

# 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*

Better never settles

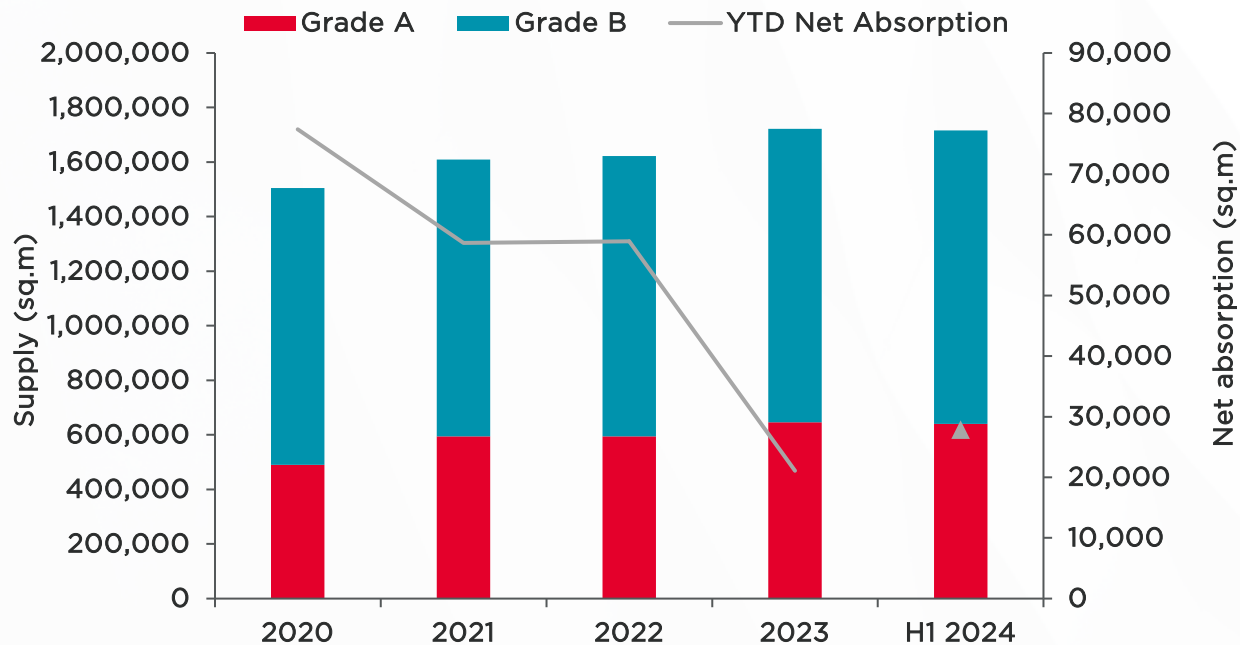


# HANOI OFFICE

## 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.

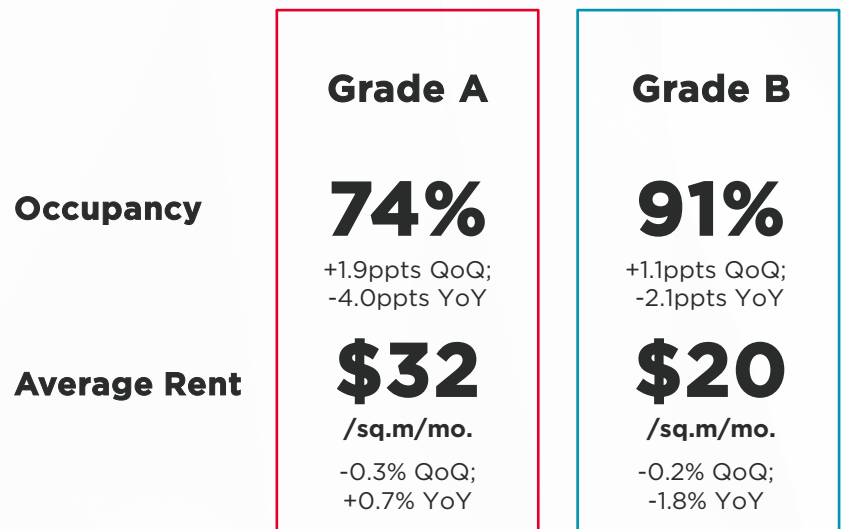
In H1 2024, net absorption is estimated at around 27,800 sq.m, with Q2 2024's absorption improved compared to that of Q1 2024. Notable transactions in H1 2024 are mainly from tenants with large-scale demand, capitalizing on the ongoing market slowdown to upgrade their office space to newer and better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

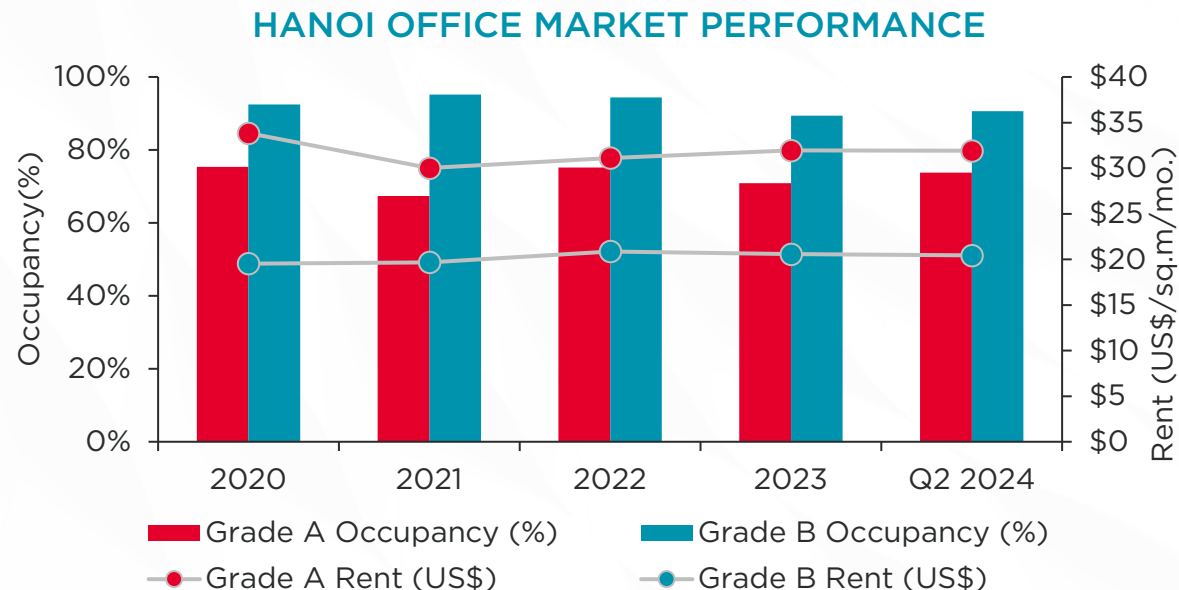
Source: Cushman & Wakefield

# 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



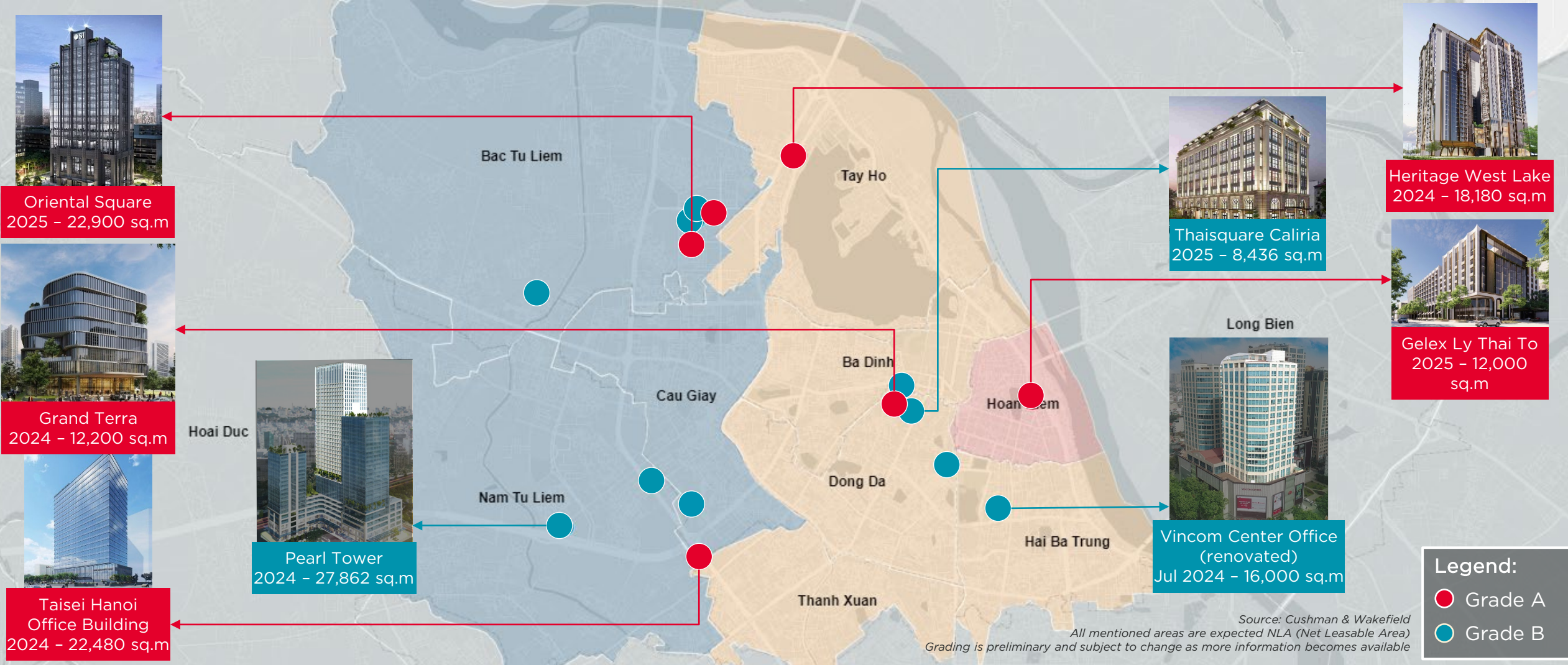
Source: Cushman & Wakefield

- **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







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### **ABOUT CUSHMAN & WAKEFIELD**

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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