



Tailwinds expected from legal reforms

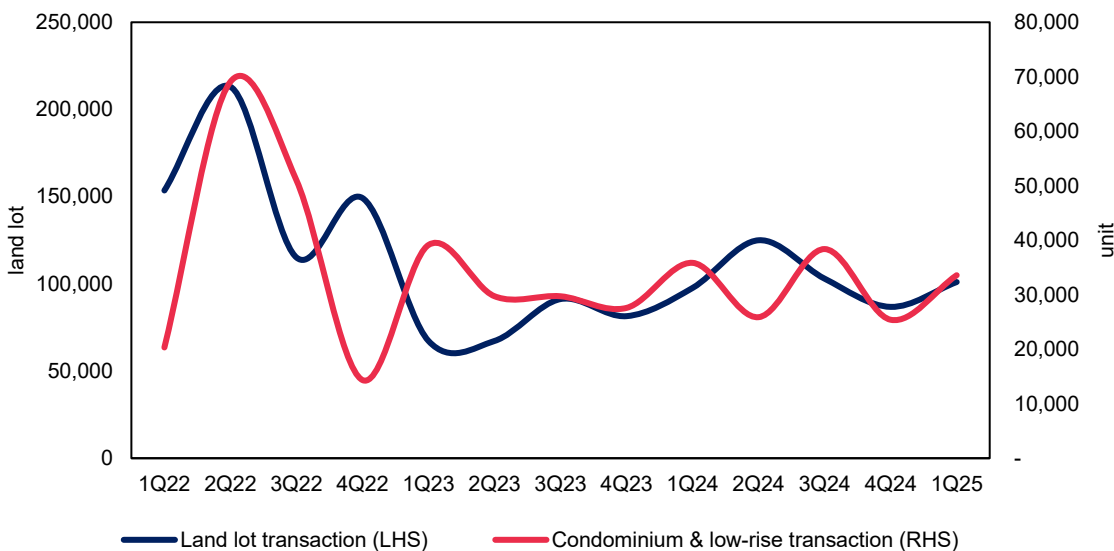
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1H25 Recap: Recovery signals yet to solidify

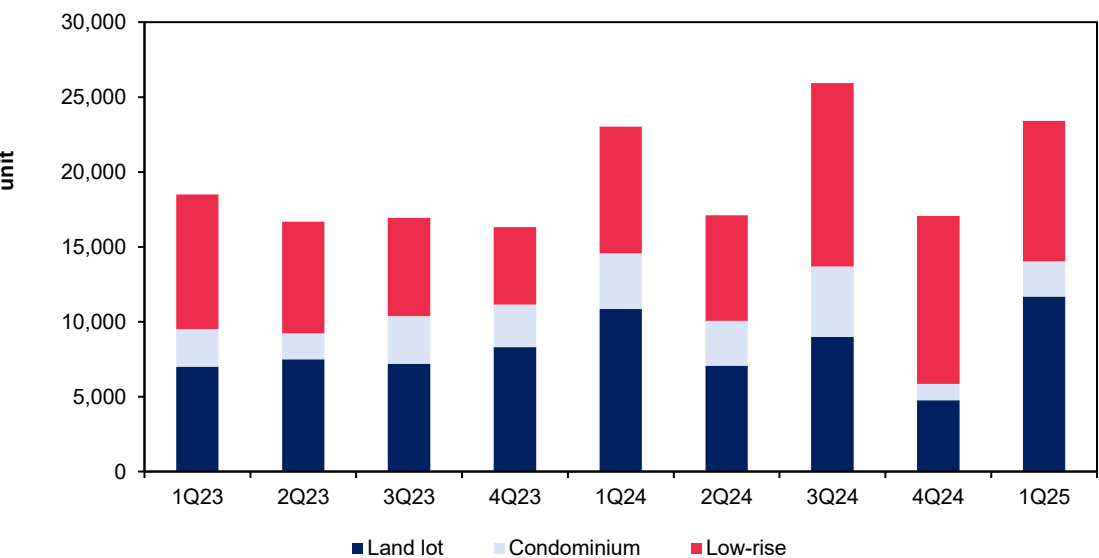
- In 1Q25, the number of successful real estate transactions in both the land lot and apartment/low-rise housing segments showed improvement compared to the previous quarter. However, the results were only on par with the same period last year and have yet to indicate clear signs of recovery.
- Real estate inventory by segment remained relatively unchanged yoy, though there was a sharp increase in land lot inventory compared to the previous quarter. Persistently high inventory levels in the low-rise housing/landed property segment suggest remaining weak demand. Furthermore, the qoq increase in inventories may also reflect legal obstacles faced by certain projects, preventing them from launching or handing over units.
- In 1H25, several major developers such as VHM, Masterise, and Lotte achieved positive business results and contributed to the market, primarily thanks to projects located in prime areas with high profit margins. In Hà Nội, supply from satellite urban developments surged, whereas the outlook in Hồ Chí Minh City was less optimistic, as elevated pricing levels and the low season partially constrained handover activities at various projects.

Successful real estate transactions in 1Q25 remained broadly consistent yoy



Source: Ministry of Construction, MBS Research

Real estate inventories by segment

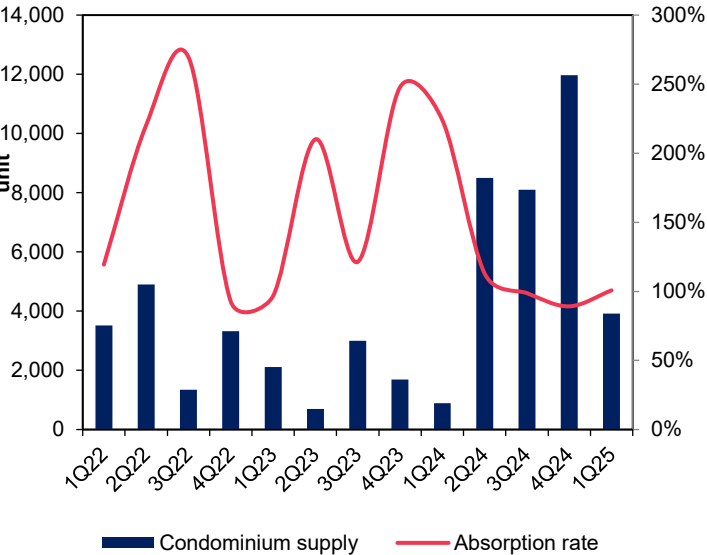


Source: Ministry of Construction, MBS Research

1H25 Recap: Improvement in supply with healthy absorption rate in Hà Nội market despite rising selling prices

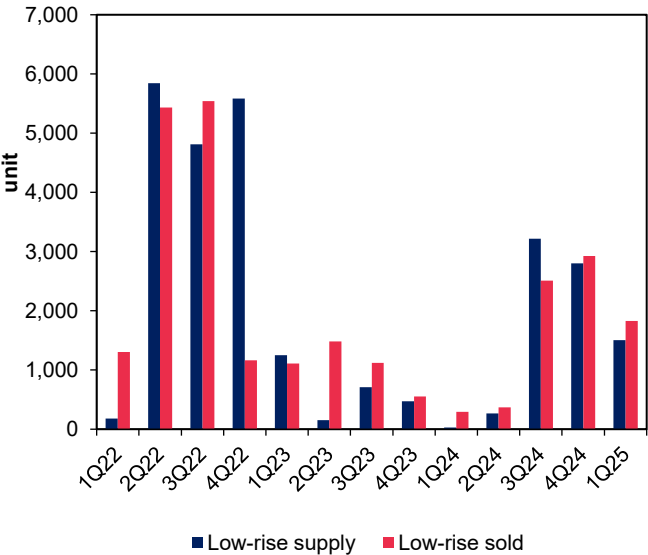
- **Supply:** Hà Nội’s primary real estate market showed a clear divergence between high-rise and low-rise segments. The high-rise segment has slowed following a period of steady growth, whereas the low-rise segment continued to record growth in both supply and sales volume. Primary low-rise supply was well absorbed within a short period, even for large-scale projects.
- **Price:** Primary selling prices in the high-rise segment remained stable, as newly launched projects during this period offered relatively attractive pricing. In the low-rise segment, prices continued the upward trend that began in 2024, establishing a new, higher pricing base. However, despite elevated price levels, the absorption rate for low-rise projects remained strong.
- **2025 Outlook:** The high-rise segment of Hà Nội market is projected to supply approximately 31,700 units in 2025. The absorption rate is expected to remain stable despite the anticipated influx of new supply in the coming quarters. For the low-rise segment, additional urban township projects are expected to be launched in 2H25, particularly in suburban areas such as Đan Phượng, Bắc Từ Liêm, and Văn Giang (Hưng Yên Province, adjacent to Hà Nội).

High-rise supply of Hà Nội in 1Q25 improved significantly yoy



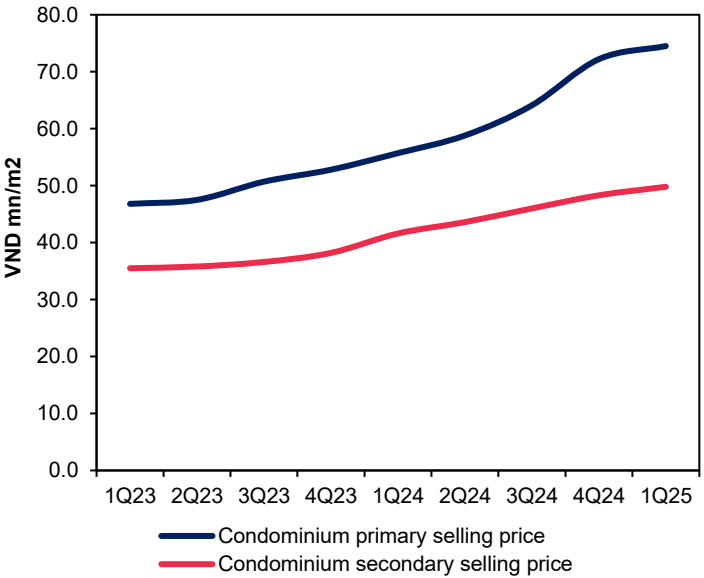
Source: CBRE, MBS Research

Low-rise supply in Hà Nội increased sharply yoy



Source: CBRE, MBS Research

Condominium prices in Hà Nội continued to rise, reaching a three-year high

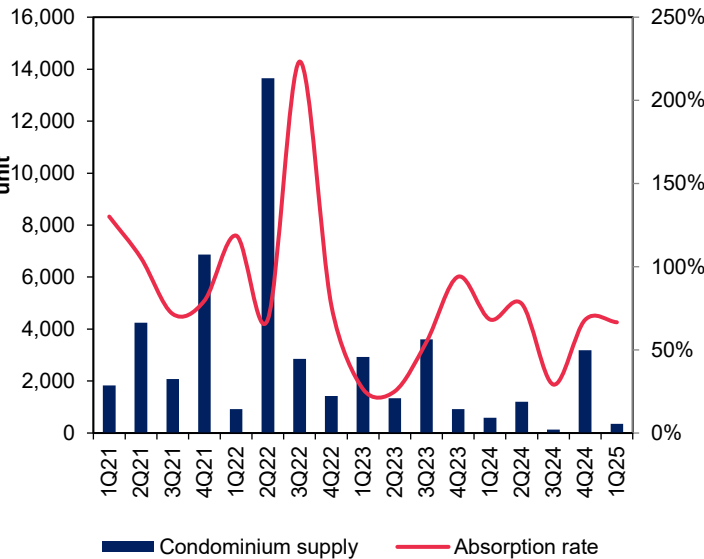


Source: CBRE, MBS Research

1H25 Recap: Limited new supply in Hồ Chí Minh City market amid persistently high selling prices

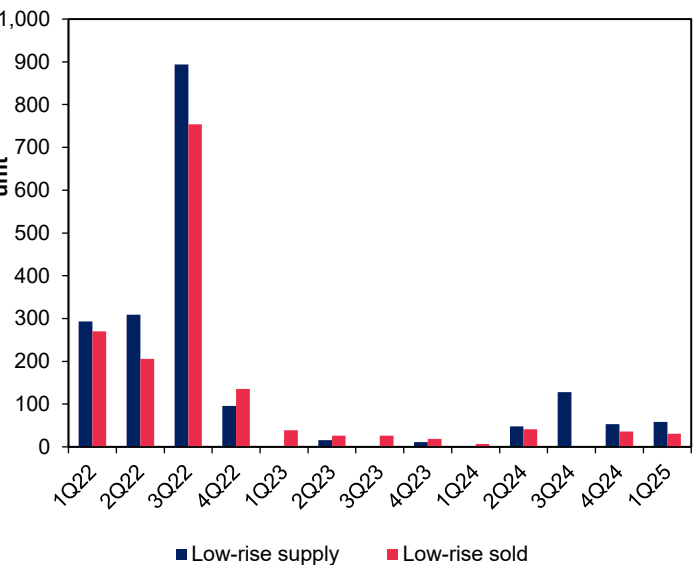
- **Supply:** In the high-rise segment, new condominium supply in Hồ Chí Minh City remained constrained, marking the lowest quarterly level since Q1/2008. The average absorption rate of new supply in 1Q25 also showed signs of stagnation. The low-rise segment new supply has been relatively stable over the past four quarters, but remained limited compared to the period prior to 2022.
- **Price:** In the high-rise segment, the upward momentum in primary asking prices has contributed to the steady growth of secondary market prices in recent quarters. In the low-rise segment, primary asking prices remained stable, while secondary prices continued to rise by 7% to 8% qoq.
- **2025 Outlook:** In the high-rise segment, Hồ Chí Minh City is expected to see fewer than 9,000 new condominium units launched in 2025, roughly equivalent to the level recorded in 2023. The majority of this new supply will continue to come from the high-end and luxury segments. In the low-rise segment, new supply in 2025 is projected to reach approximately 1,000 units - four times higher than in 2024. In the coming years, supply of landed residential properties in Hồ Chí Minh City is expected to improve further, supported by the development of new urban projects in the eastern and southern parts of the city.

1Q25 condominium supply in HCMC: A historic low level



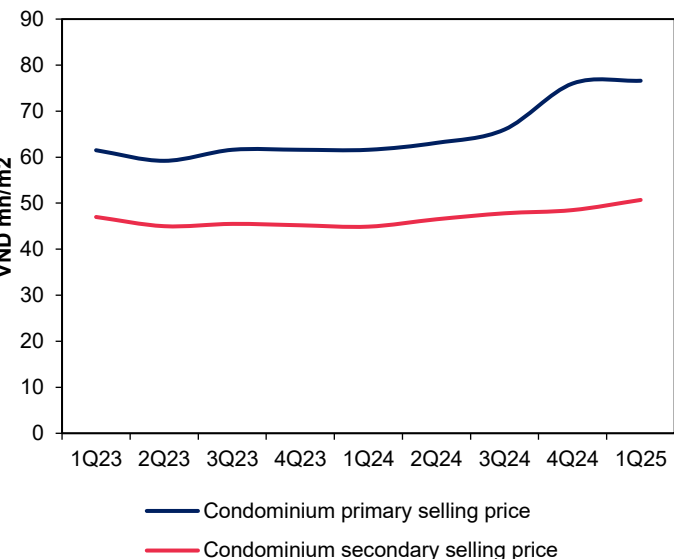
Source: CBRE, MBS Research

Low-rise segment in HCMC continued to record limited supply qoq



Source: CBRE, MBS Research

Condominium price in Hồ Chí Minh City market



Source: CBRE, MBS Research

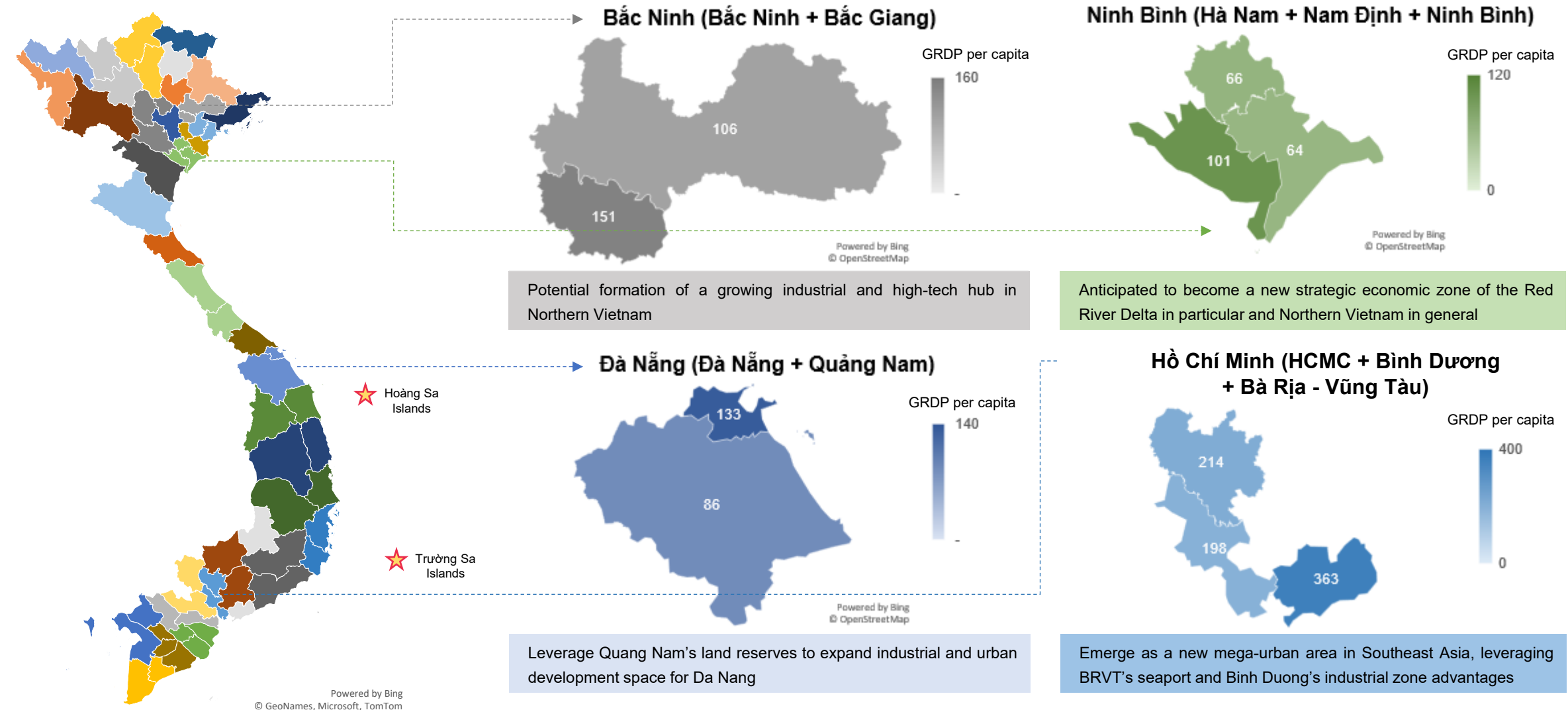
Tailwinds from legal reforms: Provincial mergers and expected effects

- On June 12, 2025, the National Assembly approved Resolution No. 202/2025/QH15, officially reducing the number of provincial-level administrative units from 63 to 34, comprising 28 provinces and 6 centrally governed cities. The resolution took effect on July 1, 2025.
- Key characteristics of post-merger administrative units:
 - ✓ Larger land area and population, with more diverse terrain.
 - ✓ Benefit from more diverse resources, a larger economic scale, and stronger budgetary capacity, which may drive the development of inter-regional transportation infrastructure.
 - ✓ More streamlined and cost-saving administrative apparatus.
- Expected effects of post-merger administrative units:
 - ✓ **Scenario 1:** For constituent localities with significant disparities in economic scale and budgetary resources: Provinces with more limited resources to benefit from improved access to budget allocations, investment capital flows, and administrative experience.
 - ✓ **Scenario 2:** For constituent localities with relatively balanced economic scale and budgetary resources: Potential to enhance cooperation, attract investments, improve connectivity infrastructure, and reduce inter-locality competition, thereby creating synergistic strength. Localities designated as new administrative centers are expected to gain a relative advantage.

	New province	Area (km2)	Population ('000 people))	GRDP (VND bn)
Province with merger	Hồ Chí Minh City	6,773	13,468	2,715,511
	Lâm Đồng	24,233	3,286	812,289
	Hải Phòng	3,195	4,062	658,381
	Đồng Nai	12,737	4,356	609,176
	Bắc Ninh	4,719	3,440	439,800
	Tây Ninh	8,537	2,938	312,466
	Cần Thơ	6,361	3,186	281,674
	Đà Nẵng	11,860	2,771	280,307
	An Giang	9,889	3,662	270,771
	Ninh Bình	3,943	3,790	268,345
	Đồng Tháp	5,939	3,391	261,399
	Vĩnh Long	6,296	3,349	254,469
	Gia Lai	21,577	3,120	242,007
	Hưng Yên	2,515	3,183	231,170
	Đắk Lắk	18,096	2,809	203,959
	Phú Thọ	9,361	3,623	196,794
	Thái Nguyên	8,382	1,677	185,614
	Quảng Ngãi	14,833	1,839	173,599
	Cà Mau	7,942	2,133	153,160
	Khánh Hòa	8,555	1,862	128,760
Province without merger	Lào Cai	13,257	1,635	125,885
	Quảng Trị	12,700	1,573	113,687
	Tuyên Quang	13,795	1,712	86,246
	Hà Nội	3,360	8,587	1,430,000
	Quảng Ninh	6,208	1,381	347,500
	Thanh Hóa	11,115	3,740	318,752
	Nghệ An	16,487	3,442	216,943
	Hà Tĩnh	5,994	1,324	112,855
	Thừa Thiên - Huế	4,947	1,167	80,000
	Sơn La	14,110	1,313	76,626
	Lạng Sơn	8,310	807	49,736
	Điện Biên	9,540	646	31,663
	Lai Châu	9,069	489	31,024
	Cao Bằng	6,700	548	25,204

Tailwinds from legal reforms: Provincial mergers and expected effects

Vietnam after the merger: Expected breakthrough development from certain localities

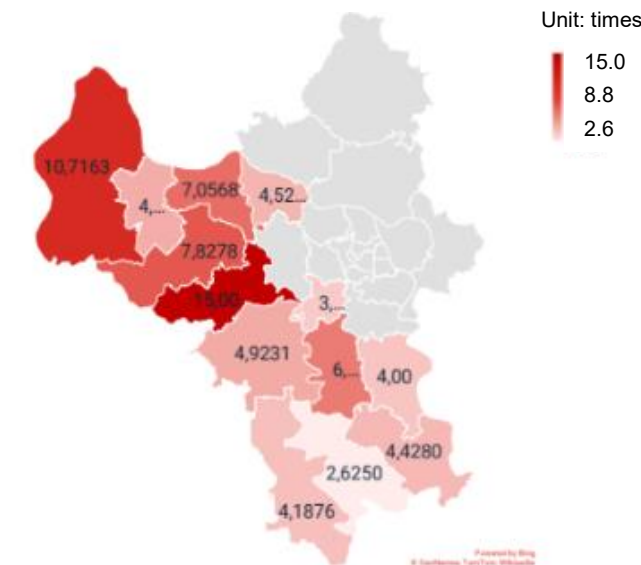


Tailwinds from legal reforms: Provincial mergers and expected effects

A historical review – Hà Tây’s merger with Hà Nội in 2008: On August 1, 2008, Hà Tây merged with Hà Nội under Resolution No. 15/2008/QH12 of the National Assembly. This serves as a valuable reference case for the upcoming wave of provincial mergers.

- ✓ Infrastructure and economy: Since the 2008 merger, Hà Nội has implemented major infrastructure projects connecting the urban core with expanded areas, supporting growth in districts like Hoài Đức, Đông Anh, and Hòa Lạc. Before the merger, Hà Tây’s GRDP was only one-thirteenth that of Hà Nội’s, despite having one-third of the population. Seventeen years later, its per capita GRDP has nearly tripled.
- ✓ Real estate prices: Between 2016 and 2025, property prices in the former Hà Tây area increased by a factor of 2.6 to as much as 15, compared to an average 2.4x increase in the old Hà Nội area. However, many projects in the former Hà Tây region faced delays or abandonment, raising concerns over the sustainability of price growth.

Price trend of real estate in former Hà Tây post-merger (Q1/2025 vs. 2016)



Source: Batdongsan.com.vn

Infrastructure projects in Hà Nội following administrative boundary expansion

No.	Projects	Completion
1	Thăng Long Boulevard	2010
2	Đông Trù Bridge	2014
3	Nhật Tân Bridge	2015
4	Hà Nội - Hải Phòng Expressway	2015
5	Cát Linh - Hà Đông Urban Railway	2021
6	An Khánh Bridge	2021
7	Ring Road No 3.5	~ 2025
8	Ring Road No 4	~ 2027
9	Tứ Liên Bridge	~ 2027
10	Metro No. 5	~ 2030

Source: MBS Research’s compilation

List of delayed or inactive real estate projects that were approved pre-merger

TT	Projects	Area (ha)	District (before July 1, 2025)	Time of project approval
1	Nam An Khánh	190	Hoài Đức	2006
2	Tiến Xuân Sudico Urban Area	1,200	Thạch Thất	2008
3	Hà Nội Westgate	44	Quốc Oai	2008
4	Vườn Cam Villa Compound	46	Hoài Đức	2007
5	Chương Mỹ Urban Area (proposed for revocation in 2023)	522	Chương Mỹ	2008
6	Era Village (proposed for revocation in 2023)	150	Chương Mỹ & Quốc Oai	2008

Source: MBS Research’s compilation

Tailwinds from legal reforms: Provincial mergers and expected effects

- We believe that real estate developers will be incentivized to launch additional projects in the aforementioned beneficiary provinces and cities, driven by expectations of improved infrastructure and economic development. In addition, existing projects in certain prominent areas are also expected to benefit from potential price appreciation.
- However, we note that the provincial mergers may trigger a short-term price “fever,” but only when the economic impacts become truly evident can the upward pricing trend be considered sustainable.

Notable projects in selected key provinces undergoing mergers

No	Project	Province (previously)	Developer	No	Project	Province (previously)	Developer
1	Royal Island	Hải Phòng	VHM	14	Gem Sky World	Đồng Nai	DXG
2	Golden City	Hải Phòng	VHM	15	Izumi City	Đồng Nai	NLG
3	Hoàng Huy Green River	Hải Phòng	TCH	16	Waterpoint	Long An	NLG
4	Hoàng Huy New City 2	Hải Phòng	TCH	17	Green City	Long An	VHM
5	Hoàng Huy Commerce H2	Hải Phòng	TCH	18	The Light City	Bà Rịa - Vũng Tàu	HDC
6	Sun Urban City	Hà Nam	Sun Group	19	Blanca City	Bà Rịa - Vũng Tàu	Sun Group
7	Lam Hạ Centre Point	Hà Nam	DIG	20	Thuận An 1 & 2	Bình Dương	PDR
8	Stella Nam Khánh	Nam Định	Nam Cường	21	The Felix	Bình Dương	QCG
9	Ocean Park 2 & 3	Hưng Yên	VHM	22	The Gió Riverside	Bình Dương	AGG
10	Majestic City	Hưng Yên	Yên Sơn	23	Clarita & Emeria (Gladia)	HCM City	KDH
11	Sun Residence	Đà Nẵng	Sun Group	24	The Solina	HCM City	KDH
12	Nobu Residence	Đà Nẵng	VCRE	25	KĐT Tân Tạo	HCM City	KDH
13	Casamia Balanca	Quảng Nam	DPG	26	Green Village	HCM City	KDH

Source: MBS Research’s compilation

Projects expected to develop inter-regional infrastructure

No.	Project	Expected completion
1	Ring Road No 3.5 & 4	2027-2028
2	Tứ Liên Bridge - Hà Nội	2027
3	Hạ Long - Hải Phòng Connectivity Road	2025
4	Nam Thăng Long - Trần Hưng Đạo Railway (Hà Nội)	2029
5	Ninh Bình - Hải Phòng Expressway	2029
6	Ring Road No 3	2025
7	Bến Lức - Long Thành Expressway	2025
8	Biên Hòa - Vũng Tàu Expressway	2026
9	Cần Thơ - Cà Mau Expressway	2026
10	HCM - Thủ Dầu Một - Chơn Thành Expressway	2027
11	Cần Giờ Bridge – HCMC	2028
12	Thủ Thiêm 4 Bridge – HCMC	2028

Source: MBS Research’s compilation

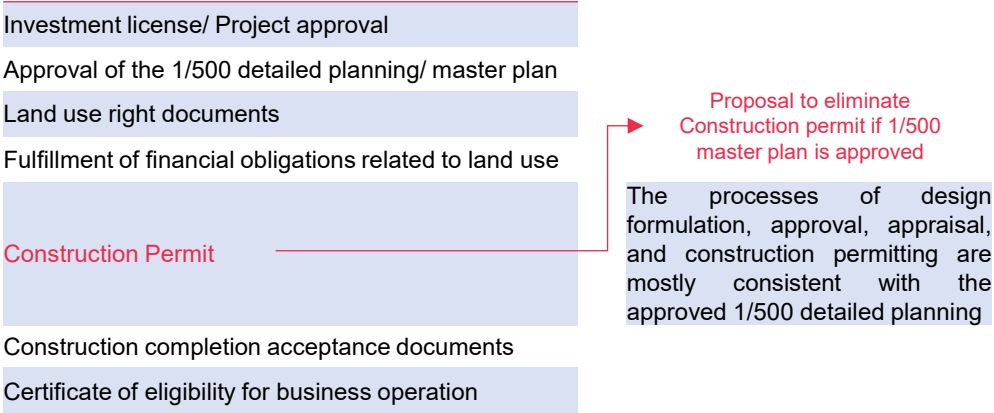
Tailwinds from legal reforms: The Government's efforts in legal reforms

- New residential real estate supply has declined, especially in the South, mainly due to persistent legal obstacles affecting project implementation. New supply is mostly concentrated in the high-end segment, while social housing remains limited. However, the Government has taken steps to promote a more sustainable market. In 2024, three revised laws - Land Law, Housing Law, and Real Estate Business Law - took effect, along with updated land price frameworks in some areas, supporting to accelerate project progress.
- In 1H25, many proposals were introduced to reform and enhance the legal framework related to the real estate market:
 - ✓ (1) Resolution 68 on Private Sector Development aims to reduce administrative processing time by at least 30%, lower compliance costs by at least 30%, and cut business conditions by at least 30%, with further significant reductions planned in the coming years;
 - ✓ (2) Proposal to eliminate the requirement for a construction permit (GPXD) for projects that have already received 1/500-scale detailed planning approval;
 - ✓ (3) Proposal to impose a tax on second properties and a 20% tax on real estate transfer profits;
 - ✓ (4) Accelerate the implementation of social housing projects;;
 - ✓ (5) Special legal frameworks for land use conversion to support residential real estate development;
 - ✓ (6) Propose the revival of special economic zones (Phú Quốc, Vân Đồn, Vân Phong).

→ We believe that the Government's ongoing efforts in legal reform and regulatory improvement will help expedite project implementation in the medium to long term, while also resolving legal bottlenecks for existing stalled developments. For instance, in 2Q25, Dong Nai approved the adjustment of the C4 subzone master plan, unlocking progress for numerous projects, including NVL's Aqua City and NLG's Izumi City.

Proposal to eliminate Construction Permit for projects with approved 1/500 Master Plan

Legal requirements of a real estate projects



Source: MBS Research's compilation

Proposal to impose taxes on second properties and on property transfer gains

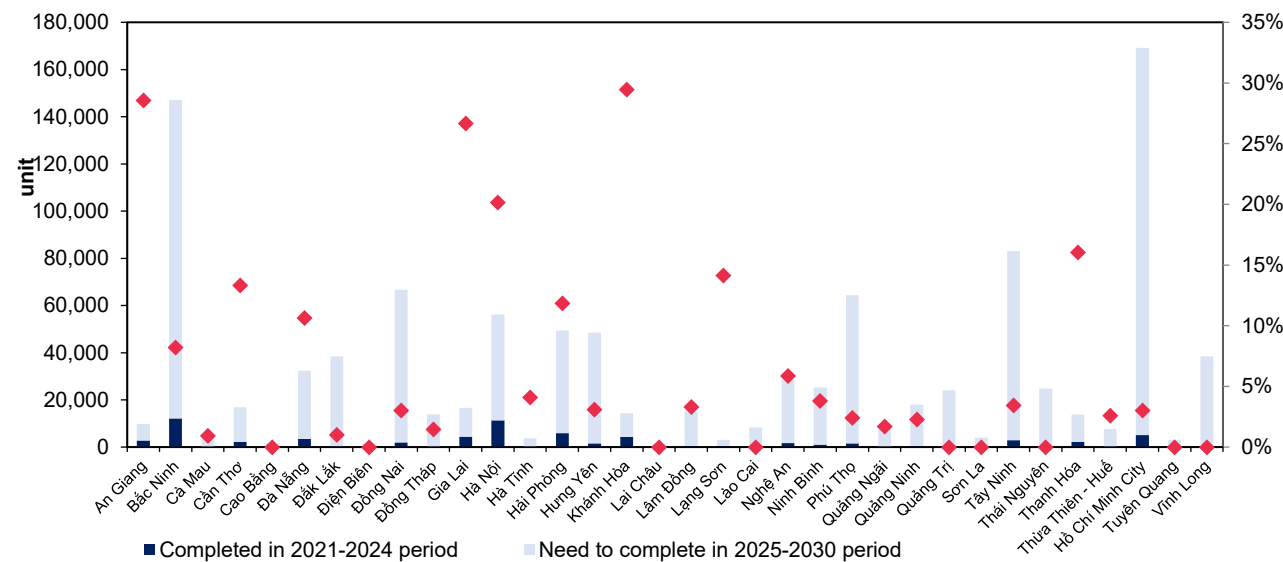
Proposal	Current regulation	Expected effects
Taxation on second real estate property	No existing regulation	Restrict real estate speculation
Implementation of a 20% tax on property transfer gain	A 2% tax on the transaction value	Benefits: (1) Increase state budget revenue; (2) Restrict real estate speculation. Limitations: Difficulty in determining input costs to accurately estimate capital gains from transfers.

Source: MBS Research's compilation

Tailwinds from legal reforms: More specific requirements on provincial social housing targets

- Although the supply of affordable housing (including social housing) improved qoq in 1Q25, it still accounted for only 13% of the total new offerings across projects. This has resulted in a supply-demand imbalance, as demand for this segment remains high - estimated at “millions of units,” according to VARS.
- At the end of 2024, only 6.3% of the national social housing development target for the 2021-2030 period had been achieved (target: 1.06 mn units). On February 27, 2025, the Prime Minister signed Decision No. 444/QĐ-TTg, assigning annual social housing completion targets through 2030 for localities to incorporate into their socio-economic development plans. This places pressure on accelerating the development of social housing projects during the 2025-2030 period.
- We observe that several listed companies with existing social housing projects or product lines are well-positioned to contribute to this target, given their experience in delivering cost-efficient developments. These include: VHM, VGC, BCM, NLG, and HDC. However, as the social housing segment has a low gross profit margin, it will not be key driver of these companies’ profit growth.

After the merger, Hồ Chí Minh City and Bắc Ninh were assigned the highest social housing targets, but completion rates still remain low



Source: Ministry of Construction, MBS Research

Some listed companies with social housing projects

Company	Province	Project
VHM	Thanh Hóa	Happy Home Thanh Hóa
	Hải Phòng	Happy Home Trảng Cát
	Khánh Hòa	Happy Home Cam Ranh
VGC	Hà Nội	CT3 CT4 Kim Chung Urban Area, Tiên Dương 1 social housing
	Bắc Ninh, Hà Nam, Quảng Ninh, Phú Thọ, Thái Bình	Social housing for industrial zone workers: Yên Phong (Bắc Ninh), Đồng Văn IV (Hà Nam), Phú Hà (Phú Thọ), Tiên Hải (Thái Bình)
	Bình Dương	Zone 6 Việt Sing, Zone 5 Định Hòa
BCM	Bình Dương	Zone 6 Việt Sing, Zone 5 Định Hòa
NLG	Cần Thơ	EhomeS Cần Thơ
HDC	Bà Rịa - Vũng Tàu	Ecotown Phú Mỹ

Source: MBS Research’s compilation

Tailwinds from legal reforms: Expansion of land use purposes for pilot projects

- In 2Q25, the Hà Nội People's Committee approved the implementation of pilot real estate projects under Resolution 171 of the National Assembly (Resolution 171/2024/QH15 dated November 30, 2024). Under this resolution, investors are permitted to negotiate land use rights for agricultural and non-agricultural land (such as commercial and service land) to develop commercial housing projects. Previously, developers were only allowed to carry out commercial housing projects if they had land designated for residential use.
- The approved list of pilot projects covers approximately 844 hectares, with a total investment capital of around VND 276 trillion. When granted pilot status, these projects are expected to help meet the growing real estate demand in Hà Nội. Several listed companies with projects included in this list stand to benefit from legal resolution and project activation, including DGC, VPI, G36, MIG, and PC1.
- Looking ahead, this sets a precedent for similar pilot initiatives in other localities, enabling more efficient use of land resources and addressing demand in more affordable segments. It also allows authorities to identify potential issues and work toward issuing formal regulations on land use purpose expansion. In Hồ Chí Minh City, 303 commercial housing projects have already been proposed for implementation under the pilot mechanism of Resolution 171.

Some companies that have projects among the 148 pilot projects in Hà Nội

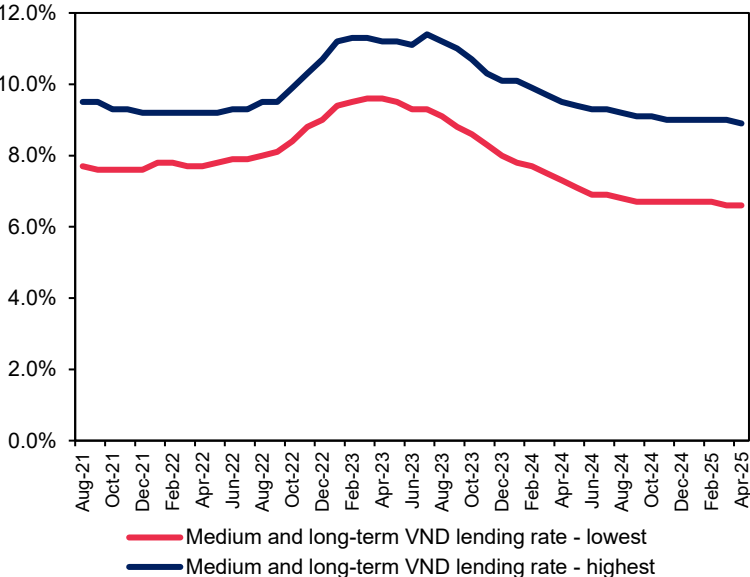
Project	Area (ha)	Investment capital (VND bn)	Company	Ticker
Đức Giang residential, school and public facilities complex	5.43	4,500	Đức Giang Chemical JSC	DGC
Văn Phú Complex Building	2.47	3,232	Consortium of Văn Phú Invest JSC (*) & Tân Trì Investment JSC	VPI (*)
6-8 Chùa Bộc high-rise complex	0.98	3,207	36 Corporation JSC	G36
MIC Tower Complex	2.53	2,485	Military Insurance Corporation JSC & MIC JSC	MIG
Yên Sở Ward mixed-use complex	1.71	1,744	Consortium of Hòa Phát Urban Development and Construction JSC (*) & Hòa Phát Equipment and Spare Parts LLC	HPG (parent company of (*))
Đồng Phát Phan Trọng Tuệ Complex Building	1.20	1,703	Đồng Phát Investment JSC & Vinaconex 39 JSC	PVV
Sông Hồng Tower	1.39	968	Sông Hồng General JSC	SHG
No. 63 Nguyễn Huy Tưởng multi-purpose residential complex	1.30	869	Postal Equipment JSC	POT
Cầu Diễn public park and low-rise area	0.92	800	Consortium of Hà Nội Rubber JSC (*) Quân Anh Mỹ Đình Real Estate Investment JSC	HRG (*)
Mixed-use office and residential project at D9 Khuất Duy Tiến street	0.30	647	Construction Corporation No.1 JSC	VC1
PC1 Gia Lâm Residential Area, Yên Khê Village	0.96	163	PC1 Group JSC	PC1
382 Đông Anh mixed residential complex	7.40	127	382 Đông Anh JSC	DAC

Source: Hà Nội City People's Council, MBS Research's compilation

Funding channels show signs of recovery: Credit has steadily grown despite facing several underlying limitations

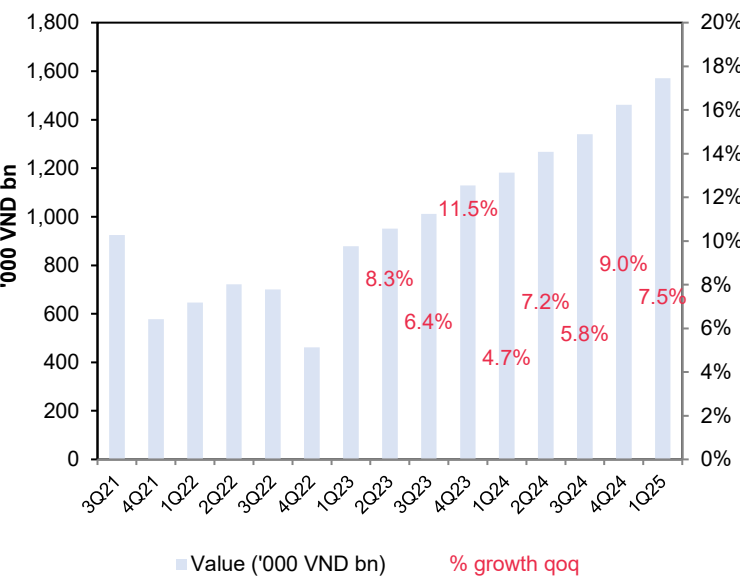
- Lending rates have remained stable at a low level: While this may not be considered a direct driver of improvements in real estate project execution, it nonetheless serves as an important buffer supporting credit growth in the real estate business sector.
- Since early 2023, outstanding credit for real estate business activities has shown continuous growth, signaling a recovery following the relatively subdued period of 2021–2022 after the pandemic.
- However, several limitations have emerged in the credit channel: (1) Overall credit outstanding is currently at a significantly high level relative to Vietnam’s GDP, potentially posing systemic risks due to the economy’s heavy reliance on credit financing; (2) Some banks have tightened real estate lending requirements due to limited credit room and the need to comply with capital adequacy ratios, which may restrict property developers’ access to funding for project implementation.

Medium and long-term lending rates remain stable at low level



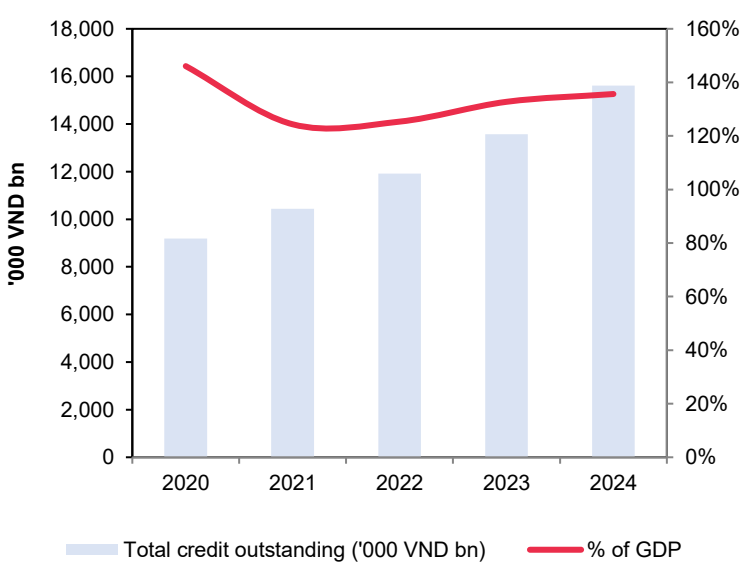
Source: FiinProX, MBS Research

Credit outstanding related to real estate business activities



Source: Ministry of Construction, MBS Research

Total credit outstanding is currently at a significantly high level relative to GDP

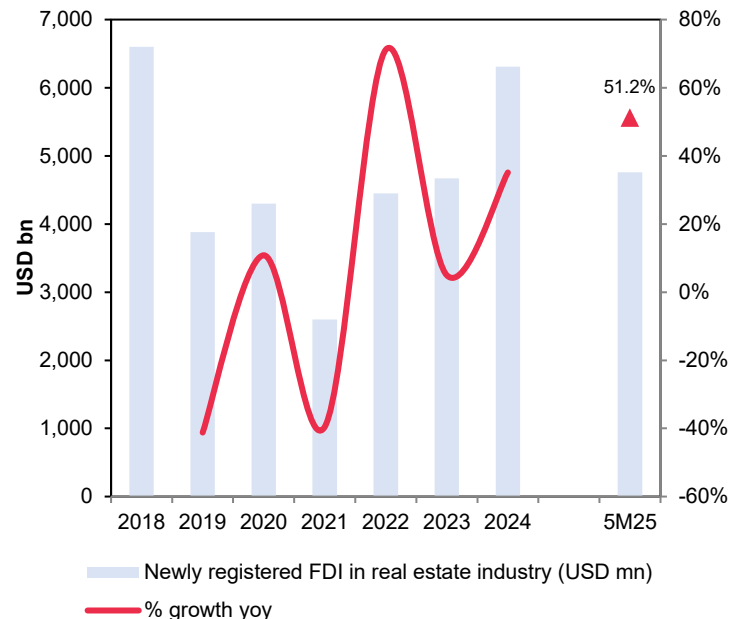


Source: FiinProX, MBS Research

Funding channels show signs of recovery: Movement towards a more diverse capital resource

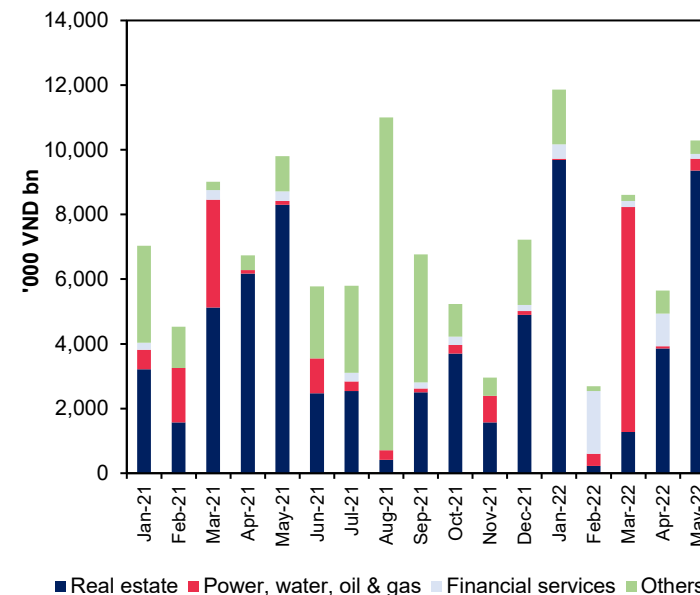
- Due to limitations in bank credit channels, many enterprises are increasingly shifting toward alternative funding sources for project development. These include bond issuance, equity offerings, and mergers & acquisitions.
- In 5M25, newly registered FDI in the real estate sector surged by 51.2% year-over-year, reaching approximately 75% of the total FDI value registered in this sector FY2024. This signals strong growth potential for 2025 and reflects improving prospects for capital mobilization to support domestic real estate development.
- The bond market has also shown early signs of recovery in the real estate sector, as investor sentiment stabilizes following the resolution of previous violations. In addition to new issuances, there has been a noticeable increase in early bond buybacks, easing refinancing pressure for the 2025-2026 period.

Newly registered FDI in real estate sector in 5M25 increased significantly yoy



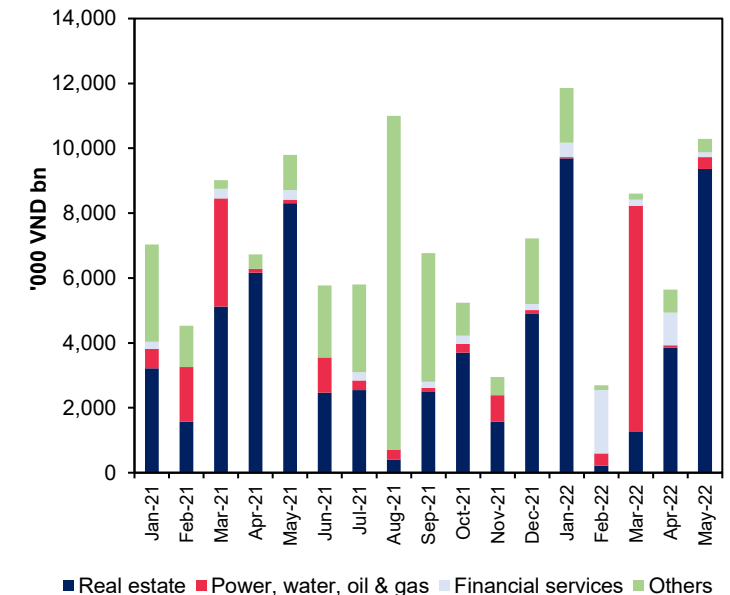
Source: Ministry of Planning & Investment, MBS Research

Successful issuance value of corporate bonds by the non-bank sector since the beginning of 2025



Source: FiinProX, MBS Research

The real estate sector intensified early bond buybacks in 2Q25



Source: FiinProX, MBS Research

Funding channels show signs of recovery: Movement toward a more diverse capital resource

Capital raising and debt restructuring plans of certain listed real estate companies

No	Company	Plan	Implementation status
1	VHM	Issuance of international bonds worth USD 500 mn	Issuance temporarily postponed in 2025
2	VHM	Public issuance of bonds in the domestic market	Specifics have not been publicly disclosed
3	NLG	Private placement of bonds worth VND 660 bn with a 3-year maturity	Successfully issued in 2Q25
4	NLG	Issuance of over 100 million shares to existing shareholders at a ratio of 26%, aiming to raise approximately VND 2.5 tn	Plan to implement in 2025
5	DXG	Offering 150.1 million shares to existing shareholders at 12,000 VND/share, raising VND 1.8 tn	Implemented in 1Q25
6	DXG	Private placement of 93.5 million shares to strategic shareholders at a minimum price of 18,600 VND/share	Approved in 2025 annual general meeting
7	PDR	Issuance of over 34 million shares at 20,000 VND/share to international investors to convert a USD 30 mn debt; the issued shares will be subject to a one-year transfer restriction	Converted in 2Q25

Source: MBS Research's compilation

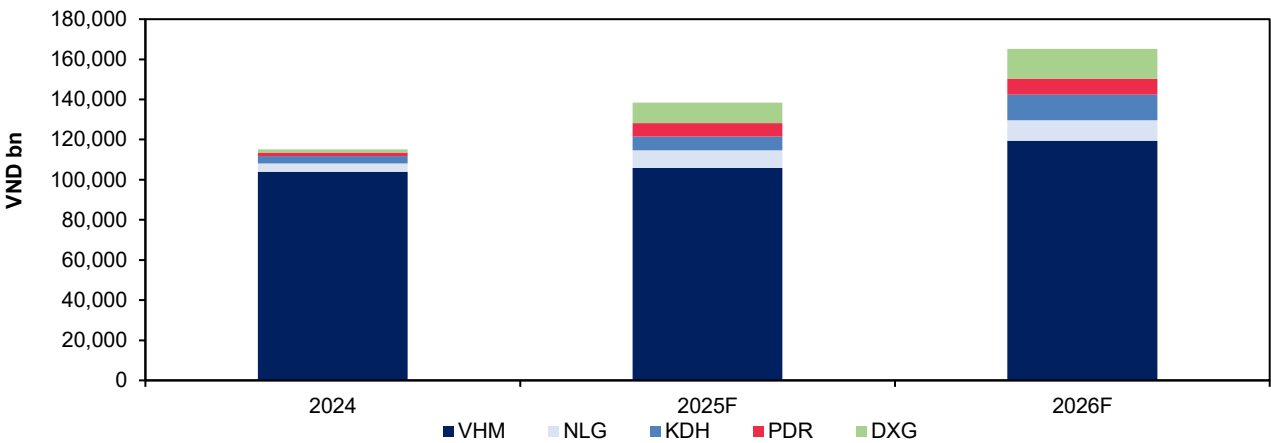
Investment strategy: Awaiting direct impacts on real estate companies’ business operation

- We believe that improvements in the legal framework, combined with gradually recovering funding channels, will positively impact real estate developers over the medium to long term. Developers with land banks in the highlighted beneficiary areas are expected to: (1) achieve stronger absorption rates at ongoing and upcoming projects, and (2) benefit from better pricing as regional infrastructure and economic conditions improve.
- Several real estate stocks have already shown positive price movements compared to early 2025 and relative to the VN-Index, partially reflecting the favorable developments mentioned above. However, we believe further upside remains thanks to improving sales momentum, resolved legal obstacles at certain projects and accelerating project execution. We believe that current valuations have yet to fully reflect this growth potential.
- We prioritize stock selection based on the following criteria: (1) Projects likely to benefit from legal reforms, either through accelerated execution or improved pricing; (2) Strong growth prospects in 2025-2026 supported by a solid project handover pipeline; (3) Attractive upside potential relative to target prices. Accordingly, we recommend **NLG** and **KDH** for our investment strategy in 2H25.

Potential benefits from legal reforms for certain listed real estate companies

	VHM	KDH	NLG	DXG	PDR	NVL	CEO	Comments
Provincial merger	x	x	x	x	x	x		Expected to Benefit from Infrastructure Improvements and/or Price Appreciation. Includes companies with projects in: Scenario 1: Provinces undergoing mergers with anticipated improvements in economic positioning; Scenario 2: New administrative centers or emerging mega-urban areas.
Social housing development	x		x					Companies with social housing projects or product lines are expected to record substantial workloads
Expansion of land use purpose for pilot projects under Resolution 171					x			PDR is expected to be assigned two pilot projects in Bình Dương under Resolution 171.
Recovering bond market	x		x	x		x		
Reduction in administrative processing time and costs	x	x	x	x	x	x	x	
Revival of special economic zones							x	CEO is expected to benefit from the proposed reactivation of the Vân Đồn economic zone

FY2025-2026 presale forecast of real estate companies under our coverage



Source: MBS Research’s compilation and projection

FY25-26F earnings forecast of companies under coverage

VND bn	VHM			NLG			KDH			DXG			PDR		
	2024	2025F	2026F	2024	2025F	2026F	2024	2025F	2026F	2024	2025F	2026F	2024	2025F	2026F
Revenue	102,323	94,339	136,224	7,196	5,056	8,461	3,279	5,944	6,500	3,745	4,460	6,384	822	4,096	5,214
Revenue growth (%)	-1.2%	-7.8%	44.4%	126.2%	-29.7%	67.3%	57.0%	81.3%	9.4%	0.5%	19.1%	54.1%	33.1%	398.4%	27.3%
Gross profit	32,967	33,238	53,587	3,057	2,049	3,903	1,740	3,321	3,746	1,975	2,420	3,309	399	1,629	2,505
Gross profit margin (%)	32.2%	35.2%	39.3%	42.5%	40.5%	46.1%	53.1%	55.9%	57.6%	52.7%	54.3%	52.1%	48.5%	39.8%	48.0%
EBITDA	26,383	27,612	44,598	1,714	1,089	2,189	1,321	2,562	2,891	562	712	804	184	1,325	2,108
EBITDA margin (%)	51.9%	65.0%	50.2%	23.8%	21.5%	25.9%	40.3%	43.1%	44.5%	23.5%	24.6%	32.5%	22.3%	32.3%	40.4%
Net profit after tax and minority interest (NPATMI)	31,801	39,192	43,616	518	747	1,066	810	979	1,056	234	305	481	155	722	1,412
NPATMI growth (%)	-4.7%	23.2%	11.3%	7.1%	44.2%	42.8%	13.2%	20.8%	7.8%	36.0%	30.3%	57.7%	-77.3%	365.3%	95.6%
EPS (VND/share)	7,742	9,542	10,619	1,346	1,939	2,768	801	968	1,044	228	387	540	178	826	1,617
BVPS (VND/share)	49,334	58,821	69,424	25,145	26,452	28,556	17,203	18,098	19,061	15,219	15,836	16,300	12,599	14,189	15,774
Net cash/ share (VND/share)	(25)	121	1,672	(12,397)	(16,464)	(16,374)	2,247	1,617	2,247	(1,549)	(573)	(1,200)	(1,058)	(164)	(654)
Debt/ Equity	23.8%	22.3%	19.8%	47.8%	43.4%	40.5%	36.5%	36.1%	35.7%	110.0%	110.0%	120.0%	48.3%	34.1%	26.0%
Dividend yield (%)	0.0%	0.0%	0.0%	1.5%	1.5%	1.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
ROAE (%)	16.7%	17.6%	16.6%	3.6%	4.9%	6.4%	4.2%	4.6%	4.6%	2.3%	4.0%	7.2%	1.4%	5.8%	10.2%
ROAA (%)	6.3%	6.8%	7.0%	4.6%	3.5%	5.2%	2.6%	2.8%	2.8%	0.9%	1.7%	3.2%	0.0%	0.0%	0.0%

Source: MBS Research's projection

Investment strategy: We prefer NLG and KDH

Ticker	Recommendation	Target price (VND/share)	Investment thesis
NLG	ADD	45,600	NLG is expected to benefit from ongoing legal reforms in the real estate market through several key channels: (1) Selling prices may trend upward in line with the provincial merger process, as NLG holds projects in several new administrative centers (Long An, Can Tho, and Hồ Chí Minh City) and is not impacted by increased land use fees; (2) Legal procedures are accelerating at key projects, notably Izumi City (which has been approved for adjustment in 1/500 masterplan following the revised zoning plan for Subzone C4 in Dong Nai) and Paragon Dai Phuoc. Additionally, NLG plans to divest a 15% stake in Izumi City, which is expected to generate approximately VND 200 bn in financial profit in 2025.
KDH	ADD	39,100	KDH is expected to benefit in the near term from several favorable factors: (1) Product selling prices may rise following the provincial merger, as HCMC is anticipated to become a new mega-urban area; (2) The company has already completed most of its land use fee payments prior to the sharp increase in land price valuations. In 2025, KDH's earnings will be supported by the handover of the remaining units at The Privia, alongside the launch and initial handover of low-rise products at two projects: Clarita and Emeria (Gladia). In 2026, we expect continued handovers from these two projects, along with initial contributions from The Solina project, which is anticipated to accelerate its legal procedures, complete infrastructure works, and commence sales by the end of 2025. In addition, the improving legal landscape is expected to support faster progress at other projects in KDH's pipeline, including the Tan Tao project. KDH is currently trading at a trailing P/B of 1.9x and a forward P/B of 1.8x, both below the 3y average of 2.0x.
DXG	HOLD	18,900	The key growth driver for DXG is its flagship project, The Privé (formerly known as Gem Riverside). We expect that, given the current shortage of apartment supply in the city center, The Privé could achieve a high absorption rate of approximately 80%. Furthermore, we project that the selling price could exceed VND 90 million per square meter, in line with comparable projects in Thu Duc City. Thanks to contributions from The Privé, net profit in 2026 is forecast to reach VND 481 billion, representing a 57.7% year-over-year increase, while pre-sales are projected to surge by 203% to VND 4.6 trillion. As of July 9, 2025, the project had recorded 4,108 booking. However, we believe that the current share price has already priced in most of the company's positive outlook.
VHM	HOLD	71,900	The residential market has shown more positive signs thanks to a series of newly issued policies aimed at easing legal bottlenecks and unlocking additional supply. In particular, the southern residential market is gradually attracting capital inflows after a prolonged period of stagnation. For 2025-26, we expect VHM to maintain strong growth, supported by a large unrecognized backlog from projects such as Royal Island, OCP 1, 2 & 3, and Grand Park, as well as new project launches this year including Wonder City, Green City, and Golden City. In addition, VHM holds a sizeable land bank in major mega projects such as Green Paradise (2,870 ha), Apollo City (5,540 ha), Phuoc Vinh Tay (1,090 ha), My Lam (455 ha), Lang Van (512 ha), and Quang Hanh (167 ha), which are gradually completing legal procedures and accelerating in progress, ensuring growth through 2030. VHM's share price is currently trading at a P/B of 1.53x, higher than its 3-year average P/B of 1.27x and roughly aligned with its RNAV-based valuation, suggesting limited upside potential. We believe investors may consider accumulating the stock upon price corrections.
PDR	HOLD	19,000	In 2025, PDR is expected to recover its earnings from the low base of 2024, driven by a rebound in core business operations. During the 2022-2024 period, amid weak sales and handovers of new projects, the company's profit was primarily supported by financial income from the liquidation of investment stakes - a non-recurring and unsustainable source. We believe that with progress in legal procedures at the Thuan An 1 & 2 projects and improved presales activity at the Bac Ha Thanh project, PDR's net profit is projected to grow by 365% and 96% YoY in 2025 and 2026, respectively. The recent sharp correction in the stock price appears to have largely priced in dilution risks stemming from the planned share issuance to restructure debt with ACA Vietnam.

Investment strategy: We prefer NLG and KDH

Company	Ticker	Current price	Target price	Market cap	Recommendation	<u>P/E (x)</u>		<u>P/B (x)</u>		<u>ROA (%)</u>		<u>ROE (%)</u>	
		VND/share	VND/share	(VND bn)		TTM	2025F	TTM	2025F	TTM	2025F	TTM	2025F
Vinhomes JSC	VHM	76,000	71,900	312,163	Hold	9.8	8.0	1.5	1.3	6.3	6.8	16.8	17.6
Khang Điền House Trading & Investment JSC	KDH	29,700	39,100	30,031	Add	33.1	30.7	1.7	1.6	2.9	2.8	5.3	4.6
Nam Long Investment Corporation JSC	NLG	39,150	45,600	15,076	Add	21.4	21.6	1.5	1.5	2.4	3.3	7.4	4.6
Phát Đạt Real Estate Development JSC	PDR	18,350	19,000	16,648	Hold	102.3	22.2	1.5	1.3	0.7	2.8	1.4	5.8
Đất Xanh Group JSC	DXG	17,100	18,900	17,423	Hold	55.2	57.2	1.4	1.0	0.9	1.0	2.5	2.5
No Va Land Investment Group Corporation	NVL	15,200	n/a	29,642	n/a	n/a	n/a	0.8	n/a	(2.7)	n/a	(18.0)	n/a
Hoàng Huy Investment Services JSC	TCH	20,900	n/a	13,966	n/a	16.3	n/a	1.4	n/a	5.6	n/a	9.1	n/a
Development & Investment Construction JSC	DIG	18,250	n/a	11,797	n/a	60.2	n/a	1.5	n/a	1.1	n/a	2.5	n/a
C.E.O Group JSC	CEO	18,000	n/a	9,727	n/a	50.3	n/a	1.6	n/a	2.2	n/a	3.2	n/a
Average						35.2	27.3	1.5	1.6	3.0	4.8	5.7	8.9

Source: Bloomberg, MBS Research

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MBS INVESTMENT RECOMMENDATION

Stock rating

Our investment recommendations are based on the expected profitability of the stock, calculated as the sum of (i) the percentage difference between target price and market price at the time of publication, and (ii) expected dividend yield. Unless otherwise stated in the report, investment recommendations have an investment horizon of 12 months.

ADD	The stock can generate a profitability of 15% or more
HOLD	The stock can generate a profitability of between -15% and 15%
REDUCE	The stock can generate a loss of 15% or more

Sector rating

POSITIVE	Industry stocks have Add recommendations on a weighted market capitalization basis
HOLD	Industry stocks have Hold recommendations on a weighted market capitalization basis
NEGATIVE	Industry stocks have Reduce recommendations on a weighted market capitalization basis

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