The number of new enterprises is the highest record since 2016.
- However, capital flow remains a key pain point:
  - Total capital inflow into the market -7.7% YoY,
  - Fewer enterprises with increased capital (-8.3% in the number of enterprises and -17.3% in increased capital);
  - 92% of new enterprises are of small scale (0-10 billion VND in capital).

### NEW AND RETURNING ENTERPRISES (ENT.) AND AVERAGE CAPITAL, IN H1 PERIOD, BY YEAR



Source: General Statistics Office, Vietnam

### BUSINESS OPERATION EVALUATION



Source: General Statistics Office, Vietnam  
Surveyed on manufacturing firms



# RETAIL SALES & TOURISM

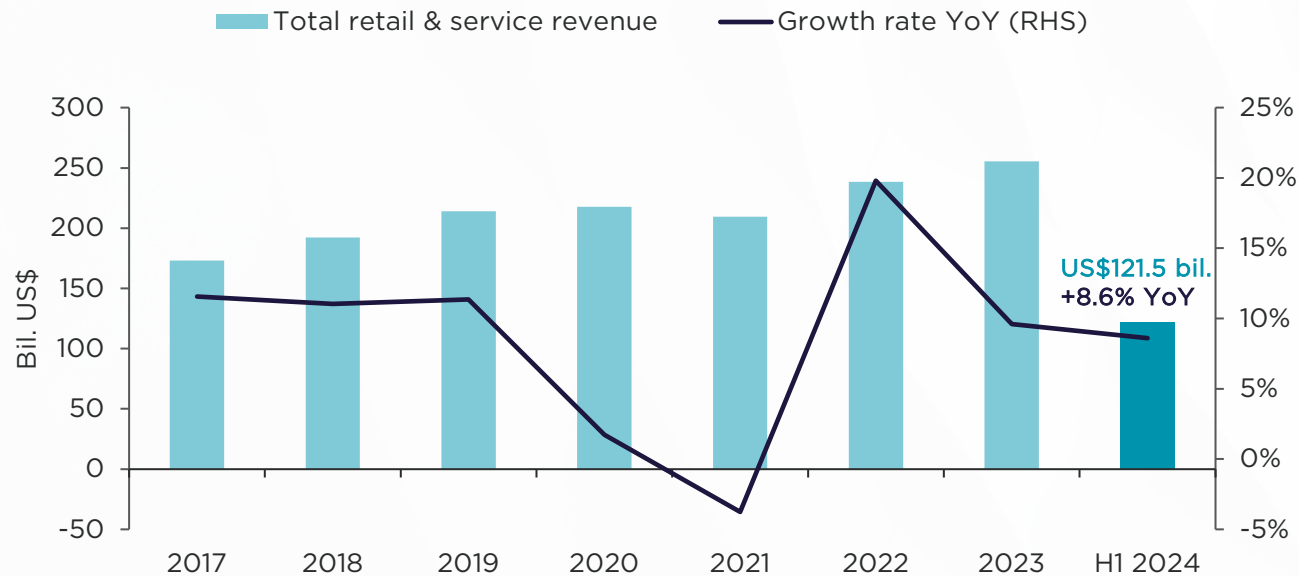
## SUSTAINING THE GROWTH TRAJECTORY

Vietnam's commercial landscape remains bustling in H1 2024 with improved revenue across all subsectors. However, the growth of 8.6% is modest compared to the 2023 figure of 11.6%, as consumers are still dealing with a difficult labor market and tightening income and budgets.

Some solutions have been implemented to sustain domestic consumption such as raising minimum wage from 1 July, maintaining low VAT of 8% throughout 2024, etc.

Tourism recovered magnificently thanks to convenient visa policies and tourism promotion programs. Multiple cities/provinces recorded high growth in total tourism revenue such as Dien Bien (+126%, exceeding the target by +12.5%), Khanh Hoa (+97%), Thanh Hoa (+30.2%), Hanoi (+22.8%), Ho Chi Minh City (+14.6%), etc.

### VIETNAM RETAIL SALES & SERVICE REVENUE BY YEAR



Source: General Statistics Office, Vietnam

### International tourists in H1 2024

**8.8 million** arrivals

+58.4% compared to H1 2023

+4.1% compared to H1 2019

Approx. 50% of 2024's target of 17-18 mil.

Source: General Statistics Office, Vietnam

# INFRASTRUCTURE SNAPSHOT

## Hanoi Future Infrastructure Projects



**Metro line No.3**  
Exp. Construction: 2027



**Metro line No.2**  
Exp. Construction: 2009-2031



**Ring Road 3.5 (Thuong Cat bridge to National Road 32)**  
Exp. Construction: 2026



**Ring Road 4**  
Exp. Construction: 2023-2027

## Hanoi Infrastructure Projects in 2024



**Le Quang Dao street (Extended)**  
Exp. To Be Completed: October 2024



**Au Co - Nghi Tam Road (Expansion and Renovation)**  
Exp. To Be Completed: 2024

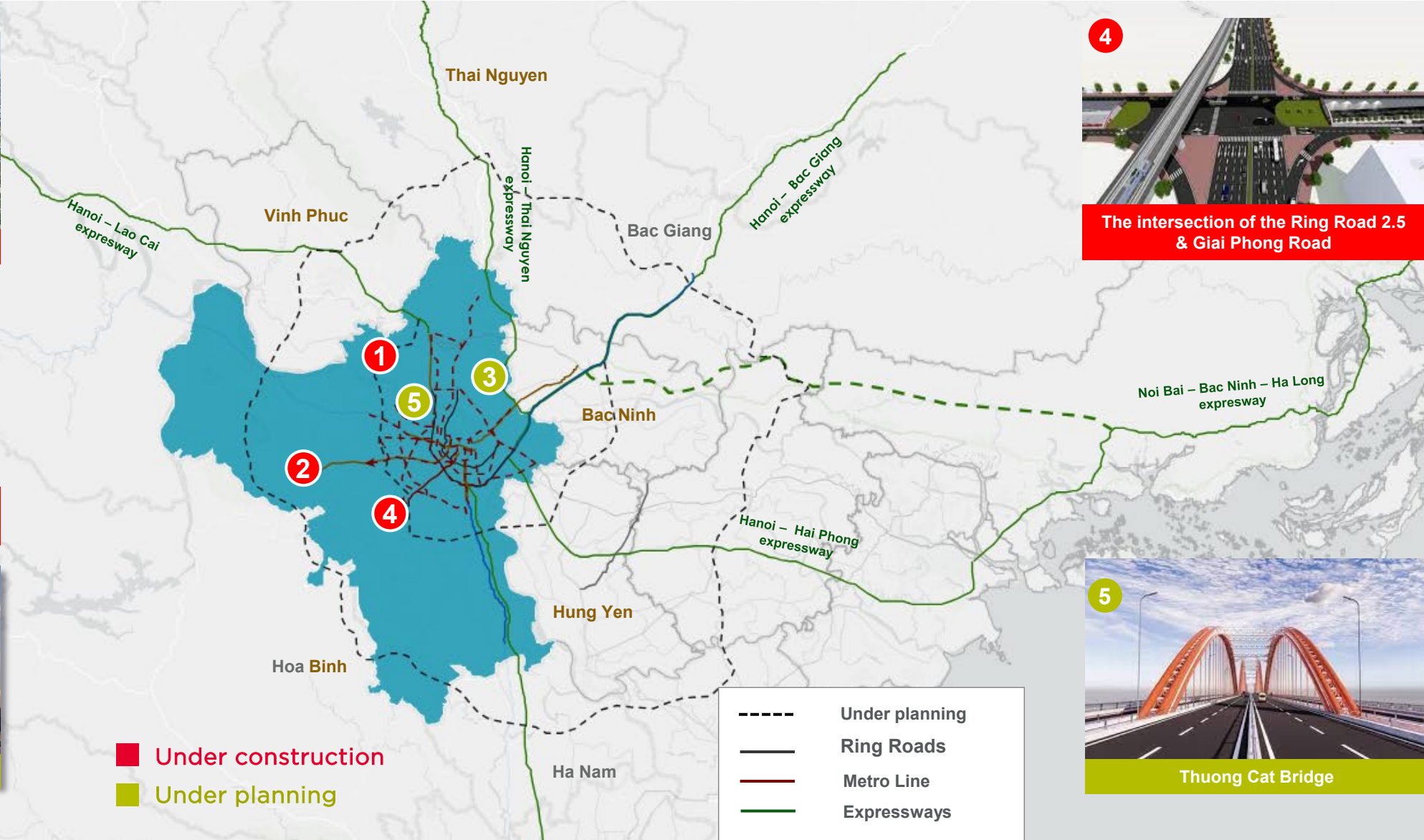
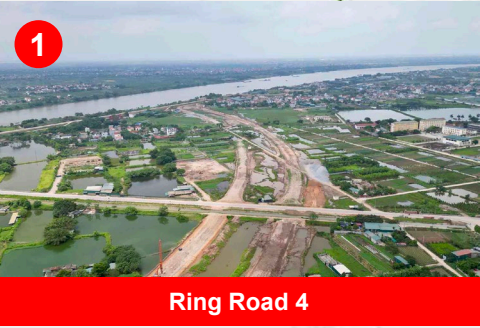


**Road connecting Nguyen Van Cu street to the end of resettlement area in Ngoc Thuy ward**  
Exp. To Be Completed: 2024



**Lai Yen - Van Canh street**  
Exp. To Be Completed: 2024

# INFRASTRUCTURE



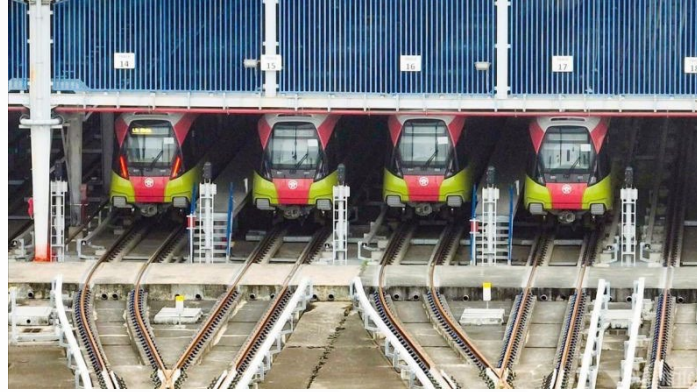
# INFRASTRUCTURE



## INAUGURATION OF THE OVERPASS AT MAI DICH INTERSECTION

Total investment  
VND342 billion (~ US\$13.4 million)

On 6 May 2024, Hanoi inaugurated a VND-342-billion overpass at the Mai Dich intersection which helped to ease traffic congestion. This overpass is a crucial component of Ring Road 3 project, representing a substantial investment. The steel bridge features a width of 7.7 meters on each side, with one lane designated for motor vehicles (3.5 meters wide) and another for motorcycles (2.75 meters wide).



## METRO LINE NO.3 PROJECT PROGRESS

Total investment VND34,826 billion  
(~ US\$1,354.6 million)

The Metroline No.3 comprises a total length of 12.5 km, including an elevated section spanning 8.5 km and an underground segment of approximately 4 km. Currently, the **overall progress** has surpassed 78%. The elevated section has achieved 100% completion, including the testing and commissioning phase. The elevated section is scheduled to begin operation in July 2024. The underground section's progress reached 34%.



## OPENING THE ROUTE CONNECTING XUAN CAM BRIDGE TO THE BAC PHU INTERSECTION OF THE NEW NATIONAL HIGHWAY 3 HANOI - THAI NGUYEN

Total investment  
VND195 billion (~ US\$7.6 million)

The 4.2 km road connecting Hanoi to Bac Giang has officially opened on 13 April 2024, enhancing connectivity and promoting economic and social development between the two localities and neighboring regions. This project strategically contributes to the transportation network linking Hanoi with Bac Giang province and nearby areas, completing the Belt Road 4 within Bac Giang province.

# LEGAL UPDATES

NEW REAL ESTATE LAWS - EFFECTIVE ON 1 AUGUST 2024 INSTEAD OF 1 JANUARY 2025

01

## LAND LAW

- Contributing to eliminate legal obstacles and accelerate the recovery momentum of the real estate market
- Promoting land pricing close to the market level and improving land use efficiency

02

## REAL ESTATE BUSINESS LAW

- Upgrading market transparency
- Restricting land lot division
- Filter the market with developers that have strong financial capability, good expertise, and reputation

03

## HOUSING LAW

- Offering more solutions for housing issues and promoting the target of one million social housing to 2030
- Re-gain the buyer's confidence with the freehold ownership of the apartment

## MARKETBEAT Q2 2024

HANOI

# APARTMENT

Ultra-luxury: > US\$ 10,000 per sqm

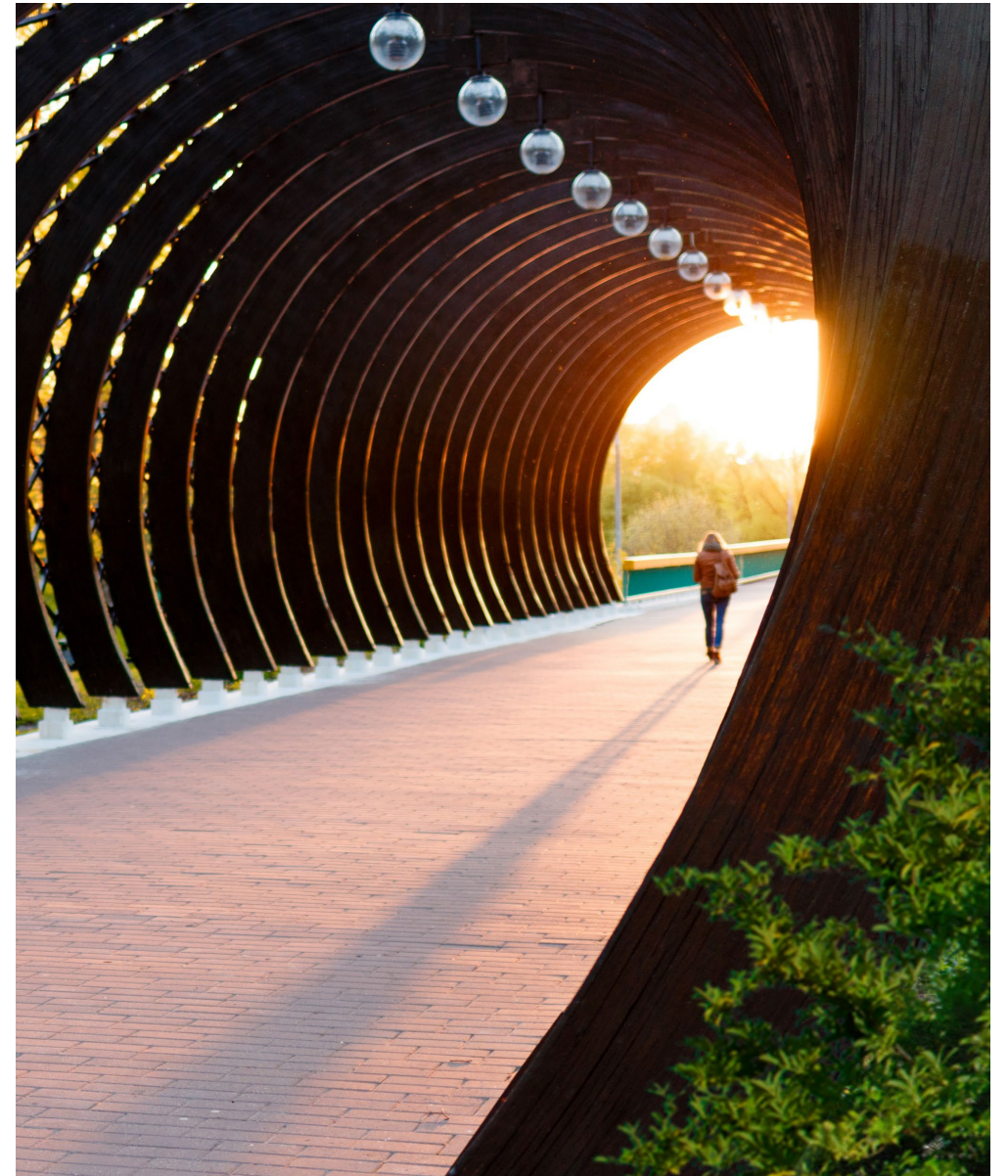
Luxury: US\$ 4,500 - 10,000 per sqm

High-end: US\$ 3,000 - 4,500 per sqm

Mid-end: US\$ 1,300 - 3,000 per sqm

Affordable: < US\$ 1,300 per sqm

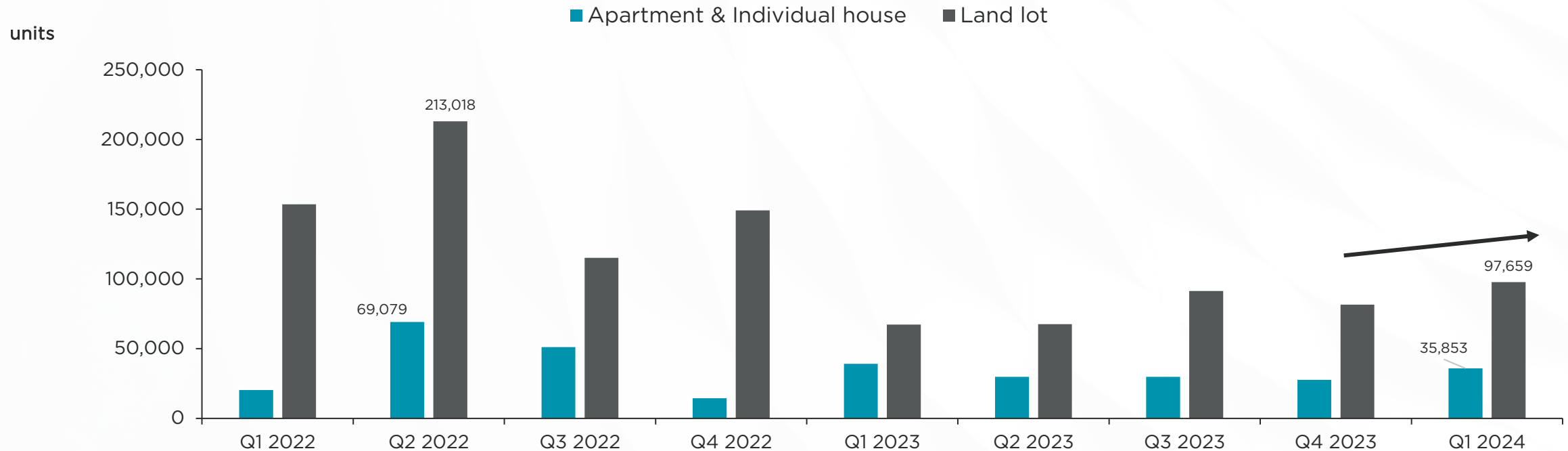
Better never settles



# NOTABLE NEWS

## Q1 2024 RECORDED A SLIGHT INCREASE IN SALE VOLUME

### TOTAL SALES VOLUME OF APARTMENTS, INDIVIDUAL HOUSES AND LAND PLOTS, Q1 2022 - Q1 2024



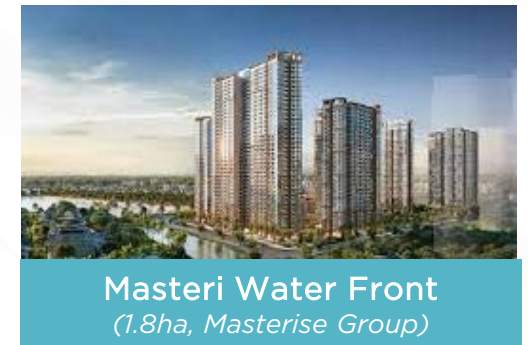
Source: Ministry of Construction (MOC)

After a strong recovery in H1 2022, the real estate market faced challenges from Q3 2022 due to credit restrictions and legal issues. Apartment and house sales dropped significantly (around 93%) compared to the Q2 2022 peak. However, recent quarters show increased transaction activity.

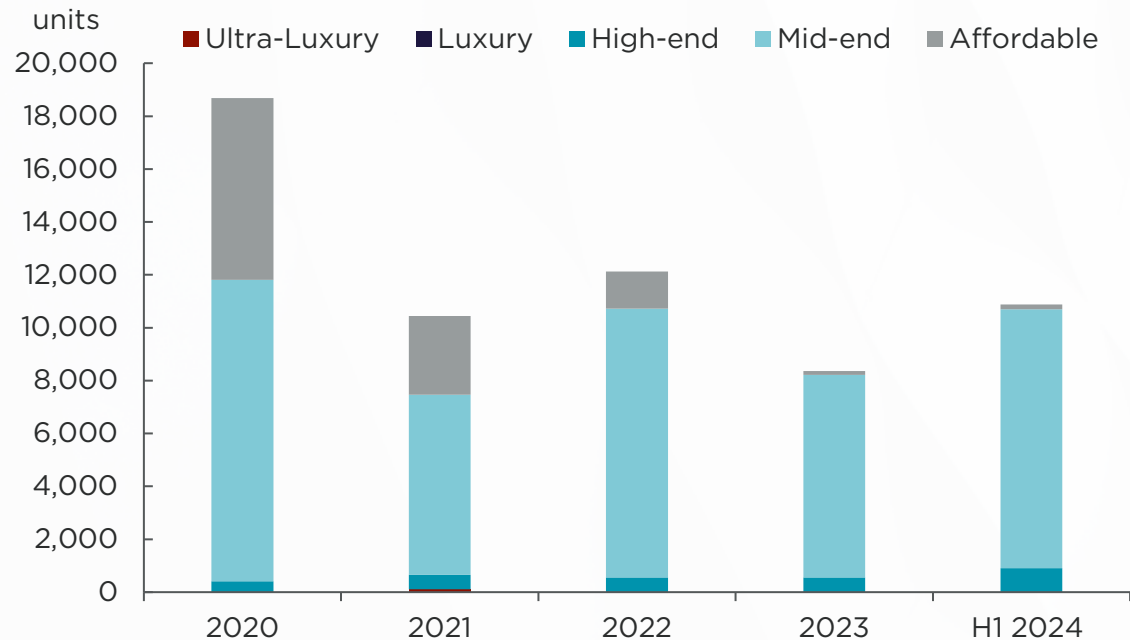
# HANOI APARTMENT

## INFLUX OF NEW APARTMENT SUPPLY FROM INTEGRATED TOWNSHIPS

<b>New supply H1 2024</b> <b>10,800</b> units +195% YoY	<b>New Supply Q2 2024</b> <b>7,600</b> units +140% QoQ +155% YoY	<b>Primary supply Q2 2024</b> <b>8,750</b> units +89% QoQ +86% YoY
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HANOI APARTMENT NEW SUPPLY (2020 - H1 2024)



Source: Cushman & Wakefield

In H1 2024, the Hanoi apartment market experienced a positive trend in both supply and demand. During H1 2024, approximately 10,800 new apartment units were introduced, representing nearly a threefold increase YoY. In Q2 2024, approximately 7,600 units were launched, marking a substantial 140% QoQ increase and a remarkable 155% YoY growth. This significant shift can be primarily attributed to the launch of new apartment projects within integrated townships, such as Vinhomes Ocean Park and Vinhomes Smart City. The West accounted for approximately 59% of the new apartment supply in H1 2024, and mid-end projects continued to dominate the market, constituting around 90% of the new supply.



# HANOI APARTMENT

AN UPSURGE WAS SEEN IN BOTH SALE VOLUMES AND AVERAGE SELLING PRICE

Sales volume H1 2024

**10,900** units  
+216% YoY

Sales volume Q2 2024

**7,400** units  
+110% QoQ  
+147% YoY

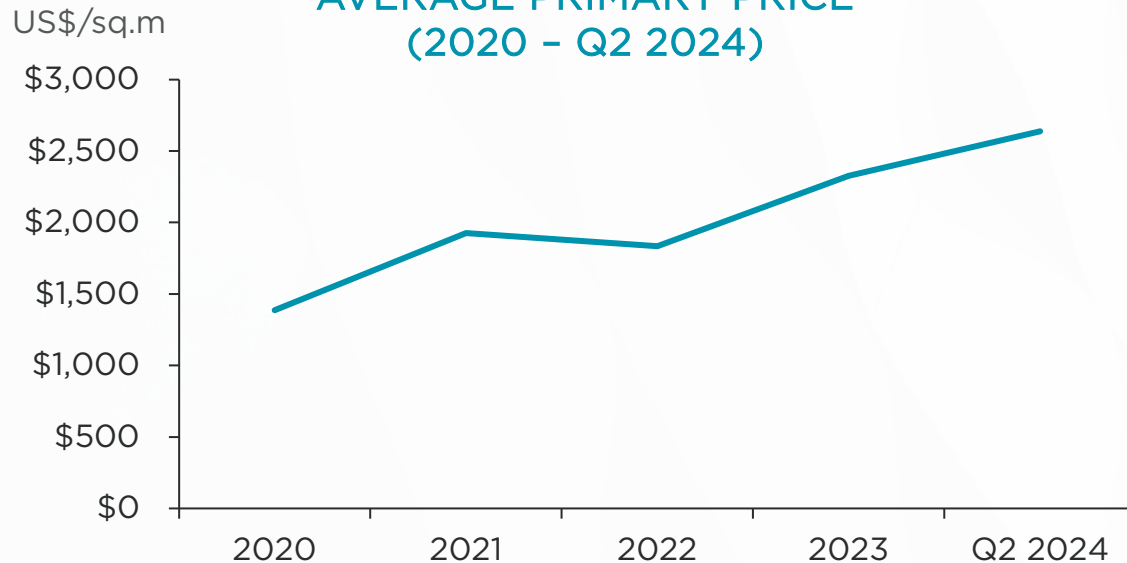
Absorption rate Q2 2024

**85%**

Avg. primary price Q2 2024

**2,640** US\$/sq.m  
+11% QoQ  
+30% YoY

HANOI APARTMENT  
AVERAGE PRIMARY PRICE  
(2020 - Q2 2024)



Approximately 10,900 units were sold in H1 2024, up 216% compared to the previous year. In Q2 2024, Hanoi's apartment sales volume reached around 7,400 units, up 110% QoQ and 147% YoY. The average primary price was nearly US\$2,640 per sq.m, up 11% QoQ and 30% YoY.

The upsurge in sale volume in the last two quarters is due to the continuous scarcity of new supply in recent years. Newly launched projects with transparent legal status, reputable developers, attractive sales policies, and all-in-one facilities have witnessed good sales performance. Most of these projects originated in large integrated urban areas from The West.

The increasing demand for Hanoi's apartments is driven by the escalating need for housing along with population growth and urban migration. Besides, investment interest is gradually rebounding in the real estate market despite the prevailing economic instability.

Primary condominium prices continue to rise due to the scarcity of supply. Such increase is also driven by Mid-end and High-end supply which made up above 98% of new supply, while Affordable apartments supply remains limited.

Source: Cushman & Wakefield

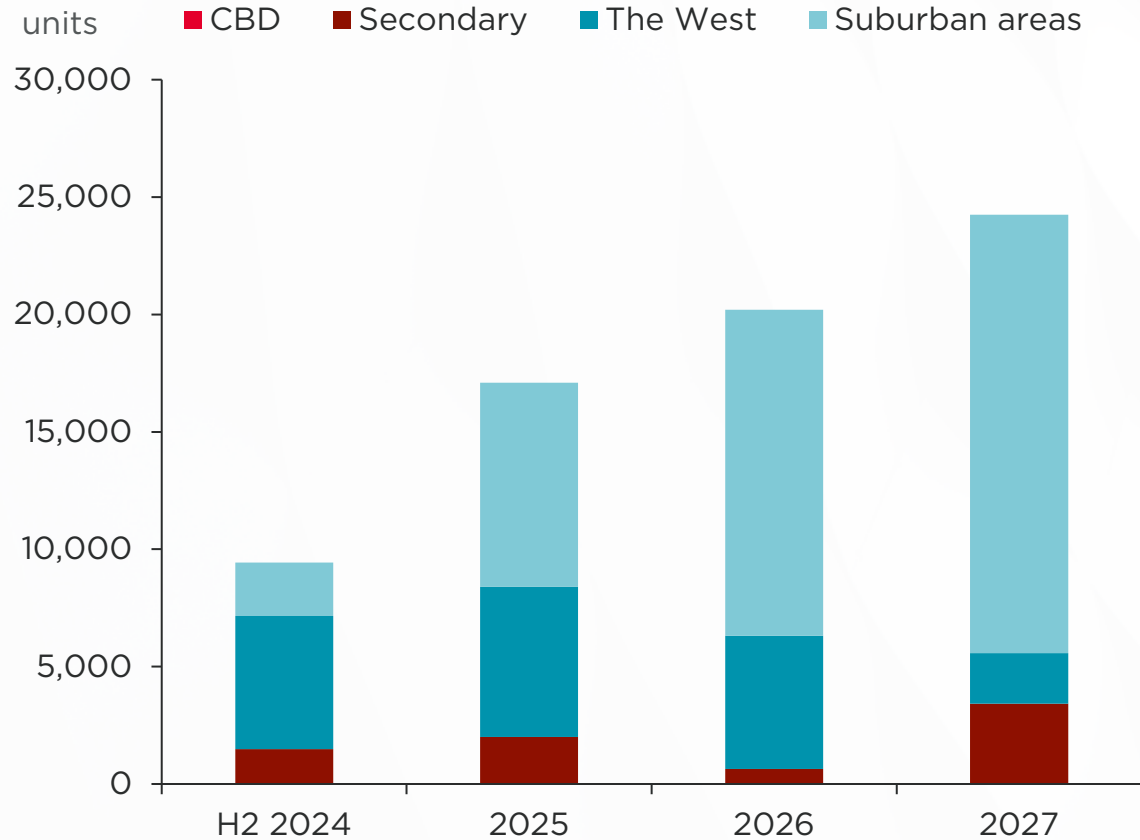
Note: The average primary price is calculated based on NLA, exclusive of VAT and maintenance fee

US\$/VND Exchange rate in Q2 2024 = 25,500

# HANOI APARTMENT

FUTURE NEW SUPPLY IS GRADUALLY SHIFTING FROM THE WEST TO SUBURBAN AREA FROM 2026 ONWARDS

FUTURE SUPPLY BY SUBMARKET



Future supply - H2 2024 to 2027

**70,000** units

In H2 2024, the real estate market is expected to welcome approximately 9,500 new apartment units. Most of this supply will be concentrated in the Western region, benefiting from its strategic location and established infrastructure. Additionally, apartment supply in H2 2024 is expected to continue to concentrate in large integrated townships like Vinhomes Ocean Park and Vinhomes Smart City.

As of 2025, suburban districts, including Dong Anh, Gia Lam, Ha Dong, Hoai Duc, Hoang Mai, Long Bien, and Thanh Tri, are predicted to dominate future apartment supply thanks to ongoing infrastructure development and Government urban planning initiatives. Notably, Dong Anh and Gia Lam are slated to become urban districts in 2025, contributing to the anticipated supply from large integrated townships such as Vinhomes Co Loa, Vinhomes Ocean Park, and BRG Smart City.

Source: Cushman & Wakefield



## MARKETBEAT Q2 2024

HANOI

# LANDED PROPERTY

*Shophouse, Townhouse, Villa*

Better never settles



# HANOI LANDED PROPERTY

THE SUPPLY PRIMARILY CAME FROM THE NEXT LAUNCH OF EXISTING PROJECTS

<b>New supply H1 2024</b> <b>240</b> units <small>+133% YoY</small>	<b>New Supply Q2 2024</b> <b>165</b> units <small>+40% QoQ +62% YoY</small>	<b>Primary supply Q2 2024</b> <b>364</b> units <small>+69% QoQ +1% YoY</small>
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**Him Lam Thuong Tin**  
(3.2 ha, Him Lam)



**An Quy Villa**  
(4.7 ha, Nam Cuong)

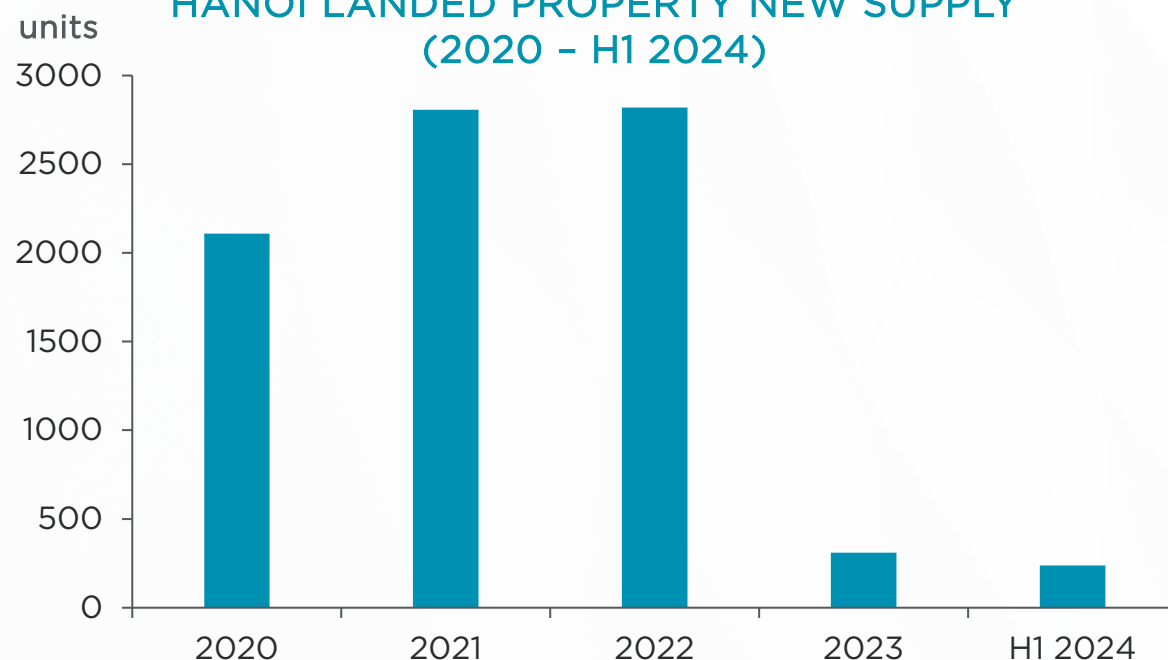


**Capital Crown**  
(18.8 ha, Kita Group)



**The Manor Central Park**  
(89.7 ha, Bitexco)

**HANOI LANDED PROPERTY NEW SUPPLY  
(2020 - H1 2024)**



H1 2024 witnessed a slight increase in Hanoi's landed supply, increasing 133% YoY. Specifically in Q2 2024, Hanoi welcomed the launch of 165 new residential units, representing a 40% increase QoQ and a substantial 62% increase YoY.

Despite this modest growth, the city's supply of landed properties remains scarce. Most of the new supply originated from the next launch of existing projects in the Suburban area (Hoang Mai, Ha Dong, Thuong Tin, and Hoai Duc District).

Source: Cushman & Wakefield

# HANOI LANDED PROPERTY

BOTH SALE VOLUME AND AVERAGE SELLING PRICE WITNESSED A SIGNIFICANT INCREASE

**Sales volume H1 2024**

**300** units

+260% YoY

**Sales volume Q2 2024**

**181** units

+53% QoQ  
+277% YoY

**Absorption rate Q2 2024**

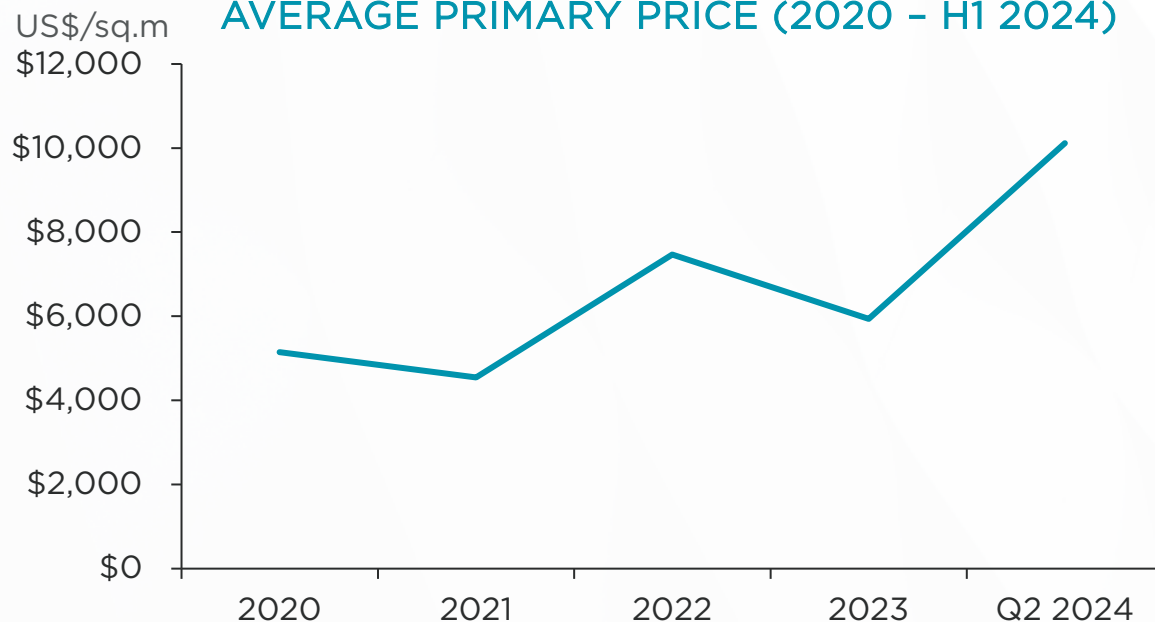
**49%**

**Avg. primary price Q2 2024**

**10,120** US\$/sq.m

+42% QoQ  
+132% YoY

**HANOI LANDED PROPERTY  
AVERAGE PRIMARY PRICE (2020 - H1 2024)**



In Q2 2024, Hanoi's landed property market saw a slight improvement, with 181 units sold, an increase of 53% QoQ and over 277% YoY. Overall, during the first half of 2024, nearly 300 units were sold, representing a 260% YoY growth.

There was a noticeable fluctuation in the average primary price in 2023 for landed properties in Hanoi. This variation was attributed to some projects being temporarily on hold due to legal issues or developers postponing sales activities while waiting for brighter market conditions.

Then, Hanoi's landed property market witnessed a dramatic increase in the average selling price. Notably, the price for landed properties surged in Q2 2024, reaching US\$10,120 per sq.m. This increase of 42% QoQ and 132% YoY was driven by the next launch of the existing projects with higher-than-average prices in Hoang Mai and Tay Ho District.

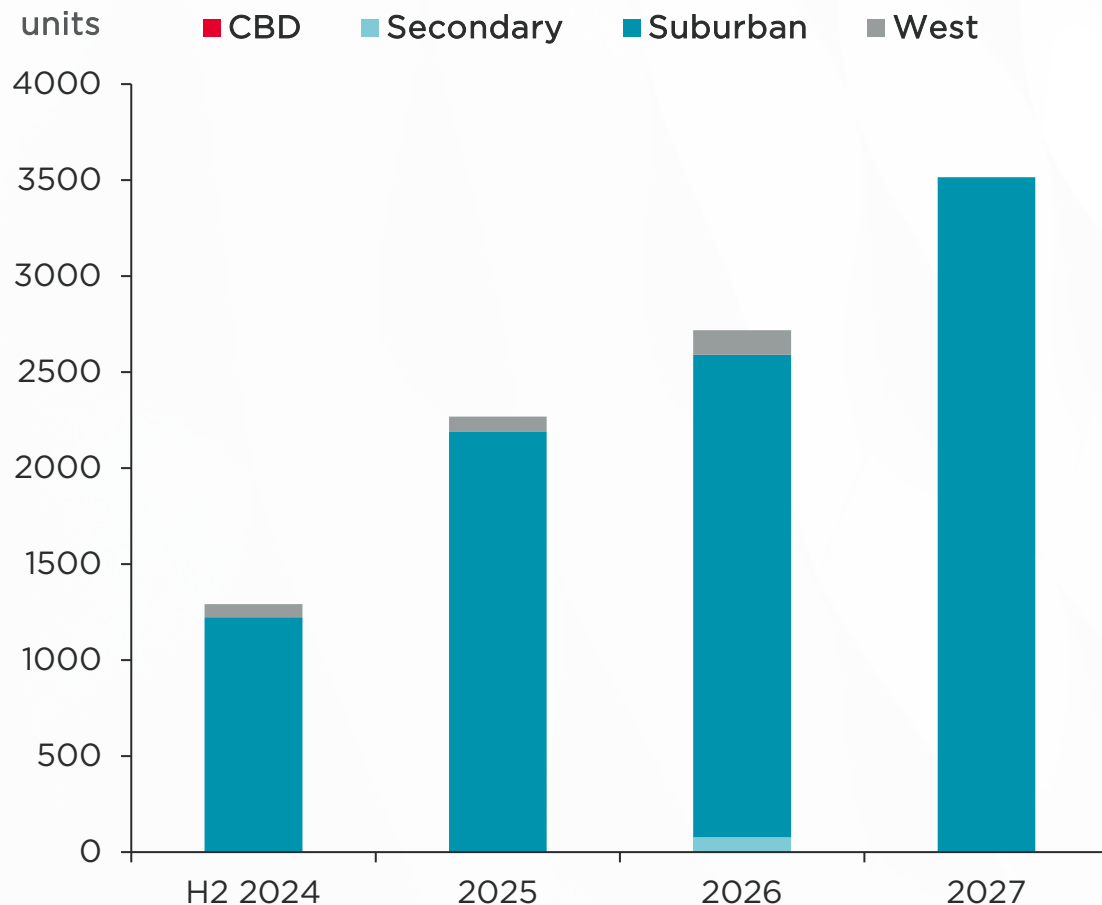
Note: The average primary price is calculated based on land area, exclusive of VAT and maintenance fee  
US\$/VND Exchange rate in Q2 2024 = 25,500

Source: Cushman & Wakefield

# HANOI LANDED PROPERTY

MORE THAN 96% OF THE AVAILABLE LANDED PROPERTIES ARE CONCENTRATED IN SUBURBAN AREAS

## FUTURE SUPPLY BY SUBMARKET



### Future supply - 2024 to 2027

**9,800 units**

The supply of landed property in Hanoi is predicted to increase in 2024. A significant portion of the 2024 supply will come from integrated townships built by reputable developers providing all-in-one amenities.

Due to the limited land bank, the CBD and Secondary submarkets are expected to welcome no new supply in the next three years. The West is forecasted to experience a scarcity in landed property supply due to their limited land banks. The supply is forecasted to spread into Suburban areas which own their greater land bank and improved infrastructure connectivity to the central metropolis.

Dong Anh District and Gia Lam District are scheduled to be designated as urban districts by 2025. As a result, it can be expected that a substantial rise is seen in landed property supply from these areas, primarily driven by large integrated townships such as Vinhomes Co Loa, Vinhomes Dong Anh, and BRG Smart City.

Source: Cushman & Wakefield

# MARKETBEAT Q2 2024

HANOI

# OFFICE

*Grade A, Grade B*

*(\*) C&W's geographical division:*

- *CBD area: Hoan Kiem;*
- *Secondary area: Ba Dinh, Dong Da, Hai Ba Trung, Tay Ho, Thanh Xuan;*
- *West area: Cau Giay, Bac Tu Liem, Nam Tu Liem;*
- *Suburban area: the other districts of Hanoi*

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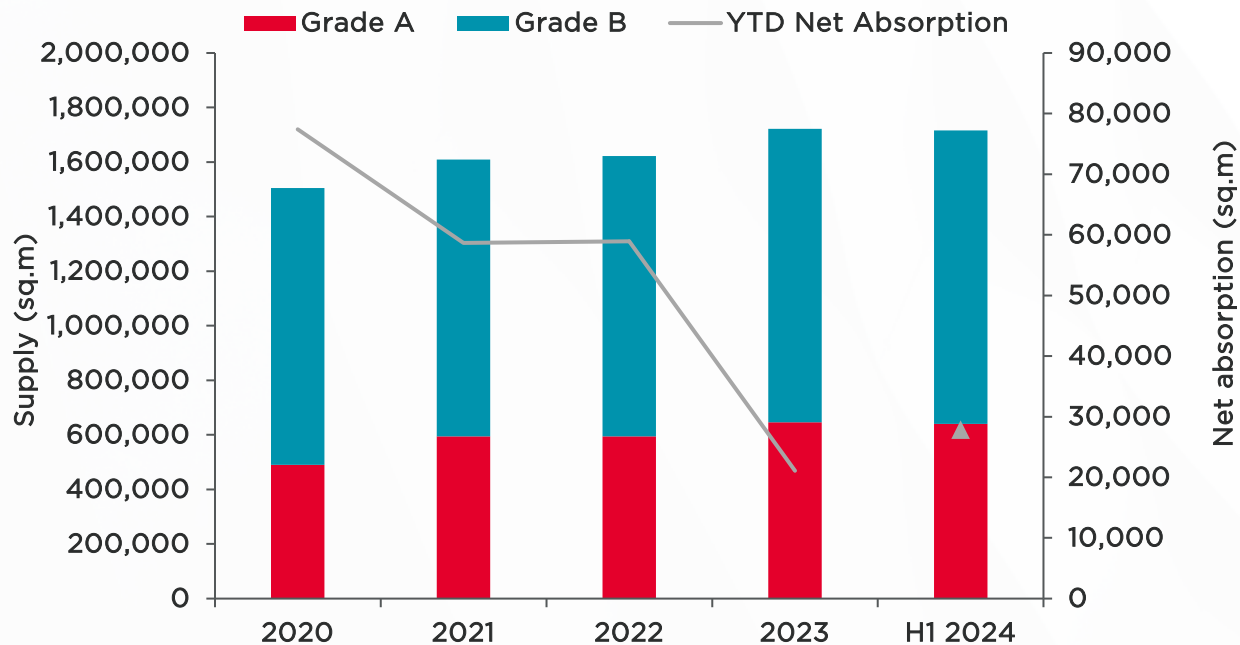


# HANOI OFFICE

## IMPROVED ABSORPTION AS NO NEW SUPPLY ADDED TO THE MARKET

<p><b>No new supply</b> in H1 2024</p>	<p>YTD Net absorption in H1 2024 <b>27,849</b> sq.m +87% YoY</p>	<p>Net absorption in Q2 2024 <b>19,186</b> sq.m +121% QoQ;</p>	<p>Total supply Grade A &amp; B <b>1.7 milion</b> sq.m -0.3% QoQ; +4.4% YoY</p>
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### HANOI OFFICE GRADE A&B SUPPLY AND ABSORPTION



In H1 2024, no new supply entered Hanoi office market. The total Grade A&B office supply was above 1.7 million sq.m of NLA. 37% of which is from Grade A supply.

In H1 2024, net absorption is estimated at around 27,800 sq.m, with Q2 2024's absorption improved compared to that of Q1 2024. Notable transactions in H1 2024 are mainly from tenants with large-scale demand, capitalizing on the ongoing market slowdown to upgrade their office space to newer and better buildings. Meanwhile, medium and small tenants still prefer renewal at their current location.

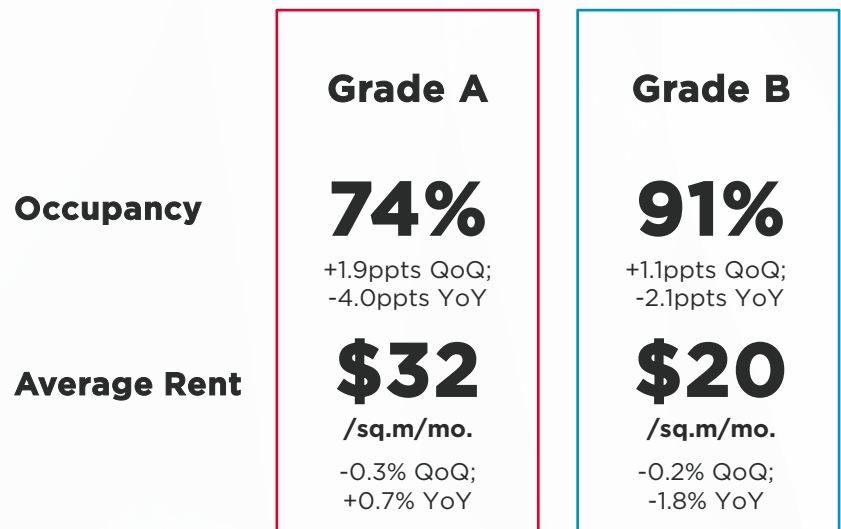
The Secondary and the West areas are where most leasing activities happened in H1 2024. Specifically, in Q2 2024 period, good absorption is mainly observed in the Ba Dinh, Thanh Xuan, and Cau Giay Districts.

Source: Cushman & Wakefield

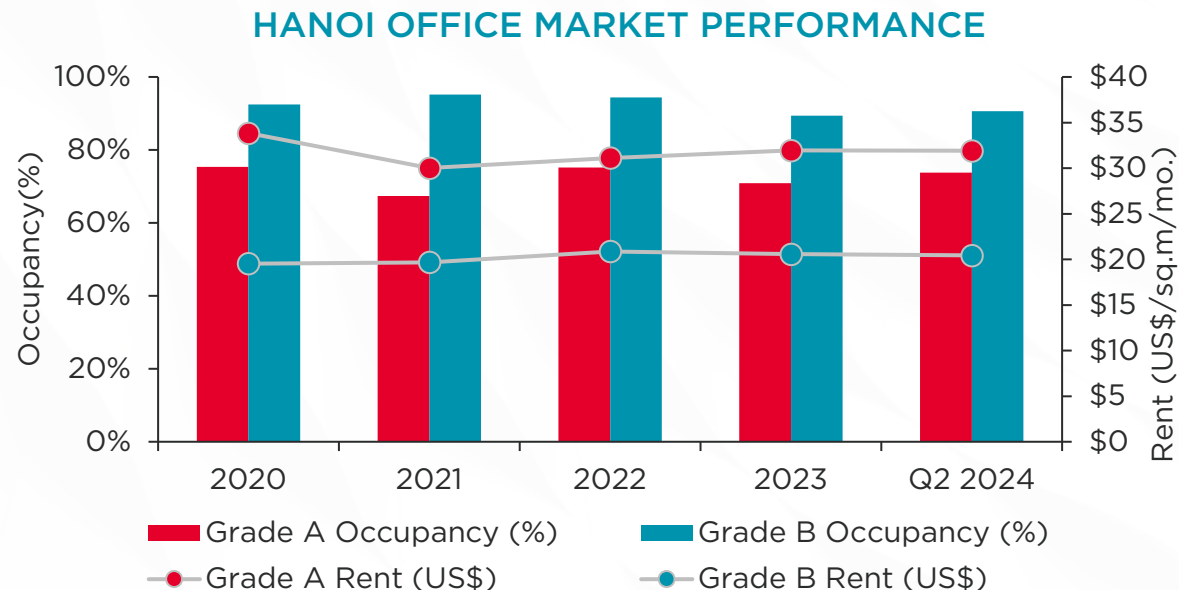


# HANOI OFFICE

## SLIGHTLY TENANT-FAVORABLE MARKET CONDITION



All rents are inclusive of SC but exclusive of VAT  
US\$/VND = 25,500 as of Q2 2024

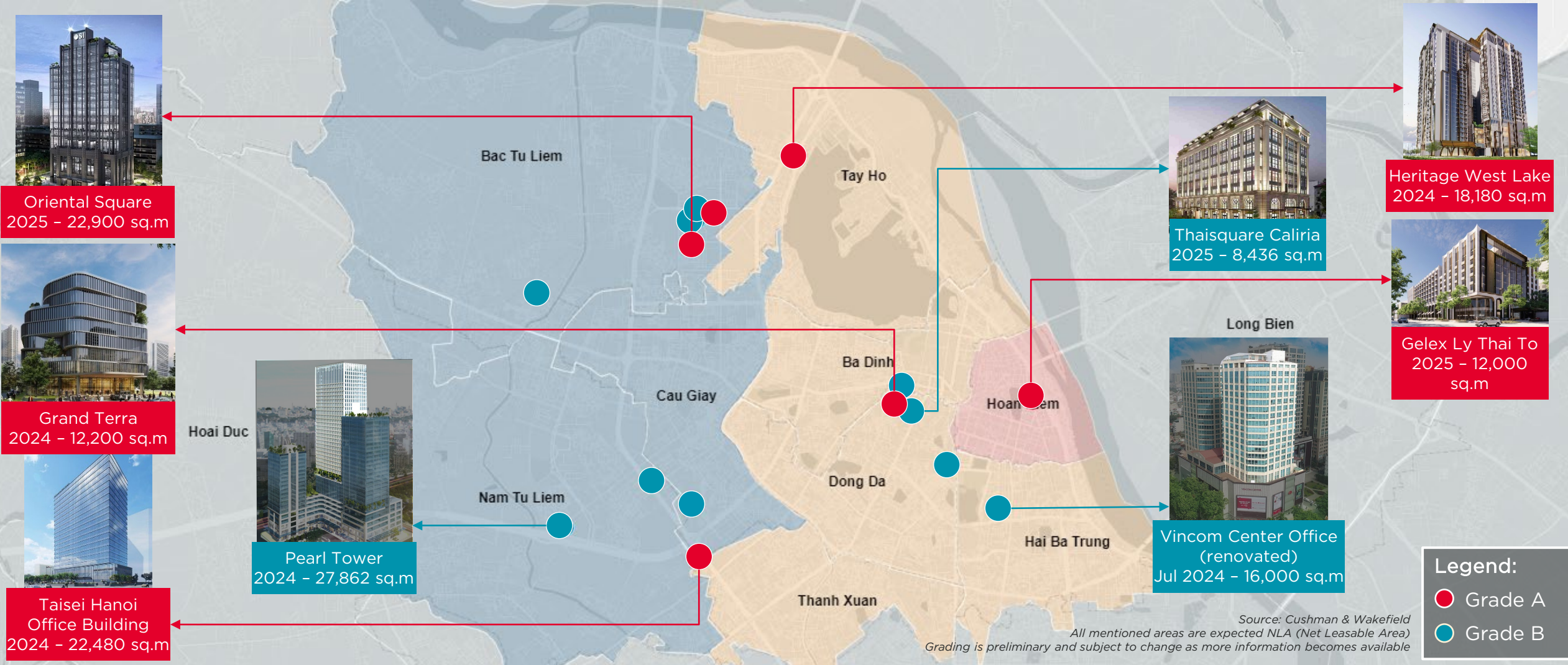


Source: Cushman & Wakefield

- **Occupancy:** The occupancy of both Grade A and Grade B witnessed a slight improvement QoQ but remained lower compared to the same period last year as new buildings in H2 2023 are gradually filling up.
- **Rent:** Most buildings still maintained stable rental prices in Q2 2024. However, some Grade A and Grade B landlords have recently adjusted their rental rates to be more competitive and are willing to negotiate with tenants. The rental adjustments and incentives aim to attract new tenants to fill vacant spaces in the buildings or to promote the leasing of a few last available areas.
- A few large-scale transactions occurred in H1 2024 and helped warm up the office market. Tenants with large leasing demand continue looking to capitalize on the current market slowdown and enjoy better negotiation advantages and better offers.
- Notable leasing activities came from tenants in Banking, Manufacturing, IT/Technology, Insurance, and Logistics, looking to upgrade their office spaces.

# HANOI OFFICE - FUTURE SUPPLY

EXPECTED COMPETITIVE MARKET LANDSCAPE WITH ENRICHED UPCOMING HIGH-QUALITY SUPPLY IN 2024-2025



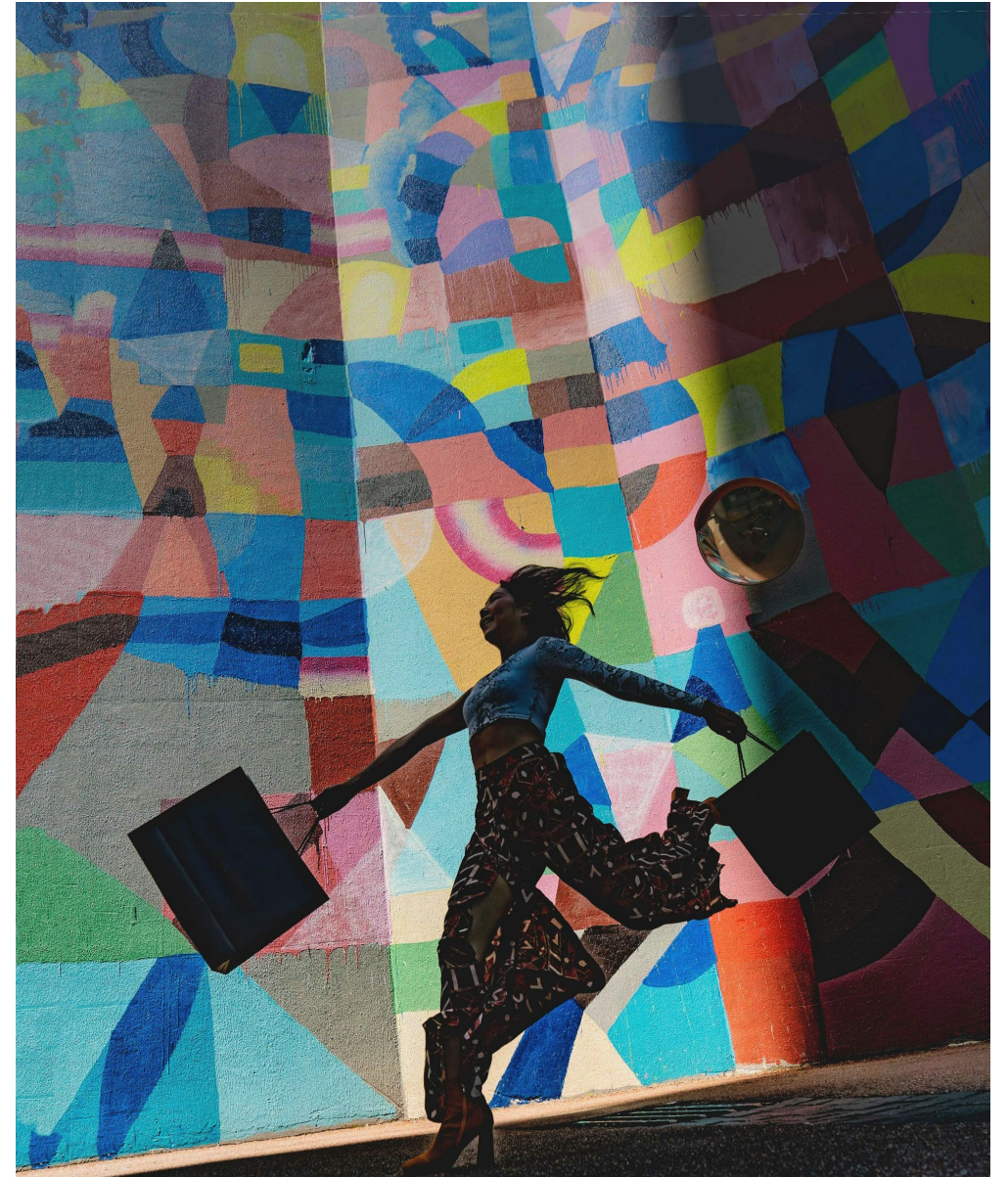
## MARKETBEAT Q2 2024

HANOI

# RETAIL

*Shopping center, Department store, Retail podium*

Better never settles



# HANOI RETAIL

NO NEW SUPPLY IN Q2 2024

Total supply

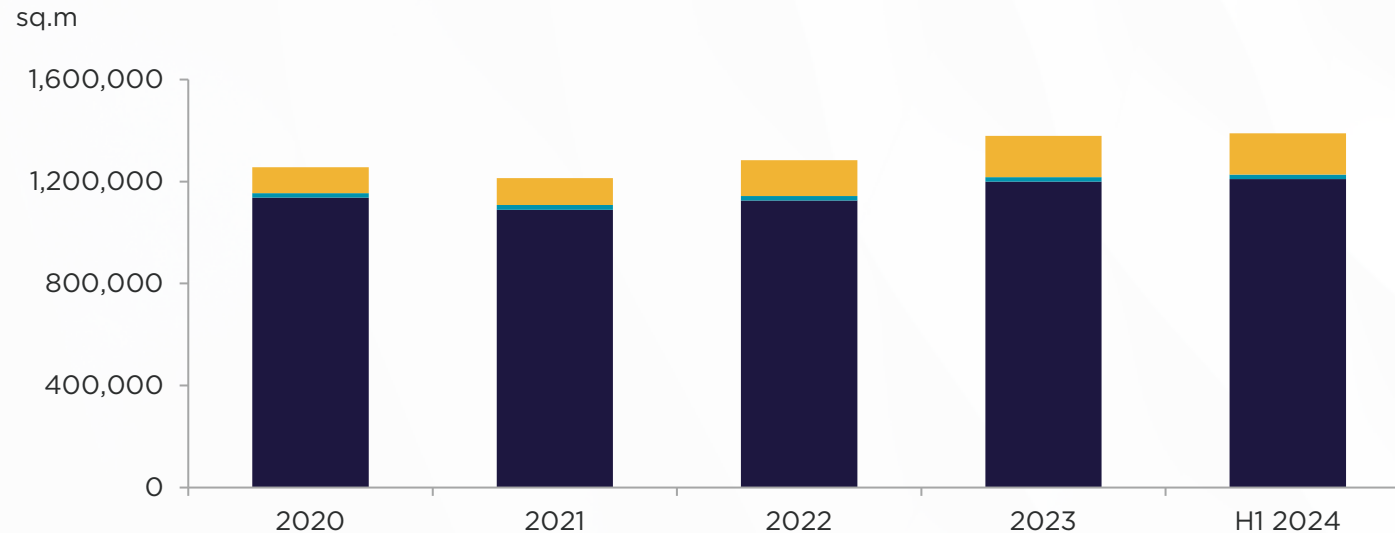
**1.4 million** sq.m. stable QoQ;  
+7.7% YoY

New supply H1 2024

**10,200** sq.m.

## HANOI TOTAL RETAIL SUPPLY

■ Shopping Center ■ Department Store ■ Retail Podium



Source: Cushman & Wakefield

No new retail space was launched in Q2 2024. In H1 2024, Hanoi welcomed an addition of 10,200 sq.m of new supply from The LinC @ ParkCity Hanoi (Ha Dong District).

Hanoi's total retail space is estimated at around 1.4 million sq.m, up 7.7% YoY. Shopping center is the most popular retail format, accounting for 87% of the total retail stocks in Hanoi.

# HANOI RETAIL

## STABLE MARKET CONDITION WAS OBSERVED IN Q2 2024

Occupancy

**86%**

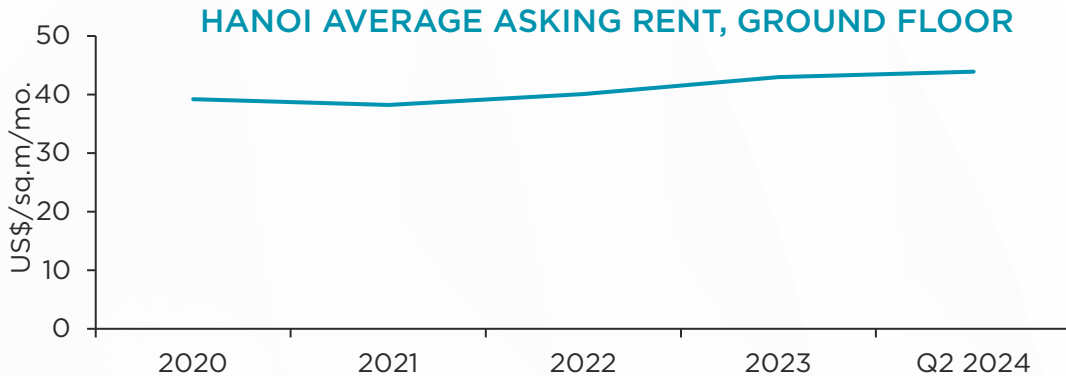
-0.1ppt QoQ  
Stable YoY

Average GF asking rent

**44**

stable QoQ  
+5.5% YoY

US\$/sq.m/month



Source: Cushman & Wakefield  
All rents are inclusive of service charges and exclusive of VAT  
US\$/VND = 25,500 as of Q2 2024

**Occupancy:** estimated at around 86%, stable YoY and slightly drop by 0.1ppt QoQ. Good occupancy was observed at well-managed large-scale projects that can accommodate the diverse needs of visitors and supply high-quality retail spaces for retailers. On the other hand, a few older shopping centers and retail podiums that have fallen off the competition have opted to welcome office tenants.

**Rent:** The average retail rent is recorded at nearly US\$44/sq.m/month on the ground floor, stable QoQ and 5.5% YoY, mainly driven by new supply in Tay Ho District along with the annual rent escalation at multiple projects in the Secondary submarket (Ba Dinh, Dong Da, Hai Ba Trung, Tay Ho, Thanh Xuan districts) and the West submarket (Cau Giay, Bac Tu Liem, Nam Tu Liem districts).

## Future supply 2024 - 2027+

2024: **61,700** sq.m  
2025: **154,200** sq.m  
2027: **> 325,600** sq.m (proposed)  
Onwards



**BRG Diamond Plaza**  
(Thanh Xuan, 14,000 sq.m, BRG)



**Xuan Thuy Plaza**  
(Cau Giay, 24,702 sq.m, Xuan Thuy TAS., JSC.)



**Thor Complex**  
(Hai Ba Trung, 21,222 sq.m, Sao Thang Long)



**My Dinh Pearl**  
(Nam Tu Liem, 8,493 sq.m, SSG Group)



**Tien Bo Plaza**  
(Ba Dinh, 29,867 sq.m, Tien Bo Printing Co., TID Group\*)
























**Starlake B - Phase 1**  
(Bac Tu Liem, 40,000 sq.m, Toshin Development)

Note: Provided information is subject to change/updated depending on the developer's plan in the future

# NOTABLE MARKET MOVEMENT H1 2024

## MORE AND MORE NEW CONCEPT AND EXPERIMENTAL STORES

EXPANSION	FIRST STORE OPENINGS	
 <p>Six new/renovated branches opened in Ha Noi in H1 2024 in Ha Dong, Tay Ho, Nam Tu Liem, Cau Giay, Thanh Xuan districts</p>	 <p>Three first stores in Hanoi in Ba Dinh, Tay Ho, and Cau Giay Districts</p>	 <p>Pop-up store at Lotte Mall West Lake Hanoi, Tay Ho District</p>
 <p>New opening at The LinC @ ParkCity Hanoi (Ha Dong District), more than 2,000 sq.m</p>	 <p>First store in Hanoi, on Ba Trieu street, Hoan Kiem District</p>	 <p>Pop-up store at AEON Mall Ha Dong, Ha Dong District</p>
 <p>New opening at Vincom Mega Mal Royal City, Thanh Xuan District</p>	 <p>First showroom in Vietnam at Vinhomes Green Bay urban area, Nam Tu Liem District</p>	 <p>New opening at 12 Ly Dao Thanh, Hoan Kiem District</p>
 <p>Seventh store in Hanoi, at Vincom Center Tran Duy Hung, Cau Giay District</p>	 <p>First experiential showroom on Lieu Giai street, Ba Dinh District, along with multiple branches throughout Vietnam</p>	 <p>New opening at 63 Ly Thai To, Hoan Kiem District</p>
 <p>New opening at Trang Tien Plaza, Hoan Kiem District</p>	 <p>First showroom in Vietnam at Vincom Center Ba Trieu, Hai Ba Trung District</p>	 <p>First store in Hanoi, at Lotte Mall West Lake Hanoi, Tay Ho District</p>
 <p>Coming soon at Vincom Mega Mall - Royal City, Thanh Xuan District</p>	 <p>First store in Ha Noi at Lancaster Luminaire, Dong Da District</p>	 <p>First holographic waterless aquarium in Vietnam at AEON Mall Ha Dong, Ha Dong District</p>
 <p>Two new branches in Dong Da and Hoan Kiem districts in H1 2024</p>		 <p>First showroom in Ha Noi on Hue street, Hoan Kiem District</p>
		 <p>New boutique in Viet Nam, on Hang Bai street, Hoan Kiem District</p>

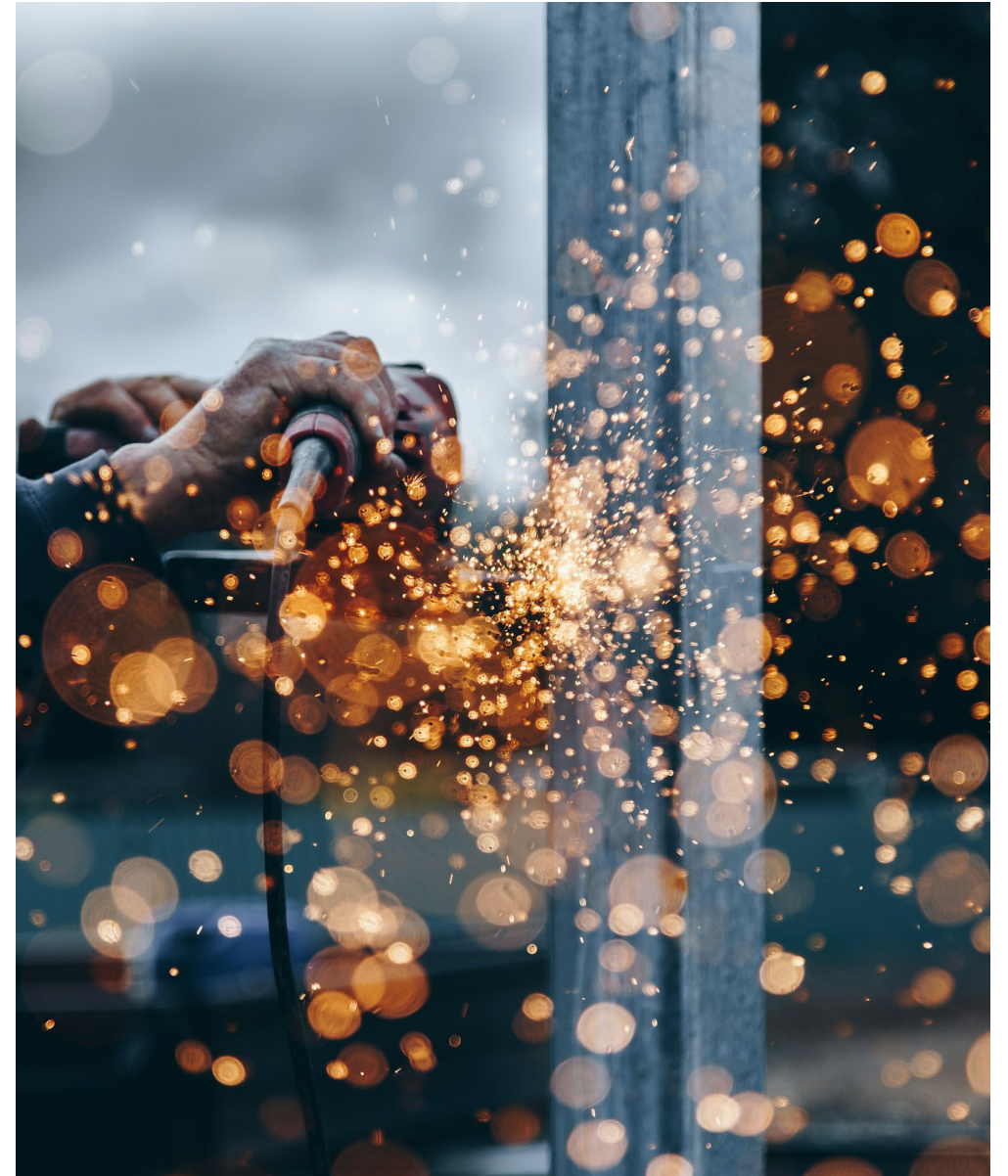
## MARKETBEAT Q2 2024

HANOI

# INDUSTRIAL

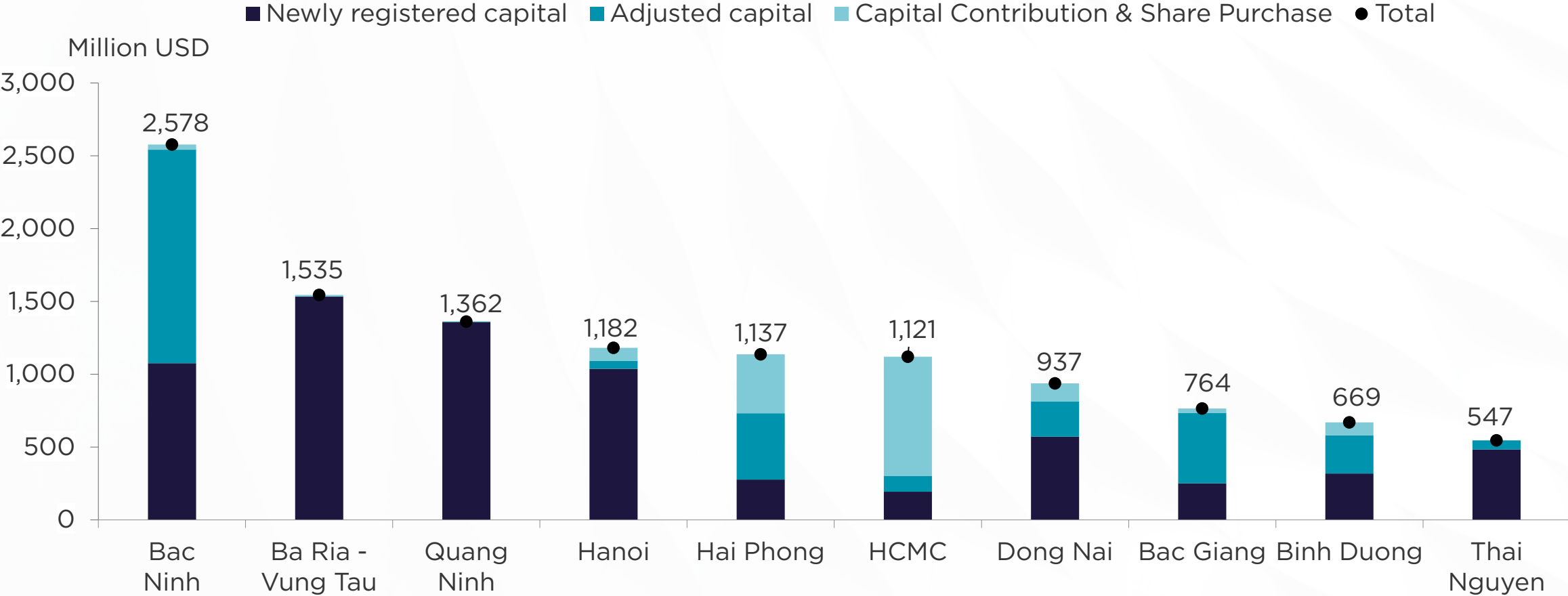
- *Industrial Park (IP) Land*
- *Ready-Built Factory (RBF)*
- *Ready-Built Warehouse (RBW)*

Better never settles



# TOP FDI DESTINATIONS IN H1 2024

LEADING PROVINCES IN ATTRACTING FDI, H1 2024





# NORTHERN INDUSTRIAL MARKET – IP LAND

HUGE INVESTMENT CAPITAL FLOW INTO IP LAND WITH MORE THAN 184 HA LAND ABSORBED

## Northern Key Economic Region (NKER)

Total leasable land (ha)

~ 16,000 +6.6% QoQ  
+9.7% YoY

Occupancy

~ 69% -3.4 ppts QoQ  
-2.3 ppts YoY

Average primary asking price (US\$/sq.m/term) (\*)

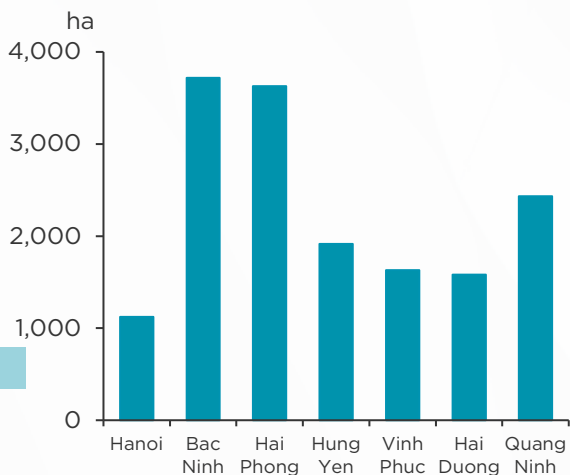
US\$129 +3.1% QoQ  
+8.5% YoY

Net Absorption (ha) Q2 2024

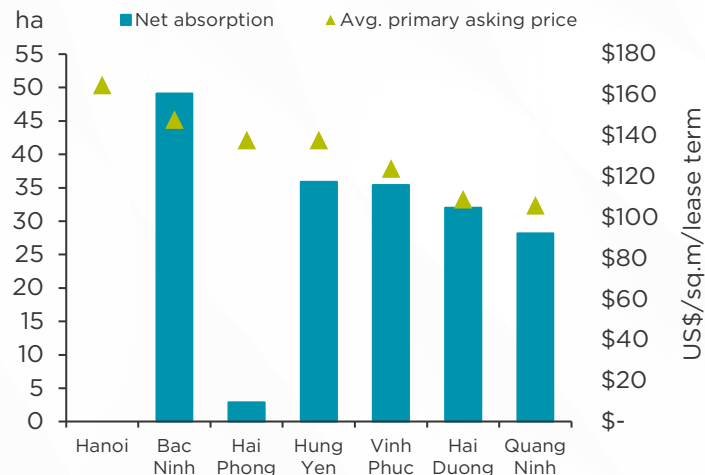
~ 184 +72.0% QoQ  
+2.8% YoY



### INDUSTRIAL LAND SUPPLY



### INDUSTRIAL LAND PERFORMANCE



Source: Cushman & Wakefield

(\*) Note: Average primary asking price is prices offered directly from IP developers, exclusive of VAT and management fee  
US\$/VND = 25,500 as of Q2 2024

- Four new industrial parks (IP) projects were launched in the NKER: Gia Loc IP (Hai Duong Province), Xuan Cau Non-Tariff IP (Hai Phong City), Son Loi IP, and Song Lo II IP in Vinh Phuc Province, providing nearly 1,000 ha of leasable area into the market.

- Following the series of provincial master plan announcements and investment promotion activities, the NKER provinces continue to receive huge investment capital flows, demonstrated by the total net absorption of 184 ha. Bac Ninh Province continued to lead with nearly 50 ha absorbed. Other major industrial provinces such as Hung Yen, Vinh Phuc, Hai Duong, and Quang Ninh each recorded around 30 ha absorbed. Demand this quarter mostly came from Electronics, Machinery & Equipment, and RBF/RBW development.

- Amid high investment sentiment, the average primary asking price of IP land increased strongly, recorded at US\$129/sq.m/lease term, up 3.1% QoQ and 8.5% YoY.

# NORTHERN INDUSTRIAL MARKET – RBF

## MARKET SENTIMENT CONTINUED TO BE POSITIVE

### Northern Key Economic Region (NKER)

Total RBF supply (sq.m)

~ 3,700,000 +5.7% QoQ  
+18.6% YoY

Average asking rent (US\$/sq.m/month) (\*)

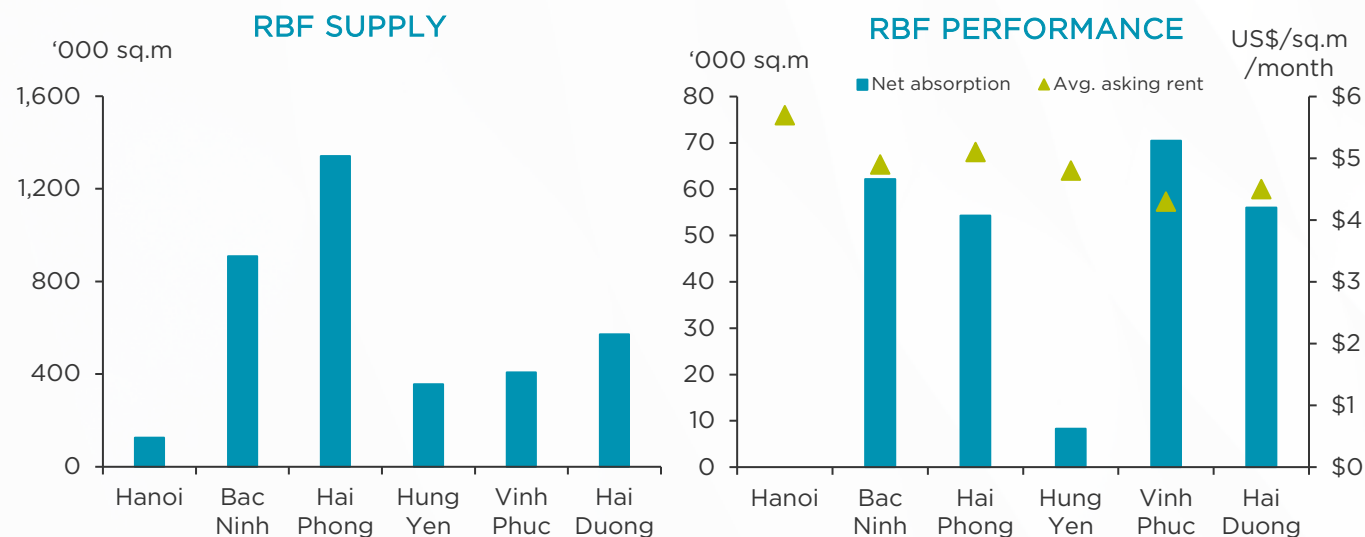
US\$ 4.9 stable QoQ  
+2.4% YoY

Occupancy

~ 79% +2.7 ppts QoQ  
+4.3 ppts YoY

Net Absorption (sq.m) Q2 2024

~ 251,000 +325.9% QoQ  
+230.7% YoY



Source: Cushman & Wakefield

(\*) Note: All rents are inclusive of SC but exclusive of VAT

US\$/VND = 25,500 as of Q2 2024

- Four new ready-built factories (RBF) projects were launched, including BW Thuan Thanh 3B, KCN Vietnam Thuan Thanh 3B, Industrial Centre Yen Phong Expansion in Bac Ninh Province, and Bigland ID in Hai Duong Province. The new supply from these projects was nearly 200,000 sq.m.
- Market sentiment continued to be positive with over 251,000 sq.m RBF absorbed. Vinh Phuc Province led RBF net absorption with a 28% contribution. Other major RBF markets such as Bac Ninh, Hai Duong, and Hai Phong accounted for about 22%-25% of total net absorption. Demand for RBF in the NKER this quarter came from Electronics, Fabricated Metals, and Production of Motor Vehicle.
- Rents of RBF was stable this quarter, and up 2.4% YoY, at US\$4.9/sq.m/month.

# NORTHERN INDUSTRIAL MARKET – RBW

## DEMAND IMPROVED SIGNIFICANTLY THANKS TO THE RECOVERY OF MANUFACTURING & IMPORT-EXPORT SECTOR

### Northern Key Economic Region (NKER)

Total RBW supply (sq.m)

~ 2,400,000 +13.2% QoQ  
+27.6% YoY

Average asking rent (US\$/sq.m/month) (\*)

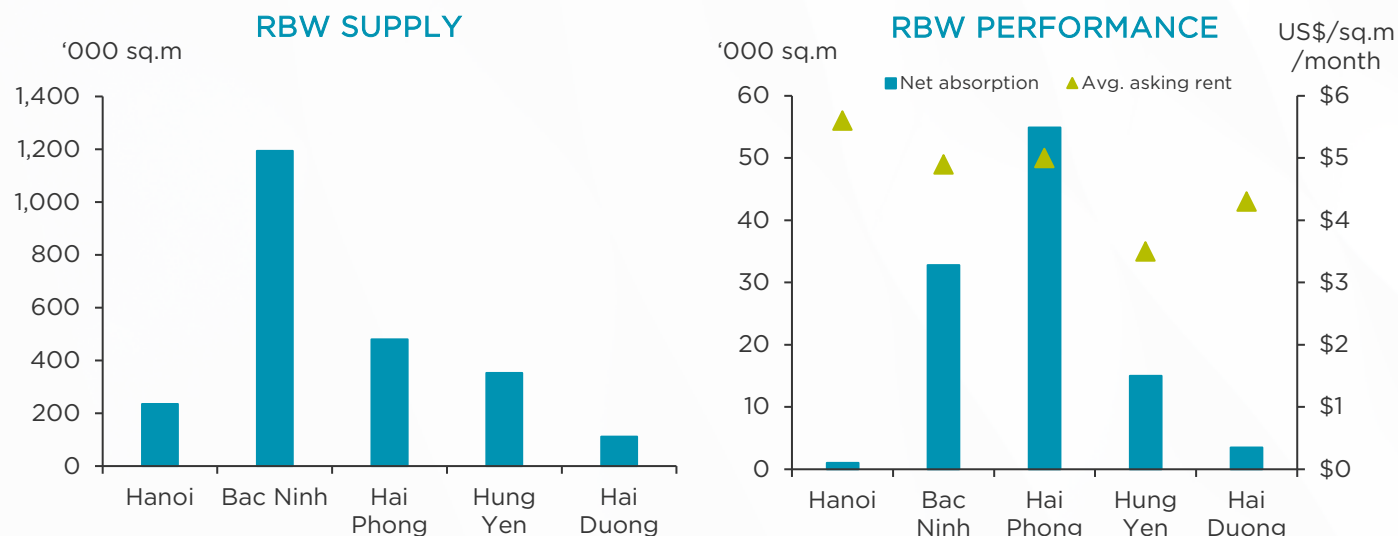
US\$ 4.8 +1.5% QoQ  
+4.3% YoY

Occupancy

~ 72% -4.4 ppts QoQ  
+1.2 ppt YoY

Net Absorption (sq.m) Q2 2024

~ 107,000 +107.7% QoQ  
+234.2% YoY



Source: Cushman & Wakefield

(\*) Note: All rents are inclusive of SC but exclusive of VAT

US\$/VND = 25,500 as of Q2 2024

- Three new ready-built warehouses (RBW) projects were launched this quarter: BW VSIP Bac Ninh 2, LOGOS Yen Phong 2A, and KCN Vietnam Thuan Thanh 3B, all located in Bac Ninh Province, providing a new supply of over 277,000 sq.m into the market.
- Thanks to the good recovery of the import-export and manufacturing sector this quarter, the major demand source for RBW in the NKER region, the net absorption increased significantly, recorded at 107,000 sq.m, doubling the previous quarter's figure, and tripling last year's. Hai Phong City, the regional gateway port city, led the demand for RBW with 51% contribution, followed by the industrial province Bac Ninh with 31%.
- The average rent of RBW was recorded at US\$ 4.8/sq.m/month, increasing 1.5% QoQ and 4.3% YoY.

# MARKET OUTLOOK (2024 - 2027)

## Future land supply (2024R - 2027F)

~ 5,100 ha

## Future RBF supply (2024R - 2027F)

~1.1 million sq.m

## Future RBW supply (2024R - 2027F)

~1.0 million sq.m

- The Northern Key Economic region will continue to benefit from its locational advantage, and the improving infrastructure network. In the remaining 2024 - 2027 period, there will be about 5,100 ha of leasable IP land entering the market. Besides the NKER region, other surrounding industrial provinces such as Bac Giang, Ha Nam, and Thai Binh also announced several new industrial parks in their newly approved provincial master plan 2021 - 2030, vision to 2050.
- In the 2024 - 2027 period, the Northern region is expected to welcome about 1.1 million sq.m of RBF. Following the investment capital flow into Vietnam from large manufacturers, demand for RBF is forecasted to be healthy.
- In terms of future RBW supply, the NKER will welcome about 1 million sq.m into the market in 2024 - 2027. As the market now evolves with increasing demand from high value-added industries such as the Electronics and Semiconductor industry, there will be more supply of multi-floor factory/warehouse, and the hybrid, dual-function model of both ready-built factory and ready-built warehouse, to cater to this demand.

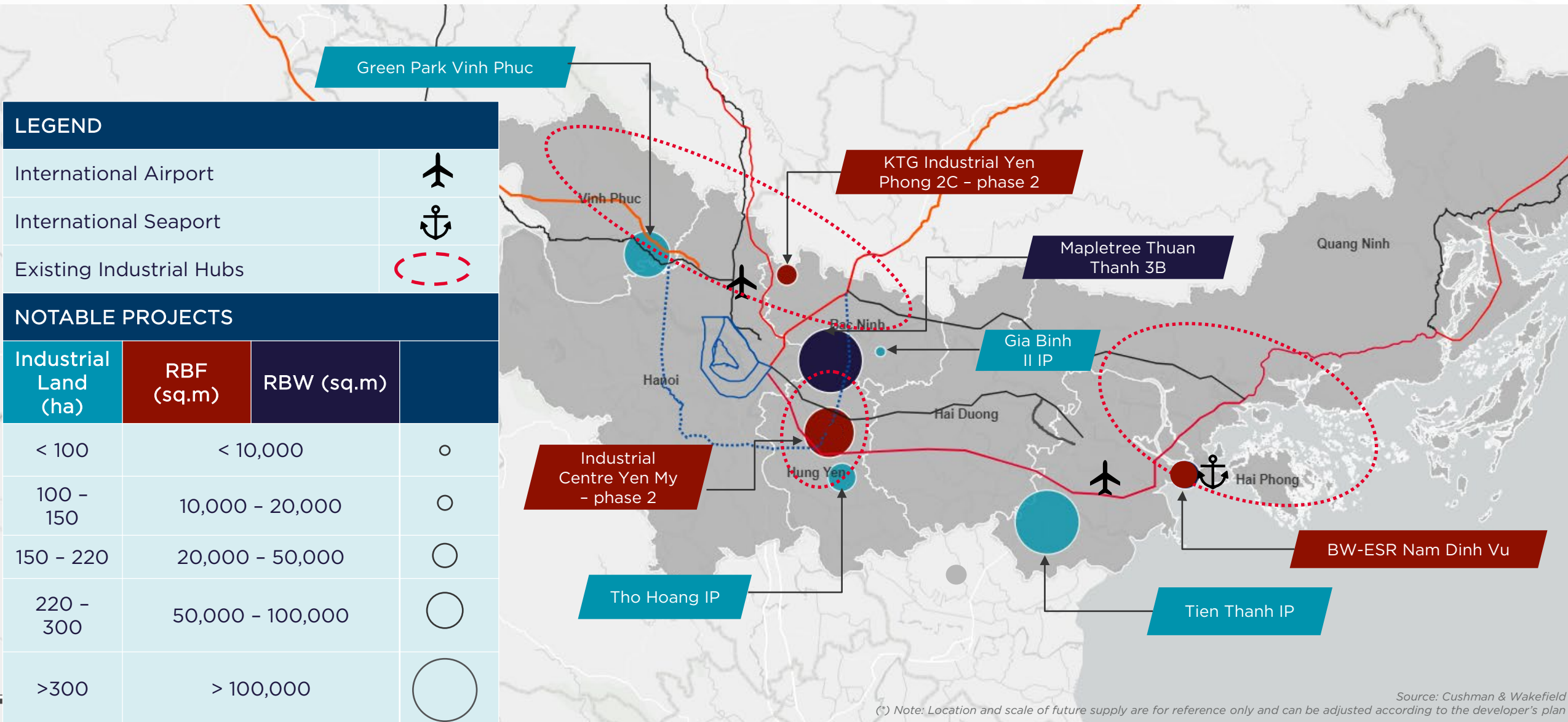
Property type	Supply CAGR (2024 - 2027F)
IP Land	6.2%
RBF	4.8%
RBW	8.7%

Source: Cushman & Wakefield

- Recently, C&W has observed that the conversion trend from ready-built warehouse (RBW) to ready-built factory (RBF) is starting to happen in a number of projects in the Northern Key Economic Region to meet the needs of tenants, but on a smaller scale than the Southern Key Economic Region.

# NOTABLE FUTURE SUPPLY (2024 - 2027)

MARKET EVOLVES WITH MORE HIGH VALUE-ADDED INDUSTRIES



Source: Cushman & Wakefield  
 (\*) Note: Location and scale of future supply are for reference only and can be adjusted according to the developer's plan



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Country Head

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Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in nearly 400 offices and 60 countries. In 2023, the firm reported revenue of \$9.5 billion across its core services of property, facilities and project management, leasing, capital markets, and valuation and other services. It also receives numerous industry and business accolades for its award-winning culture and commitment to Diversity, Equity and Inclusion (DEI), sustainability and more. For additional information, visit [www.cushmanwakefield.com](http://www.cushmanwakefield.com).

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