

# Vietnam Real Estate Market



**Q1 2026**

A summary of Vietnam's office, apartment, retail sectors in Q1 2026, highlighting key performance indicators and future trends

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# Vietnam Highlights

# Economic

Q1 2026

A comprehensive review of Vietnam's key macroeconomic indicators, including GDP, inflation, public investment, FDI, and trade performance of Q1 2026.

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## Vietnam Sustains Strong Growth Momentum in Q1 2026

▶ Vietnam's economy remained resilient in Q1 2026, supported by strong industrial and services growth, rising disbursed FDI, and robust trade activity. GDP expanded 7.83% y-o-y, while inflation remained contained at 3.51% on average in Q1 2026.

### VIETNAM

Vietnam's economy maintained solid momentum in Q1 2026. Real GDP grew 7.83% y-o-y. Index of industrial production (IIP) rose 9.0%, while total trade turnover reached US\$249.5 billion, with exports rising 19.1% to US\$122.9 billion. Disbursed FDI increased 9.1% y-o-y to US\$5.41 billion, while inflation (CPI) averaged 3.51%, remaining within the policy target.

International tourist arrivals reached 6.76 million in Q1 2026, up 12.4% y-o-y. Domestic demand remained resilient, with retail sales and consumer services rising 10.9% y-o-y.

Industry and construction expanded 8.92% y-o-y in Q1 2026, supported by continued strength in manufacturing and export-oriented production, while industrial activity remained a key pillar of broader economic growth.

### HO CHI MINH CITY

HCMC maintained its position as Vietnam's economic engine. Gross regional domestic product (GRDP) expanded 8.27% y-o-y, the strongest performance since 2020. The services sector remained the primary driver, with growth led by domestic consumption in hospitality and tourism services. The city attracted nearly US\$2.9 billion in FDI, up 219% y-o-y, reinforcing its status as the commercial hub of Vietnam.

Total retail sales of goods and consumer service revenue in Q1 2026 were estimated at VND 474.6 trillion, up 13.3% y-o-y, reflecting sustained consumer demand and vibrant service-sector activity. Transport infrastructure improvements continued to enhance connectivity and economic activity.

### HANOI

Hanoi's economy maintained strong momentum in Q1 2026. GRDP expanded 7.87% y-o-y, one of the highest rates in recent years. The services sector was the primary driver, rising 8.21% and contributing 5.74 percentage points to GRDP growth. The industrial and construction sector grew 7.55%.

7.83%

↑ vs 7.07% Q1 2025

### GDP Growth (Q1 2026)

remained on track with the full-year growth target

3.51%

### Inflation (CPI) Q1 2026

remained stable well below the 4.5% cap

US\$5.41 bil.

↑ 9.1% y-o-y

### Disbursed FDI Q1 2026

highest Q1 figure in 5 years

9.0%

### IIP Q1 2026

6.76 mil.

↑ 12.4% y-o-y

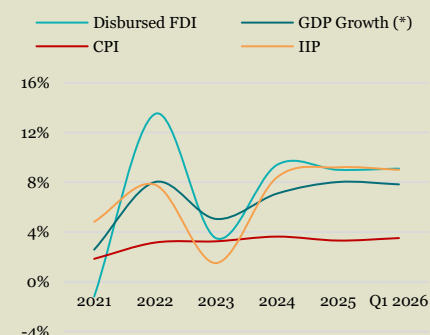
### International visitors Q1 2026

highest Q1 on record

*Note: Indicators are year-on-year unless noted.*

Public investment remained the principal driver of growth, with state budget disbursement reaching VND24.0 trillion, a 47.5% y-o-y increase, the highest first-quarter rate in recent years. This capital underpinned vital infrastructure achievements, including major bridges and urban railway projects across the capital. The services sector flourished with 2.4 million international visitors and tourism revenue rising 23.1%.

**Fig 1: Key Economic Indicators (2021 to Q1 2026)**



*Note: (\*) GDP growth is measured at constant 2020 prices (real terms). Exchange rate: 1 USD = 26,400 VND*

Sources: Knight Frank Vietnam Research, NSO, World Bank, ADB, IMF



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# HCMC

# Real Estate Market

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# HCMC Highlights

# Office

Q1 2026

An overview of HCMC's office market in Q1 2026

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## HCMC office rents set to drop as grade A office take-up hit record low

► The HCMC office market recorded a notable slowdown in leasing activity in Q1 2026, with Grade A take-up falling to a five-year low. In the absence of cost-effective relocation options, large occupiers increasingly opted for lease renewals, limiting transactional volume and deal sizes.

**US\$39.7**

↓ 0.9% q-o-q  
↑ 0.2% y-o-y

Market-wide asking rent for Grade A and Grade B offices in HCMC as of Q1 2026

**18,120 sq m**

New Grade B supply in decentralized hub, namely Tan Thuan Tower

**8,800 sq m**

↑ 1.3% q-o-q  
↓ 0.1% y-o-y

Total net absorption in Q1 2026, mainly from recently launched Grade B projects

**87.4%**

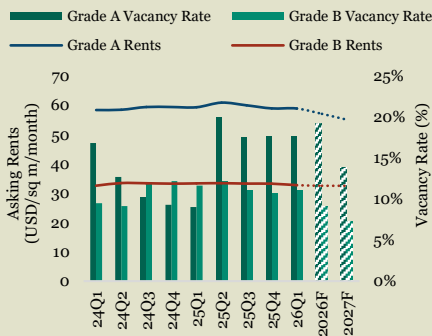
↓ 0.1 ppt q-o-q  
↓ 1.7 ppt y-o-y

Overall market occupancy as of Q1 2026

**32,000 sq m**

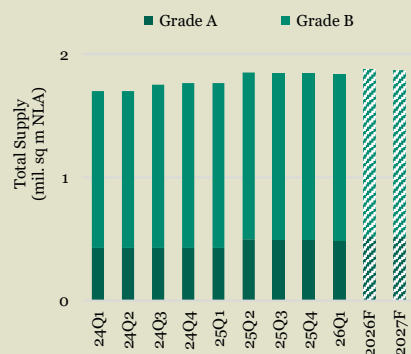
Office pipeline during 2026-2027

**Fig 1: HCMC Office Rents and Vacancy by Grade**



Note: Asking rent is inclusive of service charge and exclusive of VAT.

**Fig 2: HCMC Office Total Supply Change**



Note: Ho Chi Minh City's office for lease market mentioned in the report only includes Ho Chi Minh City before latest provincial merger.

Sources: Knight Frank Vietnam Research

### ASKING RENT AND VACANCY RATE

In Q1 2026, average asking rent for Grade A office is quoted at US\$58.8 per sq m, down 0.1% q-o-q. Amid ongoing difficulties in attracting new tenants, many landlords are willing to offer higher discounts, along with more rent-free incentives. Meanwhile, Grade B asking rent decreased by 1.5% q-o-q to US\$32.7 per sq m, mainly from new supply in decentralized area. As of Q1 2026, the vacancy rate saw a 1.7-ppt increase to 12.6% compared to Q1 2025.

### SUPPLY

Grade A and Grade B office supply across HCMC reached 1.8 million sq m NLA, up 4.2% y-o-y. During Q1 2026, it recorded only one new Grade B building in District 7, namely Tan Thuan Tower, adding around 18,120 sq m NLA to the market.

### DEMAND

During the reviewed quarter, the HCMC office market saw a remarkable decline in both transaction volume and deal size compared to previous periods. In Q1 2026, Grade A office take-up hit a 5-year record low. Several large-scale tenants are opting for lease renewals over relocation in the absence of cost-effective alternatives. In contrast, Grade B offices maintained positive absorption compared to last year, particularly across CBD and CBD fringe.

### OUTLOOK

New supply will remain limited through 2027, with only one new Grade A CBD project—The Cross—expected to complete during this period. From 2028 onwards, a more pronounced wave of Grade A and B supply is anticipated across both CBD and non-CBD clusters, notably Thu Duc City and Saigon South. While upcoming developments will offer greater choice across locations and specifications, the volume of future supply is expected to place downward pressure on rental growth, particularly for older Grade A assets with less competitive offerings.

# HCMC Highlights

# Apartment

Q1 2026

A snapshot of Ho Chi Minh City's apartment market in Q1 2026

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## Markets take a cautious stance amid rising interest rates

Residential developers adopted a cautious launch strategy in Q1 2026 amid elevated mortgage rates, resulting in limited new supply within Ho Chi Minh City. New launches were concentrated in the luxury and high-end segments, while demand remained supported by developer-led financing schemes. Primary asking prices continued to trend upward, driven by premium positioning and ongoing infrastructure improvements.

**US\$4,078** ▲ 3.2% q-o-q  
▲ 11.8% y-o-y

US\$3,676 (Greater HCMC)

Average primary asking price per sq m NSA in Q1 2026 increased, driven by luxury developments and ongoing infrastructure improvements.

**820 units** ▼ 87% q-o-q  
▲ 32% y-o-y

4,095 units (Greater HCMC)

New supply in Q1 2026, mostly from subsequent phases of Eastern projects.

**1,580 units** ▼ 66% q-o-q  
▲ 129% y-o-y

5,021 units (Greater HCMC)

New demand (units sold) in Q1 2026, sustained strong demand for new units

**32%**  
36% (Greater HCMC)

Absorption rate in Q1 2026 was higher than Q1 2025, despite rising mortgage rates.

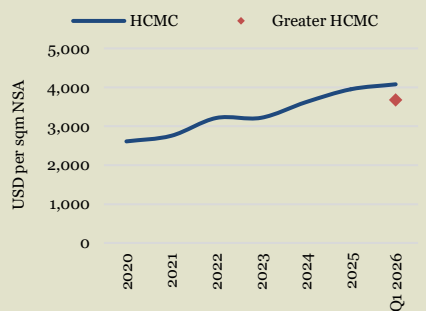
**30,500 units**  
50,000 units (Greater HCMC)

New supply in 2026-2027 will be more diversified with more increased affordable and mid-end products from the expanded areas.

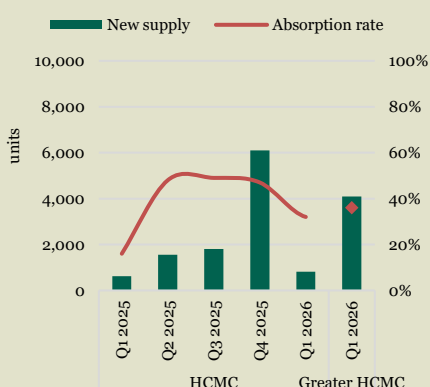
### OUTLOOK

By end-2027, the Greater HCMC market is expected to deliver around 50,000 units, of which approximately 30,000 units from HCMC will be concentrated in the upper high-end and luxury segments. In contrast, supply in Binh Duong and Ba Ria – Vung Tau will remain focused on affordable and mid-end products, with prices expected to rise, while still maintaining a sufficient gap to support near-term demand.

**Fig 1: HCMC Apartment Primary Asking Price**



**Fig 2: HCMC Apartment New Supply and Absorption Rate**



Note: Absorption rate is units sold divided by total primary stock (new supply + inventory).  
HCMC: Ho Chi Minh City area before provincial merger.  
Greater HCMC: Ho Chi Minh City area after provincial merger with Binh Duong and Ba Ria – Vung Tau.  
Sources: Knight Frank Vietnam Research

### PRIMARY ASKING PRICE

The average primary asking price in HCMC reached US\$4,078 per sq m, up 3.2% q-o-q and 11.8% y-o-y, supported by higher-priced new supply and positive infrastructure developments, including the opening of Ring Road 3. In contrast, prices in Greater HCMC stood at US\$3,676 per sq m, driven by newly launched projects in former Binh Duong, which were concentrated in the affordable and mid-end segment.

### SUPPLY

New supply in Q1 2026 remained limited in HCMC at 820 units, concentrated in the luxury and high-end segments, driven by select launches in the East (Masteri Cosmo Central) and the South (Sunshine Sky City), reflecting early-year seasonality and the Tet holiday. In Greater HCMC, including the merged areas, supply was primarily driven by Binh Duong area in the affordable segment, highlighting a clear market bifurcation, while elevated interest rates contributed to a more cautious launch approach.

### DEMAND

HCMC recorded nearly 1,600 units sold in Q1 2026, marking a strong increase y-o-y. This was driven by both new launches and inventory, supported by developer-led financing schemes amid rising mortgage rates, with net absorption reaching 25%, higher than 16% in Q1 2025. Meanwhile, Binh Duong and Ba Ria – Vung Tau recorded a higher absorption rate of around 51%, driven by affordable segment, bringing the overall absorption rate of Greater HCMC to 36%.

# HCMC Highlights

# Retail

Q1 2026

A snapshot of HCMC's retail market in Q1 2026

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## HCMC retail market remains resilient amid limited new supply

▶ HCMC's retail market remained resilient in Q1 2026, supported by stable leasing demand and the absence of new supply. Prime mall occupancy improved to 95.6%, with net absorption driven by expansion across fashion, lifestyle, beauty, and F&B brands.

**US\$85.9** ▲ 0.54% vs Q3 2025  
▲ 1.83% y-o-y

Prime ground-floor rents remained stable with modest annual growth

### No new completions

No new retail supply was recorded in HCMC during Q1 2026

**10,400 sq m**

Net absorption (Q4 2025–Q1 2026) driven by anchor deals and tenant expansion

**95.6%** ▲ 1.4 ppts vs Q3 2025  
▲ 1.6 ppts y-o-y

Occupancy improved as leasing demand remained stable across prime malls

### No near-term supply

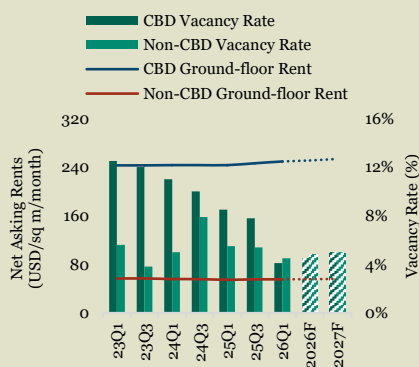
No new retail completions are expected in HCMC in 2026 and 2027

### OUTLOOK

HCMC's retail pipeline is expected to remain limited in the near term, with no new supply anticipated in 2026 or 2027. The next wave of completions is now pushed to 2028, led by Saigon Centre Phase 3, and Van Phuc City, while One Central HCM is expected in 2029.

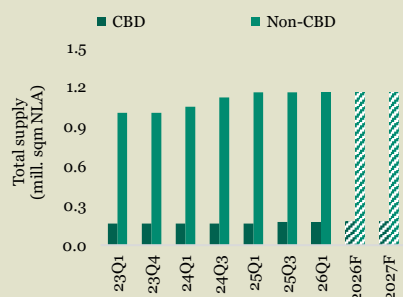
With no new supply expected in 2026 and 2027, prime malls are positioned to maintain stable occupancy and rental support in the near term.

**Fig 1: HCMC Retail Rents and Vacancy by Submarket**



Note: Ground-floor retail rents only, excluding service charges, VAT, upper floors, and basement levels. Data reflects prime retail locations in HCMC, while vacancy rates refer to prime space only.

**Fig 2: HCMC Retail Total Supply**



Note: Supply data includes both prime and non-prime retail stock across HCMC. Please refer to the Definition section for classification criteria.

Sources: Knight Frank Vietnam Research

### ASKING RENT & VACANCY RATE

Prime ground-floor rent across HCMC averaged approximately US\$85.9 per sq m in Q1 2026, up 1.83% y-o-y and broadly stable compared with recent quarters, reflecting continued resilience in leasing fundamentals.

CBD vacancy compressed 3.7 ppts over two quarters to 4.1%, while Non-CBD tightened to 4.5% from 5.4%. Overall market occupancy strengthened to 95.6%.

### SUPPLY

No new supply entered the HCMC retail market in Q1 2026, keeping total stock stable at around 1.34 million sq m.

Retail supply remained concentrated outside the CBD, as central locations continued to face limited expansion opportunities.

### DEMAND

Leasing demand remained stable in Q1 2026, with occupancy at prime malls improving to 95.6% and net absorption reaching approximately 10,400 sq m, supported by expansion across fashion, lifestyle, beauty, and F&B brands.

Major leasing activity was led by Rue Miche at Union Square and Zara at Crescent Mall. The market is also attracting interest from a major technology brand eyeing entry into Ho Chi Minh City and Hanoi.



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# Hanoi

# Real Estate Market

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# Hanoi Highlights

# Office

Q1 2026

An overview of Hanoi's office market as of Q1 2026

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## Hanoi prime office rents hit a five-year low, with further declines expected amid rising vacancy

► Hanoi's office market recorded positive net absorption across both Grade A and Grade B segments in Q1 2026, contrasting with softer conditions in HCMC. Leasing activity was concentrated in newly completed, green-certified buildings located in Tay Ho and Cau Giay, reflecting occupiers' growing preference for higher-quality and ESG-aligned space.

**US\$24.0** ↓ 1.1% q-o-q  
↓ 1.3% y-o-y

Market-wide asking rent as of Q1 2026

**26,200 sq m**

New Grade B office supply during Q1 2026, including The Marc 88 (Cau Giay) & Oriental Square (West Westlake)

**9,140 sq m** ↑ 111% q-o-q  
↓ 39% y-o-y

Net absorption for both grades in Q1 2026

**79.6%** ↓ 0.6 ppts q-o-q  
↓ 3.4 ppts y-o-y

Market occupancy as of Q1 2026

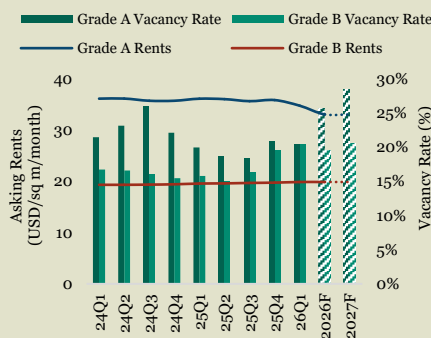
**164,000 sq m**

Total office pipeline during 2026-2027

### OUTLOOK

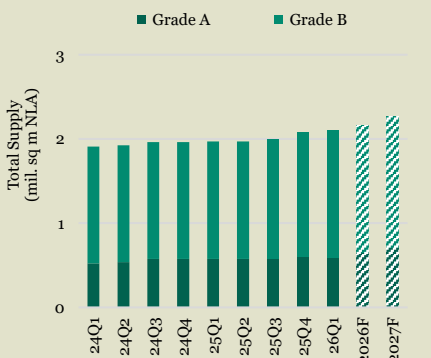
By the end of 2026, new completion from IFC Westlake will add around 59,700 sq m to the market. During 2027-2028, West Westlake is expected to become the city's premier office hub, driven by the strong expansion of both local and foreign developers. In upcoming quarters, Hanoi's office rents are projected to continue a downward pressure ahead of the influx of new supply.

**Fig 1: Hanoi Office Rents and Vacancy by Grade**



Note: Asking rent is inclusive of service charge and exclusive of VAT.

**Fig 2: Hanoi Office Total Supply Change**



Sources: Knight Frank Vietnam Research

### ASKING RENT AND VACANCY RATE

Grade A office rents declined to a five-year low in Q1 2026, falling 3.0% q-o-q to US\$34.7 per sq m, as increased vacancy weighed on pricing. In contrast, Grade B rents edged up modestly, supported by new, high-quality supply in decentralized locations.

As of Q1 2026, average vacancy for both grades climbed up to around 20.4%, reflecting higher occupancy pressure across the Hanoi's office market.

### SUPPLY

Total existing supply of Grade A and Grade B office space in Hanoi reached around 2.1 million sq m NLA, up 1.3% q-o-q. In Q1 2026, the city welcomed additional 26,200 sq m NLA from 2 new green offices in decentralized hubs, including The Marc 88 (LEED Silver) & Oriental Square (LEED Gold). The increase in green office supply over the past 5 years has reshaped Hanoi's office landscape.

### DEMAND

During Q1 2026, compared to HCMC, both Grade A and Grade B offices across Hanoi remained positive absorption. Total net absorption for both grades reached around 9,140 sq m, up 111% q-o-q.

New office transactions in Q1 2026 mainly came from recently launched buildings with green certifications, scattered in Tay Ho and Cau Giay districts.

# Hanoi Highlights

# Apartment

Q1 2026

An analysis of apartment market supply, demand, prices, and trends in Hanoi as of Q1 2026

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## Sales Absorption Slows Amid Rising Prices

► In Q1 2026, Hanoi recorded 3,432 new units, with the luxury segment leading supply. The mid-end segment supported take-up, with 2,805 units sold, higher than the same period last year. However, the luxury segment continued to drive primary asking prices to a new benchmark of US\$4,274 per sq m, leading to a softening of net absorption to 45%.

**US\$4,274** ▲ 10% q-o-q  
▲ 38% y-o-y

New price peak driven by luxury launches

**3,432 units** ▼ 54% q-o-q  
▲ 10% y-o-y

New launches in Q1 2025, remained broadly in line with the same period last year

**2,805 units** ▼ 54% q-o-q  
▲ 5% y-o-y

Sales volume was supported by strong take-up at newly launched mid-end projects

**45%**

Slower absorption amid rising price levels

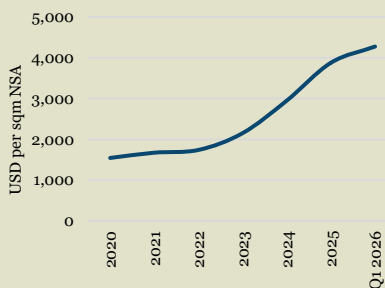
**33,957 units**

Future supply in 2026-2027, anchored by projects in Western townships located beyond Ring Road 3

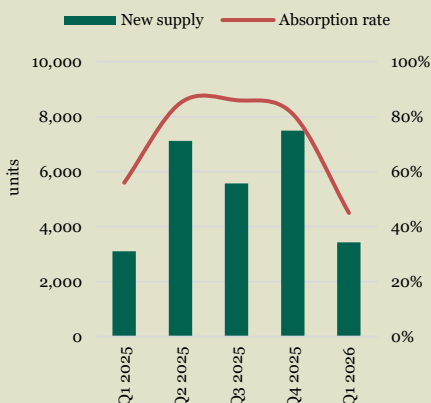
### OUTLOOK

By end-2027, the market is expected to deliver approximately 34,000 new units. Around one-quarter of this supply will come from the West of Hanoi, primarily from established township developments located beyond Ring Road 3, 5. As supply continues to shift outward, developers are increasingly unlocking high-rise zone within these projects, including Vista Nam An Khanh, Mailand Hanoi City, Hinode Royal Park and An Lac Green Symphony.

**Fig 1: Hanoi Apartment Primary Asking Price**



**Fig 2: Hanoi Apartment New Supply and Absorption Rate**



Note: Absorption rate is units sold divided by total primary stock (new supply + inventory).  
CBD Fringe: Tay Ho, Ba Dinh, Dong Da, Hai Ba Trung, Thanh Xuan.  
Suburban: Nam Tu Liem, Gia Lam, Dong Anh, Long Bien, Ha Dong, etc.  
Sources: Knight Frank Vietnam Research

### PRIMARY ASKING PRICE

The average primary asking price reached a record US\$4,274 per sq m, rising by around 10% q-o-q. This increase was driven by newly launched luxury projects. In addition, higher pricing of remaining inventory at projects such as Khai Son City and Handico Complex further supported the overall uplift in market prices.

### SUPPLY

Total primary stock reached 6,250 units, including 3,432 units from new launches and 2,818 units of inventory. New supply remained broadly in line with the same period last year, with 45% coming from luxury projects such as LUMIÈRE Essence Peak and Rivea Residences. Notably, 42% of new launches were driven by a single mid-end project, An Binh Home Land, providing greater diversity in market offerings.

### DEMAND

Apartment sales in Hanoi softened in Q1 2026 as rising prices dampened absorption, particularly within the luxury segment. While total sales reached 2,805 units, slightly higher y-o-y, net absorption declined to 45%, down from 56% in Q1 2025.

Demand was primarily driven by mid-end projects, notably An Binh Home Land, while newly launched luxury developments recorded slower take-up amid higher price points.

We like questions, if you've got one about our research, or would like some property advice, we would love to hear from you

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**Definition**

Vietnam's apartment market is divided into five segments based on NSA selling price, excluding VAT: Ultra-luxury (> US\$10,000/m<sup>2</sup>), Luxury (> US\$4,000/m<sup>2</sup>), High-end (US\$3,000 – 4,000/m<sup>2</sup>), Mid-end (US\$2,000 – 3,000/m<sup>2</sup>), and Affordable (< US\$2,000/m<sup>2</sup>). All apartment prices are quoted in US dollars per square meter of NSA, excluding VAT.

In Ho Chi Minh City, office submarkets are grouped into the CBD, CBD Fringe, Non-CBD, Saigon South, and Thu Duc City. Meanwhile, Hanoi's office submarkets are divided into the CBD, CBD Fringe, The West, The West Westlake, and Non-CBD. All office rents are quoted in US dollars per square meter of NLA per month, and office supply is reported in total NLA. This report covers Ho Chi Minh City's pre-merger administrative boundaries (before July 1, 2025 consolidation with Binh Duong and Ba Ria-Vung Tau) to maintain consistency with prior quarterly publications and established market definitions.

Vietnam's retail market is segmented into prime and non-prime based on international benchmarking and Knights Frank standards. Prime retail comprises institutional-quality assets in CBD and premium zones, featuring modern infrastructure, professional management, established brands, and top-tier rents. Non-prime includes secondary properties in suburban locations with lower specifications and below-median rents. Supply data tracks both segments for comprehensive market coverage, while rent and vacancy metrics focus on prime space as the institutional investment benchmark and most liquid market segment.

**Glossary of terms**

Key Definitions	Explanation
GSO	General Statistics Office
SBV	State Bank of Vietnam
ADB	Asian Development Bank
IMF	International Monetary Fund
NLA	Net Leasable Area
NSA	Net Saleable Area
NFA	Net Floor Area
q-o-q	quarter over quarter
y-o-y	year over year
h-o-h	half year over half year
Per sq m	per square meter
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
CPI	Consumer Price Index
IIP	Index of Industrial Production
CBD	Central Business District

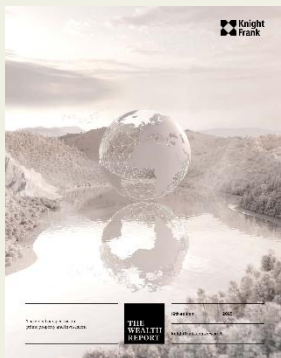
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