

Real estate: The market remains subdued amid high interest rates

- Primary supply is expected to remain elevated, supported by launches from major developers such as Vinhomes, Sun Group, and Masterise. We estimate the absorption rate at around 40–50% in 2H26, down 10ppt YoY.
- Real estate transactions declined 18% YoY in 1H26 as the market entered an adjustment phase. We expect market activity to remain subdued in 2H26 amid elevated interest rates.
- Project launches remained limited in 3Q26. VHM and VRE, which launched new projects, posted net profit growth of 312% and 15% YoY, respectively. In contrast, NLG, KDH, and DXG reported net profit declines of 52%, 36%, and 30% YoY, respectively, due to limited handovers from existing projects.

The real estate market remains in an adjustment phase amid a high-interest-rate environment

Following strong growth in 2024–25, the real estate market entered an adjustment cycle in 2026 amid a higher interest-rate environment. Elevated rates have increased financial pressure on both homebuyers and developers, resulting in a sharp YoY decline in market liquidity. According to the Ministry of Construction, transactions of apartments and landed houses declined 23% YoY to 26,567, while land plot transactions fell 40% YoY to 73,438. In 1H26, total transactions decreased 18% YoY to 239,860. We expect investors to remain cautious toward real estate investment as deposit rates continue to rise by approximately 30bps QoQ to 7.5–9.0% for 12-month tenors.

On the supply side, we expect primary supply to remain elevated in 2026–27, supported by major developers such as Vinhomes, Sun Group, and Masterise launching large-scale projects. In 1H26, Hanoi's apartment supply reached 16,600 units, up 57% YoY. Rising supply and elevated interest rates have contributed to a 10–20% YoY correction in secondary apartment prices, depending on location and product type, based on our observations. Meanwhile, average primary prices for newly launched projects reached VND95mn/sqm in 2Q26, up 21% YoY, mainly reflecting differences in product mix. In HCMC, apartment supply rose 228% YoY to 4,600 units, largely driven by projects in suburban areas launched in 1Q26. We expect the market to remain under pressure in the coming quarters, given persistently high interest rates and ample supply.

Real estate developers are focusing on project handovers while scaling back new launch plans for 2026

Amid downward pressure on selling prices from the weaker market, developers have scaled back new project launches. In 9M26, most new supply came from Vinhomes' large-scale projects, including Ha Long Xanh, Can Gio, and Hai Van Bay, while we have not identified any major launches by other listed developers over the next 1–2 quarters. With market conditions remaining challenging and absorption rates declining sharply YoY, most developers are focusing on handing over previously launched projects, which may weigh on YoY earnings growth.

More specifically, supported by handovers at Wonder City and Royal Island and new launches at Global Gate and Saigon Park, VHM is expected to deliver 321% YoY net profit growth. VRE's net profit growth is driven by newly operational shopping malls and improved occupancy rates. Meanwhile, DXG, KDH, and NLG are expected to see weaker YoY earnings, as limited handovers from existing projects constrain revenue recognition.

Firgue 1: Earnings Outlook for Real Estate Developers

No.	Ticker	Sector	Net profit forecasted				Comment
			3Q26	% YoY	2026	% YoY	
1	VHM	Real estate	17,251	↑ 312%	72,397	↑ 73%	Following the launches of Global Gate Ha Long and Saigon Park, VHM's backlog reached nearly VND200tn at the end of the previous quarter, with the two projects accounting for approximately 15% and 18%, respectively. We expect VHM to record bulk sales of around VND40–50tn from these projects in 3Q26. Meanwhile, Wonder City and Royal Island are expected to remain the key contributors to BCC profit, with projected revenue of approximately VND15tn. Accordingly, we forecast 9M26 net profit of around VND65tn, exceeding the full-year target.
2	VRE	Real estate	1,579	↔ 15%	6,329	→ -2%	We forecast VRE's 3Q26 net profit at VND1,579bn, up 14.8% YoY but down 1.9% QoQ, supported by resilient leasing performance, high occupancy, rising rents, and contributions from newly operational malls. Vincom Plaza Dan Phuong, which opened in late August with 93% pre-opening occupancy, is expected to contribute from 3Q26. Financial income also remained supportive, rising 29.1% YoY to VND1,680bn in 1H26. Accordingly, 9M26 net profit is projected at VND4,794bn, up 26.8% YoY.
3	DXG	Real estate	65	↓ -30%	320	↑ 40%	3Q26: Revenue is forecast to decline 53% YoY to approximately VND500bn, driven by a 60% YoY drop in brokerage revenue amid subdued market activity and limited handovers at Gem Sky World. Lower handover prices are expected to reduce gross margin by 8ppt YoY to 47%, while financial expenses may rise 50% YoY to VND60bn amid elevated interest rates. Consequently, net profit is projected at VND65bn, down 29% YoY.
4	KDH	Real estate	150	↓ -36%	1,290	↑ 23%	3Q26: Net profit is expected to decline as weaker market conditions slow absorption and handovers at the Gladia low-rise project.
5	NLG	Real estate	70	↓ -52%	790	↔ 5%	3Q26: Amid a weaker real estate market and elevated interest rates, net profit is expected to decline sharply due to limited handovers at Waterpoint (Phase 1) and Central Lake.

Source: Company financial statements; MBS estimates

Firgue 2: Peer comparison

Company	Ticker	Market Cap.	P/E (x)		P/B (x)		ROA (%)		ROE (%)	
			2025	2026	2025	2026	2025	2026	2025	2026
	Bloomberg	VNDbn								
Vinhomes Jsc.	VHM	558,360	10.8	10.3	1.9	1.7	7.3	5.6	16.6	14.8
Vincom Retail Jsc.	VRE	55,465	10.9	11.3	1.4	1.4	11.8	9.0	13.3	10.1
Nam Long Group	NLG	10,800	19.3	19.1	1.1	0.8	3.5	3.6	4.7	4.9
Khang Dien House Trading and Investment JSC	KDH	17,514	28.9	22.0	1.6	1.4	3.1	3.6	7.1	12.8
Phat Dat Real Estate Development Corp.	PDR	10,914	29.7	15.2	1.2	1.0	1.9	3.7	4.1	7.5
Bluemarq Group	DXG	13,075	50.0	31.4	1.2	1.1	1.0	1.6	2.3	3.3
Mean		88,387	25.6	17.5	1.3	1.1	4.3	4.1	7.2	8.0

Source: FiinproX, MBS Research

DISCLAIMER

This report has been written and distributed by MBS Research Center, MBS Securities JSC (MBS). It is based on information obtained from sources believed to be reliable, but MBS does not make any representation or warranty, express or implied, as to its accuracy, completeness, timeliness or correctness for any particular purpose. Opinions expressed are subject to change without notice. This research is prepared for general circulation. Any recommendation contained herein does not have regard to the specific investment objectives, financial situation and the particular needs of any specific addresses. This report and all of its content belongs to MBS. No part of this report may be copied or reproduced in any form or redistributed in whole or in part, for any purpose without the prior written consent of MBS.

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
NEUTRAL	Industry stocks have Hold recommendations on a weighted market capitalization basis
NEGATIVE	Industry stocks have Reduce recommendations on a weighted market capitalization basis

ABOUT MBS

Founded in May 2000 by the Military Commercial Joint Stock Bank (MB), MB Securities Joint Stock Company (MBS) is one of the first six securities companies in Vietnam. After years of development, MBS has grown into one of the premier brokerage houses in the country. In two consecutive years between 2009 and 2010, MBS leads the brokerage house in terms of market share on both Hanoi Stock Exchange (HNX) and HCMC Stock Exchange (HOSE) and continuously ranked among the Top 5 of market share at both stock exchanges

Address:

MB Building, 21 Cat Linh, Dong Da Dist., Hanoi

Tel: + 8424 7304 5688 - Fax: +8424 3726 2601

Website: www.mbs.com.vn

MBS RESEARCH TEAM

Director, Head of Research
Hien Tran Thi Khanh

Deputy Head of Equity Research
Dzung Nguyen Tien