Three amended property laws strengthen NLG's and KDH's competitive edge as capital needs rise

We expect the three new laws to push developers to accelerate project development in 1H27, but to raise capital needs and widen the gap in returns between developers from 2H27. Companies able to add supply from land they already hold will have an advantage in investment cost and sales policy. We are NEUTRAL on the real estate sector over the next 12 months, and NLG and KDH are our top picks.

Land cost and capital recovery will weigh more in developers' competitive position

The legal changes will affect returns on new projects more than profit in 2027-2028. Applying the land price table and multiplier on a 3-year cycle from 2028 could shorten the time needed to determine financial obligations. However, the rules on land access and compensation will raise capital needs at projects that have yet to complete land assembly. We expect the pressure on margins to become clearer from 2029.

Competition among developers will intensify in 2027 as housing affordability limits property price growth. The transitional provisions will encourage developers to complete legal procedures and launch in 1H27. We estimate customer advances at ex-Vingroup developers could reach VND110,000bn by end-2Q27 before falling in 2H27. Developers with low land costs will have more room to offer price discounts and interest-rate support to recover capital.

The new rules will drive a reallocation of capital and land within the real estate sector. Wider options for transferring mortgaged projects will help companies that need to deleverage, such as NVL and PDR. However, the conditions on site clearance and financial obligations still limit the transfer of projects whose legal procedures are incomplete. The rules on pre-launch fundraising may also raise the working-capital needs of brokers such as DXS.

The new rules will change how property can be used and monetised over the long term. Condominium developers will have fewer options in meeting social housing obligations and in selling parking space, while CEO, PHR and GVR gain more room to monetise the land they hold.

NLG and KDH are our top picks for the next 12 months. We forecast NLG's NPAT-MI to rise 151.1% YoY in 2027, while KDH's project pipeline supports an expected profit recovery from 2028. At 2027F P/B of 0.79x and 0.91x, respectively, we rate NLG and KDH BUY with target prices of VND43,000 and VND24,500 (upside of 93.7% and 75.0%). We rate VHM, DIG and HDC BUY, and DXG, DXS, TCH, NVL, PHR and GVR HOLD.

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The three new laws will change returns on real estate projects from 2027

We expect these legal changes to affect returns on new projects more than profit from projects under way. On 21 November 2026 the National Assembly passed the Land Law, the Housing Law and the Real Estate Business Law, most of which take effect on 1 July 2027. The rules on land costs, compensation and fundraising will change the capital needs and profitability of real estate developers, and so strengthen the competitive position of developers whose portfolios have completed most legal procedures.

Exhibit 1: The new laws change the cost, capital needs and use of property

Comparison of the rules with the largest effect on real estate business before and after the three laws take effect

Item	Current rules	New rules
Land pricing	Land price table, annual multiplier, and specific land valuation in some cases	Land price table and multiplier on a 3-year cycle
Land allocation	No auction or tender in some cases where the investor has been approved	Narrower exemption from auction and tender
Recovery and compensation	Land price table and multiplier apply	Minimum compensation ratio of 1, and a duty to advance livelihood support funds
Delayed projects	Extension of up to 24 months before land recovery	Extra charge on the delayed area; remaining value refunded where eligible
Fundraising	Developers may take a deposit of up to 5% only once off-plan property is eligible for sale	Ban on collecting money in any form to secure a contract before the property is eligible for sale
Social housing	Land in the project, land elsewhere, or a cash payment	Land set aside within projects subject to the obligation
Use of property	Limits on the use and transfer of some contract types	Wider rights to rent for short stays and to transfer real estate contracts

Source: Land Law 2024, Housing Law 2023, Real Estate Business Law 2023, Resolution 254/2025/QH15, laws passed by the National Assembly on 21 November 2026, Pinetree Research

We believe the transitional provisions will push developers to complete legal procedures faster in 2027. Land allocation and lease files covered by the transitional provisions, and projects that meet the social housing conditions before 1 July 2027, may continue under the current rules. Cases with a land valuation date before 1 January 2028 remain under the pricing mechanism of the Land Law 2024 and Resolution 254/2025/QH15. Developers therefore have an incentive to accelerate procedures and reduce the risk of added costs and financial obligations under the new rules, especially at projects that have already spent heavily on site clearance.

Faster legal progress could raise developers' capital needs as early as 2027. Developers may have to fund land-use right transfers, land-use fees and construction at the same time. Capital recovery depends on demand at launch, while the new rules limit collecting money from buyers before the property is eligible for sale. We think companies with limited funding will find it harder to expand their land banks.

The new land pricing mechanism will change returns on real estate projects

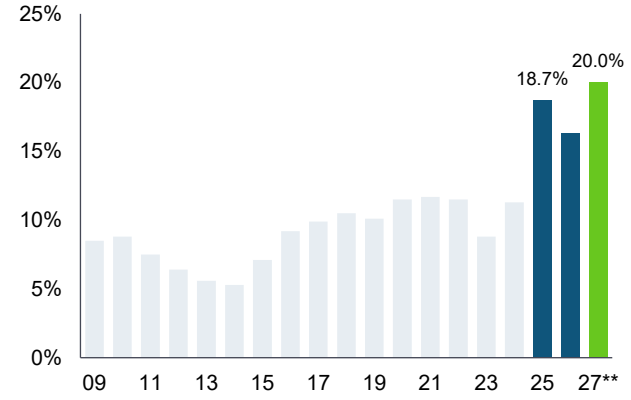
We believe a uniform land price table and multiplier will let developers estimate development costs earlier. The Land Law 2024 removed the land price framework and required annual land price tables from 2026, while Resolution 254/2025/QH15 widened the use of the table combined with a multiplier. The Land Law 2026 gives provincial People's Councils the power to set both the table and the multiplier on a 3-year cycle from 1 January 2028. Relying less on the assumptions of the surplus method could shorten the time needed to determine financial obligations. However, returns will depend more on when localities adjust land prices relative to the movement in property selling prices.

Budget revenue needs will limit any across-the-board cut in land costs in the major cities. The National Assembly approved a 2027 land-use fee revenue estimate of VND666,854bn, equal to 20.0% of total budgeted state revenue. Localities, however, can raise land revenue only if developers are able to proceed with projects and pay their financial obligations. We believe localities will need to set land prices in line with commercial potential and investment demand in each area.

That said, holding land prices high while property demand weakens could reduce budget revenue. In Hong Kong, revenue from land grants fell 90.5%, from HK$143.0bn in FY2021-22 to HK$13.6bn in FY2024-25. Although Hong Kong's land auction and grant system differs from Vietnam's land-use fee regime, the episode shows that land revenue depends heavily on developers' capacity and willingness to invest. We believe Vietnamese localities will have to balance revenue per project against the number of projects that can proceed. Lowering the multiplier in areas with weak demand could help localities collect budget revenue sooner.

Exhibit 2: Land-use fees are budgeted at 20% of total state revenue in 2027

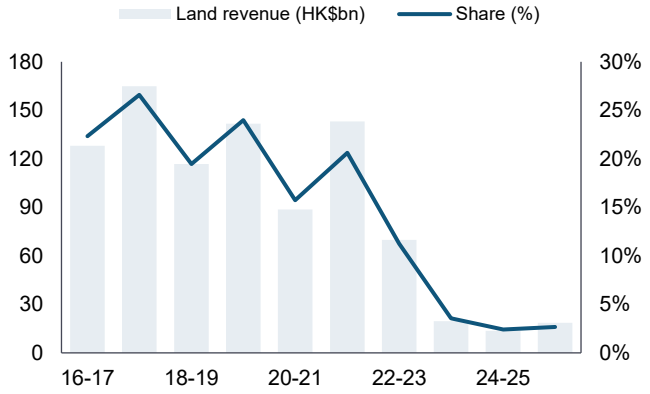
Land-use fees as a share of total state budget revenue, %



Source: Ministry of Finance, Resolution 48/2026/QH16, Pinetree Research. (*) 10M2026, (**) 2027 budget. The 10M2026 and 2027 figures cover land-use fees only; the historical scope of collection may differ.

Exhibit 3: Hong Kong's land revenue fell sharply as the property market weakened

Land revenue (HK$bn) and share of total government revenue in Hong Kong, by fiscal year, %

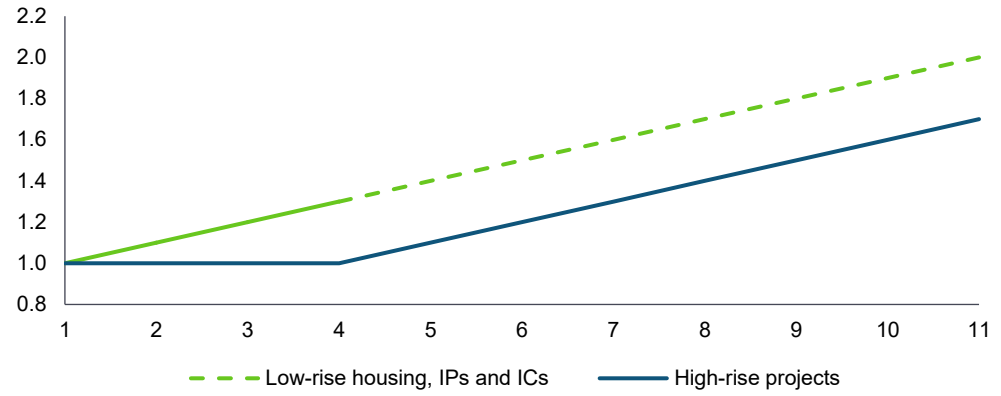


Source: Financial Services and the Treasury Bureau, Hong Kong; Pinetree Research

We expect land costs to diverge widely across localities and project types from 2028. The Land Law 2026 lets localities adjust the land price table within the 3-year cycle. In HCMC, the market multiplier is 1.0x in 2026, while the planning multiplier for high-rise projects rises from 1.0x to 1.7x as the floor area ratio rises from 4 to 11 times. All else equal, land cost rises 70% but gross floor area rises 175%, which reduces land cost per m² of floor area by about 38.2%. The ability to sell the additional floor area will decide the project's economics.

Exhibit 4: HCMC adjusts land prices by a project's floor area ratio

HCMC planning multiplier by project type and floor area ratio, x (IP: industrial park; IC: industrial cluster)



Source: Decision 45/2026/QĐ-UBND of the HCMC People's Committee, Pinetree Research. The dashed line shows the multiplier calculated under the rules for floor area ratios above 4 times

Developers will be more exposed to swings in selling prices if the land price table lags the market. The surplus method partly reflects changes in selling prices and construction costs at the valuation date. Under the table and multiplier, developers selling products priced above the local average may keep a larger share of the extra profit, while projects with weak demand will struggle to hold margins if the locality has not yet adjusted land prices.

A shorter development period could help developers preserve returns even as land costs rise. A hypothetical project with total investment of VND1,000bn, of which land is 30%, and revenue of VND1,400bn after 3 years earns an IRR of 11.9%. If land cost rises 25%, the IRR falls to 9.2% on an unchanged schedule. The developer could, however, reach an IRR of 14.1% by shortening the payback period to 2 years. Projects with a low share of land cost and a long development period are better placed to offset higher land costs by accelerating.

Exhibit 5: A shorter payback period can offset higher land costs

Pre-tax IRR of a hypothetical project by land cost scenario and payback period, %

Change in land cost	2 years	2.5 years	3 years	3.5 years	4 years
-20%	22.0%	17.3%	14.2%	12.1%	10.5%
0%	18.3%	14.4%	**11.9%**	10.1%	8.8%
10%	16.6%	13.1%	10.8%	9.2%	8.0%
25%	14.1%	11.1%	9.2%	7.8%	6.8%
50%	10.3%	8.2%	6.8%	5.8%	5.0%
100%	3.8%	3.0%	2.5%	2.1%	1.9%

■ Base case ■ IRR above base ■ IRR below base

Source: Pinetree Research. We assume initial total investment of VND1,000bn, including VND300bn of land cost. The developer invests all capital at the start and collects VND1,400bn at the end of the project. Financing costs and tax are excluded

Low-margin projects will struggle to offset higher land costs even if developers shorten the timeline. On our estimates, a 25% rise in land-use fees at DIG's Long Tan cuts the pre-tax margin from 9.6% to 1.4%. Bringing the schedule forward by 1 year offsets only about a 4% rise in land-use fees, measured on the project's present value.

We believe the benefit of faster land pricing will accrue mainly to projects that have completed most legal procedures and site clearance. Developers can start construction and launch sooner where the time taken to determine financial obligations is the main obstacle. However, paying land-use fees earlier will raise financing costs if the launch and collection schedule does not change. Together with

the new rules on land recovery, compensation and investor selection, we expect the gap in returns between projects that have completed site clearance and those still assembling land to widen in the coming years.

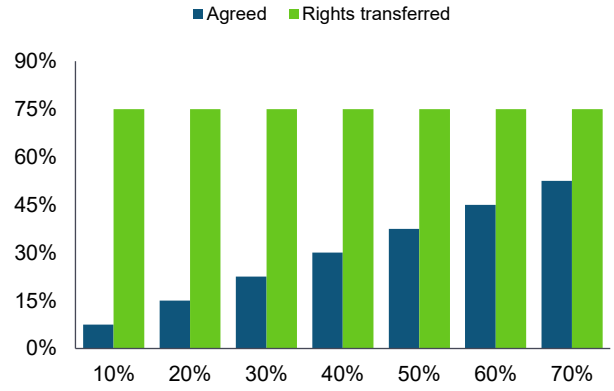
The new rules on land access will reinforce the advantage of developers that have completed site clearance

We believe expanding land banks will become harder for developers from 2H27. Resolution 254/2025/QH15 allows the State to allocate or lease land without auction or tender for certain projects with an approved investor. The Land Law 2026 narrows this mechanism, while keeping direct allocation where only one investor meets the expression-of-interest conditions and in some other cases. Developers will face more competition for land recovered by the State, which could lower expected returns on new projects. However, companies with financial strength and experience in large townships will have an advantage in tenders for projects that demand strong execution capacity.

The change in the conditions for recovering a project's remaining land could raise capital needs in the pre-investment phase. Resolution 254/2025/QH15 allows the provincial People's Council to consider recovering the remaining land once, after the negotiation deadline, the developer has reached agreement with more than 75% of land users covering more than 75% of the project area. The Land Law 2026 keeps these thresholds but requires the developer to have received the transfer of land-use rights. Developers may therefore have to pay for transfers earlier. Where a developer has paid 30% of the agreed land value, completing payment for land equal to 75% of the area would raise capital needs by a further 52.5% of total land transfer cost, assuming an unchanged average unit price.

Exhibit 6: Capital needs before site clearance is complete could rise significantly

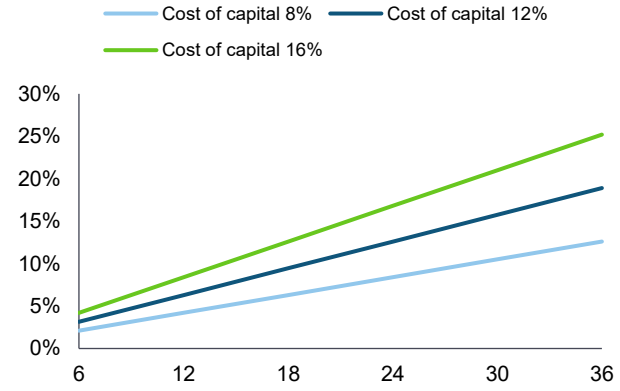
Capital deployed at the 75% area threshold by payment ratio at agreement, % of total land transfer cost



Source: Land Law 2026, Pinetree Research estimates

Exhibit 7: Capital costs rise when developers must pay for land transfers earlier

Cost of advancing a further 52.5% of total land transfer cost, by period (months), % of total land cost



Source: Pinetree Research estimates

The new compensation and resettlement rules could raise site clearance costs but also reduce disputes during land recovery. The Land Law 2026 adds a minimum land compensation ratio of 1, based on the land price set by the table and multiplier, and requires funds for livelihood recovery support for at least 3 years after recovery. We believe better compensation could speed up site clearance in localities with enough land and housing for resettlement. However, developers will have to arrange more capital in the pre-investment phase, especially at large projects or those with a low clearance rate.

The cost of completing land assembly will remain a key factor for DIG and HDC. DIG reported a compensation advance balance at Long Tan of VND2,778bn at end-3Q26, up from VND2,636bn at end-2025, while it has completed most of the site

clearance at Nam Vinh Yen. HDC reported that it had compensated about 12 ha at Phuoc Thang in May 2026. We believe developers will give funding priority to projects that can return capital sooner.

Exhibit 8: Site clearance progress varies widely across existing projects

Site clearance status at selected projects, based on company disclosures and research materials

Project	Ticker	Site clearance	Remaining area (ha)
Nam Vinh Yen	DIG	About 99%	About 2*
Tan Tao	KDH	About 88%	About 39.5
Long Dien	HDC	About 59%*	About 17*
Phuoc Thang	HDC	About 23% (May 2026)	About 40
Long Tan	DIG	Under way	About 132

Source: DIG, KDH, HDC, Pinetree Research. (*) Our estimates.

We expect developers to acquire more projects that have completed most legal procedures and site clearance over the medium term. Buying existing projects can shorten the pre-investment phase and limit the risk of added costs during land assembly. Companies with limited funding may also choose to sell part of their portfolios and focus resources on projects that can be commercialised sooner. We expect this shift to drive project transfers and to concentrate land in developers with stronger finances.

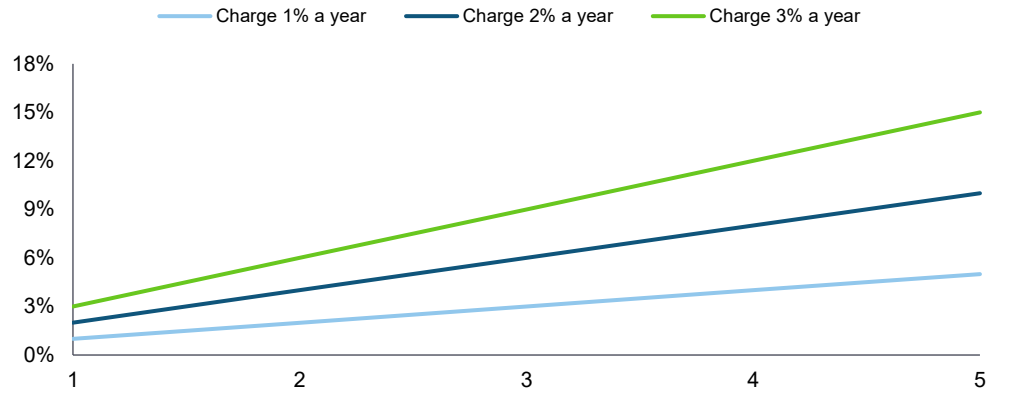
The new rules on delayed projects will support developers' asset restructuring

The Land Law 2026 will reduce the risk of capital loss at delayed projects. Under the Land Law 2024, the State may recover land without compensation for the land and the assets on it if the developer remains in breach of the land-use schedule after the maximum 24-month extension. The new law replaces this with an additional land-use fee or land rent on the area where investment is late. When the State recovers land because a project is terminated in the cases set out in Article 37, the remaining value is refunded as the Government stipulates. The transitional provisions apply to cases within the law's scope where the competent authority has not issued a recovery decision before 1 July 2027.

However, the cost of holding stalled projects could rise from 2H27. The State charges additional land-use fees or land rent on the area that is behind the schedule in the investment approval or the amended schedule, except in cases of force majeure or objective obstacles. The Government will set the rate. Assuming a rate of 2% a year and a land value base of VND1,000bn, the additional cost is VND20bn a year, equal to 10% of the land value after 5 years, before financing costs.

Exhibit 9: The cost of holding a delayed project could rise significantly over time

Cumulative additional land-use fees by years of delay, % of the land value used as the charging base



Source: Pinetree Research estimates under assumed scenarios

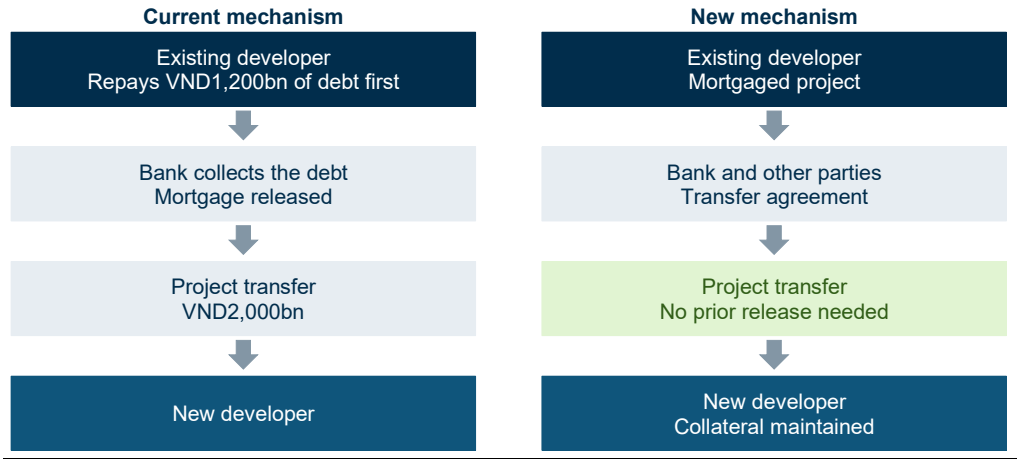
The cost of holding delayed projects will strengthen developers' incentive to restructure their portfolios. Projects that cannot be developed in the medium term may keep incurring financing costs and additional land obligations while contributing no revenue. Transferring eligible projects will let developers concentrate capital on projects that can return capital sooner.

We believe banks could reduce losses when resolving loans secured on delayed real estate projects. NVL has pledged about 79.3% of its inventory as collateral, while 4 projects outside its 2026 development plan account for about 66% of inventory. A lower risk of land recovery without refund of the remaining value could help banks improve recovery values. However, the costs incurred while projects stall will continue to erode recovery values and weigh on developers' ability to repay.

The Real Estate Business Law 2026 also lets banks take a more direct role in restructuring real estate projects. A developer may transfer a mortgaged project if the transferee and the mortgagee agree not to release the mortgage, or if the transferee agrees to become the mortgagor under the law on credit institutions. This mechanism reduces the capital needed to release collateral before a deal closes, and lets banks keep the loan with a new developer that is better able to deliver the project.

Exhibit 10: The new law reduces the capital needed to complete a project transfer

A VND2,000bn project with VND1,200bn of debt; the parties agree to keep the mortgage



Source: Real Estate Business Law 2023 and 2026, Pinetree Research illustration

We expect project M&A in 2027-2028 to focus on projects that have settled their land-related financial obligations. The Real Estate Business Law 2026 still requires land-related financial obligations, and compensation, support and resettlement, to be completed before a project is transferred. Companies that lack the capital to meet these obligations will continue to struggle to find partners. We believe the sector's restructuring will proceed project by project, with higher capital recovery at projects that are legally complete and close to commercialisation.

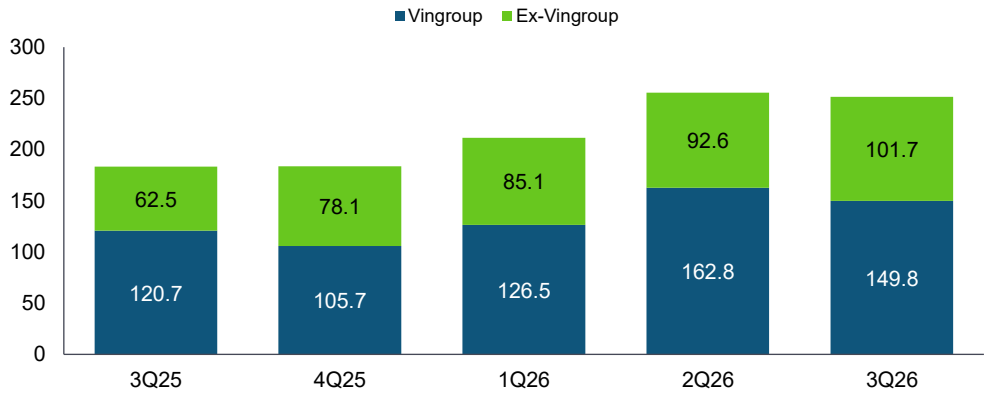
Limits on pre-launch fundraising will raise the capital needs of developers and brokers

Developers that relied on paid reservation agreements will need to change how they fund the pre-launch phase. The Real Estate Business Law 2023 allows developers to take a deposit of at most 5% of the selling price only once off-plan property is eligible for sale. The Real Estate Business Law 2026 extends this into a ban on collecting money in any form to secure a contract before that point. We expect the additional capital need to fall on developers that depend on pre-launch collections, while the effect on companies already funded by equity and borrowing will be smaller.

Developers' capital recovery will depend more on the progress of legal procedures and construction. At end-3Q26, customer advances at ex-Vingroup developers reached VND101,707bn, up 62.8% YoY, even though revenue in the quarter fell 9.9% YoY. This balance reflects collections from buyers and the pace of revenue recognition, not only money taken before projects were eligible for sale. The new law keeps the 30% cap on the first payment and the 70% cap on total payments before handover for off-plan sales by domestic developers. We believe the pressure to raise additional capital will fall on new projects, while developers already eligible to sell can still use customer advances to fund construction.

Exhibit 11: Customer advances at ex-Vingroup developers rose 62.8% YoY at end-3Q26

Customer advances at listed real estate developers, VNDtn

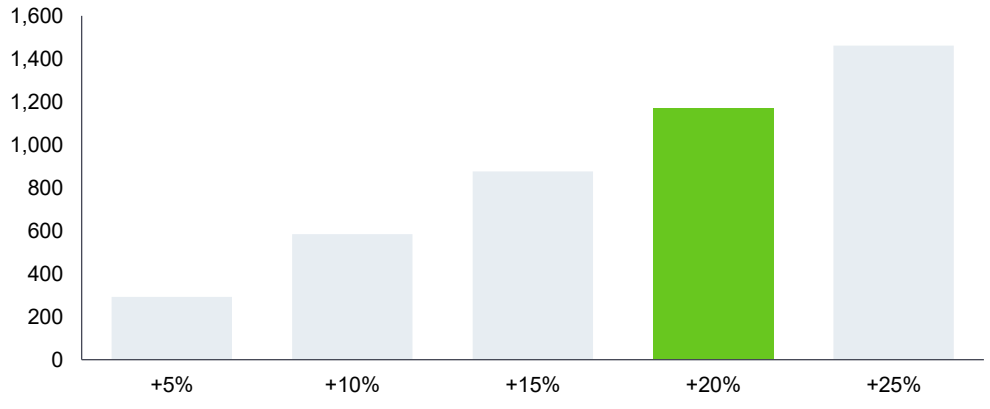


Source: Company financial statements, Pinetree Research

Developers may shift part of their capital needs to brokers through exclusive distribution contracts. At end-2025, DXS's deposits and collateral for real estate marketing and distribution contracts stood at VND5,844bn, up 18.7% YoY. DXS also recorded VND2,398bn collected from buyers on behalf of developers. If developers raise deposit requirements by 20%, DXS would need about VND1,169bn of additional working capital, equal to 46.2% of its market capitalisation on 27 November 2026.

Exhibit 12: DXS may need an additional VND1,169bn if deposits rise 20%

Additional capital need by increase in deposits and collateral for real estate marketing and distribution contracts, VNDbn



Source: DXS, Pinetree Research estimates

Developers' selling costs could rise over the medium term. Before launch, brokers will have less information on how much registered interest converts into actual sales. If developers also demand larger deposits, brokers will bear higher capital costs and the risk of slower capital recovery when sales fall short of expectations. We believe brokers will ask for higher commissions or cut their distribution commitments at projects with weak sales prospects.

We expect the new rules to slow the recovery of housing supply from developers with limited funding in 2027-2028. Although the Land Law 2026 and the Real Estate Business Law 2026 make it easier to transfer projects and restructure debt, developers still need capital to settle land-related financial obligations and to build before they can raise funds from buyers. Companies with access to low-cost long-term funding will have an advantage in acquiring projects, gaining market share and keeping investment on schedule.

The Housing Law 2026 will promote social housing but limit returns on some commercial housing products

Developers will have fewer options for meeting social housing obligations at new commercial housing projects. The Housing Law 2023 lets localities require developers to set aside land within the project, provide land elsewhere, or pay the equivalent value of the land for social housing. Under the Housing Law 2026, the provincial People's Committee decides that developers set aside part of the residential land in the project for rental housing and social housing. The Government will set the project size and the share of land to be reserved for these types of housing. We believe the new rule will reduce developers' ability to optimise the product mix at commercial housing projects in high land-price areas, especially where they must build housing whose sale or rental price is far below that of the commercial products in the same project.

We expect the effect on developers' profit in 2027-2028 to be relatively limited, since the social housing obligations of most projects due for handover have already been set. The new law lets projects that already have an investor selection decision or an investment policy approval continue to meet their obligations under the earlier legal documents. DIG's Nam Vinh Yen and Long Tan and CEO's Hana Garden belong to this group. We believe the cost of developing social and rental housing will mainly affect returns on new projects after 2028.

Exhibit 13: Changes to social housing policy will affect both developers and homebuyers

Comparison of the rules on developing, selling and transferring social housing under the Housing Law 2023 and the Housing Law 2026

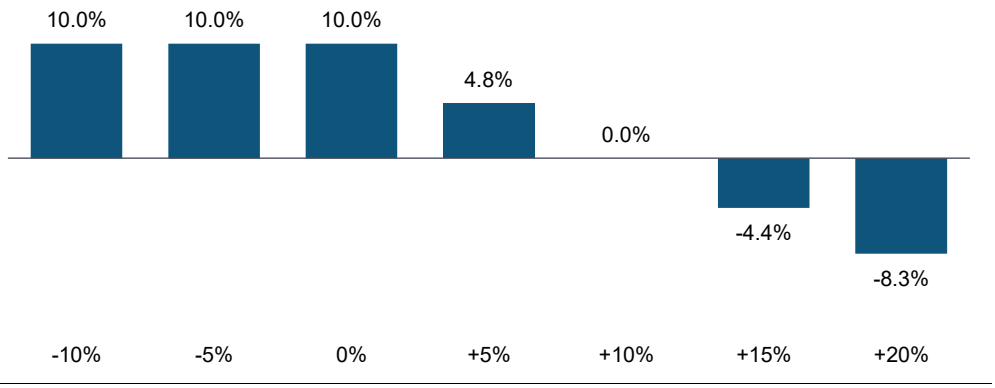
Item	Housing Law 2023	Housing Law 2026
Obligation of commercial projects	Land in the project, other land, or a cash payment	Land in the project set aside for social and rental housing
Selection of social housing developers	Under the investment and tender rules and the pilot in Resolution 201/2025/QH15	Assigned by the provincial People's Committee without tender
Standard profit	Up to 10% of the construction investment cost of the social housing component under the Housing Law 2023	Set by the Government
Commercial area in social housing projects	Up to 20% under the law	Ratio set by the Government
Transfer of social housing after 5 years	Sold at market terms	Sold only to buyers eligible for social housing

Source: Housing Law 2023 and 2026, Resolution 201/2025/QH15, Pinetree Research

Developers experienced in social housing may expand their investment but are unlikely to improve margins in the short term. The Housing Law 2026 lets the provincial People's Committee assign social housing projects to developers without tender, extending the pilot under Resolution 201/2025/QH15, and has the Government set the standard profit. Developers may not collect more from buyers if the final settled price exceeds the contract price, and must refund the difference if it is lower. Developers still bear the risk of cost overruns after signing sale contracts.

Exhibit 14: Profit from social housing could fall sharply when construction costs exceed the budget

PBT on actual investment cost within the pricing scope, by the gap between actual and budgeted cost, %



Source: Housing Law 2026, Pinetree Research. Assumes a standard profit of 10% of the investment cost within the pricing scope.

Restricting who may buy resold social housing will reduce investment demand for it. Under the Housing Law 2023, social housing buyers may resell at market terms 5 years after paying in full and completing the certificate procedures. The new law allows transfer only to buyers eligible for social housing, even after this period. We believe the new rule will reduce the incentive to buy social housing to profit from its price gap with commercial housing, and will also reduce the liquidity of social housing on the secondary market.

Wider permission for land plot sales will help some developers cut construction funding needs and shorten the payback period. The Real Estate Business Law 2023 restricts plot sales in wards, districts and cities of special-class and class I, II and III urban areas. The Housing Law 2026 narrows the requirement to build housing before sale to wards in special-class, class I and class II urban areas. The Real Estate Business Law 2026 allows land to be transferred by area once infrastructure is complete and the legal conditions are met. Projects already approved for plot sales, such as DIG's Nam Vinh Yen and Long Tan, could shorten their payback period if they meet these conditions.

Condominium developers will have to adjust their revenue mix as standard parking space becomes common property. We expect the new rule to reduce developers' ability to recover capital by selling this space separately. Developers may pass part of the construction cost into apartment prices, but may not include in the sale or lease-purchase price of apartments the investment cost of parking space above the standard that they own. Contracts to buy or rent car parking spaces signed before the law takes effect remain in force.

The new rules widen the use of existing land at resort and rubber companies

The Real Estate Business Law 2026 widens the customer base for resort property and the ability to transfer it. The new law allows foreign organisations operating lawfully in Vietnam, and foreign individuals permitted to enter the country, to buy or lease-purchase floor area under the conditions set by law, without land-use rights attached. It also widens the transfer of contracts to buy and lease-purchase eligible buildings and floor area. We expect these changes to support the liquidity of products such as condotels and officetels that meet the business conditions.

Wider permission to rent apartments for short stays will increase competition in short-term accommodation. The Housing Law 2026 lets apartment owners rent out units for residence or short stays if they comply with the rules on security, order and building management. We expect the effect to fall on hotels whose product is broadly

similar to short-term rental apartments, while resorts with dedicated amenities and services will be less affected.

Exhibit 15: The new rules widen the ways resort property can be operated and transferred

Changes in the rights of developers and property owners under the Land Law, the Housing Law and the Real Estate Business Law 2026

Item	New rules	Economic effect
Renting apartments for short stays	Allowed if the relevant conditions are met	More ways to monetise commercial apartments
Foreign buyers	May buy or lease-purchase eligible floor area, without land-use rights	Wider customer base
Contract transfer	Extended to eligible buildings and floor area	Better secondary-market liquidity
Land rent payment	Switching between annual and one-off payment allowed	More choice of business model and funding
Sale of floor area	Land-use form and legal conditions still required	Developers must weigh land cost against sales revenue

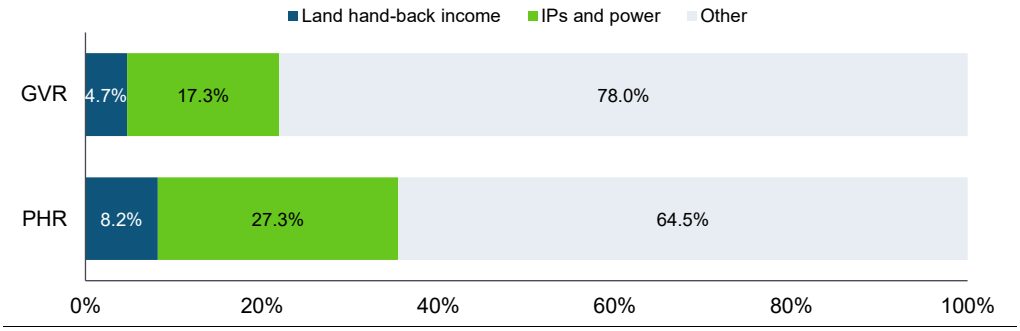
Source: Land Law, Housing Law and Real Estate Business Law, Pinetree Research

Resort developers such as CEO could recover capital sooner by selling part of the floor area at existing projects. The Land Law 2026 lets companies switch from annual land rent to a one-off payment for the whole lease term. This is one of the conditions for a developer to sell floor area in buildings on leased land. Services, mainly hotels, accounted for 73.0% of CEO's 2025 revenue. However, the value of the switch will depend on the additional land rent CEO must pay and on demand for its resort products.

We expect the rule on land use after equitisation to improve rubber companies' ability to develop industrial parks directly. Article 94 of the Land Law 2026 lets equitised companies exercise land users' rights and change land use as provided by law, without the authority handling the procedure having to re-examine the equitisation. We believe fewer legal obstacles will give GVR and PHR more opportunities to develop industrial parks themselves, although they must still meet the planning, land-use change conditions and financial obligations.

Exhibit 16: PHR's and GVR's industrial park and power businesses are worth more than the expected income from land hand-backs

Valuation breakdown of PHR and GVR by asset group and business, %



Source: Pinetree Research estimates

Rubber companies will need more investment capital to capture more of the profit from land conversion. On land leased with annual rent, the company is not compensated for the land when the State recovers it, but may be compensated for assets and remaining investment costs as provided. Developing industrial parks directly could earn higher profit, but the company must fund land-related financial obligations and infrastructure, and bear the risk on the leasing schedule. The Land Law 2026 also requires localities to review the land-use plans of agricultural and forestry companies and to recover land that has not been invested in or has been contracted out to ineligible parties. We will continue to value PHR's and GVR's rubber land project by project, where a specific conversion plan exists.

Industrial park developers whose land has mostly been cleared could shorten the payback on infrastructure investment. The Real Estate Business Law 2026 lets industrial park developers trade land-use rights once technical infrastructure is complete in the area to be transferred or leased and the relevant legal conditions are met. Developers can build infrastructure area by area to match leasing demand, once land-use rights and financial obligations are in place, and so reduce upfront investment and financing costs while waiting for tenants. We believe the benefit will concentrate in industrial parks under construction that can attract tenants in the short term.

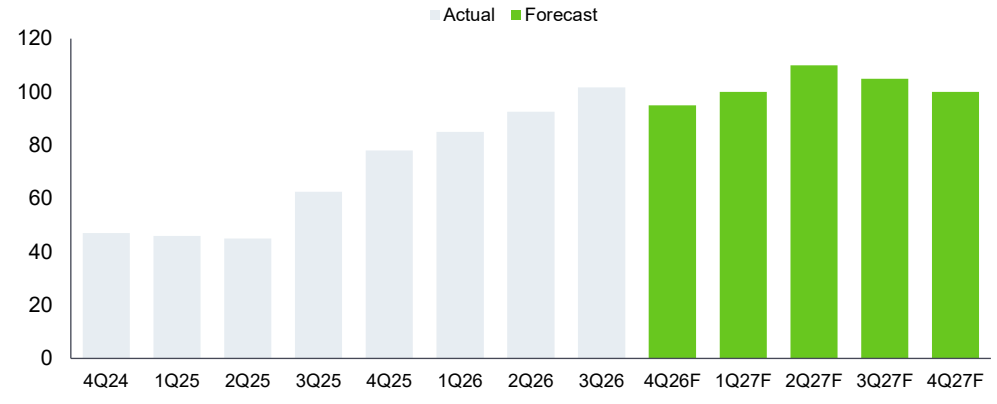
Funding pressure will rise in 2H27 before the new land pricing mechanism takes effect in 2028

We expect competition among developers to intensify in 1H27 as many have an incentive to launch before the three new laws take effect. Apartment sales in Hanoi fell 66% YoY in 3Q26, indicating that the market's capacity to absorb supply at current prices has declined. We expect developers to launch phase by phase and to use discounts and interest-rate support to sustain sales. Control of land and financing costs will determine how much flexibility each company has.

We estimate customer advances at ex-Vingroup developers could reach about VND110,000bn at end-2Q27 before falling in 2H27. Faster launches at eligible projects will support collections from buyers in 1H27. However, the balance of customer advances also depends on handovers. The scenario in Exhibit 17 assumes that collections from new launches slow in 2H27 while companies keep handing over units.

Exhibit 17: Customer advances may peak for 2027 at end-2Q

Customer advances at listed ex-Vingroup developers by scenario, VNDtn



Source: Company financial statements, Pinetree Research

Capital needs for land-related financial obligations and bond repayments will strain developers' liquidity in 2H27. The ability to repay will depend more on how fast inventory turns into cash. Developers that have not settled their land-related financial obligations will have to balance debt repayment against continued investment to bring projects to the point where they can be launched or transferred. Cutting investment to prioritise repayment could lengthen the payback period.

We believe housing supply from existing projects could recover in 2028, while new projects will develop more slowly. Faster project approvals in 2027 and a lower risk of land recovery at delayed projects will help some developers add supply in 2028-2029. However, the new rules on land access, compensation and the determination of financial obligations will raise capital needs at new projects. We expect margins at projects whose financial obligations are set under the new

mechanism to come under pressure from 2029, when developers begin handing over units.

Exhibit 18: We expect the three new laws' effect on real estate sector profit to become clearer from 2029

Outlook for the factors affecting developers' business, by period

Factor	1H27	2H27	2028	2029-2030
Project approval	Faster	Faster land pricing procedures	New mechanism applied	Gradually stabilising
Launch supply	Rising	Slowing	Recovery from existing projects	Depends on new project approvals
Site clearance and land cost	Little change from the new laws	Upward pressure at new projects	Varies by project and locality	Varies across developers
Funding needs	Rising	Rising sharply	Staying high	Varies across developers
Margin on handover	Little change from the new laws	Little change from the new laws	Limited effect	Lower at projects with higher land costs

Source: Pinetree Research assessment

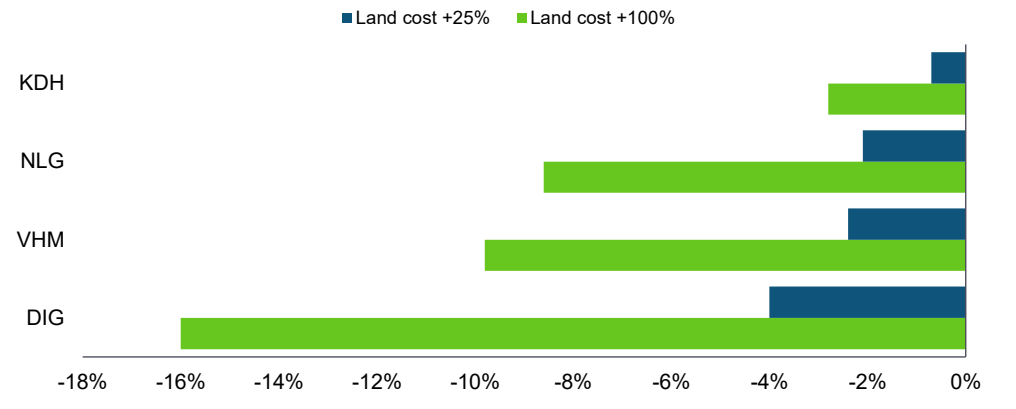
We are NEUTRAL on the real estate sector over the next 12 months. The legal changes will support the development and transfer of existing projects but do not materially improve homebuyers' affordability. We believe the recovery in launch sales in 1H27 will struggle to translate into broad profit growth while many developers still need capital to settle land-related financial obligations and repay debt. Investment opportunities will concentrate in companies that can add supply from existing land and that trade at low valuations relative to their capital recovery prospects.

NLG and KDH benefit from land on which site clearance is mostly complete

NLG and KDH are our top picks among residential developers because both can keep developing many existing projects with less pressure to expand their land banks. NLG reports about 681 ha of cleared land, while KDH has completed site clearance on about 88% of Tan Tao. If land-use fees at Waterpoint Phase 2 and Cat Lai rise 25% above our base assumption, our valuations of NLG and KDH fall by 2.1% and 0.7%, respectively.

Exhibit 19: NLG's and KDH's valuations fall 8.6% and 2.8%, respectively, if land-use fees at the relevant projects double

Change in valuation by land cost scenario at the relevant projects, % vs base



Source: Pinetree Research estimates

The scenarios in Exhibit 19 show the effect of land costs at selected projects. At KDH, we value about 513.9 ha of undeveloped land at discounted market prices and do not separately reflect the change in financial obligations on these sites. At NLG, if land-use fees at all 9 projects in our valuation rise 25% above the base assumption, the valuation falls 10.2%. For VHM, the scenario covers both compensation costs and land-use fees.

We rate NLG, KDH, VHM, DIG and HDC BUY, with NLG and KDH as our top picks. Even if land costs at the relevant projects double, our valuations of NLG, KDH, VHM and DIG remain above their share prices on 27 November 2026. Whether the valuation gap narrows over the next 12 months will depend on launches, capital recovery and the completion of legal procedures at each company's key projects.

Exhibit 20: NLG and KDH have the largest upside among the stocks we cover

Ratings, target prices, forecast P/B and the factors affected by the three new laws at the companies we cover

Ticker	Rating	Price 27 Nov, VND/share	Target price, VND/share	Upside	P/B 2027F, x	Factor affected
NLG	BUY	22,200	43,000	93.7%	0.79	Land-use fees
KDH	BUY	14,000	24,500	75.0%	0.91	Land access
VHM	BUY	59,100	86,000	45.5%	1.41	Land development costs
DIG	BUY	9,500	15,000	57.9%	0.73	Land-use fees
HDC	BUY	11,150	14,000	25.6%	0.83	Site clearance
DXG	HOLD	10,400	11,500	10.6%	0.87	Pre-launch fundraising
DXS	HOLD	4,370	4,600	5.3%	0.38	Working-capital needs
TCH	HOLD	12,750	14,000	9.8%	1.00	Condominium development
NVL	HOLD	9,390	9,000	-4.2%	0.49	Project transfer
PHR	HOLD	27,400	29,500	7.7%	1.32	Rubber land conversion
GVR	HOLD	27,700	27,000	-2.5%	1.57	Rubber land conversion
PDR	NOT RATED	11,000			0.97	Project transfer
CEO	NOT RATED	10,500			0.96	Resort property business

Source: FiinProX, Pinetree Research estimates.

Existing land banks will help developers control project development costs

NLG has an advantage in adding supply from townships with established resident communities. At Waterpoint, it has handed over more than 1,400 units and put many infrastructure works and amenities into use. NLG continues to sell subdivisions at Waterpoint, Izumi City and Mizuki Park. We believe continuing to develop its existing townships will let NLG use part of the infrastructure already built and sustain sales as access to new land becomes harder.

Exhibit 21: The ability to add supply depends on each project's legal and investment progress

Status and remaining work at selected key projects

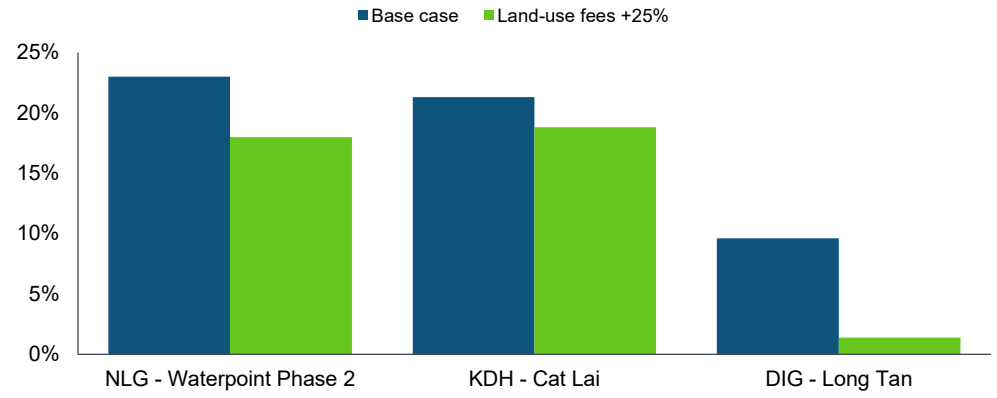
Ticker	Project	Area (ha)	Status	Next steps
NLG	Waterpoint Phase 1	165	Units handed over and many amenities in operation	Develop further subdivisions
NLG	Waterpoint Phase 2	190	Preparing for development	Complete legal procedures, financial obligations and phased investment
KDH	Binh Trung	18.2	HCMC People's Committee decided the land allocation and change of land use on 29 October 2026	Settle financial obligations and build
DIG	Nam Vinh Yen	190.6	Investment and sales under way	Develop further subdivisions
DIG	Long Tan	331.9	Pre-investment work under way	Compensation and infrastructure investment
HDC	Phuoc Thang	52.5	Approval received to acquire land-use rights, or take them as capital contribution	Complete land assembly and adjust the master plan
HDC	Long Dien	40.8	Proceeding under the pilot mechanism of Resolution 171	Acquire land-use rights and prepare the investment

Source: Company disclosures, compiled by Pinetree Research

Capital costs during the pre-investment phase will weigh more on projects that have yet to complete land assembly. We believe developing projects by subdivision and with partners could help DIG and HDC spread their capital needs over several years, but the result depends on completing legal procedures and bringing each subdivision to market.

Exhibit 22: The pre-tax margin at Long Tan falls more than at Waterpoint Phase 2 and Cat Lai as land-use fees rise

Pre-tax margin by assumed land-use fee scenario, with selling prices, other costs and investment schedule unchanged, %



Source: Pinetree Research estimates

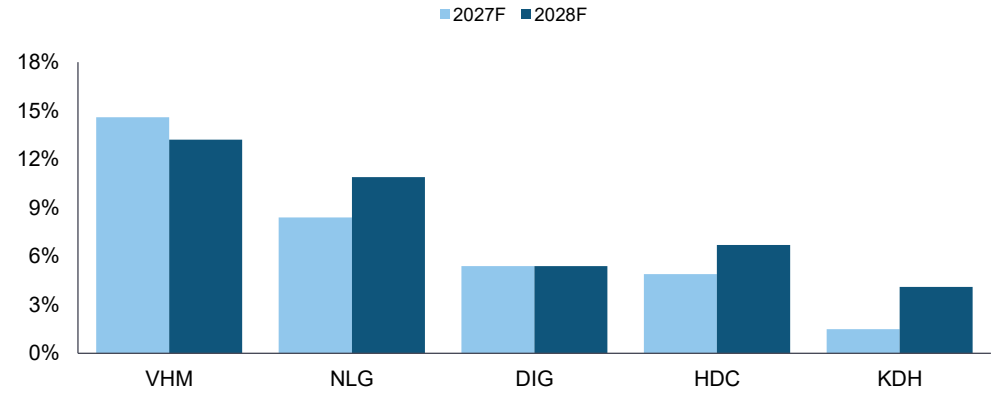
We believe developers with low land costs will have an advantage when competing on sales policy. Developers with thin margins will have to weigh cutting prices to recover capital early against the financing cost of selling over a longer period. We expect the investment-cost advantage of NLG's and KDH's existing projects to become more evident as homebuyers' affordability limits selling-price growth.

NLG and KDH are attractively valued even if land assembly costs rise

VHM's portfolio of property sold but not yet recognised as revenue makes it less dependent on sales at new projects in the short term. At end-3Q26, VHM's unbilled sales reached VND185,600bn. We expect the delivery and handover of existing projects to support the scale of its profit in 2027-2028.

Exhibit 23: We forecast VHM and NLG to have higher ROE than the other companies in 2027-2028

Forecast ROE on average equity attributable to shareholders of the parent, %



Source: Pinetree Research forecasts

We rate NLG and KDH BUY with target prices of VND43,000 and VND24,500, respectively, implying upside of 93.7% and 75.0%. For NLG, we forecast NPAT-MI rising from VND442bn in 2026 to VND1,110bn in 2027 and ROE reaching 10.9% in 2028, driven by projects under way. For KDH, the target price reflects a base valuation of VND24,766 per share, rounded. Progress at Gladia and Binh Trung will give investors a clearer view of capital recovery after 2027. At 2027F P/B of 0.79x and 0.91x, respectively, we believe launch progress and the profit outlook beyond 2027 will help narrow the gap between the share prices and our valuations.

We rate VHM BUY with a target price of VND86,000, implying 45.5% upside. Although we forecast NPAT-MI to fall 48.4% YoY in 2027, ROE remains above 13% in 2027-2028. We regard a 2027F P/B of 1.41x as attractive, as the sold-property portfolio and handovers at existing projects will let VHM sustain a large profit base even if land development costs rise over the long term.

We rate DIG and HDC BUY with target prices of VND15,000 and VND14,000, respectively, implying upside of 57.9% and 25.6%. At DIG, sales at Nam Vinh Yen will be important to its ability to fund the development of Long Tan. At HDC, handovers at The Light City and other existing projects will support capital recovery while it completes new land assembly. Although both stocks trade below 0.85x 2027F P/B, we prefer NLG and KDH for their ability to add supply from existing projects and the wider gap between our valuations and their share prices.

The rules on pre-launch fundraising will weigh more on brokers' working-capital needs

We believe working-capital recovery will play a larger role in improving the ROE of real estate brokers. At end-2025, DXS's deposits and collateral for real estate marketing and distribution contracts stood at VND5,844bn. If developers raise deposit requirements to offset part of their pre-launch capital needs, DXS's funding costs could rise even if brokerage revenue is unchanged.

Exhibit 24: Higher deposit requirements will raise DXS's funding costs

Additional interest expense over 1 year if DXS funds the increase in deposits over end-2025 entirely with debt, VNDbn

Increase in deposits	Interest rate 8%	Interest rate 10%	Interest rate 12%
5%	23.4	29.2	35.1
10%	46.8	58.4	70.1
15%	70.1	87.7	105.2
20%	93.5	116.9	140.3
25%	116.9	146.1	175.3

Source: DXS, Pinetree Research estimates

Growing brokerage sales through distribution contracts with large deposits is unlikely to lift DXS's ROE in line with revenue growth. If DXS raises deposits 10% above the end-2025 level and funds the increase entirely with debt at 10% a year for 12 months, we estimate interest expense would rise by about VND58bn. DXS would need to negotiate higher distribution fees or shorten the time to recover deposits to offset the cost of capital. Although DXS trades at only 0.38x 2027F P/B, we believe the recovery in brokerage revenue is not enough to lift the share price while forecast ROE stays below 4% in 2027-2028. Assuming a long-term ROE of 5.4%, a cost of equity of 13.5% and long-term growth of 0%, we derive a target P/B of 0.40x and rate DXS HOLD with a target price of VND4,600, implying 5.3% upside.

For DXG, we expect property development to play a larger role in profit growth in 2027-2028. The Privé has been on sale since 2025 and accounts for about 81% of the total value of projects in our valuation. We forecast DXG's ROE rising from 6.6% in 2027 to 20.7% in 2028, but sustaining this return depends on capital recovery and the progress of subsequent projects. We apply a 20% discount to our base valuation of VND14,623 per share because of The Privé's large weight, and add no separate value for DXS. After rounding, we rate DXG HOLD with a target price of VND11,500, implying 10.6% upside.

We believe TCH has an advantage in meeting pre-launch capital needs, but its prospects for improving returns are relatively limited. At end-3Q26, TCH held about VND3,239bn of cash and deposits and had no financial debt. Completing the

auction and receiving the land allocation decision for lot I.14/CTHH-01 in the Bac Song Cam new urban area also reduces TCH's land cost risk at this project. However, common ownership of parking space built to the national technical standard will limit separate revenue from this item at new condominium projects. With forecast ROE falling from 5.6% in 2027 to 4.2% in 2028, we believe a 2027F P/B of 1.00x already reflects most of TCH's balance-sheet advantage, and we rate it HOLD with a target price of VND14,000, implying 9.8% upside. We have not included cash dividends in TCH's expected total return.

The rules on project transfers will support developers' restructuring of assets and funding

We expect the economic benefit of project transfers to be greater for developers that need to deleverage. In August 2026, PDR transferred The EverRich 2 project for a total of VND5,226bn and offset the amount against its payable to an investment partner. The deal shows that a developer can use assets to settle part of its financial obligations without having to keep funding the whole project. We believe the new transfer mechanism will give developers more control over how they allocate capital across projects.

Exhibit 25: High capital costs make an early project transfer more attractive

Discount to future recovery value at which the 2 options have equal present value, %

Required return	1 year	2 years	3 years	4 years	5 years
8%	7.4%	14.3%	20.6%	26.5%	31.9%
10%	9.1%	17.4%	24.9%	31.7%	37.9%
12%	10.7%	20.3%	28.8%	36.4%	43.3%
14%	12.3%	23.1%	32.5%	40.8%	48.1%
16%	13.8%	25.7%	35.9%	44.8%	52.4%

Source: Pinetree Research estimates. Assumes a single recovery at the end of the period, with no interim cash flows.

At a 12% annual required return, the recovery value after 3 years must be about 40.5% above the current transfer price for the 2 options to have equal present value. We believe a longer development period will make continued investment less attractive at projects with thin margins and large capital needs.

We rate NVL HOLD with a target price of VND9,000, 4.2% below the current share price. The relaunch of Aqua City from 31 October 2026 will help NVL gradually improve capital recovery from existing projects. Although NVL trades at only 0.49x 2027F P/B, we believe the share price outlook over the next 12 months depends more on sales, handovers and debt reduction than on the changes to the project transfer mechanism. Better liquidity for mortgaged assets will support the financial restructuring but does not materially change our valuation.

Capital recovery from project transfers will remain a key factor in PDR's investment outlook. The new rules will give the company more flexibility in restructuring its project portfolio, while capital efficiency depends on transfer values, payment terms and the progress of subsequent projects. At a 2027F P/B of 0.97x, based on 2027F BVPS of VND11,385, we believe any re-rating will depend on the return on equity after the transfers.

The ability to change land use will widen investment opportunities but has little effect on short-term profit

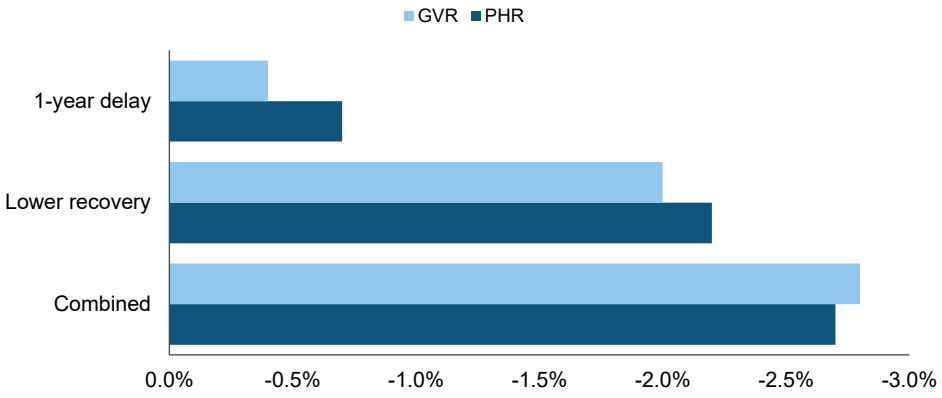
We expect CEO's investment outlook over the next 12 months to depend more on sales at Hana Garden than on the expansion of its resort business under the new law. We forecast CEO's NPAT-MI to rise 1.5% YoY in 2027, with ROE of about

2.7%. At a 2027F P/B of 0.96x, any re-rating will depend on the pace of capital recovery at Hana Garden and capital efficiency at its existing resort portfolio.

We expect the ability to develop industrial parks directly to matter more to PHR's and GVR's long-term valuations than income from land hand-backs. At PHR, the investment in Nam Tan Uyen and the profit-sharing right at VSIP III account for about 27.3% of our valuation. We believe leasing progress at existing industrial parks will matter more to both stocks' upside over the next 12 months than the size of the land bank earmarked for conversion without a specific investment plan.

Exhibit 26: PHR's and GVR's valuations fall by less than 3% under scenarios of slower capital recovery and lower compensation

Change in valuation by scenario for land hand-back income and industrial park development from 2028, % vs base



Source: Pinetree Research estimates. PHR: discount on receipts raised from 25% to 50%. GVR: compensation cut by 50%. GVR's combined scenario adds a 1-year delay to new industrial parks.

We rate PHR and GVR HOLD with target prices of VND29,500 and VND27,000, respectively, implying price returns of 7.7% and -2.5%. We believe 2027F P/B of 1.32x and 1.57x, respectively, already reflects a significant part of the economic value of converting rubber land into industrial parks. PHR has a better investment outlook than GVR over the next 12 months owing to an expected dividend yield of about 6.1%, which takes its expected total return to 13.8%, against -1.1% for GVR.

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