Residential Real Estate – Q2/2026 Update

15 listed residential property developers

Q2/2026 update · Financials as of 30/06/2026 · Market data & share prices as of 14/08/2026

EXECUTIVE SUMMARY

In Q2/2026 our 15 listed residential developers posted net profit to parent of **VND29,815bn (+265% YoY)** — but the headline misleads. Growth is almost entirely concentrated in **VHM and KSF, which together account for 90.6%** of sector profit. Across the other 13 names, **core operating profit was only VND312bn** on revenue of VND6,213bn — just **9.0% of their VND3,465bn pre-tax profit**. The rest came from **divestments and bulk project sales**: KDH booked VND896bn from transferring Binh Trung Moi, NVL VND1,039bn from exiting Ngoi Nha Mega, PDR VND473bn from Tam Hiep and Serenity Phuoc Hai. **Six of 15 names ran negative core profit**. The cause sits in the underlying market: mortgage rates of **12–14% p.a.** (15–16% floating), Hanoi absorption down to **68%** from 98% a year ago, and Hanoi secondary prices **down 3.2% QoQ** — the first decline since 2022. TCBS Research believes **earnings quality matters more than growth rate** at this point in the cycle, and that sector trailing P/E is distorted by one-off gains. That said, P/B has fallen to **around book value** at many names — including sector leaders with quality assets — opening an **accumulation opportunity for long-term investors**. TCBS Research believes investors may consider sound companies with healthy finances at cheap valuations such as **TCH**, **KDH** and **NLG**, or high-growth names with large land banks such as **VHM**.

KEY HIGHLIGHTS

01 Sector profit surged
Q2/2026 net profit to parent of **VND29,815bn (+265%)**; 6M/2026 at **VND57,465bn**, **5.2x** the prior year. **11 of 15** names grew YoY.

02 Strongest supply recovery in six years
Hanoi launched **16,600 units** in 6M/2026 — the highest since 2020; HCMC Q2 reached **6,537 units (+56.1% QoQ)** on supply from former Binh Duong.

03 Balance sheets sharply divided
TCH carries **zero debt**; DIG and NLG are **net cash**. At the other end NVL holds net debt of **VND48,859bn (74.9%** of equity) and VPI **119.5%**.

04 Regulatory framework in motion
Resolution 21-NQ/TW (29/7/2026) replaces Resolution 18 and frames the Land Law amendment — tabled **August 2026**, expected to pass **October 2026**.

WHAT TO WATCH

01 Earnings quality is deteriorating — core profit is declining
For the 13 names outside VHM and KSF, core operating profit of **VND312bn** compares with pre-tax profit of **VND3,465bn** — only **9.0%**. Six ran negative core profit: KDH (−53), PDR (−233), DIG, HDC, AGG, NTL.

02 Trailing P/E is distorted by one-off gains
Non-recurring divestment gains push trailing P/E to artificially low levels — **AGG at 3.1x** (48% of its 12-month profit came from Q2/2026 alone) and **HDC at 4.1x**. Valuing the sector on trailing earnings invites the wrong conclusion.

03 Demand has not improved; secondary prices are now correcting
Absorption sits at **68%** in Hanoi (98% a year ago) and **73%** in HCMC (88%). Hanoi secondary apartment prices fell **3.2%** to VND62.4mn/m² — the first drop since 2022, as 2024 mortgages reset to floating rates.

04 Profit concentration is extreme
VHM alone is **75.7%** and with KSF **90.6%** of sector profit; VHM is also **71.4%** of sector market cap. Strip out those two and the sector looks very different from the headline.

SIZE & MARKET	
Sector market cap	784,889 VNDbn
Companies covered	15 names
Hanoi launches 6M/2026	16,600 units
Mortgage rate	12–14 % p.a.

Q2/2026 RESULTS	
Net revenue	69,832 VNDbn
Core operating profit	39,848 VNDbn
Pre-tax profit	41,778 VNDbn
Net profit to parent	29,815 · +265%

VALUATION & QUALITY	
Median P/B	1.0 x
Core / PBT · 13 names	9.0 %
Names with negative core profit	6 / 15
VHM + KSF share of profit	90.6 %

1. Market overview

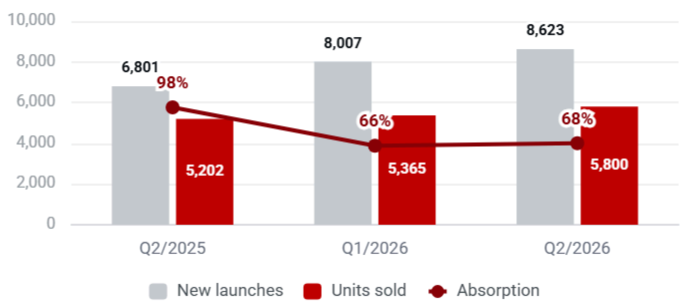
Vietnam's housing market enters 2H2026 with a paradox: **the strongest supply recovery in six years alongside continued demand weakness**. New launches are almost entirely mid- and high-end, holding primary prices high, while mortgage rates near a two-year peak erode affordability. Absorption has fallen to its lowest since 2023, and Hanoi's secondary market has recorded its first price decline in three years.

HANOI LAUNCHES 6M/2026	ABSORPTION · HANOI	PRIMARY PRICE · HANOI	SECONDARY PRICE · HANOI
16,600 units	**68** %	**98.8** VNDmn/m²	**−3.2** %
highest since 2020	from 98% a year ago	+13.1% QoQ	first decline since 2022

1.1. Supply recovers but skews heavily to the high end

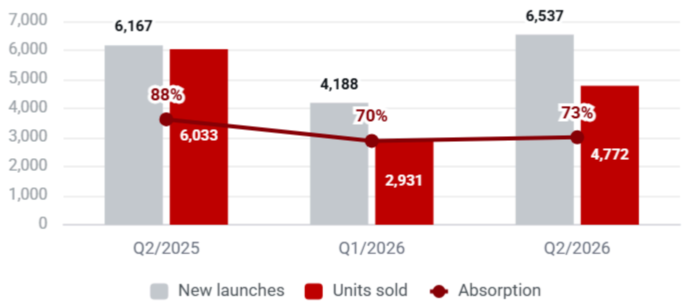
- **Hanoi — six-year high in supply** — Q2/2026 saw **8,623 units** launched (+26.8% YoY, +7.7% QoQ), taking the half-year total to **16,600 units**, the most since 2020. Notably, **every new project launched was mid- or high-end**; this was the second straight quarter with no product below VND67.6mn/m².
- **HCMC — supply rebounds on the periphery** — New supply reached **6,537 units** (+6.0% YoY, +56.1% QoQ), with roughly **80% from former Binh Duong**. This partly relieves the shortage of sub-VND67.6mn/m² product in the post-merger city.
- **Absorbed volume rose but lagged supply** — Units sold reached **5,800** in Hanoi (+8.1% QoQ; +11.5% YoY) and **4,772** in HCMC (+62.8% QoQ but −20.9% YoY).
- **Absorption remains depressed** — Rates edged up to **68%** in Hanoi and **73%** in HCMC (from 66% and 70% in Q1/2026) but stay far below the **98% and 88%** of Q2/2025, before mortgage rates rose.

Supply, absorbed volume & absorption — Hanoi



Source: CBRE, HSC, TCBS compilation

Supply, absorbed volume & absorption — HCMC



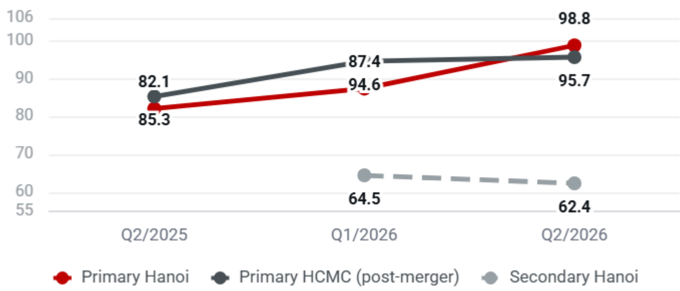
Source: CBRE, HSC, TCBS compilation

Absorption rates as published by CBRE. Unit counts for Q2/2025 and Q1/2026 are derived by TCBS from published growth rates and may differ slightly from source figures.

1.2. Primary prices keep rising; Hanoi secondary turns down

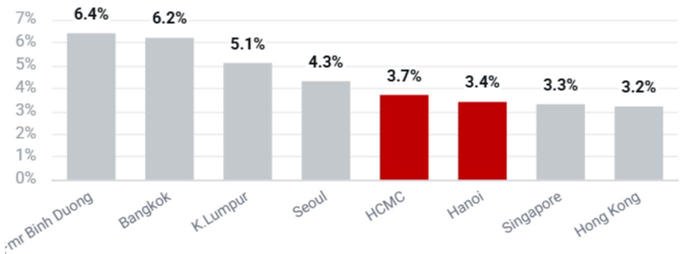
- **Primary prices held up by product mix** — Hanoi's average primary price rose **13.1% QoQ** and **20.3% YoY** to **VND98.8mn/m²** — above the **pre-merger** HCMC level on HSC's reading. The **post-merger** HCMC area, a statistical footprint that now includes Binh Duong and Ba Ria – Vung Tau, reached **VND95.7mn/m²** (+1.1% QoQ, +12.2% YoY). The two figures **cover different geographies and are not directly comparable**; what they share is that the increase reflects a **mix shift toward the high end** rather than stronger demand.
- **Hanoi's secondary market posts its first decline since 2022** — Secondary apartment prices fell **3.2% QoQ** to **VND62.4mn/m²**, ending a three-year run. Two drivers: **(1)** mortgages drawn in 2024 reset to floating rates in 2026, lifting debt service to **14–15% p.a.** and forcing some leveraged investors to sell at a discount; **(2)** abundant primary supply with aggressive incentives left secondary stock uncompetitive.
- **Developers hold list prices and compete on terms** — Rather than cut prices, developers have escalated financial support: **The Privé (DXG)** covers 100% of interest for 24 months, caps the mortgage rate at 9.9% for a further 36 months and grants up to 60 months' principal grace; **Gladia Heights (KDH)** requires only 10% until handover; **Monrei Saigon (PDR)** 15%. These are **price support in substance**: they protect headline prices but create financing costs and stretch the cash cycle, with margin pressure surfacing at handover in 2027–2028.

Average primary & secondary prices · *VNDmn/m²*



*Source: CBRE, HSC, TCBS compilation · Converted from USD at **VND26,000/US$** · The HCMC series is the **post-merger** area (incl. Binh Duong, Ba Ria – Vung Tau) and is not directly comparable with Hanoi*

Residential rental yields — regional comparison

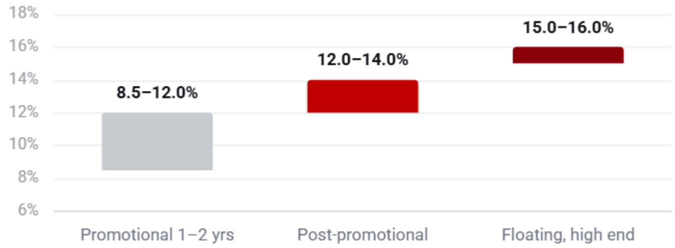


Source: CBRE, HSC · 2025 data

1.3. Mortgage rates — the binding constraint this cycle

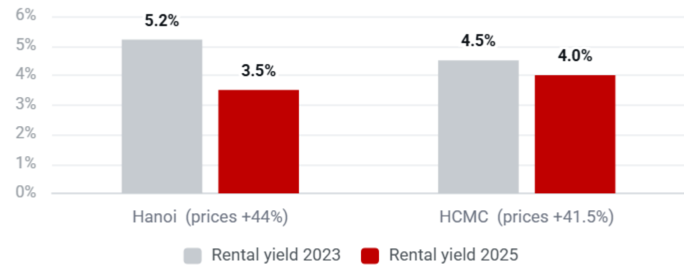
- **Rates near a two-year peak** — Mortgage rates commonly run **12–14% p.a.**, with some floating loans at **15–16%**. Promotional rates for the first one to two years remain **8.5–12% p.a.** depending on the bank, but the gap between promotional and floating rates delivers a **payment shock** when the teaser period ends.
- **Compressed rental yields undercut investment demand** — Primary prices have risen **44%** in Hanoi and **41.5%** in HCMC since 2023, far outpacing rents. Yields have compressed to **3.4–3.5%** in Hanoi and **3.7–4.0%** in HCMC — well below Bangkok (6.2%) and Kuala Lumpur (5.1%), and **far below borrowing costs**. With investors accounting for **50–60%** of transactions, this weighs directly on absorption.
- **Policy signals have turned more balanced** — The State Bank has urged commercial banks to lower deposit and lending rates while maintaining liquidity support. The base case is for **rates to stabilise through 2H2026** as system liquidity improves and public investment accelerates. Even so, the **timing and size of any fall in actual borrowing costs remain uncertain**.

Mortgage rates — promotional vs post-promotional



Source: TCBS survey & compilation · August 2026

Rental yields 2023 vs 2025



Source: CBRE, HSC, TCBS compilation

1.4. 2H2026 outlook — more supply, still-soft absorption

- **Supply set to expand further** — CBRE expects roughly **39,000 units** launched in Hanoi and **43,000–45,000** in HCMC for full-year 2026, still concentrated in the high and luxury tiers. Cash-flow pressure keeps developers launching even where absorption is weak.
- **Primary prices flat, secondary prices lower** — Developers are likely to **hold list prices** and compete on incentives, slowing primary price growth. Secondary prices face further downside while rates stay high and primary supply competes directly.
- **Genuine end-user demand is the bright spot** — Projects priced within reach and paired with attractive financing still sell. **Gladia Heights (KDH)** launched on 1/8/2026 and sold **about 90% of the 500 units** offered, worth roughly **VND4,000bn** at VND100–110mn/m² — evidence that demand persists for the right product at the right price.
- **Infrastructure and administrative upgrades widen the map** — Dong Nai became a centrally governed city on **30/4/2026**, and the Politburo has approved establishing Quang Ninh City. Projects under way — HCMC Ring Road 3 (due end-2026), the Bien Hoa–Vung Tau expressway, the Hanoi–Quang Ninh high-speed rail (started 12/4/2026) and HCMC metro lines — directly support peripheral land banks at NVL (Aqua City), NLG (Izumi City), DXG (Gem Sky World), VHM (Global Gate Ha Long, Green Paradise) and HDC (The Light City).

TCBS RESEARCH VIEW

This cycle is **fundamentally different** from the 2022–2023 downturn. Then the problem was **legal bottlenecks and developer liquidity**; today legal obstacles are being cleared and supply has recovered, but the constraint has shifted to **buyer affordability**. That can only resolve through one of three routes: lower mortgage rates, higher household income, or a price correction. In the near term the most plausible is **rate relief** — which the base case places in 2H2026 but without a firm date.

We therefore think developers should be judged on their **ability to sell into genuine end-user demand** and the **resilience of their balance sheets**, rather than on the accounting profit growth of any single quarter.

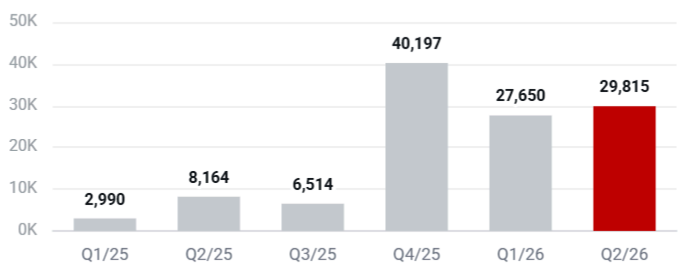
2. Q2/2026 results

On the headline numbers Q2/2026 was an excellent quarter: revenue of **VND69,832bn**, net profit to parent of **VND29,815bn (+265% YoY)** and a half-year figure **5.2x** the prior year. The picture changes once two things are separated: **concentration** and **the source of profit**. VHM alone represents 75.7% and with KSF **90.6%** of sector profit; across the other 13 developers, profit came almost entirely from **outside core delivery operations**.

2.1. Sector profit surged but sits with two companies

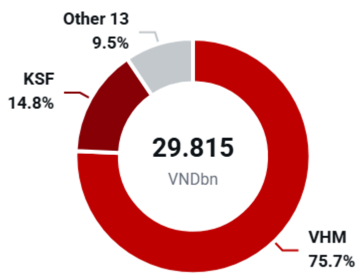
- **Second-highest quarterly profit on record** — Net profit to parent reached **VND29,815bn**, behind only the VND40,197bn peak of Q4/2025. The 6M/2026 total was **VND57,465bn** against VND11,154bn a year earlier.
- **Growth is broad in count, narrow in scale** — **11 of 15** names grew YoY, but nearly all of the absolute gain came from VHM (**VND22,583bn**, +200.8%) and KSF (**VND4,416bn**, off a very low base of VND37bn). The other **13 names contributed just VND2,816bn** — 9.4% of the total.
- **VHM's growth is genuine, driven by bulk sales** — Revenue of VND52,722bn (+177.8%), a **65.9%** gross margin and core operating profit of VND33,681bn — **above pre-tax profit**, meaning earnings came from operations rather than financial items. The driver was revenue recognition on bulk sales at Green Paradise and Ocean Park 2&3.
- **Four names declined** — NLG (−44.4%), DXG (−34.6%), HDC (−25.9%) and CEO (−17.3%), mainly on **handover timing** weighted to 2H rather than any deterioration in fundamentals.

Sector net profit to parent by quarter *· VNDbn*



Source: Company financial statements, TCBS compilation

Q2/2026 net profit to parent by company



Source: Company financial statements, TCBS calculations

2.2. Earnings quality — handover revenue fell sharply, profit came from divestments

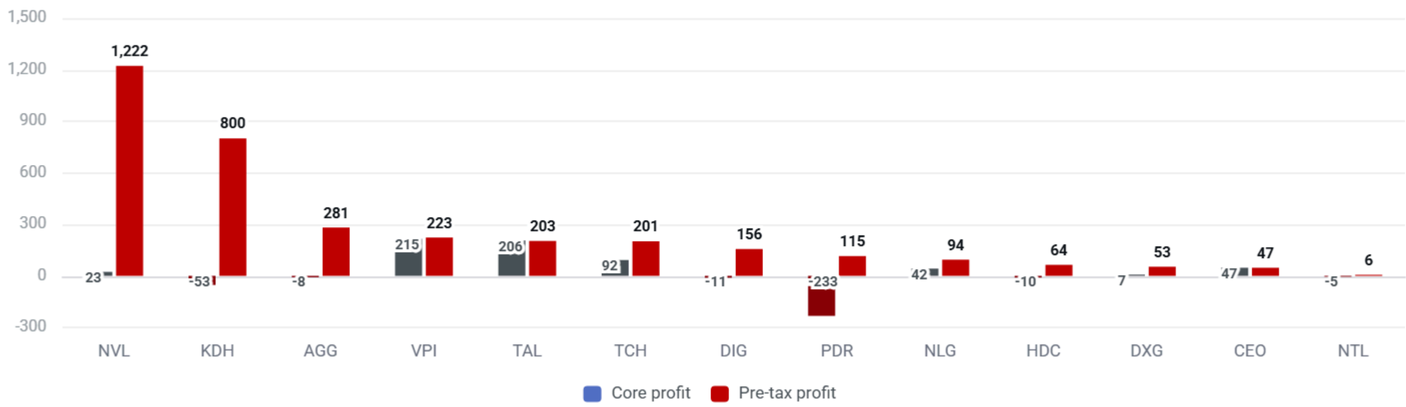
This is the quarter's most important finding. Separating **core operating profit** (gross profit less selling and administrative expenses, before financial items) from pre-tax profit shows how much earnings came from **outside the core business** — mainly gains on subsidiary disposals, project transfers and financial income.

CORE PROFIT · 13 NAMES	PRE-TAX PROFIT · 13 NAMES	CORE / PRE-TAX PROFIT	NEGATIVE CORE PROFIT
312 VNDbn	**3,465** VNDbn	**9.0** %	**6** / 15
on revenue of 6,213	11.1x core profit	91% from outside the core	KDH, PDR, DIG, HDC, AGG, NTL

- **Three deals explain most of the mid-cap profit** — **KDH** booked **VND896bn** of financial income from transferring control of Binh Trung Moi Real Estate while core operations **lost VND53bn**. **NVL** booked **VND1,039bn** from divesting its entire 99.93% stake in Ngoi Nha Mega, against core profit of only **VND23bn**. **PDR** booked **VND473bn** from Tam Hiep and Serenity Phuoc Hai while core operations **lost VND233bn**.
- **Delivery revenue collapsed at several large names** — KDH recorded just **VND161bn** of revenue (−84.7% YoY), NLG **VND415bn** (−46.3%), PDR **VND54bn** and NTL **VND5bn**, as transaction closing and handover slowed — particularly for higher-value low-rise product.
- **Selling and admin costs are consuming margins** — At PDR, selling and admin expenses of **VND235bn** compare with gross profit of just **VND2bn**; DXG spent **VND356bn** against VND363bn of gross profit, wiping out nearly all of it. This is the direct cost of **maintaining sales infrastructure and incentive programmes** while recognised revenue lags.
- **Where profit was real** — Besides VHM and KSF, three names earned core profit at or above pre-tax profit: **TAL** (206/203), **VPI** (215/223) and **CEO** (47/47) — earnings from delivery and operations rather than one-off items.

Core operating profit vs pre-tax profit — Q2/2026

· VNDbn · 13 names outside VHM and KSF



Source: Company financial statements, TCBS calculations. Core profit = gross profit − selling and administrative expenses

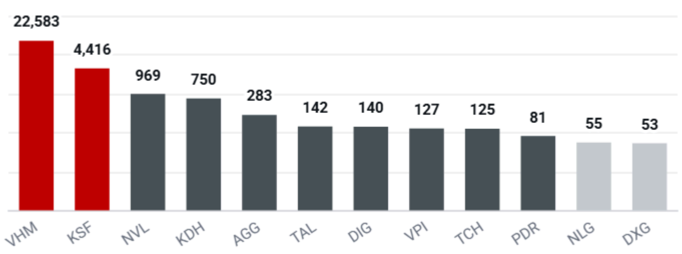
Code	Profit recognised outside core operations in Q2/2026	Core	PBT	Gap
NVL	Full divestment of 99.93% of Ngoi Nha Mega — VND1,039bn booked	23	1,222	**+1,199**
KDH	Transfer of control in Binh Trung Moi Real Estate — VND896bn	**−53**	800	**+853**
PDR	Divestment of Tam Hiep and Serenity Phuoc Hai — VND473bn	**−233**	115	**+348**
AGG	Financial and other income outside delivery operations	**−8**	281	**+289**
DIG	Financial and other income outside delivery operations	**−11**	156	**+167**
TCH	Financial income of VND101bn — mostly interest on a VND4,582bn cash balance	92	201	+109
HDC	Financial and other income outside delivery operations	**−10**	64	+74
13 names	**Total excluding VHM and KSF**	**312**	**3,465**	**+3,153**

Deal sources: HSC, company disclosures. Financial data: quarterly statements, TCBS calculations. For AGG, DIG and HDC we could not identify the specific transaction and report only the gap. Unit: VNDbn.

2.3. Divergence across companies

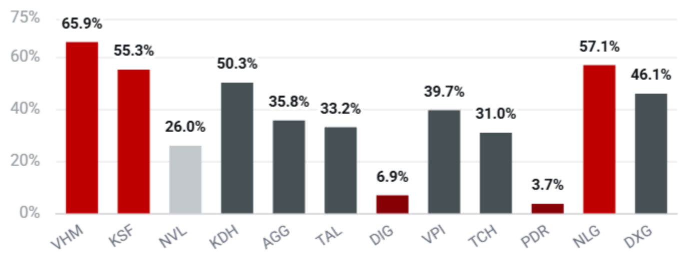
- **Gross margins span an extreme range** — From **3.7%** (PDR) and **6.9%** (DIG) to **65.9%** (VHM) and **57.1%** (NLG). The spread reflects what was recognised in the quarter: bulk sales and premium product carry high margins, while clearing older inventory or infrastructure work is very thin.
- **Genuine growth** — **TAL** posted revenue of VND886bn (+59.1%) with core profit of VND206bn and net profit to parent of VND142bn (+305.7%); **VPI** revenue of VND849bn (+373.5%) with core profit of VND215bn. Both earned from actual project delivery.
- **Awaiting handover** — **NLG** and **DXG** declined as major handovers fall in 2H; NLG beat expectations on sales at Sol Garden, and DXG sold over 400 units at The Privé in 1H (roughly 50% of the project).
- **TCH — a fiscal-year exception** — TCH's financial year runs 1 April to 31 March, but this report uses **calendar quarters** for sector comparability. On that basis Q2/2026 net profit to parent was VND125bn (+228.9%), yet the 6M figure of VND206bn is **below** the VND226bn a year earlier because Q1/2025 was a high base.

Net profit to parent Q2/2026 *· VNDbn*



Source: Company financial statements, TCBS compilation

Gross margin Q2/2026 *· %*

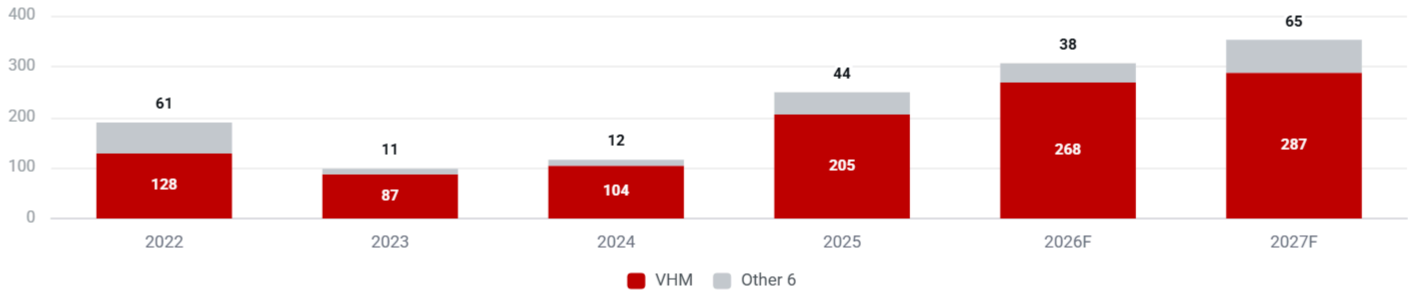


Source: Company financial statements, TCBS calculations

2.4. Presales — the revenue of coming quarters

- **Presales lead accounting revenue** — Recognised revenue reflects sales made two to three years earlier; new presales indicate 2027–2028 profit. Sector presales are forecast at **VND305,618bn** in 2026 and **VND351,991bn** in 2027, against VND248,986bn in 2025.
- **Concentration is even higher than in profit** — VHM accounts for **87.6%** of 2026F presales (267,795 of 305,618). The other six names together total roughly **VND37,823bn**.
- **Backlog is large but unevenly spread** — VHM's unrecognised backlog reached **VND201.6tn** at end-Q1/2026 (+68% YoY), about half from bulk sales. Among mid-caps, TCH holds **VND6,116bn** of customer advances and TAL **VND4,573bn** — enough to underwrite several quarters of revenue.

Presales — companies under coverage *· VND trillion*



Source: Company disclosures, HSC estimates · TCBS compilation. 2026F–2027F are forecasts

2.5. Summary assessment by group

TCBS Research sorts the 15 companies into four groups by **land-bank position, monetisation efficiency, project execution capability and financial health**, with **share liquidity** also taken into account. This is a **descriptive grouping**, not an investment recommendation, and carries no target prices.

GROUP 1 · CENTRAL LAND BANK, STRONG EXECUTION

KDH · NLG · TCH

Centrally located land banks, efficient monetisation, proven execution and sound finances. **NLG** and **TCH** are both net cash, with TCH carrying **no financial debt at all**; **KDH** holds clean inner-city HCMC land and participates in BT infrastructure projects. Note that Q2/2026 core profit is still thin at all three (KDH −53bn, TCH 92bn, NLG 42bn) and KDH's leverage stands at 68.9% of equity — this group rests on **asset quality and long-term capability** rather than one quarter's result.

GROUP 2 · THE SECTOR OUTLIER

VHM

In a class of its own. The largest share of the sector: **75.7%** of profit and **71.4%** of market capitalisation across the coverage, and **87.6%** of 2026F presales. Operating performance is exceptional — a **65.9%** gross margin, **33.8%** ROE and core profit of VND33,681bn, above pre-tax profit. The principal risk lies not in operations but in **its link to parent group Vingroup**: developments at group level can affect both valuation and sentiment toward the stock.

GROUP 3 · STRONG RETURNS, THIN LIQUIDITY

KSF · TAL

High operating efficiency and centrally located land. **KSF** posts a **100.1%** ROE with core profit at 107.0% of pre-tax profit; **TAL** a 19.4% ROE, core at 101.5% of PBT and net debt of only 29.5% of equity. The binding limitation is **low share liquidity** — thin trading volume makes building and exiting positions difficult, and leaves the share price slower to reflect fundamentals.

GROUP 4 · SPECULATIVE MID-CAPS

DXG · DIG · HDC · NTL · PDR · VPI · NVL · AGG · CEO

Highly speculative, with limited project execution capability. Seven of the nine ran core profit at or below zero in the quarter — **PDR −233bn**, DIG −11, HDC −10, AGG −8, NTL −5 — while reported profit came mainly from **divestments** (NVL VND1,039bn, PDR VND473bn). The two earnings exceptions are VPI (core VND215bn) and CEO (VND47bn), but **VPI carries the highest leverage in the coverage** at 119.5% net debt to equity.

WHAT WOULD CONFIRM THE CYCLE HAS TURNED

The most convincing signal is not net profit growth but **positive and broadening core operating profit**. Specifically, TCBS Research tracks three markers: **(1)** the number of companies with negative core profit falling from six to fewer than three; **(2)** the core-to-pre-tax profit ratio for the 13 mid-caps recovering from 9% to above 50%; and **(3)** absorption in Hanoi and HCMC returning above 85%. Until all three appear, accounting profit growth should be read as **the outcome of asset restructuring**, not as evidence of recovering demand.

3. Assets & funding structure

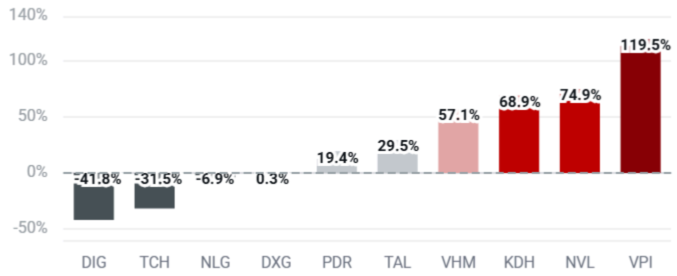
Residential developers share a distinctive balance sheet: **inventory dominates total assets** and is funded by a mix of equity, borrowings and customer advances. In a high-rate environment two measures determine resilience: **net debt** and **inventory turnover**. Q2/2026 shows very wide dispersion on both.

INVENTORY · 10 LARGEST	NET DEBT / EQUITY · MEDIAN	NET CASH POSITIONS	HIGHEST LEVERAGE
470,510 VNDbn	**24.5** %	**3** / 10	**119.5** %
the largest balance-sheet item	range −42% to +120%	DIG, TCH, NLG	VPI · net debt / equity

3.1. Leverage — a very wide gap between the extremes

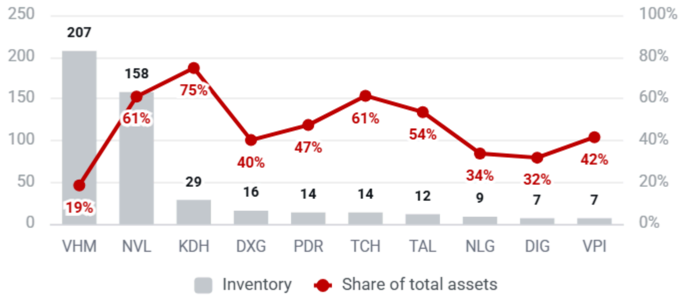
- **Three companies are net cash** — **DIG** (VND5,575bn cash and deposits against VND1,322bn debt, net −41.8% of equity), **TCH** (**no financial debt at all**, net cash VND4,582bn) and **NLG** (−6.9%). These are effectively insulated from interest costs this cycle.
- **The high-leverage group is directly exposed** — **VPI** carries net debt of VND6,847bn against equity of VND5,728bn (**119.5%**); **NVL** VND48,859bn against VND65,238bn (**74.9%**); **KDH** VND13,769bn against VND19,974bn (**68.9%**). KDH's leverage rose materially from roughly 54% at end-Q1/2026, reflecting **borrowing to fund project development** ahead of a new sales cycle.
- **Rising leverage is preparation, not yet distress** — Inventory rose at nearly every company alongside modestly higher borrowings, indicating developers are **borrowing to build** for the 2026–2027 sales cycle rather than to refinance. The risk is that this cycle is **being stretched out** by weak absorption, so interest costs accrue before sales cash arrives.
- **Interest cover is sharply divided** — EBIT to interest expense stands at **7.5x for TAL** and **16.0x for VPI**, against **−2.8x for KDH**, **−2.3x for PDR** and **−0.3x for DIG** — operating profit does not cover interest, leaving these names reliant on divestments.

Net debt / equity · %



Source: Quarterly financial statements, TCBS calculations

Inventory & share of total assets · VND tn · %



Source: Quarterly financial statements, TCBS calculations

3.2. Inventory — the largest asset and the largest risk

- **Inventory dominates the balance sheet** — **KDH 74.7%** of total assets, **TCH 61.4%**, **NVL 61.0%**, **TAL 53.6%**. NVL's inventory alone, at **VND157,712bn**, exceeds the entire asset base of every other company in the group except VHM.
- **Inventory rose almost everywhere** — Versus end-Q1/2026: VHM from 138,885 to **VND206,728bn**, TAL from 8,044 to **VND11,648bn**, NVL from 154,609 to **VND157,712bn**, TCH from 11,604 to **VND13,681bn**. This signals **accelerating development** — positive if it sells, a funding burden if it does not.
- **Turnover is very slow** — Days inventory exceeds **13,000 days** at PDR and approaches **19,000** at NVL, with DXG around **2,300**, reflecting large land banks and work in progress relative to current revenue recognition. DIG at roughly **719 days** and NLG at **1,588** are the fastest.
- **Customer advances are the cheapest funding** — TCH's **VND6,116bn** and TAL's **VND4,573bn** of advances are both interest-free funding and **contracted future revenue**. This is a higher-quality indicator than inventory because it is already tied to signed sales.

Code	Total assets	Inventory	Inv./assets	Cash & deposits	Borrowings	Net debt	Equity	Net debt/eq.
VHM	1,110,736	206,728	18.6%	58,974	215,453	156,479	274,005	57.1%
NVL	258,658	157,712	61.0%	24,052	72,911	48,859	65,238	74.9%
KDH	39,471	29,488	74.7%	2,890	16,659	13,769	19,974	68.9%
DXG	39,769	15,985	40.2%	5,106	5,167	61	21,113	0.3%
PDR	28,607	13,556	47.4%	1,701	4,151	2,450	12,610	19.4%
NLG	25,476	8,599	33.8%	6,200	5,196	−1,004	14,544	−6.9%
TCH	22,278	13,681	61.4%	4,582	0	−4,582	14,529	−31.5%
TAL	21,724	11,648	53.6%	2,770	4,708	1,938	6,579	29.5%
DIG	20,486	6,513	31.8%	5,575	1,322	−4,253	10,181	−41.8%
VPI	15,855	6,600	41.6%	552	7,399	6,847	5,728	119.5%
Total	**1,583,060**	**470,510**	**29.7%**	**112,402**	**332,966**	**220,564**	**444,501**	**49.6%**

Unit: VNDbn · as of end-Q2/2026. Net debt = short-term borrowings + long-term borrowings − (cash and equivalents + short-term financial investments).
Source: quarterly financial statements, TCBS calculations.

4. Regulatory framework

The first half of 2026 brought the **densest run of land-policy change since the 2024 Land Law**. The new measures share two aims: **unblocking stalled projects** and **improving housing affordability**. For listed developers the effect is mainly medium-term — clearing legal obstacles and widening the product set — without addressing the near-term constraint of buyer financing costs.

29/07/2026 · CENTRAL COMMITTEE OF THE PARTY, 14TH TENURE

Resolution 21-NQ/TW — direction for amending the Land Law and related legislation

Replaces Resolution 18-NQ/TW with the goal of "strict, transparent, fair and sustainable land management". Provisions bearing directly on the sector: land allocation and leasing to occur **primarily through auction of land use rights or project tender**, with equal treatment of public and private sectors; **strict limits on plot subdivision and land-lot sales in urban areas**; long-term land tenure for housing built for sale; and preferential policies to encourage **rental housing**. Milestones: a digital database of all land parcels in **2026**, cadastral survey and mapping in **2027**, and a complete land-law system by **2030**. The draft law goes to the National Assembly at an extraordinary session in **August 2026**, with passage expected at the second session in **October 2026**.

24/04/2026 · NATIONAL ASSEMBLY · EFFECTIVE 01/05/2026

Resolution 29/2026/QH16 — special mechanisms for land violations and stalled projects

Addresses violations arising **before 1/8/2024** and long-stalled projects, on the principle of not legitimising wrongdoing while prioritising project completion. Four main routes: land certificates issued incorrectly may have their **land-use purpose adjusted** where consistent with planning and financial obligations are met; violations in investor selection or land allocation may **proceed without re-tendering or re-auction**; land recovered improperly may continue if legal, financial and planning conditions are satisfied; and land-use purpose violations may continue after adjustment, **without demolition of existing structures**. Violation provisions run to 1/5/2029 and stalled-project provisions to 1/5/2031.

DRAFT · MINISTRY OF CONSTRUCTION · UNDER CONSULTATION

Draft resolution piloting affordably priced commercial housing

Targets middle-income households (above VND20mn per month). Key terms: provincial authorities allocate land and **appoint developers without tender or auction**, mirroring the social-housing mechanism; developers earn a **capped margin of 15%** of total construction investment, are **exempt from setting aside social-housing land** within the project, gain more flexible fundraising and access to preferential loans; buyers must be domestic individuals, limited to one unit, with a **minimum five-year transfer restriction**. Expected to run from issuance to **28/02/2027**. **Note: still at draft stage** and subject to change.

2026 · OTHER INSTRUMENTS

New land price schedules, property identifiers and penalty rules

Land price schedules built and issued by provincial authorities for the first time apply from **01/01/2026** — directly affecting land-use fees on new projects. **Decree 357/2025/ND-CP** integrates an **electronic identifier for each property** into the national land information system from 1/3/2026, improving transaction transparency. **Decree 281/2026/ND-CP**, effective **31/8/2026**, revises administrative penalties in the land sector.

IMPACT ASSESSMENT

Positive medium-term, limited near-term. Resolution 29/2026/QH16 is the most substantive step because it directly unblocks stalled projects — the clearest beneficiaries are developers with large land banks caught in legal limbo such as **NVL, PDR and DIG**. However, the project list has not been published and progress depends on implementing guidance and each locality's administrative processing, so profit effects are unlikely before 2027.

Within **Resolution 21-NQ/TW**, two directions deserve close attention: **tighter limits on plot subdivision** — negative for developers built around peripheral land-lot sales — and **a preference for auction and tender in land allocation**, which raises the cost and competitiveness of acquiring new land and correspondingly increases the relative value of clean land already banked. The draft affordable-housing resolution, if issued, would open room for developers experienced in the mid-price segment such as **VHM, NLG and HDC**, though the 15% margin cap limits profitability versus standard commercial product.

5. Four draft real-estate laws

This section condenses the TCBS Research thematic report **"Four draft real-estate laws"** published on **24/8/2026**, filtered to this report's residential scope. Unlike Part 4 — instruments **already issued** — the four laws below remain at **draft** stage: three received their first National Assembly reading in August 2026 and are expected to be voted through in **October 2026**; the amended Land Law is expected to take effect from **1/3/2027**. All four target the **legal bottlenecks choking supply**, not purchasing power.

LAWS AMENDED TOGETHER	LAND LAW · ARTICLES REVISED	EXPECTED PASSAGE	LAND LAW EFFECTIVE
4 drafts	**~65** articles	**10/2026**	**1/3/2027**
Land · Housing · RE Business · special urban	consultation 20/7 – 10/8/2026	National Assembly session	new land price schedules follow

5.1. The four drafts and what each unlocks

Draft	Main content	Who benefits
RE Business Law	Tighter financial-capacity requirements for developers, exchanges and brokers; transparent price & planning data; formal legal status for "lodging-purpose dwellings" (condotel, officetel); project-transfer approval devolved to provincial authorities	Large, transparent developers
Housing Law	Formalises affordable and rental housing models and creates a national housing fund; shortens project procedures, allowing parallel processing and concurrent planning; resolves mortgaging of future-formed housing (Article 183)	Developers of genuine end-user and social housing
Land Law	Abolishes the "specific land price" mechanism, computing land fees from the provincial price schedule plus an adjustment coefficient (K); widens land auctions and tenders; permits recovery of the remaining land once over 75% has been agreed	Developers with large land banks, industrial parks
Special urban regime	Strong devolution to HCMC with on-the-spot approval; transit-oriented development (TOD), free trade zones, an international financial centre; higher density and plot ratios around key infrastructure	Real estate and retail in HCMC and its periphery

5.2. The four bottlenecks being unlocked

Bottleneck	Where it binds	How the drafts address it
Land use fees	The "specific land price" mechanism values each project separately — slow and inconsistent, so projects finish construction without settling land fees and therefore cannot sell or issue title	**Land Law**: drop "specific land price" and use the price schedule plus coefficient K — public, fast and predictable
Mortgaging future housing	Article 183 is unclear, leaving developers unable to borrow and buyers unable to obtain bank financing	**Housing / RE Business Law**: resolve Article 183, unlocking credit for both seller and buyer
Site clearance	A handful of households withholding consent can stall an entire project for years, inflating costs	**Land Law**: the "75% rule" — once over 75% of both area and landholders have agreed, the provincial council may recover the remainder
Condotel & resort assets	Ownership and titling for condotel and officetel have been unresolved for years, freezing liquidity	**Housing / RE Business Law**: give lodging-type assets formal legal status

5.3. Residential names closest to the benefit

The 24/8 thematic report maps **14 real-estate and industrial-park names** by benefit channel. The table below extracts only the **8 residential names** within this report's scope; the industrial-park group (KBC, IDC, BCM, SZC), retail (VRE) and HDG fall outside it. Note this grouping rests on **policy benefit channel**, a different basis from the land-bank, execution and financial-health grouping in Section 2.5 — a company can sit close to the policy benefit while its core profit remains thin, as with TCH.

*Declines from the one-year high are measured at **24/8/2026** per the thematic report; valuation metrics in Part 7 are as of 14/8/2026 and therefore do not tie exactly. This is a qualitative mapping by business characteristics, not a buy or sell recommendation.*

Code	Main benefit channel	vs 1-year high
Group A	**Genuine end-user housing, solid fundamentals — benefits from shorter procedures and end-user demand support**	–
VHM	Mega-townships, large land bank, supply leader	−12.8%
NLG	Affordable and social housing, healthy balance sheet	−45.9%
KDH	HCMC housing, clean inner-city land bank, BT infrastructure projects	**−52.8%**
TCH	Hai Phong housing, near debt-free balance sheet	−47.0%
Group B	**Legal unblocking — most sensitive to policy news, high volatility**	–
NVL	Large projects awaiting legal resolution, resort exposure	−30.6%
PDR	Large project pipeline, leverage gradually declining	**−54.2%**
DXG	Development and brokerage, benefits as liquidity improves	−45.8%
DIG	Coastal urban land bank, many unfinished projects	**−55.8%**

5.4. From policy to action — the road ahead

20/7 – 10/8/2026

Public consultation on the drafts

The amended Land Law draft revises roughly **65 articles**, alongside the Housing Law and RE Business Law drafts.

AUGUST 2026

First National Assembly reading of three laws

The Housing Law was debated on **21/8** and the RE Business Law on **22/8** during the session.

EXPECTED OCTOBER 2026

Vote on passage

The decisive milestone that turns intent into binding rules. Until then the draft content **can still change**.

FROM 1/3/2027

Amended Land Law expected to take effect

Provinces then issue **new land price schedules** together with auction and site-clearance procedures. How fast each locality moves determines how quickly projects are actually unblocked.

TCBS RESEARCH VIEW — READ AGAINST Q2/2026

All four drafts act on the **supply side**: shorter procedures, settled land obligations, faster site clearance. But the Q2/2026 data in Part 1 shows this cycle's binding constraint has moved to the **demand side** — Hanoi supply has already recovered to a six-year high while absorption still fell to 68%, because mortgage rates sit at 12–14% p.a. These drafts are therefore better read as **lifting the supply ceiling for 2027–2028** than as a catalyst for absorption in 2026.

One **counter-effect** deserves watching: replacing the “specific land price” with a price schedule plus coefficient K may set a **higher** base than the old method in some localities. That shortens timelines but **raises land use costs**, compressing margins on projects yet to settle their financial obligations — most relevant for the high-inventory, high-leverage companies identified in Part 3.

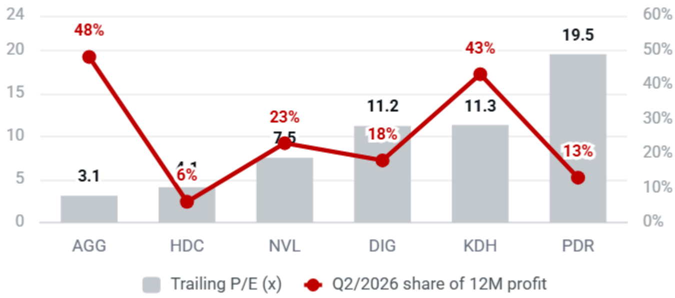
6. Valuation

Sector valuation sits low against history: **median P/B of 1.0x**, with 9 of 15 trading at or below book value. TCBS Research cautions, however, that the sector's **trailing 12-month P/E does not reflect underlying earning power**, because one-off divestment gains inflate the profit denominator. This is the single largest analytical risk when valuing the sector today.

6.1. Trailing P/E is distorted by one-off gains

- **The "cheapest" multiples are the most suspect — AGG trades at 3.1x**, yet Q2/2026 alone contributed **48%** of its 12-month profit while core operations **lost VND8bn** that quarter. **HDC at 4.1x** owes most of its trailing profit to a VND538bn one-off in Q3/2025, with core operations **losing VND10bn** in Q2/2026.
- **The same applies higher up the cap scale — KDH at 11.3x** drew 43% of its 12-month profit from Q2/2026 alone — the quarter containing the VND896bn divestment. **NVL at 7.5x** took 23% from Q2/2026 and most of the remainder from a Q4/2025 one-off.
- **Conversely, some high multiples reflect depressed earnings — DXG at 75.9x** and **NTL at 56.5x** are not expensive stocks so much as trough earnings. Here **P/B is the more appropriate measure**: DXG 1.0x, NTL 1.0x.
- **Implication for method** — For this sector at this point in the cycle, TCBS Research prefers **P/B combined with asset quality** and **net asset value**, while **stripping one-off gains** from normalised earnings. Valuing on trailing P/E readily produces the opposite of the correct conclusion.

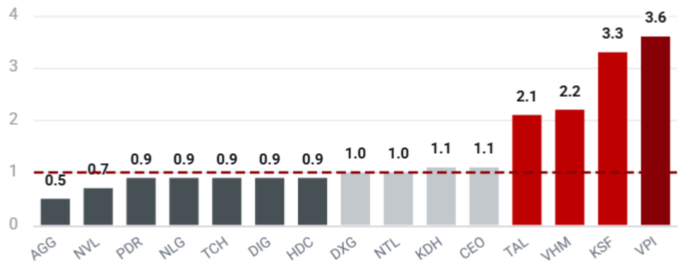
Trailing P/E & reliance on one-off profit



Source: TCBS. The higher the share, the more the trailing P/E depends on a single quarter

P/B — companies under coverage

· x · median 1.0



Source: TCBS · prices as of 14/08/2026

6.2. Low P/B reflects a difficult operating environment

- **Most trade at or below book — 9 of 15** companies carry a P/B of 1.0x or below, the lowest being **AGG at 0.5x** and **NVL at 0.7x**. That discount shows the market **questioning the carrying value of inventory** — reasonable when inventory turnover at several names runs into thousands of days.
- **Higher multiples track higher returns — KSF 3.3x** (ROE 100.1%), **VHM 2.2x** (ROE 33.8%) and **TAL 2.1x** (ROE 19.4%); in all three the rating is supported by **genuine returns**. **VPI** is the exception: the highest P/B in the coverage at **3.6x** but an ROE of only **7.7%** and net debt at 119.5% of equity — a rating **not** backed by profitability.
- **Discount to net asset value is at the wide end of history** — On HSC estimates, residential developers trade at an average **51.6%** discount to estimated net asset value, well beyond the three-year average of **35.9%**. Much of the difficulty is therefore already in the price, but **no catalyst is yet strong enough** to support a re-rating.

> **TCBS RESEARCH VIEW ON VALUATION**
>
> The sector is **cheap on assets but expensive on core earnings**. A median P/B of 1.0x — trading at book — is attractive if inventory is carried at fair value and converts to revenue within a few years. Against that, core operating profit across the 13 mid-caps was just **VND312bn** versus combined market capitalisation of roughly **VND153,555bn** — on normalised core earnings the sector is **not cheap at all**. The gap between those two readings is precisely **the risk premium attached to one question: when does delivery start generating profit again**.

7. Data — 15 companies under coverage

Q2/2026 · unit: VNDbn · P/E, P/B, ROE sourced from TCBS · prices as of 14/08/2026

Code	Revenue	YoY	Gross profit	Gross margin	Core profit	PBT	NPAT parent	YoY	Core/PBT
VHM	52,722	+177.8%	34,732	65.9%	33,681	32,841	22,583	+200.8%	102.6%
KSF	10,897	n/m	6,025	55.3%	5,855	5,472	4,416	n/m	107.0%
NVL	1,509	−22.1%	392	26.0%	23	1,222	969	n/m	**1.9%**
KDH	161	−84.7%	81	50.3%	**−53**	800	750	+276.9%	**−6.6%**
AGG	95	−50.9%	34	35.8%	**−8**	281	283	+249.4%	**−2.8%**
TAL	886	+59.1%	294	33.2%	206	203	142	+305.7%	101.5%
DIG	613	+125.3%	42	6.9%	**−11**	156	140	+109.0%	**−7.1%**
VPI	849	+373.5%	337	39.7%	215	223	127	n/m	96.4%
TCH	451	+15.5%	140	31.0%	92	201	125	+228.9%	45.8%
PDR	54	+168.5%	2	3.7%	**−233**	115	81	+24.6%	**−202.6%**
NLG	415	−46.3%	237	57.1%	42	94	55	−44.4%	44.7%
DXG	788	+7.3%	363	46.1%	7	53	53	−34.6%	**13.2%**
HDC	94	+17.7%	17	18.1%	**−10**	64	43	−25.9%	**−15.6%**
CEO	293	−30.4%	91	31.1%	47	47	43	−17.3%	100.0%
NTL	5	−22.7%	1	20.0%	**−5**	6	5	+400.0%	**−83.3%**
Total	**69,832**	**—**	**42,788**	**61.3%**	**39,848**	**41,778**	**29,815**	**+265.2%**	**95.4%**
13 names	**6,213**	**—**	**1,731**	**27.9%**	**312**	**3,465**	**2,816**	**+355.0%**	**9.0%**

Core profit = gross profit − selling and administrative expenses (before financial items). "13 names" is the group excluding VHM and KSF. n/m: not meaningful due to a negative or very small base. TCH is shown on calendar quarters (its fiscal year runs 01/4 to 31/3).

Valuation & financial health

Code	Price (VND)	Market cap	Trailing P/E	P/B	ROE	EPS (VND)	Book value/share	Liabilities/eq.	Net debt/eq.
VHM	68,199	560,251	7.0	2.2	33.8%	9,718	31,620	3.1	57.1%
KSF	78,494	71,083	5.4	3.3	100.1%	14,598	23,786	**4.4**	—
NVL	13,250	31,827	7.5	0.7	9.6%	1,756	20,189	**3.0**	**74.9%**
KDH	17,700	19,863	11.3	1.1	9.7%	1,565	16,580	1.0	**68.9%**
VPI	60,793	19,459	48.7	3.6	7.7%	1,250	16,883	1.8	**119.5%**
DXG	11,499	14,583	75.9	1.0	1.4%	152	11,281	0.9	0.3%
TAL	23,849	12,020	13.6	2.1	19.4%	1,749	11,139	**2.3**	29.5%
PDR	11,950	11,924	19.5	0.9	5.0%	614	12,601	1.3	19.4%
NLG	22,800	11,060	17.9	0.9	5.6%	1,272	25,764	0.8	−6.9%
TCH	11,951	10,900	36.5	0.9	2.9%	327	12,741	0.5	−31.5%
DIG	10,799	8,601	11.2	0.9	8.6%	962	12,690	1.0	−41.8%
CEO	11,576	7,149	37.3	1.1	3.1%	322	10,524	0.6	—
HDC	11,398	2,722	4.1	0.9	25.5%	2,909	12,664	0.9	—
AGG	11,698	1,812	3.1	0.5	16.4%	3,544	23,396	**2.0**	—
NTL	13,511	1,635	56.5	1.0	1.7%	237	13,511	0.2	—
Median	**—**	**784,889**	**13.6**	**1.0**	**8.6%**	**—**	**—**	**1.0**	**24.5%**

Market cap in VNDbn. P/E, P/B and ROE are trailing 12-month figures. Total row: market cap is a sum, other metrics are medians. Net debt/equity covers only the 10 companies with full balance-sheet detail available at the time of writing.

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