



CHỨNG KHOÁN GUOTAI JUNAN (VIỆT NAM)
GUOTAI JUNAN SECURITIES (VIETNAM)

RESIDENTIAL REAL ESTATE

2025 Outlook

Mild recovery



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2025 OUTLOOK

The completion of the legal framework governing the real estate sector, marked by the introduction of three amended laws, has played a pivotal role in revitalizing the market in 2024. A streamlined legal framework has facilitated businesses in resuming unfinished projects and launching new developments, creating a more favorable investment environment

Moving into 2025, we anticipate that the real estate market will continue to thrive, driven by supportive policies and sustained demand for home purchases, both for residential purposes and investment. Additionally, the market stands to benefit significantly from rapid infrastructure development. A series of key infrastructure projects are currently underway to enhance regional connectivity, including the Ho Chi Minh City Ring Road 3, Hanoi Ring Road 4, and the completion of metro lines. These projects will expand urban development spaces, improve accessibility to central areas, and provide strong growth momentum for suburban regions

Despite these positive factors, **pricing barriers remain a challenge**, as property values have been anchored at a high level, affecting actual market liquidity. As a result, we expect a **moderate recovery in the short term**, with **clear differentiation among real estate enterprises** based on their financial strength and project portfolios.

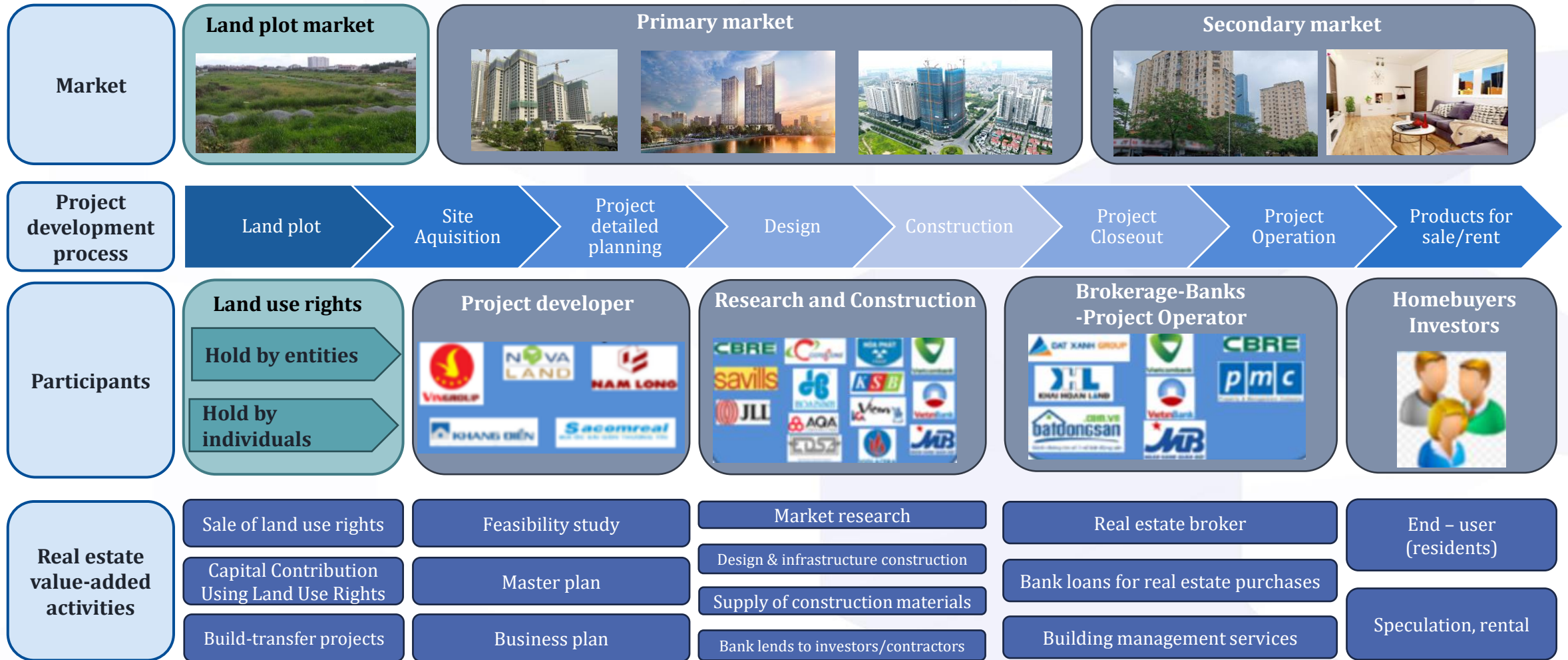
Regarding interest rates, we believe that **there is little room for further reductions**. However, the overall interest rate environment is expected to remain **low throughout 2025**, with only a slight potential increase. This will provide some support to the real estate sector, though high-end and large-value properties may still face affordability pressures.

2025 RE STOCK INVESTMENT OUTLOOK

We favor the following stocks: **KDH (Target Price: 40,300, Upside: 20.8%)** and **NLG (Target Price: 42,600, Upside: 29.7%)**, as they **align with** the following key criteria:

- (1) Having **projects ready for launch** in both the short and medium term, ensuring stable cash flow
- (2) Executing a **well-structured project pipeline**, focusing on phased developments rather than excessive expansion, while ensuring legal and financial obligations are met before the implementation of the new land pricing framework
- (3) Owning a **large clean land bank located in prime locations and provinces with high economic growth pace**, ensuring strong price appreciation potential and attracting genuine end-user demand for the projects
- (4) Demonstrating **strong project development capabilities**, with short development and sales cycles, consistently building a solid market reputation over the years
- (5) Possessing **strong financial resilience**, enabling these businesses to effectively adapt to regulatory changes during the transition to the new legal framework.





Source: GTJAS VN

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Contribute to economic development

- According to the General Statistics Office report, the real estate sector directly contributes 15% of the national GDP and has a spillover effect on 40 key industries of the economy, including construction, banking & finance, securities, insurance, tourism, and agriculture

The impact spread across multiple industries

- Research by the Vietnam Real Estate Association indicated that when the real estate industry grew by VND 1,000 billion, it stimulated the production value of other industry groups by VND 1,192 billion and contributed an additional value of VND 311 billion.
- Regarding employment, official statistics in 2021 showed that 4,545,000 people worked in the construction industry related to real estate projects, while 308,000 people were employed in the real estate business.
- These figures illustrated that jobs in the construction and real estate business sectors in Vietnam accounted for nearly 10% of total employment (49 million in 2021)

Attracting strong capital flows both domestically and internationally

- **FDI Inflows:** From 2014 to 2024, real estate business consistently ranked among the top three industries attracting the highest newly registered FDI capital (accounting for 10-15% of total new FDI), despite legal barriers and restrictions on real estate business for foreign-invested enterprises
- **Credit Capital:** According to statistics from commercial banks, as of September 2024, real estate lending reached VND 3.15 quadrillion (+15% YoY; +9.15% YTD). This figure accounts for approximately 21% of total credit in the economy, with a clear distinction between investment credit and consumer credit in the real estate sector

Holds a significant share of stock market capitalization

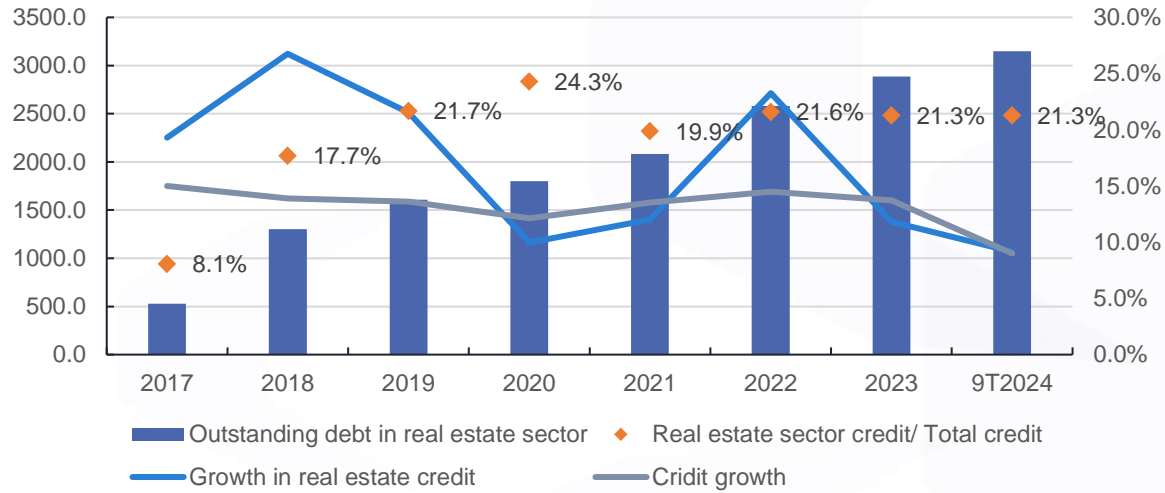
- As of November 2024, the real estate sector ranked second in market capitalization, reaching over VND 0.83 million billion, accounting for 12% of the total market capitalization across the HOSE, HNX, and UPCoM exchanges. It trailed only the banking sector, which held a dominant 30% market share

Source: GSO, VARs, GTJAS VN

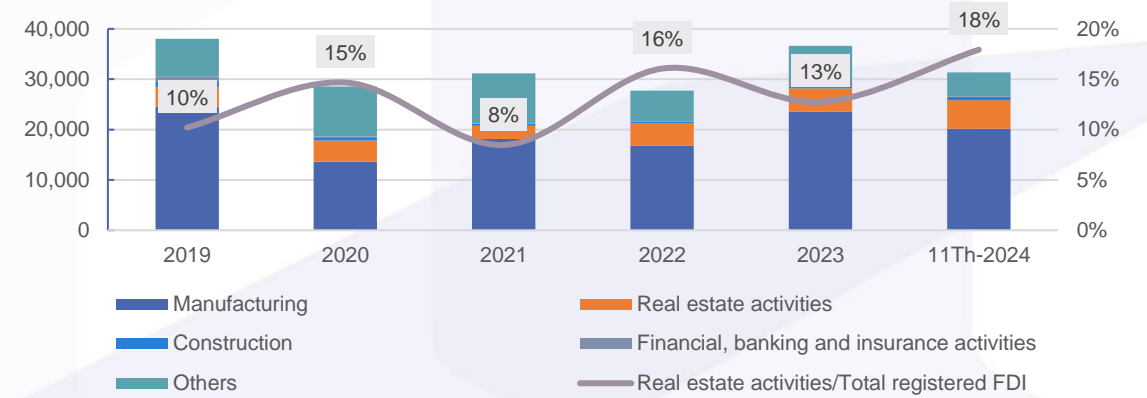
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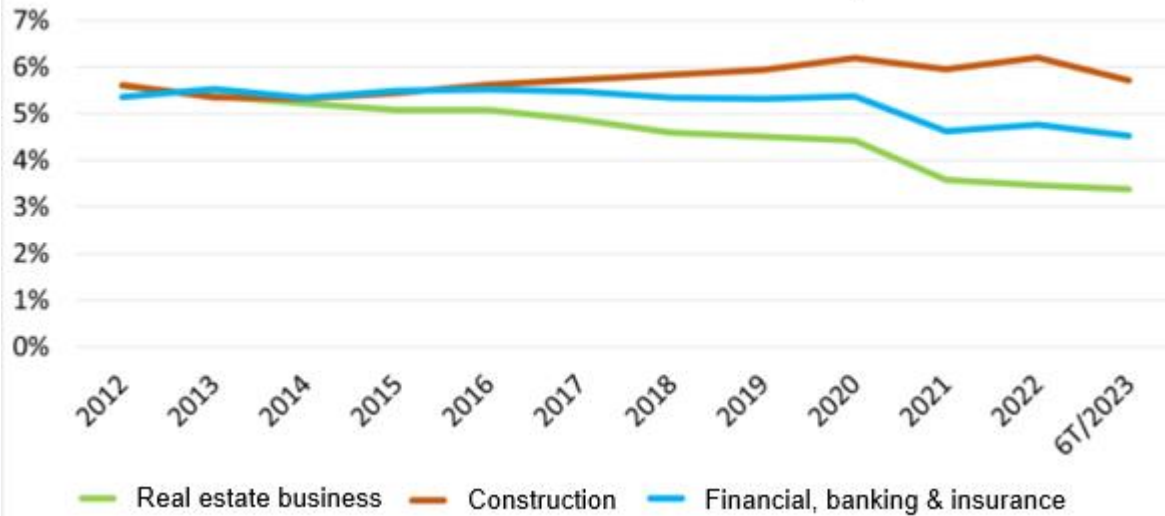
Industry position and influence



The scale of newly registered FDI capital in the real estate industry is gradually expanding and accounts for a high proportion in the structure of total registered FDI capital.

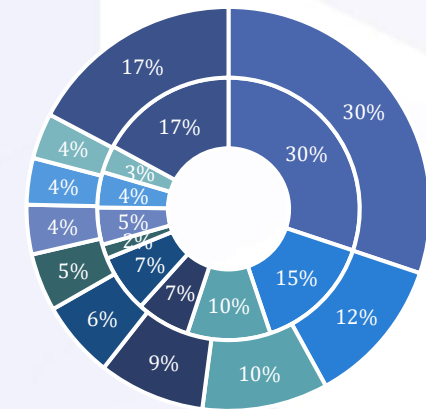


Contribution of real estate related industries to GDP growth



Market cap by sector on HOSE, HNX, UPCOM (In 2023; Out: end of 29/11/2024) Total capitalization at November 29, 2024: 7.02 trillion VND

- Banks
- Real Estate
- Food & Beverage
- Industrial Goods & Services
- Utilities
- Telecommunications
- Basic Resources
- Financial Services
- Chemicals
- Others



Source: SBV, GSO, GTJAS VN

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Legality, national and regional planning, infrastructure status, and capital are the four key factors that determine the development or suppression of the real estate market. After the localized land fever from 2020 to early 2022, the market entered a state of stagnation from the second half of 2022, experiencing a sharp decline in supply, housing demand, and transaction volume due to four main obstacles:

Legal obstacle

- Real estate development procedures are governed by multiple laws, with different enactment times leading to overlaps and contradictions. Weak coordination among state management agencies further prolongs the legal approval process for real estate projects
- The intensified inspection and examination since 2019 have been prolonged, causing many projects with legal violations to halt construction and leading to legal bottlenecks. Additionally, the handling of numerous violations has created hesitation and fear of accountability among regulatory agencies in approving projects.
- The continued application of outdated land price lists for land auction and compensation fails to reflect market prices, resulting in inconsistencies in land acquisition. This puts affected landowners at a disadvantage, leading to disagreements and resistance.

Unsynchronized master plan

- Ineffective planning; lack of consistency and synchronization between central planning and local planning
- Lack of land fund for social housing development

Infrastructure

- poorly connected infrastructure.
- Infrastructure in major city centers is overloaded, with no room for further development and lacking radial urban connectivity.
- Insufficient auxiliary infrastructure

Difficulties in capital mobilization

- Legal bottlenecks in project implementation also hinder real estate businesses by (i) restricting access to bank loans and (ii) impacting their financial situation and cash flows.
- Since 2022, conditions for corporate bond issuance have been tightened following a series of regulatory crackdowns on violations

Identifying the main obstacles to the development of the real estate market as well as the economy as above; from the end of 2022 - 2023, the Government and the National Assembly have continuously issued legal documents and orientations to remove market difficulties; however, the policies, although having a local improvement impact on the real estate market in the short term, cannot completely resolve legal overlaps or have a long-term and widespread impact on the entire market.

Source: GTJASVN



2024 is the pivotal year for a new development cycle



From Q4.2023 to the end of 2024, the real estate market's problems will be clarified and the focus will be on removing bottlenecks related to:

1. Resolving legal obstacles

- From Q4 2023 to January 2024, three important amended real estate laws were simultaneously passed.
- Effective from August 1, 2024—five months earlier than expected—these revised laws aim to improve the legal framework and accelerate the resolution of supply bottleneck.
- A series of guiding documents for law implementation were introduced.
- Throughout 2024, the Government has established specialized task forces and organized multiple meetings with ministries and enterprises to expedite the legal resolution process for real estate projects.

2. Approval of the provincial master plan

As of the end of 2024, 61 out of 63 provinces have completed the approval and announcement of their provincial planning for the 2021–2030 period, with a vision toward 2050.
→ This facilitates investment approval, the approval of 1/500 detailed planning, and land-use conversion procedures for projects. It also provides a framework for spatial development direction and the implementation plan for transportation infrastructure and utilities within the area

3. Promote infrastructure development

- Increasing disbursement of public infrastructure investment: 11 sections of the North-South Expressway Phase 1 have been completed and put into operation, increasing the total length of expressways nationwide to 2,021 km
- Radial infrastructure projects in large urban areas are being accelerated and put into use: Metro (HCMC); 6 bridges are about to start construction in Hanoi, ...

4. Capital support policies

- Since the beginning of 2023, the SBV has reduced the operating interest rate 4 times, bringing the current refinancing interest rate down to 4.5% (lower than the Covid period in 2020). Thus, the medium and long-term lending interest rate is currently fluctuating around 6.7% - 9.1% (down from 9.3% - 11.4% in mid-2023)
- 2024, maintaining low interest rates despite persistent exchange rate pressure

In previous real estate market development cycles, after each period of law adjustment, the market will gradually recover each year. We expect that in 2025, the real estate market will enter a new recovery phase based on 3 main drivers: low interest rates - upgraded infrastructure - improving legal framework.





Vietnam Real Estate Market 2024 Overview

Legal Framework: The passage of amended laws, along with efforts to resolve legal bottlenecks in real estate projects, has been a key highlight of the past year

Supply has improved but remains fragmented; the northern market is booming, while the southern market remains stagnant

Average house prices increase rapidly in Hanoi while in the South, growth rate is single digit

Businesses focus on capital restructure, with fundraising methods gradually becoming more diverse

Source: GTJAS

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1/ At the beginning of 2024, three major laws related to the real estate sector were successively enacted

The amended and supplementary provisions are expected to resolve overlapping legal issues and the lack of clear guidance, which have previously caused bottlenecks in project supply. At the same time, these legal changes aim to protect homebuyers' rights, alleviating concerns and strengthening consumer confidence in the market.

2/ Following the approval of these three major laws, the corresponding implementation guidelines have also been gradually introduced to ensure effective enforcement

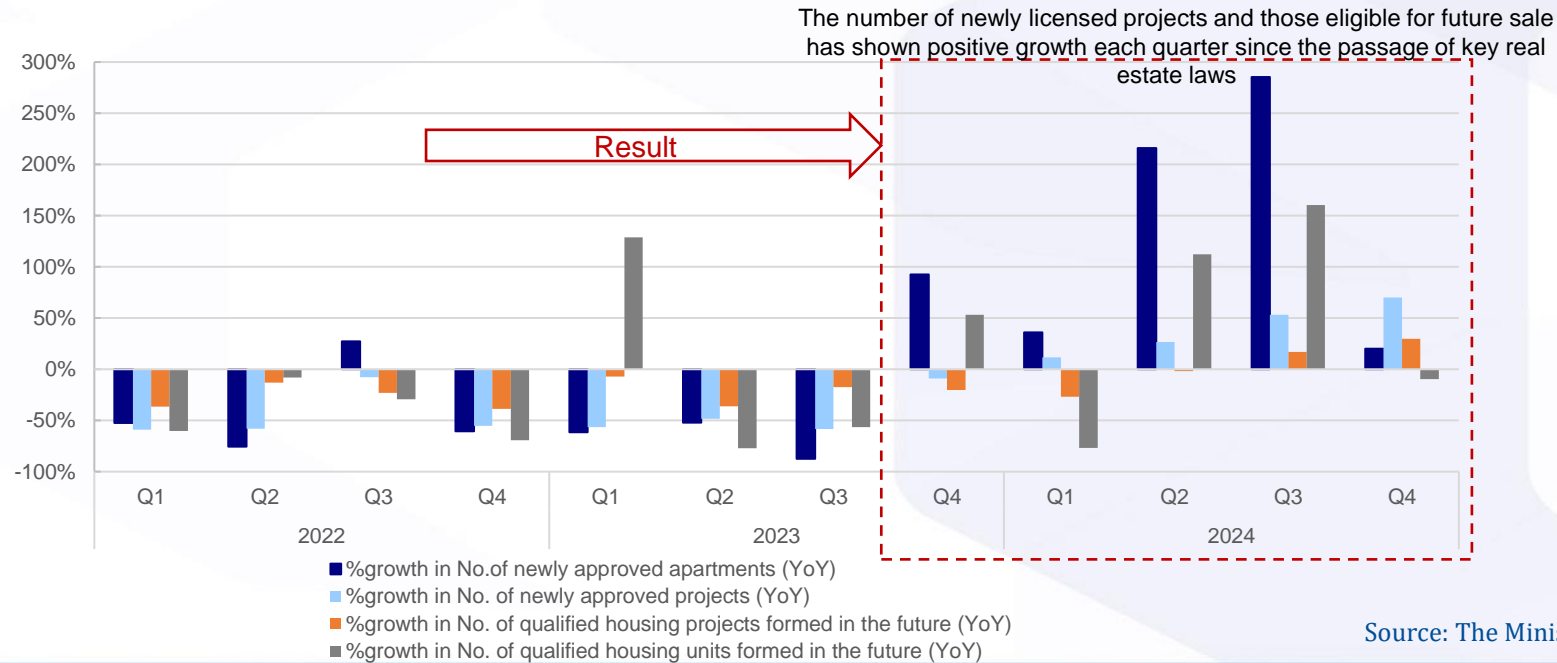
Law/ Policy	Key provisions
Law No. 43/2024/QH15 – Amended Law, dated June 29, 2024	Amending and supplementing a number of articles of 3 real estate amended laws and Law No. 32/2024/QH15 on Credit Institutions. Stipulating that the Land Law, Housing Law, and Real Estate Business Law will take effect from August 1, 2024, instead of 2025.
Decree No. 71/2024/NĐ-CP, dated June 27, 2024	Regulates the determination of land prices through guidelines on applying four valuation methods: direct comparison method, income-based method, surplus-based method, and land price adjustment coefficient method.
Decree No. 88/2024/ND-CP, dated July 13, 2024	Regulates on compensation, support and resettlement policies when the State acquires land
Decree No. 103/2024/ND-CP, dated July 30, 2024	Regulates on calculation, collection and payment of land use fees and land rent.
Decision No. 79/2024/QĐ-UBND on amendments and supplements to Decision No. 02/2020/QĐ-UBND, dated October 21, 2024	Updates and adjusts the land price list in Ho Chi Minh City to more accurately reflect market prices
Decree No. 100/2024/NĐ-CP, dated July 26, 2024	Provides detailed regulations on certain provisions of the Housing Law regarding the development and management of social housing, aiming to encourage investor participation by offering incentives such as land use fee exemptions for areas designated for social housing within commercial housing projects
Decree No. 94/2024/NĐ-CP, dated July 24, 2024	Provides detailed regulations on certain provisions of the Real Estate Business Law regarding the development and management of information systems and databases on housing and the real estate market
Circular No. 04/2024/TT-BXD, dated July 30, 2024	Provides guidelines on the training framework for real estate brokers and the operation of real estate trading floors
Official Telegram No. 79/CĐ-TTg, dated August 13, 2024, issued by Prime Minister Pham Minh Chinh	Directs ministries, sectors, and local authorities to effectively implement the Land Law, Housing Law, and Real Estate Business Law, aiming to create new momentum for socio-economic development and establish a favorable investment and business environment for enterprises and citizens





3/ Accelerating the Resolution of Legal Obstacles for Pending Projects

In 2024, the real estate market saw a positive recovery driven by changes in the legal framework. In 2024 alone, alongside the issuance of legal implementation guidelines, the government established specialized task forces and held multiple meetings with ministries, agencies, and businesses to expedite the legal clearance of real estate projects. The number of approved and legally resolved projects improved gradually throughout 2024, especially in Q3 and Q4, following the crucial milestone on August 1, when regulatory hurdles were officially addressed. According to the Ministry of Construction, over 400 projects nationwide were under legal review in 2024, with more than 210 real estate projects successfully cleared—particularly in Hanoi and Ho Chi Minh City. In Ho Chi Minh City alone, 77 out of 143 entangled projects were resolved, accounting for a 54% success rate. Aggregated data from the Ministry of Construction indicates that the number of newly licensed projects and housing units showed positive growth year-over-year, starting from Q4 2023. Notably, the growth rate of housing units outpaced the growth rate of newly licensed projects, suggesting that recent approvals involve large-scale developments with abundant housing supply. This trend is reflected in the launch of major suburban mega-urban projects. Additionally, the number of projects and housing units eligible for future formation has also been on an upward trend since Q3 2024, promising a substantial new supply for the market in the next 1–2 years.



Source: The Ministry of Construction quarterly updates, GTJAS VN

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Efforts to implement new laws have been acknowledged; however, challenges remain in their execution at the local level, as well as in certain aspects of project development:

➤ **(1) Delay in issuing local-level implementation guidelines:**

Most implementation guidelines under local jurisdiction have yet to be issued, significantly impacting the enforcement of new laws, as many key provisions have been delegated to local authorities. Particularly in land valuation, many localities have failed to promptly issue decisions adjusting land prices or standardizing new land price lists. This has led to several consequences:

- Thousands of applications for land-use conversion, transfers, and certification remain pending as financial obligations cannot be settled. Tax authorities have delayed processing due to the lack of updated land price guidelines for calculating land use fees (LUR).
- The continued use of outdated land price lists as the starting price for land-use rights auctions has resulted in significant disparities between auctioned prices and initial valuations. This discrepancy causes market instability, negatively affects public sentiment, and could lead to revenue losses for the state budget

➤ **(2) Lack of implementation guidelines for social housing policies, which led to:**

- Difficulties in verifying housing conditions and income eligibility, as agencies responsible for enforcement lack clear procedural guidance.
- Delays in loan disbursement for social housing purchases or lease-purchase agreements, as banks are waiting for allocated funding to process applications handled by the Social Policy Bank

➤ **(3) The change in the authority responsible for issuing land use right certificates has caused difficulties in processing applications for land use rights and property ownership certificates, particularly for undocumented land**

The responsibility for receiving applications has been transferred from the Land Registration Office to the District Department of Natural Resources and Environment. However, the department has yet to receive guidance from central and provincial authorities and has not updated its database in time, leading to delays in issuing initial land use right certificates.



Policies supporting social housing have yet to deliver effective results

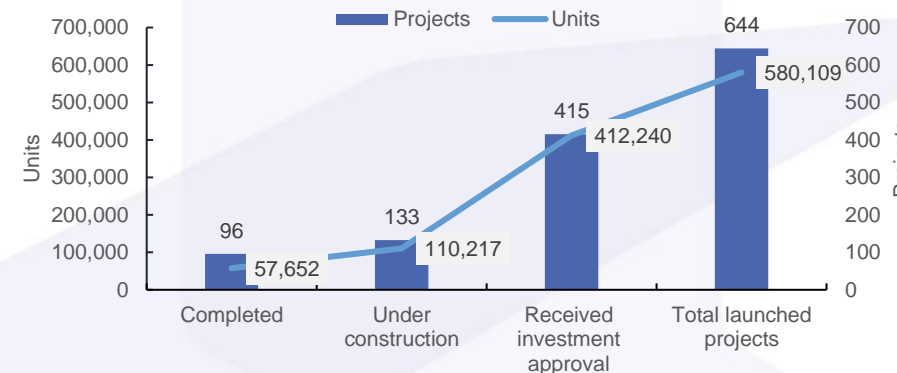


For the social housing (NOXH) segment, which has been a key focus of policy support to address housing needs during 2023–2024 amid the disappearance of affordable supply from the market, the implementation of policies aimed at boosting NOXH supply has remained quite limited:

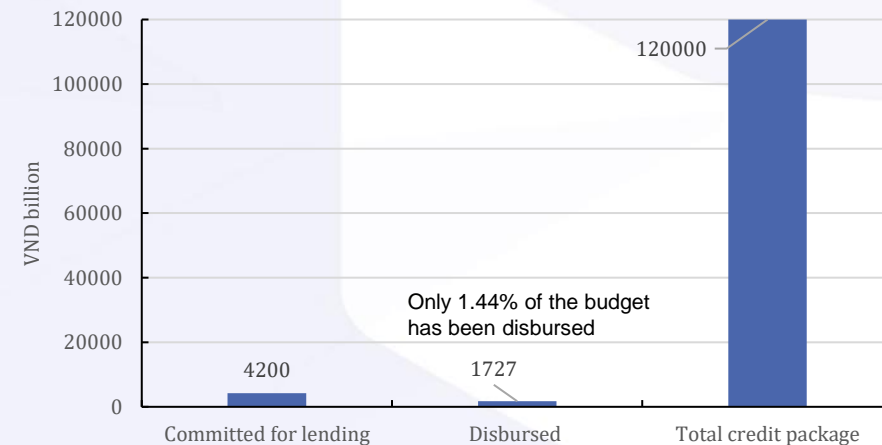
The implementation results have only achieved 13% of the targeted units for the 2021-2025 period. Social housing projects have failed to reach those in genuine need, while prices have surged due to a severe supply shortage



Although many projects have been implemented, 64% remain at the stage of investment policy approval, while 21% have commenced construction but have yet to be completed. The key obstacles include legal complexities, funding constraints, and insufficiently



By the end of 2024, 36 out of 63 provincial People's Committees had issued official documents and announced projects eligible for preferential loans on their electronic information portals. A total of 83 projects met the loan eligibility criteria, of which



Source: MoC, GTJAS VN

In general, newly enacted laws and policies require **6 months to 1 year** to gradually take effect in practice, after:

- A period for officials, regulatory agencies, and businesses to familiarize themselves with and adjust legal procedures in accordance with the new legal framework.
- The successive issuance of sub-law documents providing specific implementation guidelines at the local level.

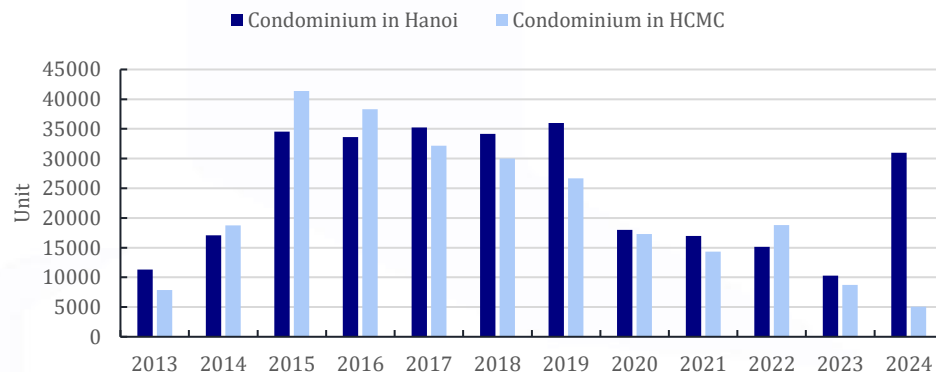
Historically, the introduction of new laws in the 2013-2014 period played a significant role in boosting project supply and transaction activity in the subsequent years.



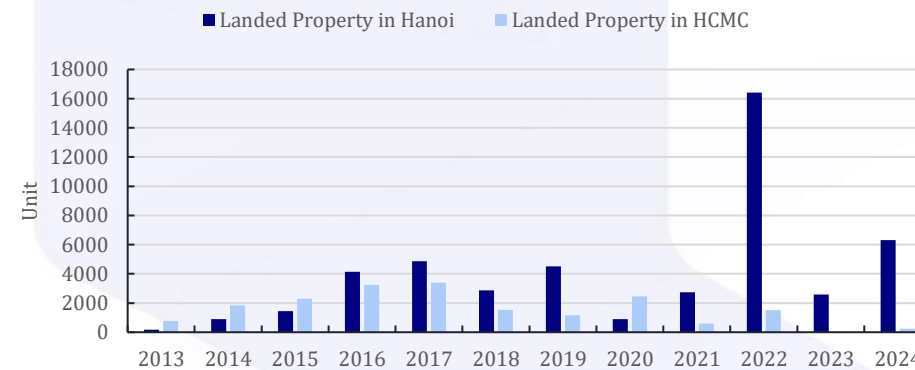
In 2024, the new supply in the market recovered selectively with the following characteristics:

- i. Newly launched projects were mainly concentrated in the northern market, including Hanoi and neighboring provinces
- ii. New condominium supply primarily came from :
 - (1) Component projects within large mega-urban developments or
 - (2) Later phases of existing projects, including remaining inventory units from previously launched developments
 - (3) Projects that were previously halted due to legal obstacles are now being resolved and restarted. Some of these projects are even being relaunched at significantly higher prices than their initial launch
=> have the advantage of pre-established legal compliance and readily available, diverse, and self-contained internal amenities;
- i. For newly launched projects in independent residential areas, the projects feature prime locations, convenient connectivity to the city center, and high construction quality
- ii. All projects come from reputable developers who have previously gained recognition for delivering projects on schedule with high construction quality, full legal compliance, and strong financial capacity;
- iii. The above projects were aggressively marketed before and during the sales launch, accompanied by various incentives, deep discounts for early payments, and rental commitments to generate cash flow for homebuyers

New condominium supply in Hanoi and Ho Chi Minh City



New supply of landed properties in Hanoi and Ho Chi Minh City



Source: CBRE, GTJASVN





New housing supply in Hanoi comes from projects that had legal readiness in the previous phase

Condominium:

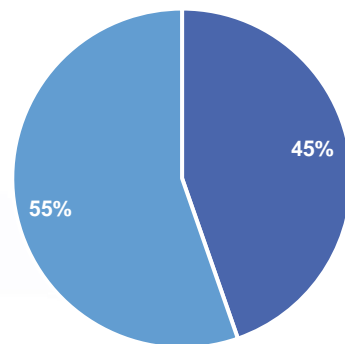
- Notably, over the past year, the market has witnessed the return of residential projects in prime inner-city locations after a prolonged absence due to legal challenges. Luxury projects such as The Ninety Complex (located near Nga Tu So in the city center), The Noble Crystal (Tay Ho District), and The Nelson Private Residence (29 Lang Ha, Dong Da District) have achieved strong sales performance, catering to both end-users and rental investors.
- Developers actively marketed these projects before their official launch, offering various incentives and payment discounts, which contributed to their positive sales results. Additionally, the already high and long-suppressed demand for inner-city housing—exacerbated by years of supply shortages—combined with the opportunity to take advantage of low mortgage interest rates, further encouraged buyers to make prompt purchasing decisions.

Landed properties:

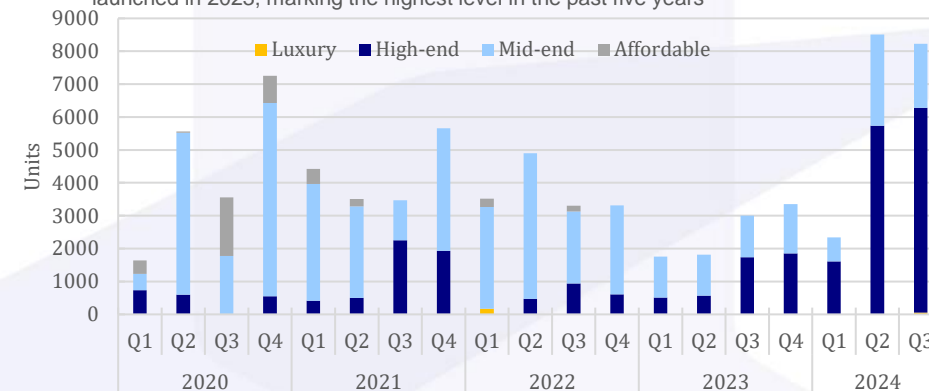
- Positive market sentiment has also spread to the villa and landed property segment, prompting developers to accelerate their sales progress. Some projects have already begun accepting reservations for new buildings or have brought forward their 2024 sales plans. Overall, in 2024, the total new supply of landed housing in Hanoi reached over 6,300 units—the highest level in the past five years.

45% of newly launched apartments came from mega-urban areas in the East and West of the city, where VinGroup played the role of the primary developer and supplied units wholesale to secondary developers. This provided a significant advantage in terms of s

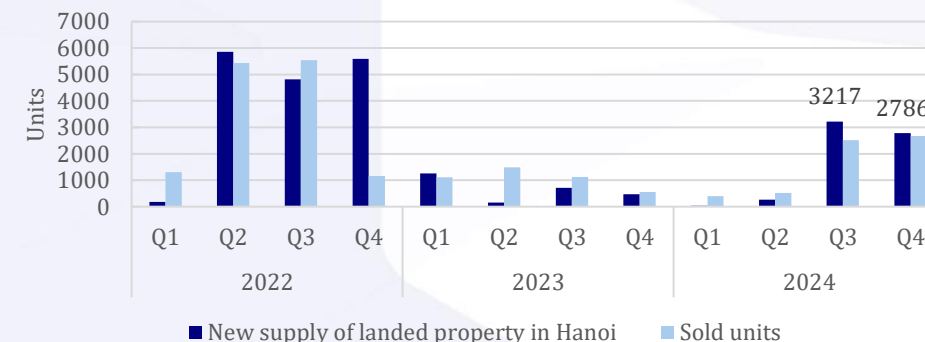
- Supply comes from projects within VinGroup's mega-urban developments
- From other developers



According to CBRE, the total new apartment supply launched in the Hanoi market in 2024 reached over 30,000 units, nearly three times the number of units launched in 2023, marking the highest level in the past five years



The supply of landed real estate in Hanoi grew strongly in the second half of 2024, mainly coming from low-rise units in the Vinhomes Global Gate mega-urban area (Co Loa, Dong Anh) and the next sales phases of Vinhomes Ocean Park 2 & 3 (Gia Lam, Hanoi)



Source: CBRE, VARS, GTJAVN





Compared to the strong recovery of the Hanoi market, the real estate market in Ho Chi Minh City remains relatively subdued

Condominium:

- The supply of apartments in Ho Chi Minh City hit a record low in 2024, partly because many developers needed more time to assess market sentiment before launching their products, leading to the postponement of several projects to later years. Another reason is that few projects met the legal requirements to sell future-formed real estate (on-paper properties).
- Ho Chi Minh City is expected to see over 9,000 new apartments for sale in 2025, nearly doubling the supply of 2024 but only slightly surpassing 2023 - which was the lowest supply level since 2013.

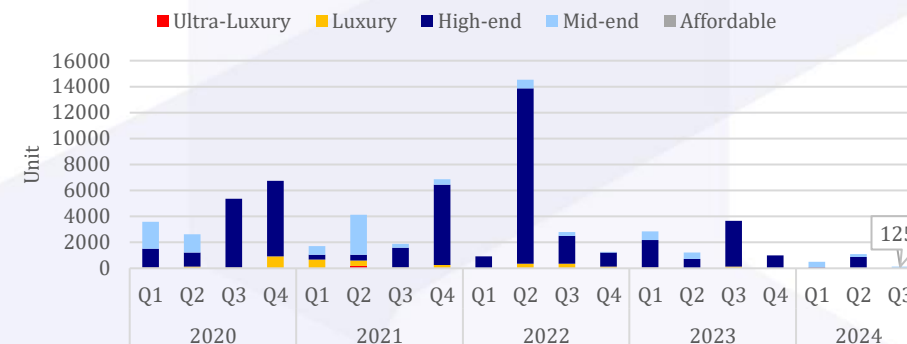
Villas and townhouse

- After a limited supply of new sales in 2023, the new supply of townhouses and villas in 2024 reached over 230 units—an eightfold increase from the previous year. However, this remains a modest figure compared to the 2016-2022 period. Unlike the Hanoi market, the supply of townhouses and villas in Ho Chi Minh City over the past two years has not come from large-scale urban projects. As a result, the new supply in 2024 is only 10%-20% of the levels seen in that period.
- The largest new supply of the year comes from a project in the western area (Binh Chanh District), which launched over 130 units at the beginning of the third quarter. Other newly launched projects remain small in scale, with only about 10-50 units per sales phase. Despite consistently high housing demand, the sales rate of newly launched projects in 2024 has reached nearly 80% of available units..

The new supply over the next three years will come from suburban urban areas

The new supply in Ho Chi Minh City in 2025 is expected to reach over 2,000 units, an eightfold increase compared to 2024. In the coming years, the supply of landed properties will continue to improve, driven by newly developed urban projects from sub-urban area in the East and South of the city. These new projects vary in scale, ranging from over 10 hectares to more than 300 hectares. Notably, some projects span up to 900 hectares and nearly 3,000 hectares, providing the market with a substantial supply of ready-built low-rise housing units

Ho Chi Minh City market in 2024 recorded only 5,050 newly launched apartments for sale (-40% YoY), marking the lowest level from 2013 to 2024. Most of the new supply comes from inventory of older projects in the primary market, offering similar quality at



Launch time	Projects	City	Units	Price (m/m ²)
Jan-24	The Privia	HCMC	-	50
Jun-24	Eaton Park	HCMC	2,000	120-142
Jun-24	The Aurora	HCMC	-	90
Jul-24	Khai Hoang Prime	HCMC	-	49
Aug-24	The Opus One	HCMC	-	82
Jul-24	Fiato Uptown	HCMC	-	55
Aug-24	King Crown Infinity	HCMC	-	99-125
Oct-24	The Global City	HCMC	-	188
Oct-24	Lavida Plus	HCMC	400	50
Nov-24	CC5 Mizuki Park	HCMC	824	55
Nov-24	MT Eastmark City	HCMC	350	45-46

Source: CBRE, VARS, GTJAVN

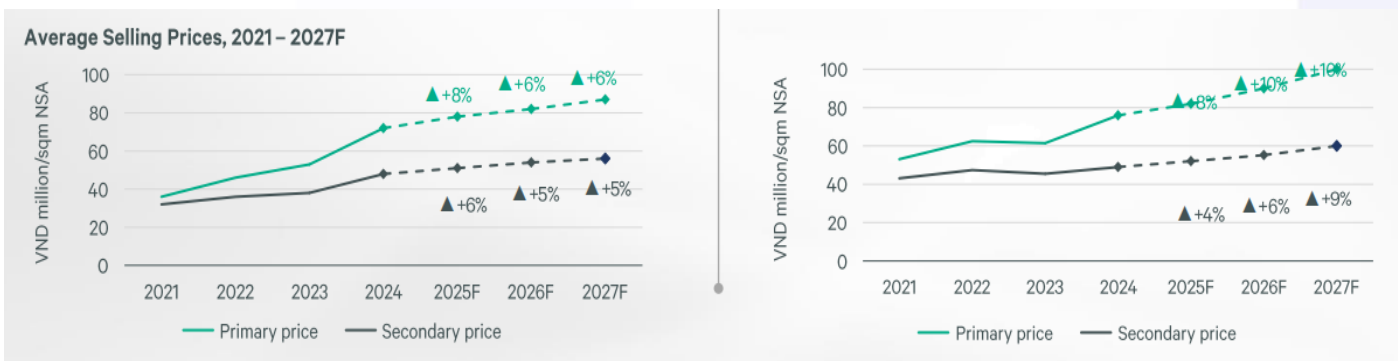




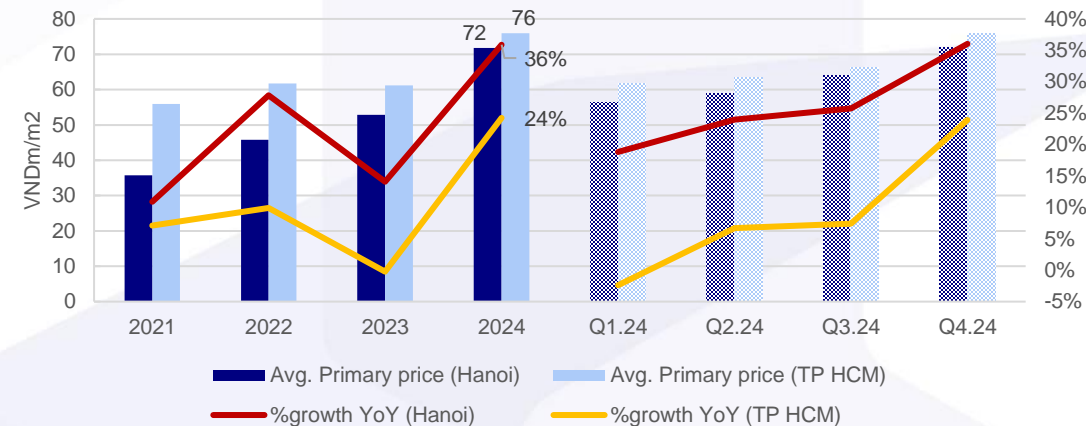
Narrowing price gap between Hanoi and Ho Chi Minh City markets

The main reason for this difference lies in Hanoi's market, where the dominance of high-end properties (accounting for 75% of new supply) has driven primary prices upward. New launches have attracted speculative investors looking for capital gains, especially in the context of low mortgage rates. Primary price increases have also spread to the secondary market due to: (i) A shortage of new mid-range supply, pushing demand toward to old apartments that have been launched for many years, which offer good construction quality, central locations, and secure legal status. (ii) Infrastructure improvements, such as completion of new metro lines and ring roads, which have made projects along these routes more attractive to buyers.

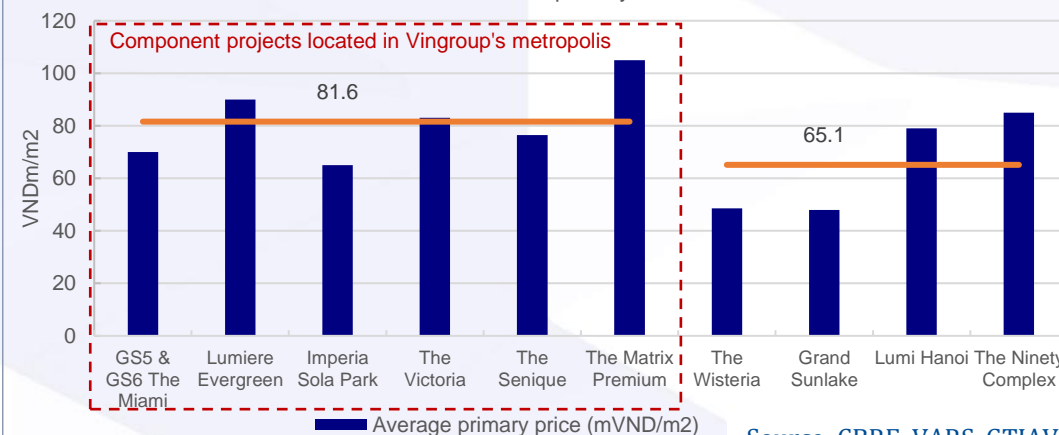
In contrast, Ho Chi Minh City faces legal obstacles related to new projects, severely limiting supply in the area. Demand for real estate in Ho Chi Minh City also remains low due to economic and demographic fluctuations, leading to slower price growth. Since early 2023, apartment prices in the city have increased only moderately, by 17%, while other segments like land plots, townhouses, and villas have seen gains of just 2-3%, with some even experiencing price declines of 2-8%. After a period of double-digit growth driven by supply shortages and consistently high demand in 2024, we expect housing prices in both markets to grow at a more moderate single-digit rate during 2025-2027, as: (i) Current price levels are already relatively high compared to average incomes; (ii) The supply shortage is gradually being addressed in the coming years



After nearly a decade of rapid price growth, with prices consistently at least 30% higher than in Hanoi, the price gap between the two markets narrowed significantly in 2024. At certain points, the average selling price in Ho Chi Minh City was even 20% lower.



The primary selling price of projects in Vingroup's metropolis is significantly higher than that of projects in the same segment of other developers, indirectly setting a new price level in the primary market.



Source: CBRE, VARS, GTJAVN





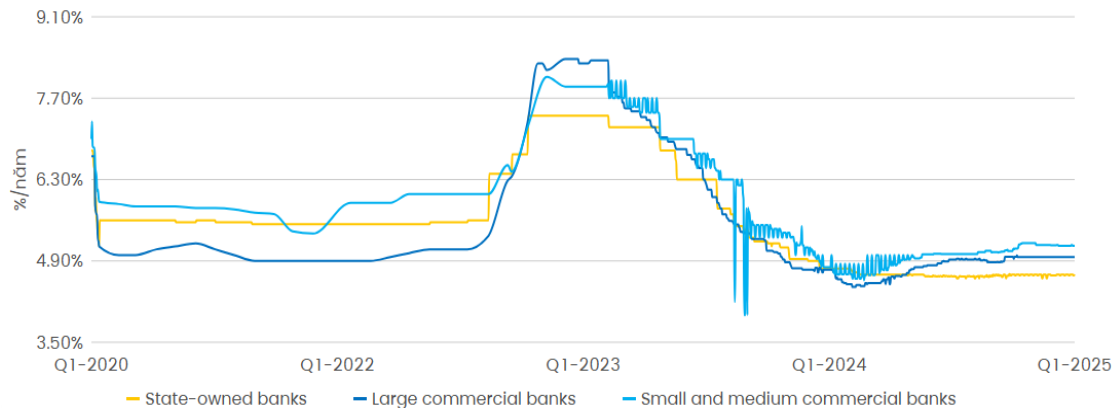
Strengthening Access to Credit Amid Favorable Lending Rates and Active Bank Support

Across the market, as of the end of September 2024, real estate credit grew by 9.15% compared to the end of 2023, surpassing the overall credit growth rate of 9% YTD. Credit demand recovered from the end of Q2 2024, with a stronger focus on the construction and real estate sectors, particularly in the northern market. Specifically, real estate business credit reached VND 1.27 quadrillion, up 16% YTD, while consumer real estate credit (individual loans for home purchases or renovations) reached VND 1.88 quadrillion, rising only 4.62% YTD. Credit capital was actively mobilized in a context where lending rates remained at reasonable levels and banks continued to promote lending. However, accessing credit remains a challenge for many businesses due to: (1) Legal obstacles delaying project approvals; (2) Failure to meet requirements regarding leverage ratios, financial planning, and debt repayment plan.

We anticipate stricter control over loan mobilization, with tighter regulations on debt ratios, project legal status, collateral, and capital usage. Financially strong enterprises will find it easier to secure credit. This trend became evident in 2024, when Decree 08/2023 expired, and Decree 65/2022 was reinstated. As a result, only a few large listed real estate firms, such as VHM, NLG, DXG, and VPI, were able to issue new bonds..

The interest rate level successfully maintained at a low level throughout the year is the main driving force for capital access activities in real estate business and consumption.

Average 12-month individual deposit interest rate

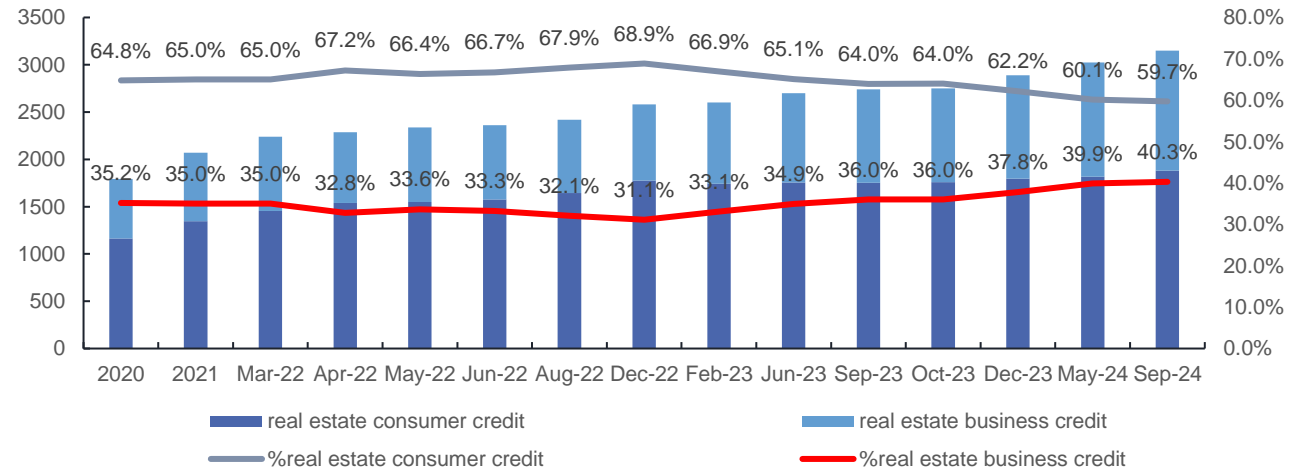


State-owned commercial banks: VCB, BID, CTG

Large commercial banks: MBB, VPB, TCB, STB, ACB, SHB

Small & medium commercial banks: EIB, HDB, LPB, MSB, NAB, OCB, SSB, TPB, VIB

The share of outstanding consumer real estate credit in total real estate credit declined from 65% in previous years to 60%, while the share of real estate business credit rose from 35% to 40%.



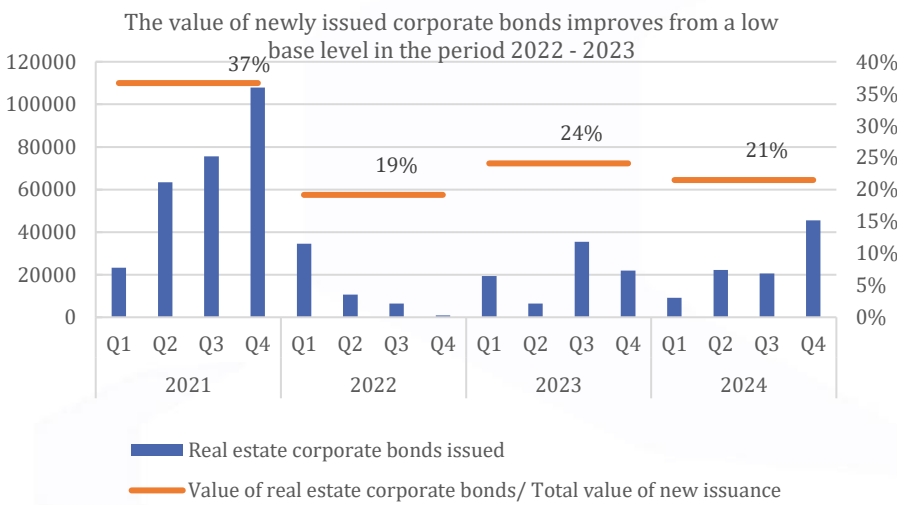
Bond issuance has slightly improved from a low base



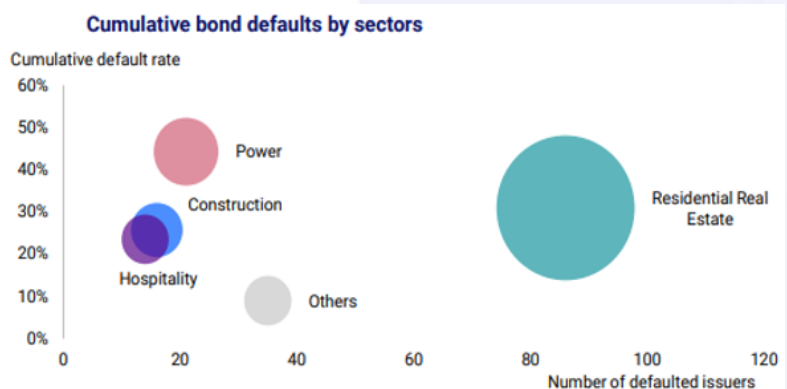
In 2024, the total issuance of new corporate bonds in the real estate sector is expected to exceed **VND 97,000 billion (+17% YoY)**, stemming from 73 issuances by 38 real estate enterprises. Notably, VHM and VIC alone account for 14 issuances, with a total value of VND 35,000 billion, representing 7% of total corporate bond issuance and 36% of real estate bond issuance in 2024. The proportion of corporate bonds issued by the real estate sector is expected to decline sharply to 21% of total issuance in 2024, compared to 37% in 2021. This reflects investor caution and the challenges real estate enterprises face in capital mobilization across the country. Bond issuance activity in the real estate sector remains subdued, with some common trends:

- Successful issuances are typically limited to reputable enterprises with clear legal project status and collateral, such as NLG, BCM, and PDR.
- Interest rates on real estate bonds range from 9% to 12.5%, with an average of 11.6% per year, significantly higher than other sectors.
- The average bond maturity is just 2.6 years, creating significant repayment pressure in the coming period.
- Among issued real estate bonds, those from VHM and VIC have the highest interest rates (12-12.5% per year), and most are unsecured.

By June 2025, a large number of bonds will reach **maturity** under Decree 08/2023, which allowed bondholders and businesses to negotiate a two-year debt extension. It is estimated that **VND 334,000 billion** worth of bonds will mature in 2025, with the real estate sector alone accounting for VND 135,000 billion (45%). Among these, approximately VND 21,000 billion worth of bonds face a risk of late principal repayment. However, the bond repayment pressure in 2025 is expected to be less severe than in 2023 due to a more favorable market environment. The risk of defaults is expected to be lower, as the real estate market is projected to recover, and businesses' sales performance and cash flow are anticipated to improve.

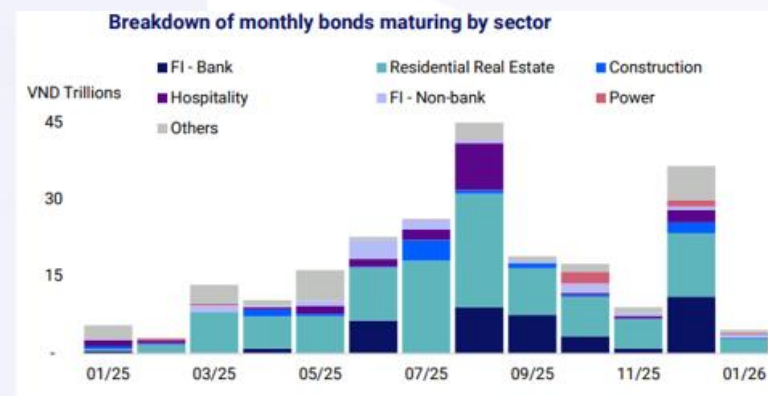


The total value of corporate bonds (CBs) with delayed payment obligations in 2024 is approximately VND 204.4 trillion, with the residential real estate sector accounting for 62% of the total overdue bonds



Note: The size of bubbles indicates the cumulative default value since April 2022
Source: VIS Rating

Bond maturity pressure focuses on Q3.2025



FI: Financial Institution
Source: VIS Rating



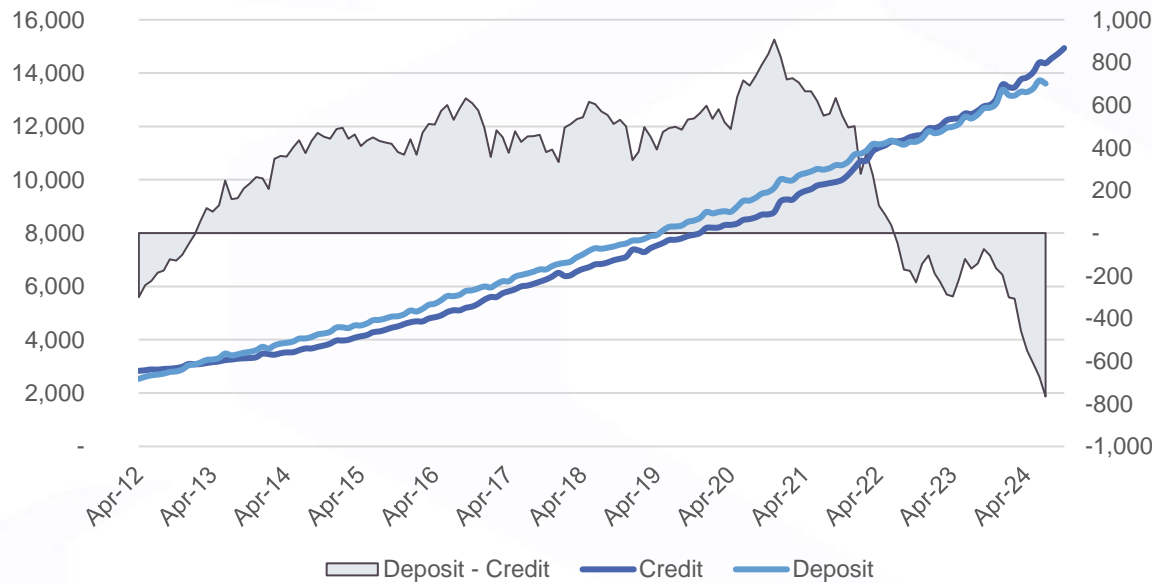
Low interest rates expected to persist through 2025

We believe that exchange rate pressures will continue to pose challenges in 2025, as the us interest rate cut roadmap is expected to slow down. However, an increase in policy rates will negatively impact real estate businesses in several aspects:

- Higher fundraising costs from bonds and bank loans
- Weaker buyer demand due to rising interest rates

Therefore, we expect interest rates to remain low, especially compared to the 2022–2023 period. As a result, interest rates will still be considered a supporting factor for the real estate market in 2025. **In our base-case scenario, we anticipate only a slight interest rate increase of 0.25%.**

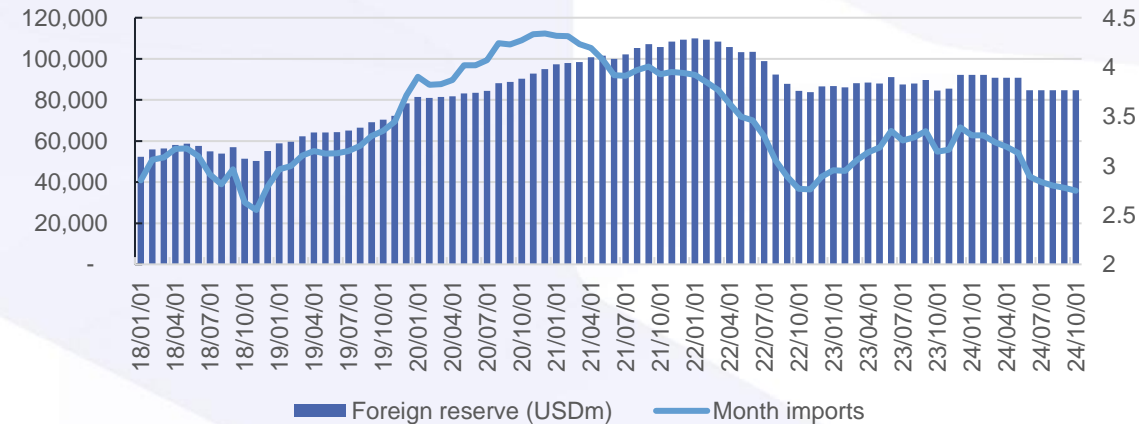
Deposit and credit balance at commercial banks (trillion VND)



Persistent exchange rate pressure – VND depreciates in line with global currency trends amid strengthening USD



The pressure to keep interest rates low to support growth is huge, but there is not much room left as foreign exchange reserves have fallen sharply (USD reserves down to less than 3 months of imports).





Residential real estate sector 2025 outlook

Supply
outlook: High-
end segment
dominate

Strong
demand in
mid-range
segment

Real estate
prices
continue to
rise slightly,
driven by the
high-end
segment

Infrastructure
development
spurs
suburban
project growth



Looking ahead to 2025, we see stronger supporting factors for the recovery of housing supply, driven by: (1) Accelerated efforts to resolve legal bottlenecks for commercial real estate projects and the government's commitment to promoting disbursement and development of social housing (NOXH) through commercial banks. (2) Provincial and city planning improvements, which will serve as a catalyst for project development; (3) Policies boosting public investment and credit growth to achieve the 8% GDP growth target.

Additionally, upcoming supply will mainly come from large listed developers and foreign investors, with a focus on major urban areas.

In Hanoi, the apartment supply in 2025 is expected to reach 30,100 units, primarily driven by the high-end segment. Notably, newly launched supply within Vinhomes' suburban mega projects alone accounts for 30% of the total new apartment supply. The average primary selling price is expected to remain high, with noticeable price differentiation among developers. Meanwhile, the low-rise housing supply in Hanoi and neighboring provinces is projected to reach 7,800 units (-8.2% YoY) due to the high base in 2024, with most supply concentrated in Vinhomes' mega projects

In Ho Chi Minh City, the new apartment supply in 2025 is expected to reach 9,500 units (+90% YoY), primarily from the next phases of existing projects, with a strong focus on the high-end and luxury segments. The new low-rise housing supply is projected at 1,100 units (+100% YoY), mainly from newly developed projects. With land bank in the city center becoming increasingly scarce, new supply is shifting towards the Eastern and Southern areas, particularly Thu Duc City, as well as suburban and neighboring provinces. This trend aligns with Southern infrastructure development plans, making these areas key growth hubs for the future

Notable projects in Hanoi	Metropolis	Address	Developers	Price	Product
				(VNDm/ m2)	(Units)
Condominium					
Masteri Grand Avenue	VH Global Gate	Dong Anh, HN	Masterise Homes	100-120	1640 apt
The Matrix One (GD 2)		Nam Tu Liem, HN	MIK Group	120-140	2 buildings
Vinhomes Wonder Park	VH Wonder Park	Dan Phuong, HN	Vinhomes	from 100	
SkyVillas Noble Crystal		Long Bien, HN	Sunshine Group	150-180	403 SkyVillas
The Metropolitan	VH Ocean Park 1	Gia Lam, HN	Mitsubishi & Vinhomes	55 – 65	1000 apt.
Masteri Lakeside	VH Ocean Park 1	Gia Lam, HN	Masterise Homes	from 80	3 buildings w. 2350 apt
Masteri Waterfront	VH Ocean Park 1	Gia Lam, HN	Masterise Homes	60 – 75	
The Continental Imperia Signature	VH Global Gate	Dong Anh, HN	MIK GROUP	80 – 110	2 buildings w. 1706 apt.
Lumiere SpringBay	VH Ocean Park 2	Van Giang, Hung Yen	Masterise Homes	70 – 80	1,600
The Fibonan	Ecopark	Van Giang, Hung Yen	An Phu Invest		656
Landed properties					
Vinhomes Wonder Park	VH Wonder Park	Dan Phuong, HN	Vinhomes		2356
Nobel Place Long Bien		Long Bien, HN	Sunshine Group	High-end	172
Nobel Capital		Tay Ho, Bac Tu Liem, HN	Sunshine Group	from 500	100
Vinhomes Ocean Park 3	VH Ocean Park 3	Van Giang, Hung Yen	Vinhomes	from 100	3500 townhouse & villas
Vinhomes Vu Yen	VH Royal Island	Vu Yen, Hai Phong	Vinhomes	from 120	2900townhouse & villas
Vinhomes Ha Long Bay		Quang Ninh	Vinhomes	High-end	-

Notable projects in HCMC	Address	Developers	Price	Product
			(VNDm/ m2)	(Units)
Condominium				
Lotte Eco Smart City	Thu Duc, HCMC	Lotte Group	>250	1200
Vinhomes Grand Park	Thu Duc, HCMC	Vinhomes	70-90	733
The Global City	Thu Duc, HCMC	Masterise Homes		9400
East Valley	Thu Duc, HCMC	Refico	95-135	3200
Eaton Park GD2	Thu Duc, HCMC	Gamuda Land	from 150	400
Mizuki Park	Binh Chanh, HCMC	Nam Long	55	450
Elysian	District 9, HCMC	Gamuda Land	65-70	700
Gem Riverside (DXH Riverside)	Thu Duc, HCMC	Dat Xanh - DXG	từ 90	3175
The Emerald 68	Binh Duong	Le Phong		700
Landed properties				
The Global City	Thu Duc, HCMC	Masterise Homes	>330	600 townhouses, 300 villas
The Foresta (Emeria & Clarita)	Thu Duc, HCMC	Khang Dien - KDH & Kepple Land	220-250	200
Solina	Binh Chanh, HCMC	Khang Dien - KDH	~180	200
LA Home Long An	Long An	Prodezi Long An	Mid – end	3750
Izumi City - GD sau	Dong Nai	Nam Long - NLG	from 75	180



Despite being strongly developed for many years, suburban urban areas, urban areas and satellite cities have largely shown ineffectiveness in attracting real housing demand due to: (i) Unsynchronized transport infrastructure: The radial system and public transport (subway, tram, rapid bus...) have not been fully developed, causing people to still depend on personal vehicles, mainly motorbikes. (ii) Hospital infrastructure, universities and administrative agencies have not been effectively relocated out of the center. (iii) Real estate prices in suburban areas are pushed up compared to residential value and the ability to exploit actual cash flow.

In the short and medium term, the real housing demand in large cities is still mainly concentrated in the inner city, especially along Ring Roads 2.5 and 3 in Hanoi; Ring Road 2 in Ho Chi Minh City. However, the scarcity of land and high capital costs make the selling price too high compared to the income of buyers. The demand shifts to the secondary market, leading to a local price fever, but the actual number of transactions remains low. Some housing development trends in the inner city include (1) Reducing apartment area to optimize profit margins; (2) Promoting the renovation of old apartments and collective houses and the refurbishment of existing residential areas to upgrade urban infrastructure and meet housing needs.

In the long term, urban expansion, development of suburban urban areas and satellite cities is still an inevitable trend to solve the problem of population overload and inner-city traffic. However, to attract residents, these urban areas need: (1) Proper planning, ensuring quality of life with full infrastructure and utilities (schools, hospitals, shopping centers...); (2) Reasonable selling prices, suitable for buyers' income; (3) Convenient traffic connection system, located on major roads and with public transport

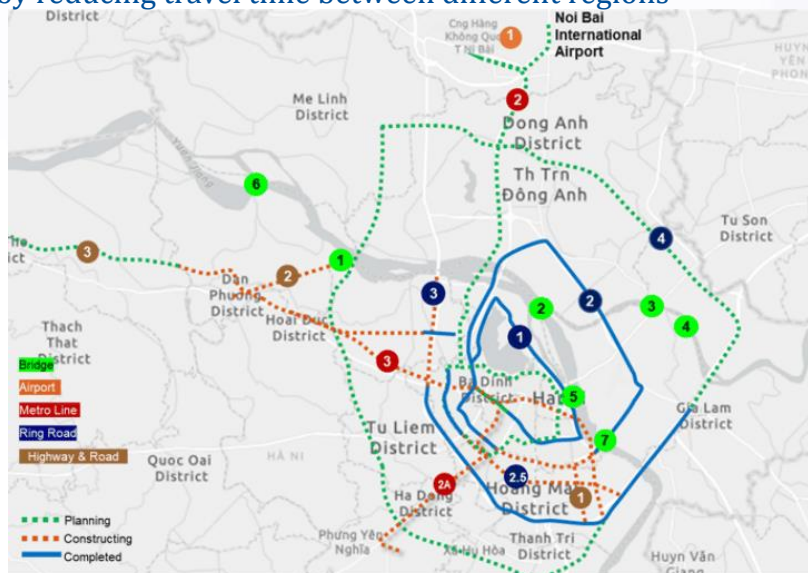
Development orientation	Supportive policies	Room for growth
Investors reduce apartment area to lower selling price; mini apartment type may flourish	Article 57 Housing Law 2023 stipulates the conditions for mini apartments to be granted a pink book. Article 58 Housing Law 2023 provides guidance on the duration of apartment ownership. The completion of radial roads and high-speed railways	The supply of urban land is depleting, with fragmented land parcels and restrictions on building height and density to align with inner-city infrastructure conditions. As a result, developing large-scale projects in the urban core is becoming increasingly challenging
Participating in old apartment renovation projects and upgrading existing residential areas	Chapter V - Housing Law 2023: regulations on the issue of renovation and reconstruction of apartment buildings; legalizing the term of use of apartment buildings according to design documents and actual usage time, when apartment buildings expire, they will be inspected by the provincial housing management agency, if they are not safe enough, they will be forced to demolish and rebuild. Decree 98/2024/ND-CP guiding the Housing Law on selecting investors for investment projects to renovate and rebuild apartment buildings; compensation Decision No. 1569/QĐ – TTg - dated December 12, 2024 approving the Hanoi Capital Planning period 2021 - 2030	Hanoi: Nearly 1,579 old apartment buildings. After inspection and classification, 200 buildings are categorized as Level C (hazardous), 137 as Level B, and 7 as Level D (the highest risk level), requiring urgent renovation. Ho Chi Minh City: Around 1,521 old apartment buildings, with 237 planned for refurbishment and redevelopment.
Expanding urban areas, developing suburban urban areas and satellite cities	Completing Ring Road 3.5, Ring Road 4 in Hanoi and Ring Road 3 in Ho Chi Minh City The radial traffic system is conveniently distributed to effectively promote the ring roads in expanding the urban radius	



Infrastructure development is an important lever to attract buyers

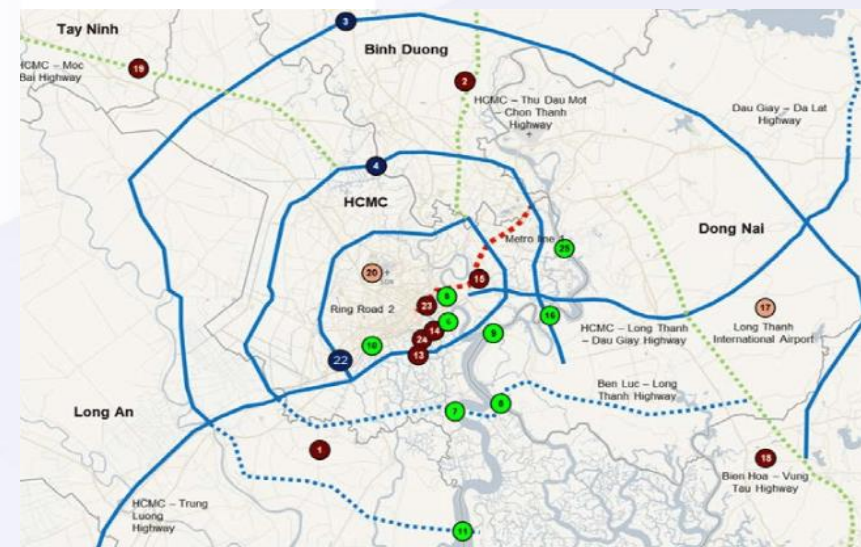


During the **2021-2025 period**, Hanoi's total **public investment** is expected to reach **VND 340.153 trillion**, a **36% increase** compared to the **2016-2020 period**. This year's public investment primarily focuses on **key transportation projects**, including **Ring Road 4 and Ring Road 3.5**, aimed at enhancing connectivity between the **city center, Eastern and Western Hanoi, and neighboring provinces**. We believe that infrastructure development will strengthen the competitive advantage of large-scale suburban urban areas over the city center by reducing travel time between different regions



- | | | | |
|--|--|--|--|
| 2020
3 Ring Road 3
2A Metro Line 2A
2021
1 Tam Trinh Expansion
1 Ring Road 1
3 Tay Thang Long Street | 2022
2 Ring Road 2
3 Metro Line 3
2 Road connecting Thuong Cat Bridge to Highway 32
7 Vinh Tuy Bridge (Phase 2) | 2025
1 Noi Bai Airport Expansion
4 Ring Road 4
2.5 Ring Road 2.5
2 Metro Line 2 | 2030 Onward
1 Thuong Cat Bridge
2 Tu Lien Bridge
3 Cau Duong 2 Bridge
4 Giang Bien Bridge
5 Tran Hung Dao Bridge
6 Hong Ha Bridge |
|--|--|--|--|

In 2025, Ho Chi Minh City will prioritize the implementation of 59 transportation projects with a total budget of VND 231 trillion (approximately USD 9.4 billion). This strong investment in transportation infrastructure will help ease congestion in inner-city areas. Key projects such as Long Thanh Airport (Dong Nai) and the Bien Hoa – Vung Tau Expressway are expected to create promising opportunities for residential real estate developments in southern provinces like Vung Tau, Dong Nai, Binh Duong, and Binh Phuoc.



- | | | |
|--|---|--|
| 2020
7 Binh Khanh Bridge
8 Phuoc Khanh Bridge
10 Binh Tien Bridge
11 Vam Sat 2 Bridge
14 Ven song Saigon Street
2021
23 Nguyen Huu Canh Street Upgrades
24 Nguyen Thi Thap Street Upgrades
5 Thu Thiem 2
12 Metro Line 1 | 2022
2 HCMC - Thu Dau Mot - Chon Thanh Highway
6 Thu Thiem 4
13 Intersection Nguyen Van Linh - Nguyen Huu Tho
18 Bien Hoa - Vung Tau Highway
22 Ring Road 2
2023
4 Ring Road 3
15 Xa lo Hanoi Highway Expansion
16 Nhon Trach Bridge
1 Ben Luc - Long Thanh Highway | 2024
3 Ring Road 4
9 Cat Lai Bridge
25 Vam Cai Sut Bridge
2025
19 HCMC - Moc Bai Highway
20 Tan San Nhat Airport Expansion |
|--|---|--|

Source: GTJAS VN

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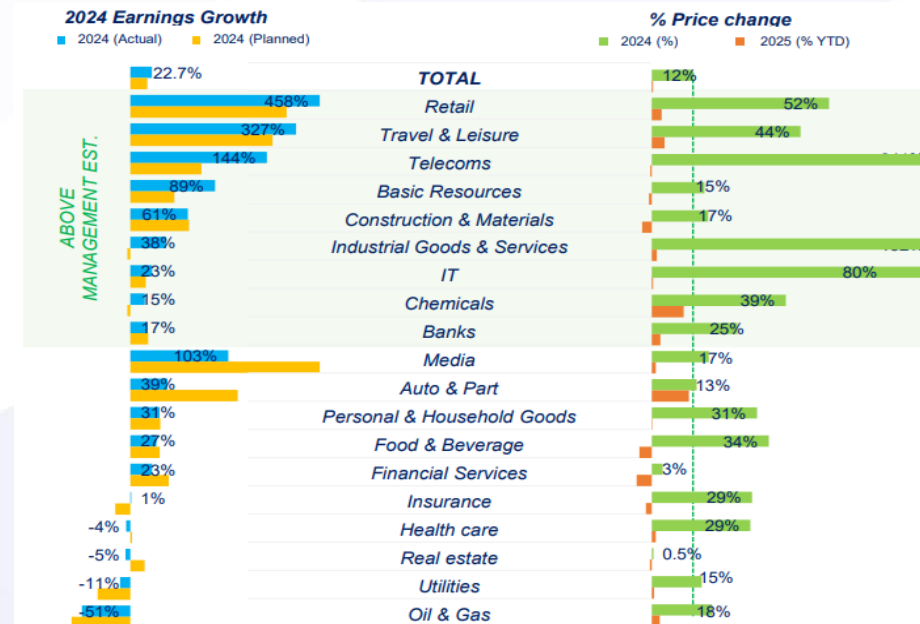
RESIDENTIAL REAL ESTATE INVESTMENT STRATEGY IN 2025

Recommendation:

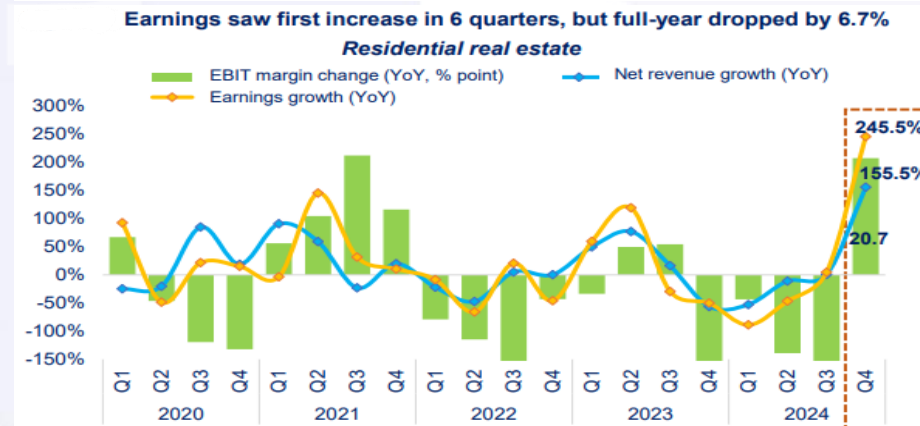
- ❑ **KDH: TP 40,300 (+20.8%)**
- ❑ **NLG: TP 42,600 (+29.7%)**



- According to data from Fiin Ratings, the net profit after tax (NPAT) of the residential real estate sector saw a significant improvement in Q4 2024, rising by +155.5% YoY, largely driven by VHM (+1482.3%) due to accelerated handovers at the Royal Island mega project (Hai Phong), along with contributions from KDH, PDR, DXG, NLG, and VPI. However, on a cumulative basis, NPAT for 2024 did not meet expectations, declining by -6.7% (compared to the planned increase of +14.2%).
- Nevertheless, due to the revenue recognition nature of the real estate industry—where revenue is only recorded upon project handover—**this high growth does not necessarily reflect a true recovery of the entire sector.** In reality, as of the end of 2024, the balance of 'advances from customers' (considered as available cash to secure future revenue for real estate companies) declined by -8.2% compared to September 30, 2024, whereas it had previously increased by +1.8% in Q3 and +5.7% in Q2. This partly indicates a slowdown in sales velocity and cash collection from customers, suggesting that market demand remains weak, investor confidence has not fully recovered, and liquidity pressure persists."



Source: FiinPro-X Platform. Notes: Data is calculated for 1,087/1,652 companies and banks (representing 99.1% of total marcap)



Source: FiinPro-X Platform. Notes: Data is calculated for 66/87 residential real estate developers (representing 98.9% of marcap of the sector and 5.4% of marcap of the total market)

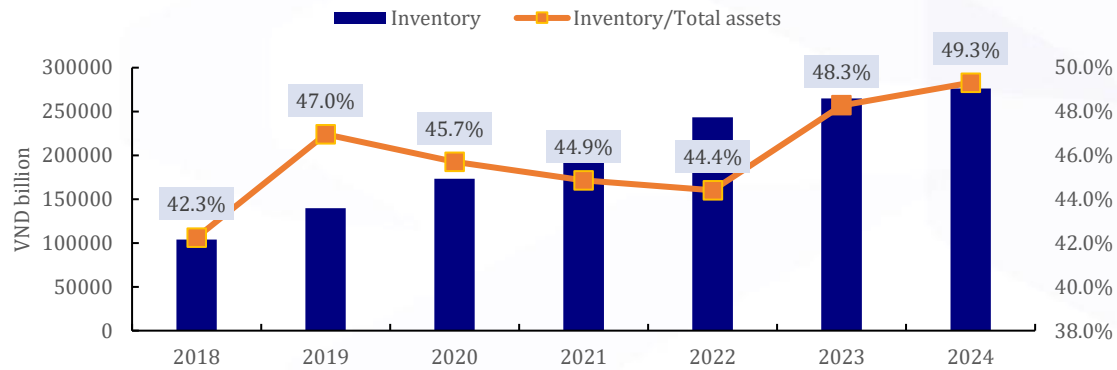


Listed developers : Liquidity pressure remains evident

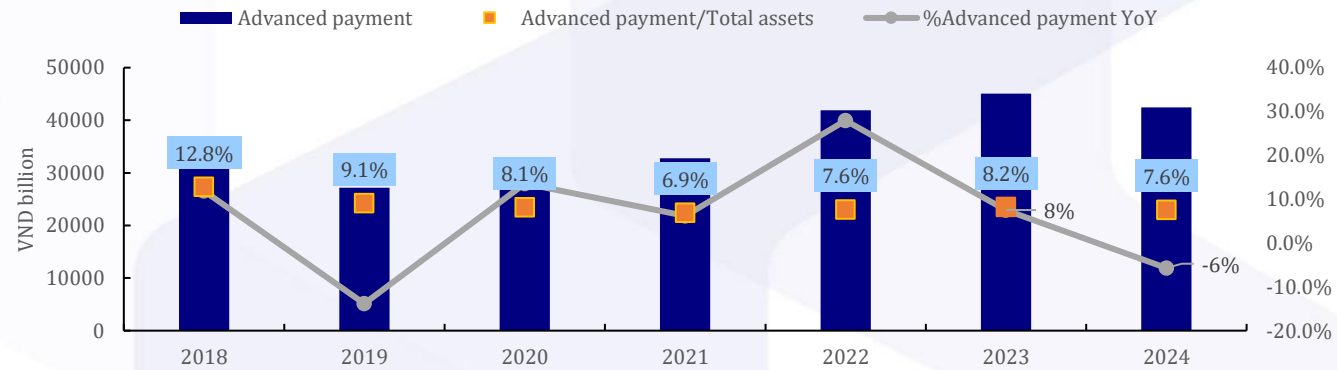


In 2024, despite a surge in new supply, the majority came from foreign-invested projects. Except for VinGroup, listed real estate developers mainly focus on capital restructuring, legal issues and project M&A; at the same time, completing and handing over houses from previous sales phase. Some developers cautiously tested market demand by launching small-scale sales, such as HDG, while postponing major sales plans to 2025

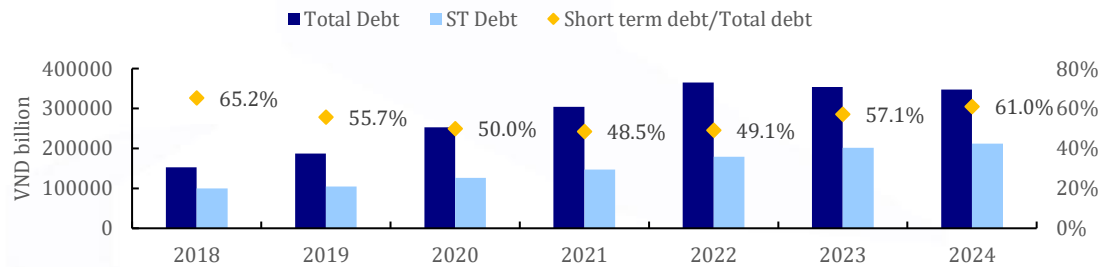
Sales activity remained sluggish among listed real estate developers. Inventory levels remained stagnant, averaging 49% of total assets, creating significant liquidity pressure for developers in the coming period



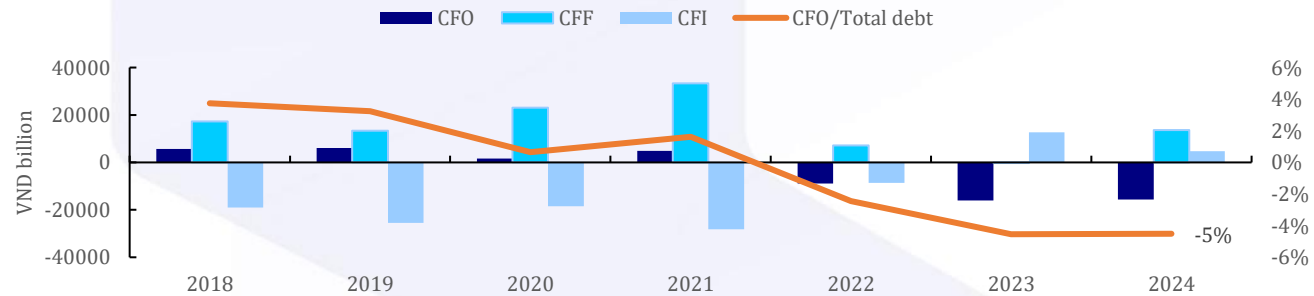
While customer prepayments saw **positive growth in Q2 & Q3**, the overall figure for the year **declined by 6% compared to the end of 2023**. This reflects a **slowdown in sales velocity and cash inflows from operation**, indicating that **liquidity pressure remains a**



Debt scale continued to decrease slightly -1.6% YoY, in which the short-term debt/total debt ratio continued to increase from 2022, in the context of businesses accelerating debt payment; increasing short-term debt to maintain business operations



Cash flow from operation activities will still be negative in 2024; the bright spot comes from financial cash flow reaching VND 13,600 billion from negative in 2023, thanks to proceeds from stock issuance and project M&A



*Data is collected from financial reports of 48 real estate developers listed on HNX and HSX (except VHM and VIC)



Project sales and M&A activities are expected to generate positive cash flow



We observe that liquidity pressure remains a challenge for real estate businesses, as advanced payment from buyers have slightly declined over the past year, and cash flow from operations remains negative—reflecting that business activities are not generating cash. Given this situation, capital-raising methods such as share issuance and full or partial project M&A have flourished in 2024.

In general, only companies with legally sound projects, strong sales potential, and good price growth prospects can successfully attract new capital. In 2024, several developers like KDH, PDR, and HDC successfully raised capital through private share placements. Share issuance, in particular, has the advantage of reducing financial leverage and helping businesses fulfill land use rights obligations.

Developers	Some notable real estate projects M&A in 2024	Value
Van Phu Invest - VPI	In Q1/2024, Van Phu Invest transferred its ownership of Hung Son Investment Co., Ltd., the developer of the Vlasta Sam Son project in Sam Son City, Thanh Hoa.	help Van Phu record a profit after tax of 70 billion VND in the first quarter of 2024
	In August 2024, Van Phu Invest transferred part of The Terra - Bac Giang project (in Dinh Ke ward, Bac Giang city, Bac Giang province) to New Goldsun Joint Stock Company.	
Nam Long - NLG	June 2024: Nam Long has completed the transfer of 25% of capital at the Nam Long Dai Phuoc project (Paragon Dai Phuoc, scale of 45 hectares) to Japanese strategic partner Nishi Nippon Railroad.	bringing in 662 billion VND (~26 million USD), estimated to help Nam Long make a profit of about 200 billion VND.
Dat Xanh Group - DXG	The company was granted a certificate by the SSC to issue an additional 150 million shares to the public on December 20, 2024, at a price of 12,000 VND per share, at a ratio of 24:5. The record date for subscription rights is January 7, 2025. Additionally, the company plans to issue another 93.4 million shares through a private placement to strategic investors at a minimum price of 18,600 VND per share	Estimated to bring in over 1,800 billion VND, and nearly 1,740 billion VND
VinGroup - VIC	As of the third quarter of 2024, VinGroup has completed the sale of 100% of its capital at SDI Investment and Trade Development Company Limited. SDI owns over 99% of the charter capital of Sado Trading Joint Stock Company and Sado is currently the largest shareholder of Vincom Retail with a 41.5% ownership ratio. After the transfer, Vingroup still owns more than 18% of VRE.	This transaction helped Vingroup earn 39,100 billion VND (~1.54 billion USD).
	November 2024: transfer all 99.93% of shares at VYHT Company (a legal entity established to implement part of the Vinhomes Royal Island project, Hai Phong). Of which, 80% of shares are transferred to a foreign investor partner; the remaining 19.93% of shares are transferred to Vinhomes (VHM)	-
Khang Dien House- KDH	The company issued 110.09 million shares through private placement to 19 strategic shareholders at a price of VND 27,250/share, raising more than VND 3,000 billion, implemented in the first 8 months of 2024.	The company's charter capital increased from VND 7,993.1 billion to over VND 9,094 billion.



Project sales and M&A activities are expected to generate positive cash flow



CHỨNG KHOÁN GUOTAI JUNAN (VIỆT NAM)
GUOTAI JUNAN SECURITIES (VIETNAM)

Entering 2025, we expect the cash flow from real estate developers' business operations to gradually improve from the prospect of project sales next year, along with the financial cash flow earned from the success of issuing shares to mobilize capital, M&A and transferring projects in 2024, which will **help businesses partially resolve liquidity pressure related to debt maturity and bond maturity.**

Developers	Some projects expected to open for sale in 2025	Status
Vinhomes - VHM	<ul style="list-style-type: none"> Vinhomes Phuoc Vinh Tay – Long An 	Compensation, support, and resettlement of the project are underway, with a total cost of about 10,678 billion VND. Expected to open for sale at the end of 2025.
	<ul style="list-style-type: none"> Project in Duong Kinh, Kien Thuy, Hai Phong (240 ha) 	Land leveling is underway, expected to open for sale in the 2nd quarter of 2025
	<ul style="list-style-type: none"> Vinhomes Wonder Park in Dan Phuong, Hanoi 	In November 2024, the Hanoi People's Committee officially handed over the remaining land of the project to Vingroup. By February 2025, the two main subdivisions, Hung Dong and Binh Minh, are in the process of completing infrastructure and constructing key facilities. The first sales phase is expected to begin in March 2025.
	<ul style="list-style-type: none"> Continued sales from projects such as Vinhomes Royal Island and Vinhomes Ocean Park 2 & 3 	
Nam Long – NLG	Re-opening of Izumi City project – Dong Nai	The province planning of Bien Hoa City has been adjusted, enabling the Izumi City project (170 ha) to be ready for commercialization from 2025-2026
Khang Dien House– KDH	Foresta – Ho Chi Minh City, including 2 projects Clarita and Emeria	Completing infrastructure to apply for sales license
Dat Xanh Group – DXG	Gems Riverside – HCMC	Construction permit received in Q3/2024
Ha Do Group– HDG	Opening sale of the remaining 108 villas at the Hado Charm Villa project	Completed

Source: GTJAS VN

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The **2025 - 2034 period** is forecasted to mark a new growth cycle for the real estate market, with a gradual recovery supported by several positive factors:

- **New legal frameworks boosting supply** – The 2023 Housing Law, Real Estate Business Law, and 2024 Land Law, along with guiding decrees, will create favorable conditions for project development, enhancing market transparency and efficiency.
- **Improved buyer sentiment** – After a cautious period, both end-users and investors are returning to the market, even accepting higher risk preference.
- **Developers resuming projects** – Many businesses have overcome financial and legal restructuring and are now ready to restart construction and sales, contributing to increased supply.
- **Strong market fundamentals** – A golden population structure, rapid urbanization, and rising housing demand will provide a solid foundation for sustainable growth.
- **Urban expansion and infrastructure improvements** – The development of suburban areas and transportation networks will further drive long-term market growth.

2025: A Gradual Recovery with Market Divergence

Despite a positive long-term outlook, we anticipate only a **mild recovery in 2025**, with clear differentiation among real estate developers:

- **Advantage for well-prepared developers** – Companies with legally compliant projects, completed construction, and early sales plans will hold a competitive edge. Developers with clean land reserves and settled financial obligations will benefit from cost efficiency and strong profitability in the coming years.
- **Challenges for less-prepared firms** – Developers still undergoing restructuring or lacking ready-to-develop land may continue to struggle.
- **Potential buyer constraints** – Although buyer sentiment is improving, factors like rising interest rates and stagnant income growth could impact purchasing decisions, particularly for high-end and luxury properties.



Under the impact of the amended Real Estate Laws, we select listed real estate developers based on the following criteria:

Legal status and land fund

- **A land bank** with minimal legal obstacles and the ability to quickly implement projects is considered more important than the sheer scale of the land bank
- **Well-planned projects that add significant value to products** amidst rising land acquisition costs that are increasingly aligning with market prices.
- **Housing products** that match market demand and attract real end-users
- **Project locations** with convenient transport infrastructure, high price appreciation potential, and alignment with urban development plans.

Financial Strength

- Strong financial structure with reasonable debt levels, avoiding reliance on off-plan sales before projects meet legal business conditions.
- Effective cash flow management to ensure debt liquidity
- Short project development and sales cycles, avoiding overcommitment to projects too large for the company's resources or market demand.

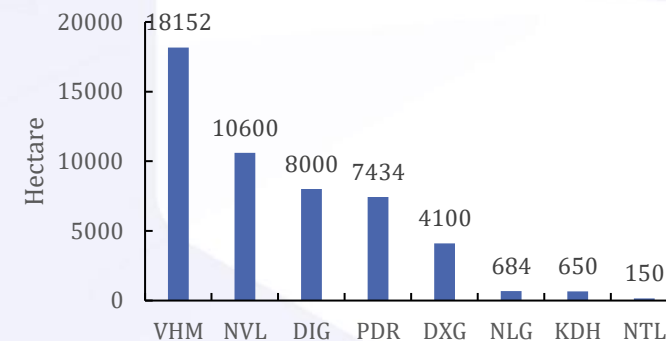
Development Capabilities

- Strict adherence to updated legal regulations
- **Strong capabilities in bidding and project development**, ensuring the delivery of real, high-quality products.
- Adoption of technology for efficient construction management and collaboration with professional contractors.
- In the long run, businesses must professionalize project development and sales operations while optimizing land value to achieve sustainable profitability in the evolving legal and market environment

We **recommend BUY** for two stocks: **KDH (Target Price: 40,300, Upside: 20.8%)** and **NLG (Target Price: 42,600, Upside: 29.7%)**, based on the following criteria:

- 1) **Having projects ready to open for sale** in the short and medium term
- 2) **Sequential project execution**, avoiding overexpansion while ensuring **legal and financial readiness** before the new land pricing framework takes effect
- 3) **Large, clean land bank** in **prime locations and high-growth provinces**, ensuring **price appreciation potential** and **strong end-user demand**
- 4) **Strong project development capabilities**, with **short development and sales cycles**, building a solid market reputation over the years
- 5) Strong financial potential enables businesses adapt well to the implementation of the amended laws

Land fund of listed residential real estate developers



Source: GTJAVN



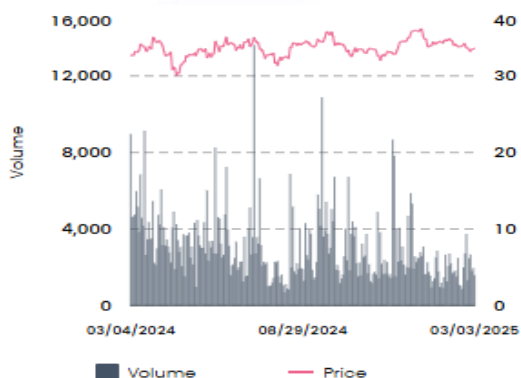


Stock Code	Company	Recommendation	Target Price (Upside)	Stock Exchange	Market Cap 31/12/2024 (VND billion)	Inventory/Asset	D/E	EBITDA/ Debt expense	P/B (TTM) (20/02/2025)	Cash/Asset	%Advanced payment/ Asset
KDH	Khang Dien House	Buy	40,300 (+20.8%)	HOSE	34581	72%	0.58-		1.99	10%	-19%
NLG	Nam Long Investment	Buy	42,600 (+29.7%)	HOSE	12669	60%	1.08	8.13	1.31	18%	-21%
VHM	Vinhomes	Watchlist	-	HOSE	166556	9%	1.54	3.47	0.82	5%	-15%
DXG	Dat Xanh Real Estate	Watchlist	-	HOSE	13324	46%	0.92	2.88	1.27	4%	-35%
PDR	Phat Dat Real Estate	Watchlist	-	HOSE	16939	56%	1.11	2.15	1.49	1%	0%
HDC	BR-VT House Development	Neutral	-	HOSE	4334	28%	1.15	3.22	1.93	0%	65%
VPI	Van Phu Invest	Neutral	-	HOSE	18755	27%	1.19	1.06	3.86	4%	-92%
NTL	Tu Liem Urban Development	Neutral	-	HOSE	2190	23%	0.25	506.99	1.25	26%	-79%
TCH	Hoang Huy Investment Financial Services	Neutral	-	HOSE	11293	57%	0.16	-18250.3	1.18	2%	-68%
KSF	Sunshine Group	No recommendation	-	HNX	12300	4%	1.99	6.66	2.45	2%	118%
DIG	DIC Corp	No recommendation	-	HOSE	11709	44%	1.30	7.08	1.51	5%	37%
CEO	CEO Group	No recommendation	-	HNX	7674	15%	0.42	9.65	1.26	11%	-26%
HPX	Hai Phat Investment	No recommendation	-	HOSE	1,411	35%	1.12	3.19	0.41	0%	24%
NVL	Novaland	No recommendation	-	HOSE	19696	62%	3.99	-2.28	0.52	2%	-1%



RECOMMENDATION BUY
Target price: 40,300
Upside: +20.8%
Current price 33,350 VNĐ
 (25/02/2025)

1 year stock price performance



Stock Data

Price (VNĐ)	33,600
Highest 52W (VNĐ)	36,150
Lowest 52W (VNĐ)	30,000
Outstanding Share (mn Shares)	1,011.14
% Foreign Owned	36.61%
Foreign Current Room (Shares)	135,384,596
Marketcap (billion VNĐ)	33,974.39
Dividend Yield	0.00%

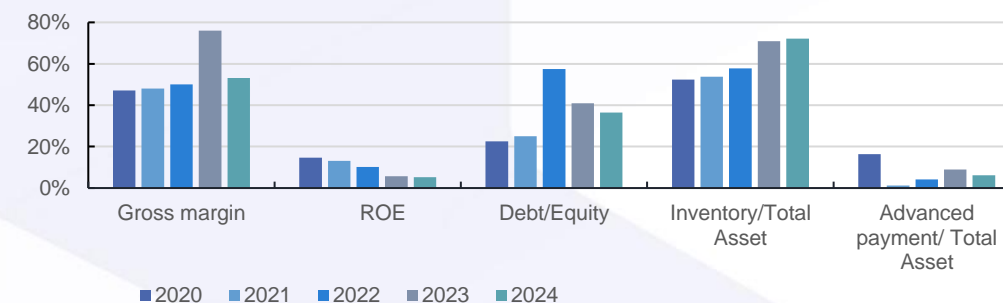
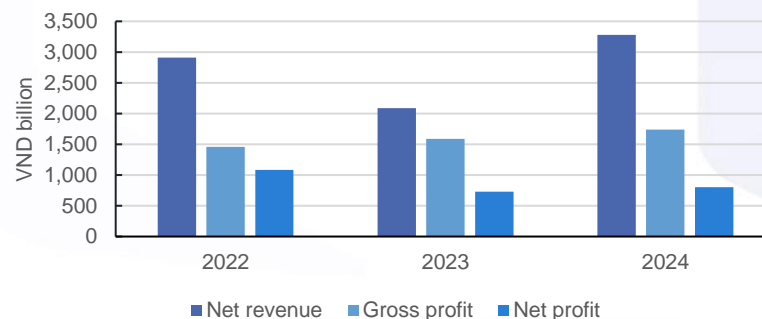
Company overview: Business Overview: Established in 2001 under the name Khang Dien Housing Investment and Trading Company Limited. In the early years of its establishment, KDH mainly focused on the low-rise housing segment. With a sustainable development strategy and continuous efforts, the company switched to a joint stock model and continuously increased capital to expand its scale of operations, focusing on diversifying real estate products and developing high-end segment projects. KDH is now one of the leading real estate investors in Ho Chi Minh City, has built a great reputation for product quality, timely handover progress and complete legal status through the project complexes Safira - Mega - Classia, Mega Village - Melosa, Phong Phu Residential Area. The enterprise focuses on developing projects located in the urban area of Ho Chi Minh City to optimize the advantages of land fund and sales speed, and at the same time aims to develop a large urban project at Tan Tao Residential Area project (330 hectares in Binh Tan District).

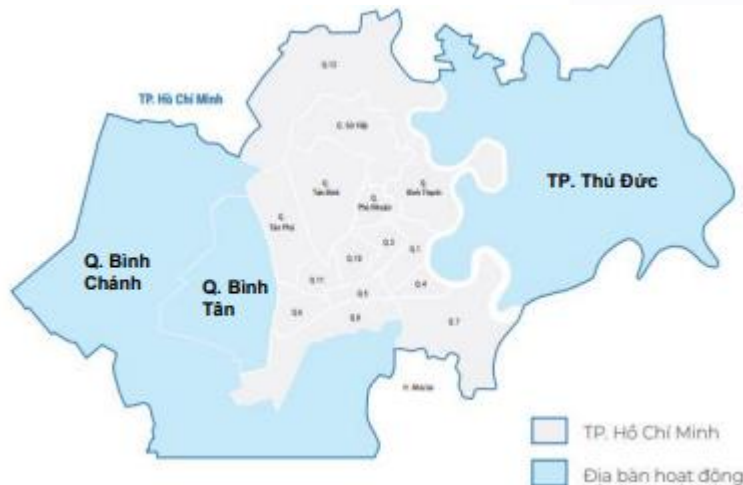
1. Business results updates:

Sales performance in 2024 reached only about 20-22% of 2023 sales, as no new projects were launched during the year. Instead, KDH continued selling the remaining units of two previously launched projects: The Classia and The Privia.

The company's revenue and profit recognition were concentrated in Q4 2024, during which KDH recorded strong growth, with revenue reaching VND 2,063 billion—4.3 times higher than the same period last year. Net profit after tax minus interest (NPATMI) was VND 397.6 billion, a 6.2-fold increase YoY. For the fiscal year 2024, KDH's revenue reached VND 3,279 billion, +57% YoY, while NPATMI stood at VND 809 billion, +11% YoY. This was the first year of revenue growth for KDH after a continuous decline since 2020. Real estate development remained the company's core business, accounting for over 98% of total net revenue, exceeding VND 3,200 billion. This growth was primarily driven by the handover of two key projects: The Classia (with approximately 20% of the remaining units handed over) and The Privia (with an estimated 60% of units handed over)

The gross profit margin in 2024 declined to 53% compared to 2023, primarily due to the higher proportion of high-rise apartment handovers from The Privia project, which has a lower margin than the low-rise units of The Classia delivered in 2023. However, this margin remains higher than the levels recorded during the 2018-2022 period.





Investment Risks

- General risks of the real estate industry cycle affect project implementation progress and absorption rates.
- Project handover progress and legal procedures are slower than expected.

2. Investment outlook:

The period from 2024 to 2026 will be a key phase for KDH’s cash flow and revenue growth, driven by a series of planned project launches

- *The Foresta project complex (Thu Duc City, Ho Chi Minh City) is planned to open for sale in Q1.2025*
The Foresta consists of two projects, Emeria and Clarita, developed in partnership between KDH and Keppel Land. The project has completed structural construction and infrastructure development, with plans to launch the first 230 villas at an estimated price of VND 200-250 million/m². These units are expected to have a high absorption rate (over 65%) as the low-rise housing market in Ho Chi Minh City recovers. The project is anticipated to contribute over VND 9,000 billion in revenue to KDH from 2025 to 2026
- *Positive updates on The Solina (Binh Chanh, Ho Chi Minh City) and Le Minh Xuan Industrial Park (110 ha, Ho Chi Minh City)*
- **The Solina:** KDH has completed its financial obligations for phase 1 of the project (13.4 ha) and received the infrastructure construction license, starting to deploy infrastructure. We expect the Company to open for sale in 2026 after completing sales at The Foresta. The low-rise portion of The Solina is expected to generate approximately VND5,500 billion in sales cash flow for KDH in the 2026-2027 period.
- **KCN Lê Minh Xuân** (110 ha, TP.HCM): KDH received its infrastructure construction permit in Q1 2025 and plans to begin construction in Q2 2025. Industrial land leasing is expected to commence in 2026.

In the long term, maintaining a proactive position by holding a large land bank in Ho Chi Minh City’s urban areas and possessing strong financial capacity

- KDH is one of the few real estate companies that owns a significant land bank in Ho Chi Minh City’s existing urban areas, where land supply for new housing projects has been depleted (within Ring Road 2, 10–14 km from the city center).
- With strong financial capacity, KDH is well-positioned for growth, especially as stricter requirements for developers and rising project development costs (including land clearance expenses and land use fees) come into effect under the new real estate laws

Based on the business outlook and valuation results, we recommend BUY with a target price of VND 40,300VND/share, 20.8% higher than the closing price on February 25, 2025.

Source: Company financial report, IR, GTJAVN



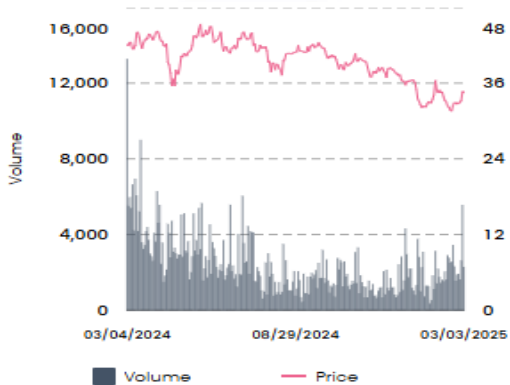
RECOMMENDATION **BUY**

Target price: **42,600**

Upside: **+29.7%**

Current price **32,850 VNĐ**
(25/02/2025)

1 year stock price performance



Stock Data

Price (VNĐ)	34,450
Highest 52W (VNĐ)	45,381
Lowest 52W (VNĐ)	31,600
Outstanding Share (mn Shares)	385.08
% Foreign Owned	41.25%
Foreign Current Room (Shares)	33,708,002
Marketcap (billion VNĐ)	13,265.84
Dividend Yield	0.00%

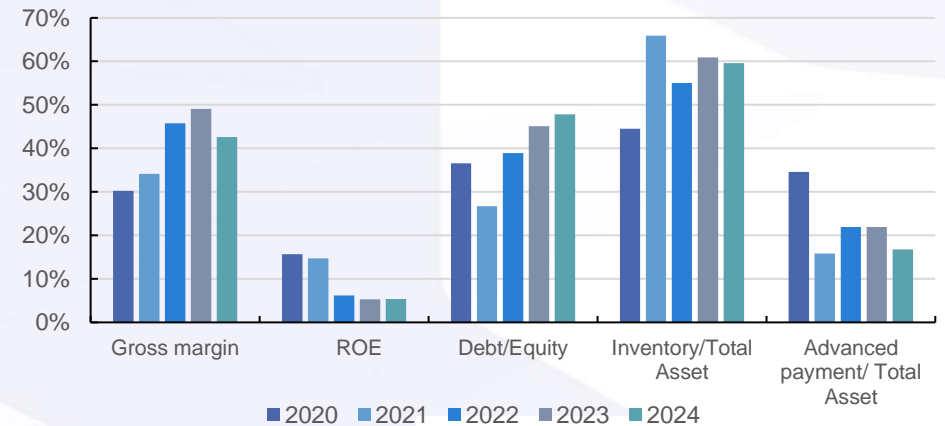
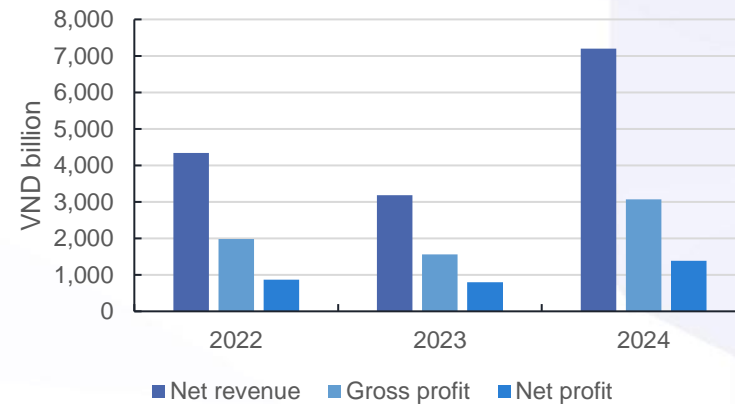
Overview: Nam Long Investment Joint Stock Company (NLG) was originally established as Nam Long Co., Ltd. in 1992. The company operates in the field of investment, development, and business of residential real estate projects. In 2005, NLG transitioned into a joint-stock company model. NLG currently owns 684 hectares of land across key southern provinces, primarily concentrated in major urban and residential areas of Ho Chi Minh City, Can Tho, Long An, and Hai Phong. Some notable projects that Nam Long has participated in investment, development, and real estate business: Mizuki Park Urban Area – Binh Chanh District, HCMC (26 ha); Kikyo Residences – District 9, HCMC (18 ha); Fuji Residences – District 9, HCMC (5 ha); Thao Nguyen Sai Gon Villas – District 9, HCMC (7.7 ha); Dalia Garden Residential Area – Can Tho (15 ha)

Business results updates :

In Q4/2024, Nam Long recorded net revenue of 6,369 billion VND, a 3.9-fold increase compared to the same period in 2023. Net profit reached 1,327 billion VND, up 276% YoY.

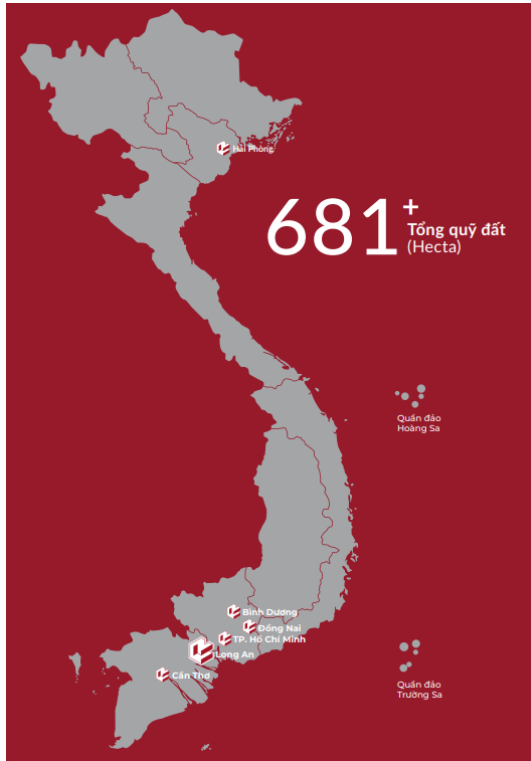
For the fiscal year 2024, Nam Long reported total net revenue of 7,196 billion VND, a 262% increase YoY. Net profit reached 1,382 billion VND, marking the highest level in three years and exceeding the 2024 shareholder meeting's profit target by 68%. The net profit attributable to the parent company's shareholders stood at 512 billion VND. According to Nam Long representatives, this breakthrough performance in 2024 was primarily driven by the early handover of Akari City Phase 2, which generated 5,178 billion VND, accounting for 72% of total revenue. Other key projects also made significant contributions: Central Lake II Can Tho: 839 billion VND; Valora Southgate: 279 billion VND; Ehome Southgate: 420 billion VND; Izumi City: 216 billion VND; Other revenues: 264 billion VND

The successful handover of major projects and strong cash inflows from these developments helped double Nam Long's cash reserves compared to 2023, reaching 5,443 billion VND.



Source: Company financial report, IR, GTJAVN





Investment Outlook:

Short-term: Stable cash flow backed by a large backlog of pre-sold units; benefit from the recovery of the real estate market, particularly in the mid-end segment, where demand remains consistently high.

- As of December 31, 2024, Nam Long recorded an inventory of VND 18,061 billion, a slight increase of 3.7% YoY, accounting for 60% of total assets. The company's key projects accounted for the majority of this inventory, including: Izumi City (VND 8,685 billion); Waterpoint Phase 1 (VND 3,833 billion); Waterpoint Phase 2 (VND 2,595 billion); Can Tho (VND 1,806 billion).

These projects have completed the necessary legal procedures, ensuring a stable supply for the market. 2025 Sales Strategy

- In 2025, Nam Long plans to launch new projects Paragon and Izumi, while continuing sales for Can Tho, Waterpoint, Akari, and Mizuki.

Izumi City (Dong Nai) (170 ha) has recently received 1/10,000 master plan approval, setting the foundation for sales in 2025 – 2026. Strategically located between major economic and industrial hubs (HCMC, Bien Hoa, and near Long Thanh International Airport), Izumi City is expected to deliver strong sales performance and significant cash flow for Nam Long from 2025 – 2027.

Long-term: The company possesses a large, legally compliant land bank with a business strategy that meets market needs and a healthy financial structure

NLG owns a large clean land fund of more than 680 hectares, mainly concentrated in key urban and residential areas and a diverse product portfolio, including a project fund aimed at real needs, completed legal procedures, good reputation and professional capacity in project development.

With the current clean land fund, NLG can continue to provide products to the market for the next 5 years. We assess that, in the context of stricter requirements for investors, increased project development costs (land clearance costs, land use fees, ...) under the impact of new laws of the real estate industry, NLG with a large land fund has fulfilled its financial obligations, still has a lot of potential for growth with a good position.

Based on the business outlook and valuation results, we recommend BUY with a target price of VND 42,600VND /share, 29.7% higher than the closing price on February 25, 2025.

Source: Company financial report, IR, GTJAVN

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Preparation Phase		
Purpose	Policies – Highlights	Impact
Increasing requirements for developers' bidding capabilities, negotiation skills, and project legal obligations	<i>Article 125 Land Law 2024</i> Enterprises, organizations participating in the auction must have capacity and experience in project development.	→ developers must improve internal capacity to develop projects.
	<i>Article 79,86 Land Law 2024</i> Enterprises directly negotiate with land owners in land acquisition for project implementation.	=> Limited government support, increased project development costs
Increasing financial capacity requirements for developers as project preparation costs rise	<i>Article 159, 160 Land Law 2024</i> Adjusting land valuation method to be closer to market value Increasing the frequency of land price list adjustment from 5 years/time to annually basis	(-) Increased land acquisition and compensation costs (+) Faster compensation and project licensing procedures
	<i>Article 9 Real Estate Business Law 2023</i> <ul style="list-style-type: none"> Ensure the ratio of outstanding credit and outstanding bonds Project <20ha: Owner's equity ≥20% of total capital Project ≥20ha: Owner's equity ≥15% of total capital Ensure the ability to mobilize capital to implement the project 	Increase the requirement for equity capital ratio when implementing projects => Limit the ability of businesses to spread their investments, do many projects at the same time or projects that are too large compared to the business's resources
	<i>Decree 65/2022/ND-CP</i> Increasing conditions for corporate information transparency in bond issuance Credit loans: limited by many loan conditions	
Reducing procedures for developers with less than 50% foreign capital.	<i>Article 25 Real Estate Business Law 2023</i> Developers (Enterprises) with foreign investment capital accounting for less than 50% have the same rights and obligations as domestic Enterprises.	Reducing procedures for foreign investors, encouraging foreign real estate investors to participate in project development; M&A projects; at the same time, it can increase market share competition for domestic enterprises.

Source: MoC, GTJAVN

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Project Development Phase		
Purpose	Policies – Highlights	Impact
Put pressure to speed up project construction progress; limit land hoarding and project speculation	<p><i>Article 153, 156 Land Law 2024</i> Charge additional land use fees and taxes to slow-progressing businesses</p> <p><i>Article 81, Land Law 2024</i> Only a maximum extension of 24 months is allowed for projects that are behind schedule or not in use. In cases where the project continues, the state has the right to reclaim it without compensation.</p>	<p>⇒ (+) Limiting the hoarding of cheap land by some investors</p> <p>⇒ (-) Additional costs for enterprises with weak project development capacity</p>
	<p><i>Article 40,41 Real Estate Business Law 2023</i> Must meet financial obligations including land use fees, taxes and transaction costs; approved by local rather than central government before transferring all or part of the project</p>	Reduce speculative trading with related parties
Sales Launch Phase		
Increase requirements for transparency of project information and construction quality	<p><i>Article 6 Real Estate Business Law 2023</i> Enterprises must fully, honestly and accurately disclose information about real estate before putting it into business.</p>	
Limit cash flow from sale of future housing, thereby minimizing legal risks for buyers	<p><i>Article 23, 24 Real Estate Business Law 2023</i> Land use fee obligations must be met before commercial conditions are met</p> <p>Deposit collection regulations & Payment schedule</p> <ul style="list-style-type: none"> • Deposit collection shall not exceed 5% of the selling price when all commercial conditions are met • First payment for purchase or lease purchase of future housing ≤30% including deposit • For lease purchase, total subsequent payments ≤50% (previously ≤70%) 	
Incentives for developers developing social housing	<p><i>Article 85 Housing Law 2023</i> Profit does not exceed 10% for social housing construction areas; Allows alternative solutions for developers who do not build social housing to fulfill financial obligations with that land.</p>	

Source: MoC, GTJAVN



Appendix: List of 50 listed real estate stocks



CHỨNG KHOÁN GUOTAI JUNAN (VIỆT NAM)
GUOTAI JUNAN SECURITIES (VIETNAM)

No.	Stock code	Company	Stock Exchange	No.	Stock code	Company	Stock Exchange
1	AAV	Viet Tien Son Real Estate	HNX	26	KSF	Sunshine Group	HNX
2	AGG	An Gia Real Estate	HOSE	27	NBB	577 CORP	
3	API	Asia - Pacific Investment	HNX	28	NDN	Danang Housing Investment	HOSE
4	BCE	Binh Duong Construction	HOSE	29	NLG	Nam Long Investment	HNX
5	CDC	Chuong Duong Corp	HOSE	30	NRC	Danh Khoi Group	HOSE
6	CEO	CEO Group	HNX	31	NTL	Tu Liem Urban Development	HNX
7	CIG	COMA 18	HOSE	32	NVL	Novaland	HOSE
8	CKG	Kien Giang Construction	HOSE	33	PDR	Phat Dat Real Estate	HOSE
9	CSC	COTANA GROUP	HNX	34	QCG	Quoc Cuong Gia Lai	HOSE
10	D11	Real Estate 11	HNX	35	RCL	Cho Lon Real Estates	HOSE
11	D2D	Industrial Urban Development No.2	HOSE	36	SCR	TTC Land	HNX
12	DIG	DIC Corp	HOSE	37	TCH	Hoang Huy Investment Financial Services	HOSE
13	DTA	De Tam Land	HOSE	38	TDC	Becamex TDC	HOSE
14	DTD	Thanh Dat Investment Development	HNX	39	TDH	Thu Duc House	HOSE
15	DXG	Dat xanh real estate	HOSE	40	V21	Vinaconex 21	HOSE
16	FIR	First Real	HOSE	41	VC3	Nam MeKong Group	HNX
17	HDC	BR-VT House Development	HOSE	42	VPH	Van Phat Hung	HNX
18	HDG	HA DO Construction	HOSE	43	VPI	Van Phu - Invest	HOSE
19	HLD	HUDLAND Real Estate	HNX	44	EVG	Everland Group	HOSE
20	HPX	Hai Phat Investment	HOSE	45	HU1	HUD1.,JSC	HOSE
21	HQC	Hoang Quan Real Estate	HOSE	46	ICG	Song Hong Construction	HOSE
22	IDJ	IDJ Investment., JSC	HNX	47	NHA	HaNoi South Housing & Urban Development	HNX
23	IJC	Becamex IJC	HNX	48	VC7	BGI Group	HOSE
24	ITC	Investment and Trading of Real Estate	HOSE	49	VHM	Vinhomes	HOSE
25	KDH	Khang Dien House	HOSE	50	VIC	VinGroup	HOSE

Source: Fiiipro, GTJAVN

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Notable projects in Hanoi	Metropolis	Developers	Price (VNDm/ m2)	Products (units)
Condominium				
GS5 & GS6 The Miami	Vinhomes Smart City	MIK Group	70	1149
The Wisteria	Hinode Royal Park	Trading Construction Works Organization	37-60	840
Grand Sunlake	Van Quan Urban Area	HESCO	37-48	-
Lumiere Evergreen	Vinhomes Smart City	Masterise Homes	90	2294
Lumi Hanoi	-	CapitaLand Development	79	3974
Imperia Sola Park	Vinhomes Smart City	MIK Group	65	5000
The Ninety Complex	-	Capita Land Development	85	480
QMS Top Tower	-	Quang Minh Joint Stock Company	90-95	-
The Victoria	Vinhomes Smart City	MIK Group	80-85	1836
Noble Crystal	Ciputra Hanoi International City	Sunshine Group	165-270	955 apartments and 60 low-rise houses
The Nelson Private Residence	-	HDMon và Indochina Capital	from 135	175
The Matrix Premium	Vinhomes Smart City	MIK Group	90-120	990
The Senique	Vinhomes Ocean Park	CapitaLand Development	68-85	2150
Landed properties				
	Vinhomes Global Gate	Vietnam Exhibition Fair Centre JSC (a member company of Vingroup)		4147
Van Thuan - Tay Thang Long luxury residential area	Tay Tuu urban functional area	Xuan Truong Hoanh Bo Company Limited		90
Co Bi Green Little Town	-	Petrolimex Construction Group Corporation 1		134
Van Xuan NOTM	-	Investment and Construction Joint Stock Company No. 4 - Van Xuan		37
LKV-21, LKV-22A, LKV-22B	KĐT HUD – Son Tay	HUD		84

Source: GTJAVN tổng hợp

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