



# MARKETBEAT Q2 2024

HO CHI MINH CITY

# OFFICE

*Grade A, Grade B*

Better never settles

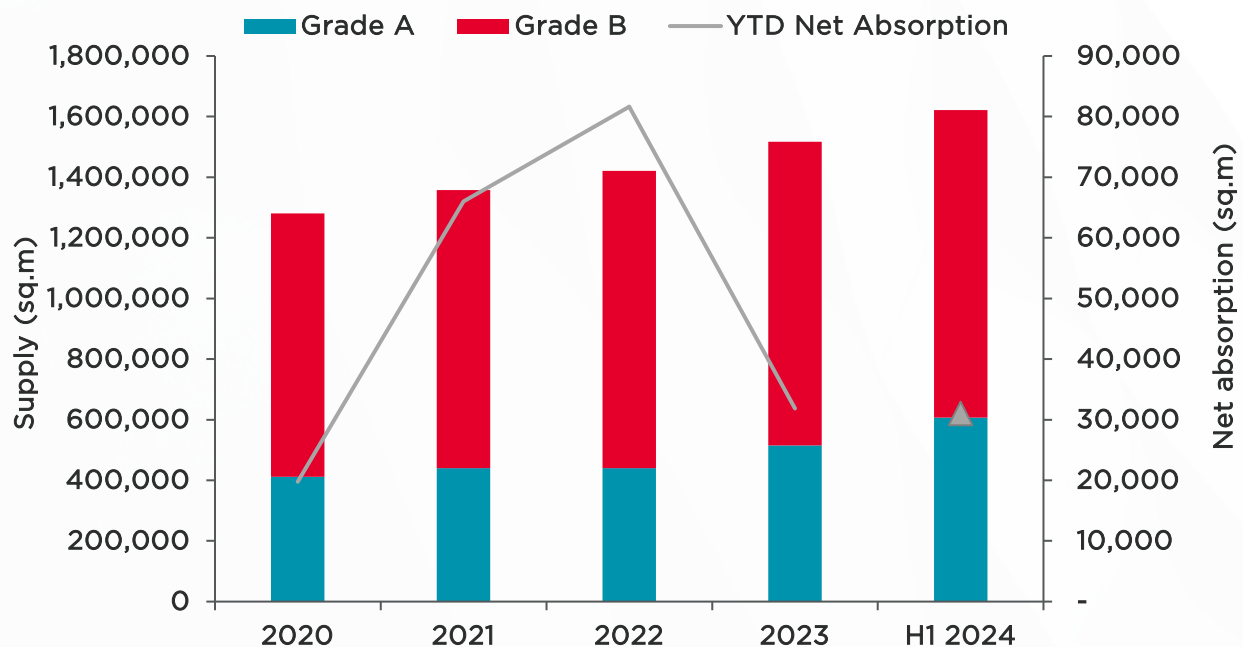


# HCMC OFFICE

## INFLUX OF GRADE A SUPPLY IN H1 2024

<p>New supply in H1 2024</p> <p><b>104,596</b> sq.m</p> <p>+392% YoY</p>	<p>YTD Net absorption in H1 2024</p> <p><b>31,025</b> sq.m</p>	<p>New supply in Q2 2024</p> <p><b>36,780</b> sq.m</p> <p>-46% QoQ; +513% YoY</p>	<p>Net absorption in Q2 2024</p> <p><b>-7,311</b> sq.m</p> <p>Mainly from Grade B</p>	<p>Total supply Grade A &amp; B</p> <p><b>1.6 million</b> sq.m</p> <p>+2.3% QoQ; +12.4% YoY</p>
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### HCMC OFFICE GRADE A&B SUPPLY AND ABSORPTION

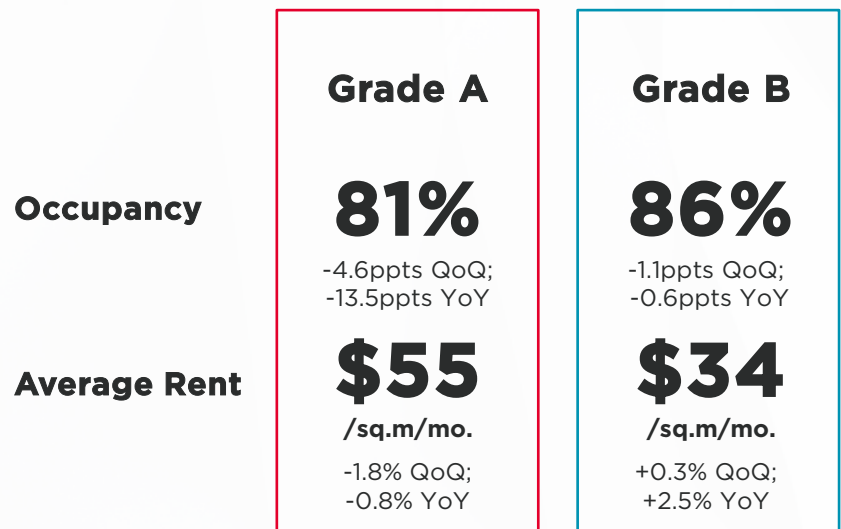


- In H1 2024, the HCMC market welcomed the entry of four new office projects, including one Grade B project in the Non-CBD, and three Grade A buildings in both the CBD and Non-CBD area. Altogether, nearly 105,000 sq.m of new supply was added to the HCMC market in H1 2024, bringing the city's total Grade A&B office stock above 1.6 million sq.m.
- Net absorption is estimated at around 31,000 sq.m, driven by absorption at new Grade A projects. Some tenants at Grade B projects have been observed to capitalize on the current market to upgrade their office space, hindering the absorption among the Grade B segment.
- Alongside the prominent trend of green and sustainable buildings, there has been an increasing interest in occupiers' well-being and experiences. Some projects are equipped with additional amenities such as F&B outlets, gym, landscape, and other technologies to monitor water and air quality inside the buildings. Certification of well-being such as WELL and Fitwel has become more popular in the HCMC office market recently, interested by both tenants and landlords.

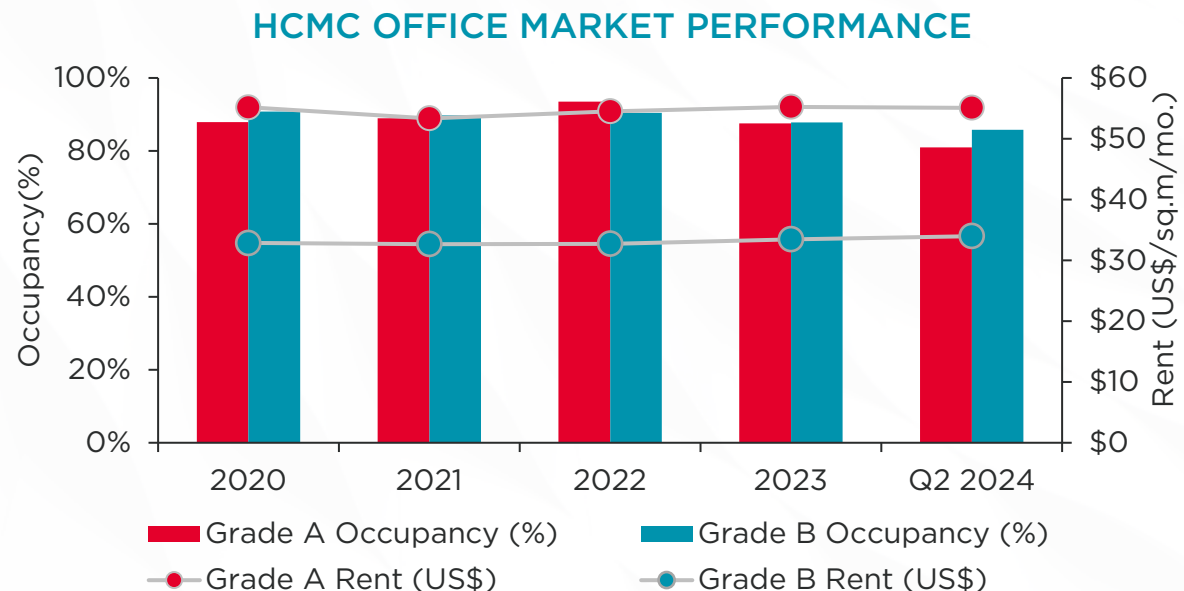
Source: Cushman & Wakefield

# HCMC OFFICE

## DIVERGENT TRENDS IN MARKET DEMAND ARE OBSERVED IN THE MARKET SLOWDOWN PERIOD



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



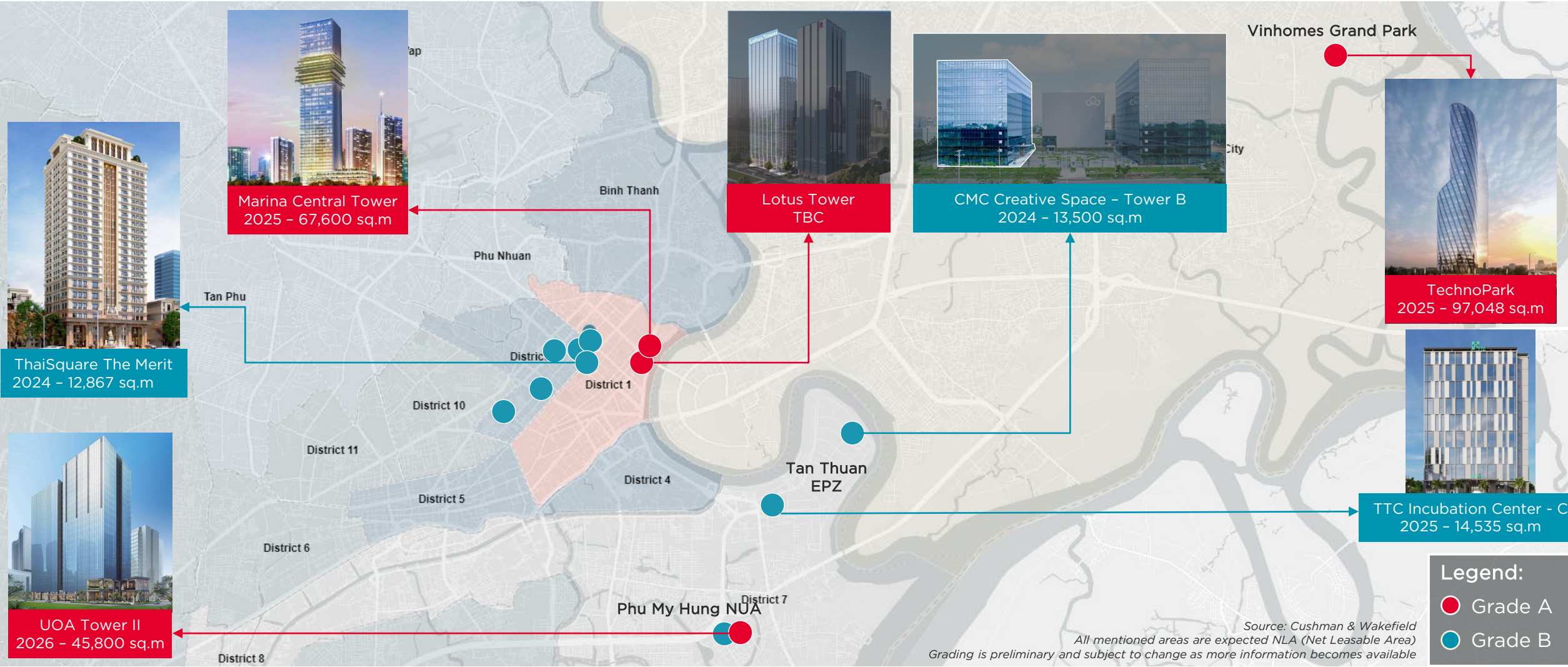
Source: Cushman & Wakefield

- The market demand witnessed two divergent trends in H1 2024. On the one hand, a few large-scale transactions have warmed up the market as MNC tenants seize the opportunity to negotiate and upgrade to better or newer office buildings. On the other hand, tenants who face financial challenges are looking for lower-budget office space.
- Grade A occupancy was recorded at 81%, decreasing both QoQ and YoY mainly attributable to the influx of new supply since mid-2023 (i.e., five new buildings totaling above 166,000 sq.m throughout Q3 2023 – Q2 2024, which is the largest influx of Grade A supply in HCMC in four-quarter period).

- Grade B occupancy was estimated at 86%, slightly dropping both YoY and QoQ as office demand remained relatively stagnant in the past quarters.
- Grade A rent witnessed both QoQ and YoY drops in Q2 2024 due to a new supply from the Non-CBD area this quarter. Meanwhile, most landlords at Grade A projects still held their rental rates stable amidst heightened competition.
- Grade B rent witnessed some escalation (+0.3% QoQ; +2.5% YoY) coming from notable rent growth from projects after undergoing renovation or after a long period of full occupancy.

# HCMC OFFICE - FUTURE SUPPLY

THE CBD, CBD FRINGE, AND THE SOUTH REMAIN THE MAJOR OFFICE HUBS OF HCMC



**Legend:**

- Grade A
- Grade B

Source: Cushman & Wakefield  
 All mentioned areas are expected NLA (Net Leasable Area)  
 Grading is preliminary and subject to change as more information becomes available



## TRANG BUI

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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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