

Legal hurdles to ease with the completion of Bien Hoa City's master plan

- Dong Nai province has completed adjustments 1/10,000 scale master plan for Biên Hòa City, with a focus on Zone C4.
- We anticipate completing the city's master plan will have positively impacts on the approval process for 1/500 detailed plans for projects in Zone C4 such as Aqua City and Izumi.
- Certain companies, such as NVL, NLG, and DIG, are expected to benefit from the resolution of legal issue in Zone C4.

Key adjustments in Bien Hoa City's Master Plan

On November 19, Chairman of the Dong Nai People's Committee Vo Tan Duc has signed Decision No. 3479, approving adjustments to the 1/10,000 scale general plan for Bien Hoa City through 2030 with a vision toward 2050.

The adjustments focus on population scale and land-use indicators for Zone C4, part of the urban area west of the Bien Hoa – Vung Tau highway. Specifically, total population of western urban area is adjusted to increase from 420,000 to 434,000 people. Of which, population in Zone C4 is adjusted to increase from 126,000 to 140,000 people.

Regarding land use standard, that of residential land is 45–55 m²/person; public land is 4–5 m²/person, green park space is: 8–10 m²/person; urban transportation land is 17–20 m²/person. These adjustments are based on the 2014 plan but revised to align with the city's new development orientation.

The completion of Bien Hoa city's master plan facilitate the progress of several projects in Zone C4

During 2022, several projects, such as Aqua City and Izumi, faced delays due to adjustments required for the 1/500 detailed plans, which were inconsistent with the city's general planning framework. The primary reason was the lack of alignment between Biên Hòa City's 2014 general plan and the detailed 1/500 plans of ongoing projects in the area. Therefore, we assess that the completion of Biên Hòa City's master plan will facilitate and expedite the approval process for project plans in Zone C4 (including Long Hung Commune, Phuoc Hung Islet, and Tam Phuoc Commune).

The completion of the master plan is expected to facilitate and accelerate the implementation of 1/500 detailed plans for subdivisions such as Stella 2 (21 ha), Riverside (81 ha), and Waterfront (91 ha) under the Aqua City project (NVL); Phase 1A2 (30 ha) of the Izumi project (NLG); and the 331 ha Long Tan Urban Area (DIG).

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Figure 1: Projects that may have their legal obstacles resolved and approval of 1/500 detailed plans



Project name: Aqua City

- Developer: NoVa Real Estate Investment Group (NVL)
- Ownership: 70%
- Location: Long Hung Commune, Bien Hoa City, Dong Nai Province
- Scale: ~1,000 ha
- Sales Progress: ~1,000 units sold across subdivisions like I-V, River Park, and Sun Harbour; ~700 townhouses and villas delivered.

- Legal Clearance: Legal issues have begun to be resolved for subdivisions in Zone C4, such as Stella 2 (21 ha, ~460 units), Riverside (81 ha), and Waterfront (91 ha), with promising prospects for completing 1/500 detailed plans soon.

Project name: Izumi City

- Developer: Nam Long Group (NLG)
- Ownership: 60%
- Location: Bien Hoa City, Dong Nai Province
- Scale: 160 ha (~13,000 townhouses and villas)
- Sales Progress: Phase 1A1 (220 townhouses) sold successfully and delivered between 2022–2024.
- Legal Clearance: Phase 1A2 (200 townhouses) is in the process of applying for approval of 1/500 detailed plans.



Project name: Long Tân Urban Area

- Ownership: 100%
- Location: Phu Thanh Commune, Nhon Trach District, Dong Nai Province
- Scale: 331 ha
- Main Products: Land lots and townhouses
- Legal Clearance: Land clearance has been completed, but the 1/500 plan is still under revision. Project implementation is expected post-2025.



We assess that the beneficiaries include NVL, NLG, and DIG.

Companies with projects in Zone C4 of Bien Hoa City are expected to have legal obstacles resolved and gain faster approval for 1/500 detailed plan, specifically, NVL (Aqua City project) with subdivisions Riverside (81 ha) and Waterfront (91 ha); NLG (Izumi project) with subdivision 1A2; and DIG (Long Tan Urban Area project). However, these companies may need to pay additional land-use fees after the planning adjustments due to increased population density and the newly issued land price framework under the amended Land Law.

Figure 2: Business performance forecast of several real estate developers

VNDbn	NLG		
	2023	2024F	2025F
Revenue	3,181	6,303	5,902
%yoy	-27%	81%	-2%
Gross profit	1,562	2,736	2,652
Gross profit margin (%)	49%	43%	45%
EBITDA	630	1,139	1,115
EBITDA margin (%)	20%	18%	19%
Net profit	484	547	576
%yoy	-13%	7%	11%

EPS (VND/share)	1,257	1,178	1,240
BVPS (VND/share)	35,170	35,200	33,716
Net cash/share (VND/share)	18,642	23,046	29,497
Liability/Shareholders' equity	12.8%	12.6%	11.5%
Dividend yield (%)	2.5%	2.2%	2.5%
ROAE (%)	5.2%	5.6%	4.5%
ROAA (%)	3.9%	3.7%	3.6%

Source: MBS Research

Figure 3: Peers comparison

Company	Ticker Bloomberg	Current price VND	Target price VND	Recommendation	Market price Million USD	P/E (x)		P/B (x)		D/E		ROE (%)	
						24	25	24	25	24	25	24	25
Real Estate Corporation													
Novaland Group	NVL VN Equity	11,250	NA	NA	1,068.9	10.5	NA	0.5	NA	1.5	NA	NA	NA
Phat Dat Group	PDR VN Equity	21,050	NA	NA	877.9	38.2	NA	1.5	NA	0.4	NA	4.5	NA
Dat Xanh Group	DXG VN Equity	17,250	25,100	ADD	509.0	40.3	37.9	0.8	0.7	0.4	0.4	1.6	1.8
Khang Dien House	KDH VN Equity	32,800	41,000	ADD	1,381.2	43.4	41.2	2.1	2.0	0.4	0.4	5.7	6.2
DIG Group	DIG VN Equity	20,750	NA	NA	646.7	137.1	NA	2.6	NA	0.4	NA	2.2	NA
Vinhomes	VHM VN Equity	43,300	54,700	ADD	8,555	4.6	4.1	0.8	0.7	18.5	17.9	7.4	7.6
Nam Long Group	NLG VN	37,900	45,000	ADD	733.3	30.9	25.0	1.4	1.3	0.5	0.5	5.6	4.5
<i>Mean</i>						43.2	27.5	1.4	1.1	3.1	4.8	4.5	5.1

Source: Bloomberg, MBS Research

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