CUSHMAN & WAKEFIELD

NORTHERN KEY ECONOMIC ZONE INDUSTRIAL MARKETS

Q2 2026 Market Beat

Better never settles

MARKETBEAT

NORTHERN KEY ECONOMIC ZONE (*)

INDUSTRIAL Q2 2026

(*): The Northern Key Economic Region includes Phu Tho Province and the Red River Delta Region, which, after the post-annexation, comprises Hanoi, Quang Ninh, Hai Phong, Bac Ninh, Hung Yen, and Ninh Binh.

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INDUSTRIAL PARK (IP) LAND

MARKET FUNDAMENTALS

	QoQ Chg	YOY Chg
64% Occupancy Rate	▲	▼
25,225 Total Supply (ha)	▲	▲
USD137.7 Avg. Asking Rent, USD/sqm/lease term	◄►	▲

ECONOMIC INDICATORS Q2 2026

	YoY Chg	Outlook
8.2% GDP Growth	▲	▲
4.4% Inflation(CPI)	▲	▲
34.6 FDI (Billion USD)	▲	▲

Source: Cushman & Wakefield Research, Vietnam, Moody's Analytics

SUPPLY: HAI PHONG AND BAC NINH REMAIN THE KEY SUPPLY DRIVERS

As of Q2 2026, Northern Vietnam's cumulative industrial land stock exceeded 25,200 ha, representing increases of 0.4% QoQ and 15.7% YoY. More than 1,200 ha of new industrial land was introduced during H1 2026 from six industrial parks in Hai Phong, Bac Ninh, and Ninh Binh, reflecting the ongoing expansion of industrial land inventory to accommodate growing manufacturing and FDI demand.

Hai Phong accounted for the largest share of cumulative supply (26%), followed by Bac Ninh (21%). Hung Yen and Ninh Binh each contributed approximately 13%. This highlights the continued dominance of established industrial hubs, while emerging satellite markets increasingly attract industrial development due to larger land availability and competitive cost structures.

DEMAND: OCCUPANCY EASES AMID RAPID SUPPLY EXPANSION

The average occupancy rate of Northern Vietnam's industrial land market reached 64% in Q2 2026, declining by 2.7 ppts YoY. The decline was primarily driven by the substantial volume of new supply entering the market rather than a deterioration in underlying demand fundamentals. Newly launched industrial parks typically require a longer absorption period, resulting in temporary downward pressure on market-wide occupancy. Demand remained resilient across core industrial markets.

Hanoi continued to operate at near-full occupancy, while Bac Ninh and Hung Yen maintained occupancy rates above 70%. Hai Phong and Phu Tho recorded occupancy levels exceeding 60%. Leasing activity remained concentrated in high-value manufacturing sectors, particularly high-tech industries, AI-related production, and electronic components, indicating sustained demand from strategic industrial occupiers.

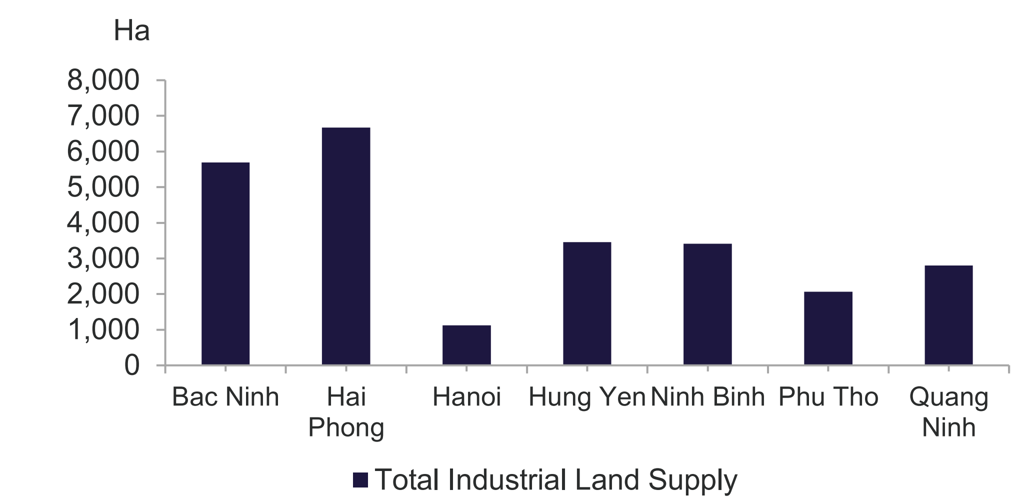
RENT: STABLE GROWTH MAINTAINED

The average asking rent for industrial land in Q2 2026 reached 137.7 USD/sqm/lease term, remaining broadly stable on a quarterly basis while increasing 2.7% YoY. The annual growth reflects the continued resilience of rental performance across key industrial markets despite the ongoing expansion of supply.

MARKET OUTLOOK: SUPPORTED BY INFRASTRUCTURE DEVELOPMENT AND FDI INFLOWS

Approximately 7,200 ha of additional industrial land is expected to enter the market between 2026 and 2028 from projects currently under development. While occupancy rates may face short-term pressure from new supply additions, market fundamentals remain supported by sustained FDI inflows, infrastructure investment, and ongoing global supply chain diversification. Demand is expected to remain driven by electronics, semiconductors, high-tech manufacturing, and logistics occupiers. Bac Ninh, Hai Phong, and Hung Yen are likely to retain their positions as the region's key industrial growth engines, supported by strong infrastructure networks, logistics connectivity, and established industrial ecosystems. Increasing investor preference for high-quality, ESG-compliant industrial parks is also expected to support absorption levels and underpin long-term market growth.

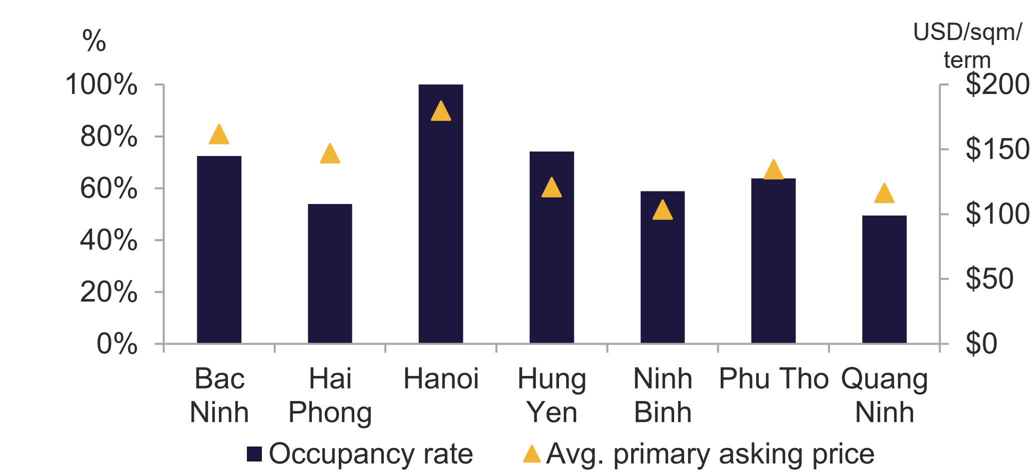
EXISTING INDUSTRIAL LAND SUPPLY, Q2 2026



Source: Cushman & Wakefield Research, Vietnam

Note: The average primary industrial park rental rate refers to the asking price directly from Industrial Park Developers, excluding Management Fees and Value Added Tax (VAT).
The USD/VND exchange rate in Q2 2026 = 26,350

INDUSTRIAL LAND PERFORMANCE, Q2 2026



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INDUSTRIAL Q2 2026

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READY-BUILT FACTORY (RBF)

MARKET FUNDAMENTALS

	QoQ Chg	YoY Chg
86% Occupancy Rate	▼	▲
~5.8 mil Total Supply (sqm)	▲	▲
USD5.0 Avg. Asking Rent, USD/sqm/month	▲	▲

ECONOMIC INDICATORS H1 2026

	YoY Chg	Outlook
8.2% GDP Growth	▲	▲
4.4% Inflation(CPI)	▲	▲
34.6 FDI (Billion USD)	▲	▲

Source: Cushman & Wakefield Research, Vietnam, Moody's Analytics

SUPPLY: HAI PHONG AND BAC NINH CONTINUE TO LEAD NEW SUPPLY

As of Q2 2026, Northern Vietnam's ready-built factory (RBF) market reached a total stock of approximately 5.8 million sqm, (+5.1% QoQ; 16.9% YoY). During H1 2026, the market recorded over 472,000 sqm of newly completed space, with more than 280,000 sqm delivered in Q2 alone.

New supply was primarily concentrated in Hai Phong and Bac Ninh, reinforcing their positions as the region's leading industrial hubs and key contributors to Northern Vietnam's industrial expansion. Meanwhile, Hung Yen also welcomed additional stock, highlighting the growing importance of emerging satellite markets in supporting manufacturing expansion and logistics activities.

DEMAND: RBF OCCUPANCY REMAINS STABLE

In Q2 2026, the average occupancy rate of the Northern Vietnam RBF market stood at approximately 86%, remaining broadly stable quarter-on-quarter (-0.1 ppt) while increasing by 4.5 ppts YoY. Occupancy performance across major industrial markets showed divergent trends. Hai Phong recorded a 2-ppt increase compared to the previous quarter, while Bac Ninh saw a 2-ppt decline, bringing occupancy levels in both provinces to around 80%. The moderation was largely attributable to the substantial volume of new supply entering the market, with approximately 97% of newly completed RBF space delivered in Bac Ninh and Hai Phong during the quarter. As a result, short-term occupancy levels are expected to face temporary pressure as the market absorbs the newly launched facilities.

In contrast, Hanoi maintained its position as the strongest-performing market, supported by limited available stock and sustained leasing demand. Satellite markets including Hung Yen, Ninh Binh, and Phu Tho also demonstrated strong operating fundamentals, achieving occupancy rates of above 95%. Their performance continued to benefit from proximity to Hanoi and improving regional transport infrastructure. On the demand side, high-value manufacturing industries remained the primary leasing drivers, particularly occupiers involved in electronics, electronic components, printed circuit boards, and other advanced manufacturing segments.

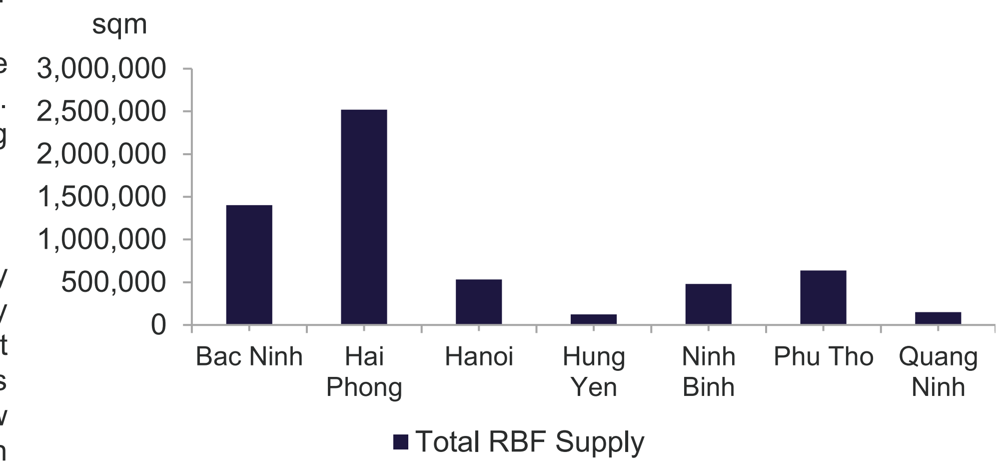
RENT: STABLE PERFORMANCE AMID NEW SUPPLY INFLUX

The average asking rent for ready-built factories in Northern Vietnam remained stable at 5.0 USD/sqm/month in Q2 2026, recording moderate growth of 0.4% QoQ and 2.3% YoY. Rental growth continued to be underpinned by steady demand from higher value-added manufacturing sectors, while the majority of new developments remained concentrated within established industrial clusters. Despite the influx of new supply, leasing fundamentals remained sufficiently robust to support rental stability across the market.

OUTLOOK: INFRASTRUCTURE AND MANUFACTURING DEMAND TO SUSTAIN GROWTH

Northern Vietnam is projected to receive approximately 965,000 sqm of additional ready-built factory space between 2026 and 2028, with the future supply pipeline expected to remain largely concentrated in Bac Ninh and Hai Phong. While the upcoming wave of supply may exert short-term pressure on occupancy rates, robust demand from export-oriented manufacturing, electronics, and high-value industries is expected to support market absorption. Furthermore, ongoing infrastructure improvements and enhanced regional connectivity are likely to strengthen the investment appeal of Northern Vietnam's industrial market. Consequently, rental rates are expected to remain broadly stable, reflecting a relatively balanced market environment over the medium term.

EXISTING ACCUMULATED SUPPLY, Q2 2026



Source: Cushman & Wakefield Research, Vietnam

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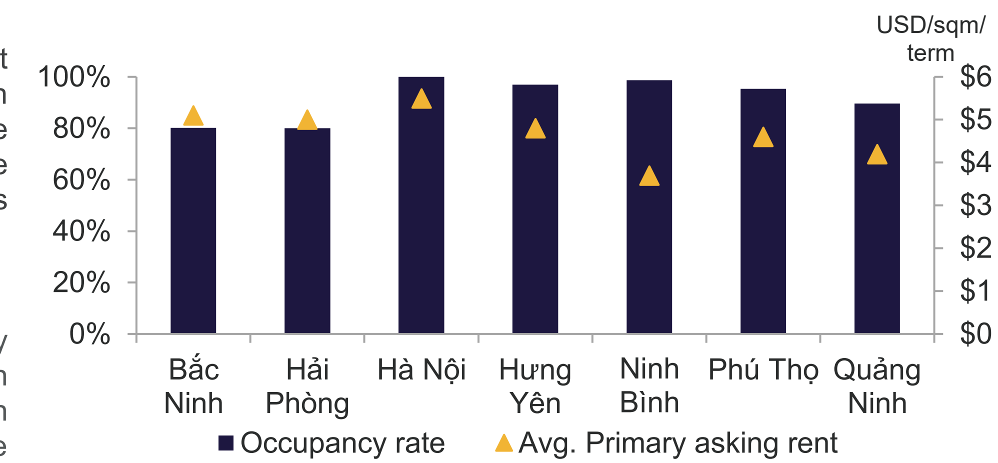
RBF PERFORMANCE



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MARKETBEAT

NORTHERN KEY ECONOMIC ZONE (*)

INDUSTRIAL Q2 2026

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READY-BUILT WAREHOUSES (RBW) (*)

MARKET FUNDAMENTALS

	QoQ	YoY
86% Occupancy Rate	▲	▲
~3.6 mil Total Supply (sqm)	▲	▲
USD 4.9 Avg. Asking Rent, USD/sqm/month	▲	▲

*Statistics including Ready-built warehouses (RBW) & Mixed-use Factories (RBH)

ECONOMIC INDICATORS H1 2026

	YoY Chg	Outlook
8.2% GDP Growth	▲	▲
4.4% Inflation(CPI)	▲	▲
34.6 FDI (Billion USD)	▲	▲

Source: Cushman & Wakefield Research, Vietnam, Moody's Analytics

(*): Including Ready-Built Hybrid (RBH) models.

SUPPLY: NEARLY 40,000 M² OF NEWLY READY-BUILT WAREHOUSES JOINING THE MARKET

In Q2 2026, the market recorded continued expansion, with two new RBW projects entering Hai Phong and Hung Yen market, bringing the total existing accumulated supply in Northern Vietnam to approximately 3.6 million sqm of net leasable area, representing an increase of 1.1% QoQ and 1.0% YoY.

In terms of geographical distribution, the supply structure in Q2 2026 indicates a relatively high concentration of the Northern Vietnam RBW market. Bac Ninh continued to account for the largest share of total supply at 44.2%, while Hai Phong (24.3%) and Hung Yen (19.8%) remained the next two major RBW markets, supported by their respective advantages in seaport and international logistics infrastructure, as well as connectivity to Hanoi and the broader Northern industrial network.

DEMAND: CONTINUED THE UPTREND

In Q2 2026, the average occupancy rate of the RBW segment reached about 85.7%, (+3.8 ppts QoQ; +12.1 ppts YoY), indicating continued growth in demand and a positive pace of absorption of new supply. The key drivers were the expansion of industrial manufacturing activities, particularly in industrial clusters with a high concentration of FDI enterprises, alongside growing logistics demand as supply chains and distribution activities continued to expand.

Hung Yen recorded the highest occupancy rate among submarkets with available supply, reaching 92.4% in Q2 2026, (+3.1 ppts QoQ), while Hai Phong maintained a high occupancy rate of 86.4%. Notably, Bac Ninh recorded the strongest improvement, with occupancy rising by 7.3 ppts QoQ to 79.1%, indicating that the market with the largest supply base in the region continued to attract large-scale logistics operators. Meanwhile, Hanoi maintained a 100% occupancy rate, reflecting limited RBW supply and stable demand.

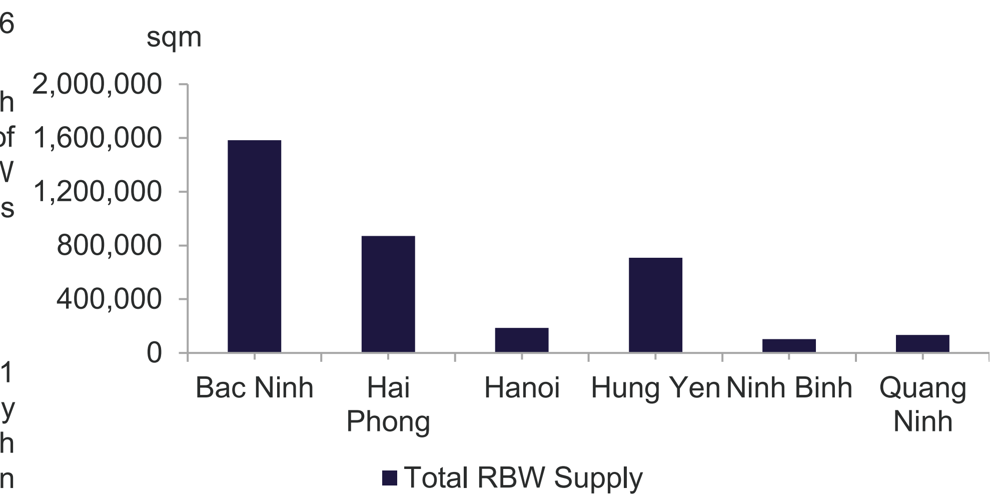
RENT: MAINTAINING STABILITY

Asking rents remained at about 4.9 USD/sqm/month, up slightly by 0.6% QoQ and 1.4% YoY. The modest price increase reflects a relative balance between rental demand and existing supply. At the same time, the fact that rents have not increased sharply even though the occupancy rate has improved shows that the supply at major logistics centers still meets market demand relatively well.

MARKET OUTLOOK: BAC NINH AND HAI PHONG – KEY DRIVERS OF FUTURE SUPPLY

During the 2026–2028 period, the Northern Key Economic Region is expected to add approximately 636,000 sqm of new supply. Bac Ninh and Hai Phong are expected to remain the two leading markets for new supply, supported respectively by their industrial manufacturing ecosystems, particularly in electronics and high-tech industries, and their advantages in seaport infrastructure and international logistics. The market outlook is further supported by strategic infrastructure projects, including the Free Trade Zone (FTZ) model, modern deep-water port systems, and the future development of Gia Binh International Airport. In parallel, the development of green logistics in line with ESG standards is expected to enhance the region's ability to attract global supply chains and strengthen Northern Vietnam's position within international logistics networks.

EXISTING ACCUMULATED SUPPLY, Q2 2026



Source: Cushman & Wakefield Research, Vietnam

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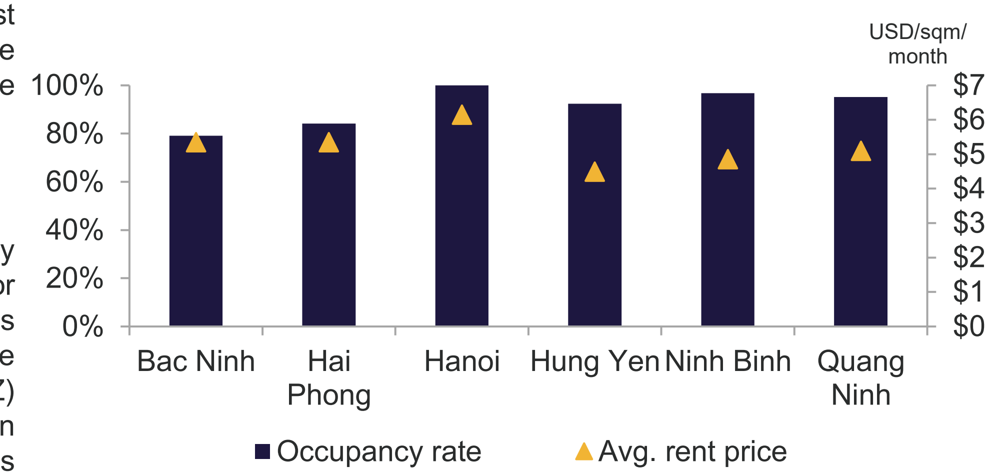
RBW PERFORMANCE



Source: Cushman & Wakefield Research, Vietnam

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MARKET STATISTICS

	INDUSTRIAL PARK (IP) LAND			READY-BUILT FACTORY (RBF)			READY-BUILT WAREHOUSE (RBW)		
	TOTAL SUPPLY (HA)	OCCUPANCY RATE	AVG PRIMARY ASKING RENT (USD/sqm/lease term)	TOTAL SUPPLY (HA)	OCCUPANCY RATE	AVG PRIMARY ASKING RENT (USD/sqm/lease term)	TOTAL SUPPLY (HA)	OCCUPANCY RATE	AVG PRIMARY ASKING RENT (USD/sqm/lease term)
Q2 2026	25,225	64%	$ 137.7	5,851,000	86%	$ 5.0	3,585,000	86%	$ 4.9
QoQ	▲0.4%	▲0.6ppts	◀▶	▲ 5.1%	▼ 0.1 ppts	▲ 0.4%	▲ 1.1%	▲3.8 ppts	▲ 0.6%
YoY	▲15.7%	▼2.7ppts	▲2.7%	▲ 16.9%	▲ 2,3 ppts	▲ 2.3%	▲ 1.0%	▲ 12.1 ppts	▲ 1.4%

Average primary asking prices of IP land are prices offered directly from IP developers, exclusive of VAT and management fee

All rents of RBF/RBW are inclusive of SC but exclusive of VAT. Rents quoted in VND may vary depending on the prevailing exchange rate at the time of lease execution. USD/VND = 26,350 in Q2 2026

Rents quoted in VND may vary depending on the prevailing exchange rate at the time of lease execution.

PLANNED & UNDER CONSTRUCTION SUPPLY 2026 – 2028F

PROPERTY	TOTAL FUTURE SUPPLY	CAGR (2025 – 2028)
IP Land	7,485 ha	9.0 %/year
RBF	965,000 m²	5.5 %/year
RBW	636,000 m²	5.6 %/year

KEY NEW LAUNCH PROJECTS H1 2026

PROJECT	PROVINCE / CITY	TYPE	SCALE	DEVELOPER
Frasers Industrial Centre Yen My p2	Hung Yen	RBF	13,200 m²	Frasers
KCN Vietnam Phuc Dien Lot A8	Hai Phong	RBF	93,500 m²	KCN Vietnam
SLP Tien Du	Bac Ninh	RBF	68,856 m²	SLP
nPL VSIP Bac Ninh 2	Bac Ninh	RBF	35,000 m²	nPL
BW Phuc Dien expansion Lot A1 A2	Hai Phong	RBF	43,920 m²	BW Industrial
KCN Vietnam Phuc Dien	Hai Phong	RBH	24,209 m²	KCN Vietnam
Yusen Logistics Hưng Yên	Hung Yen	RBW	18,634 m²	Yusen Logistics

NOTABLE UPCOMING PROJECTS 2026 – 2027

PROPERTY	TYPE	PROVINCE / CITY	SCALE	DEVELOPER	EXPECTED LAUNCH
Industrial Park No. 01 – Phase 1	IP	Hung Yen	217 ha	Viglacera JSC	2026 - 2027
RBF X1&X2 Hai Phong	RBF	Hai Phong	348,796 m2	HTM Investment Group JSC	2026 - 2027
Ly Thuong Kiet Industrial Park	IP	Hung Yen	235 ha	Hoa Phat Group	2026 - 2027

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

MINH HOANG
COUNTRY HEAD, VIETNAM
Nguyetminh.Hoang@cushwake.com

MAI LE
ASSOCIATE DIRECTOR, RESEARCH & CONSULTANCY, VIETNAM
Mai.Le1@cushwake.com

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