

Residential Real Estate Sector – Q3/2025 Update

Affordable Housing Gains Momentum, Bond Funding Key to Easing Refinancing Risks

Housing supply and demand remained strong in Q3/2025, bolstering developers' profitability and cash flow. New policies are streamlining approvals and expanding financing for genuine housing needs. While prices remain elevated, supply is shifting toward affordable and mid-range segments. Real estate credit hit a record level, underscoring the urgency for diversified funding - especially through corporate bonds. A rebound in bond issuance could ease pressure from 2026 maturities, but refinancing risks remain high for defaulted issuers like NVL, as most of their maturing bonds cannot be extended any further under local regulations. Despite rising debt, improved operating cash flow (CFO) is stabilizing credit profiles for most developers, except those facing legal hurdles and sluggish sales.





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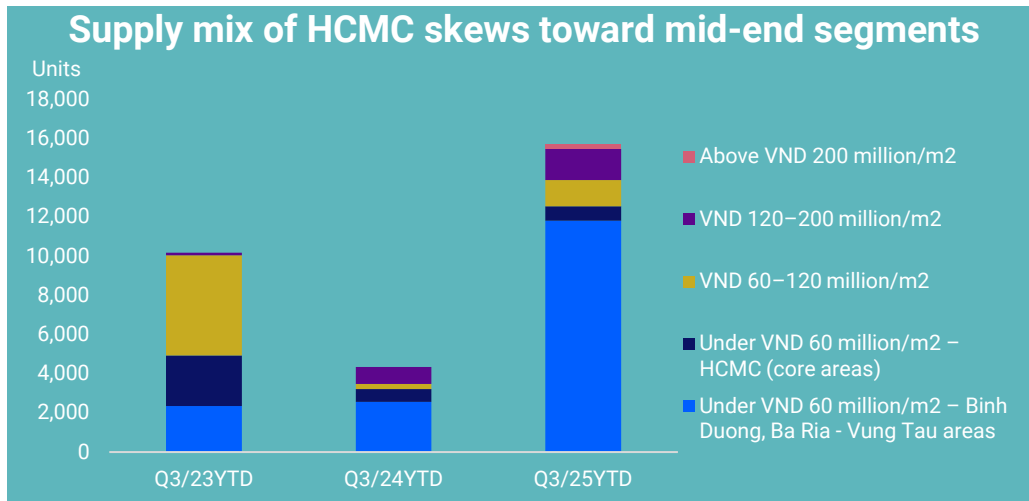
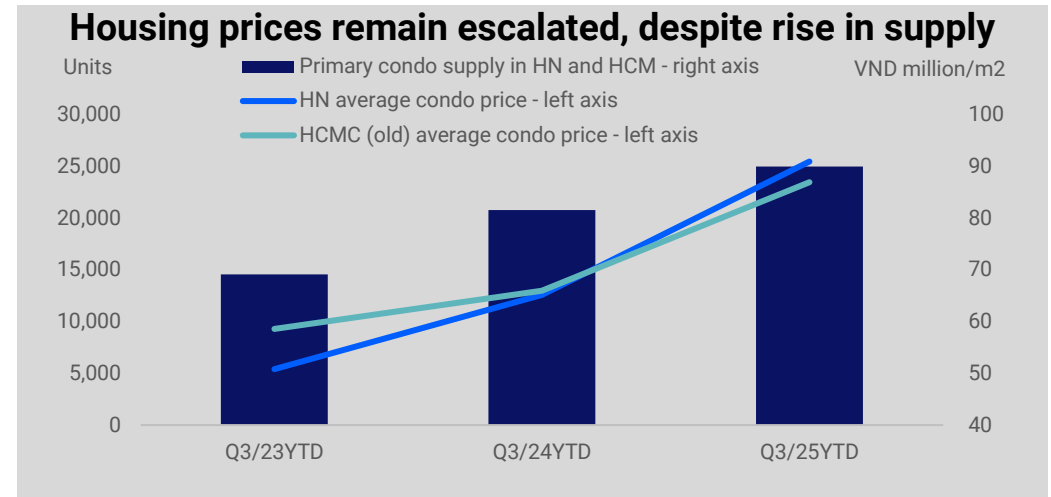
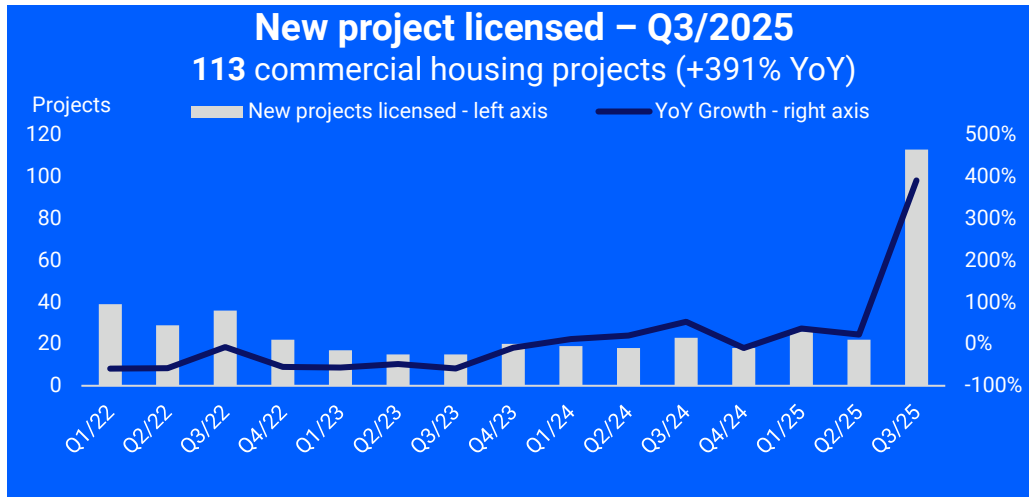
● Improved
 ● Stable
 ● Deteriorated

Indicator	Trend	Key Highlights
 Policy measures	●	Project approvals accelerate following new policies to streamline procedures <ul style="list-style-type: none"> In Q3/2025, commercial housing approvals surged to a record high, with newly licensed projects increasing to 113 (up 391% YoY). Decrees 144/2025/NĐ-CP and 151/2025/NĐ-CP will empower provincial and commune authorities in approving relevant real estate procedures, quickening project approval progress. Expected establishment of International Financial Centers (IFC) in HCMC and Da Nang in December 2025, with significant incentive policies, will strengthen housing demand and benefit developers with sizable residential project pipelines in neighboring areas.
 Market condition	●	Housing prices remain escalated, but supply mix gradually skews toward mid-end segments to address demand <ul style="list-style-type: none"> Housing supply improves in all segments, total supply in HN and HCM increased by 55% YoY (2024: 34% YoY). Primary prices continue to increase by 31%-41% YoY in Q3/2025, however, the absorption rate in Hanoi and HCMC remained high at 100.5% in Q3/2025, driven by strong sentiment from infrastructure advances. In the HCMC market, mid-end housing supply increased three times in Q3/2025. The new supply is mostly from the Binh Duong area, with an average price of VND 46 million/m², 47% lower compared to HCMC core areas. We expect supply from the affordable to mid-end segments to scale up, improving housing accessibility for low- to mid-income buyers
 Financing condition	●	Real estate credit surges to a record high, highlighting the need for funding diversification for new project developments <ul style="list-style-type: none"> Mortgage lending recorded a sharp increase of 20% YoY in Q3/2025 (2024: 12%YoY); we expect mortgages relating to social housing and first-home buyers to continue to rise following policy incentives and preferential interest rates. In addition to mortgage growth, real estate business loans accelerated by 37% YoY (2024: 24%), pushing real estate credit to a record 23.7% of total credit and raising concerns for banks' SMLR and capital adequacy compliance. Real estate bond issuance reached VND 34.1 trillion in Q3/2025, rising by 50% compared to 1H/2025 average, indicating higher funding diversification needs from developers. Over the December 2025 – Q1/2026 period, we expect new issuance recovery to mitigate a 15% increase in real estate bond maturities. However, refinancing risks remain high for defaulted issuers like NVL, as most of their maturing bonds are not qualified for extension.
 Financial strength	●	Operating cash flow improvements partly mitigate rising leverage, credit differentiation remains widening <ul style="list-style-type: none"> Leverage, indicated by Debt/EBITDA, surged to 4.4x (Q1/2025: 3.1x), driven by a total debt increase of 40% YoY. VHM, HPX, SJS recorded the highest debt growth in Q3/2025 to finance their new projects. Credit profiles remain stable despite higher leverage, supported by stronger CFO from robust customer advances, led by VHM, DXG, and VPI. Extensive handover pipelines over the next 12–18 months will sustain improving cash flow and profit recognition. Despite sector improvements, developers embroiled in legal issues like LDG, NRC, and NVL continued to show sluggish operations, with subdued profitability and cash flow in 9M2025, anchoring their credit profiles at weak levels.

Source: VIS Rating

Project approvals accelerate, housing prices remain escalated, but supply mix gradually skews toward mid-end segments

Exhibit 2: Housing supply and demand remained strong in Q3/2025



Source: Ministry of Construction, CBRE, Company data, VIS Rating

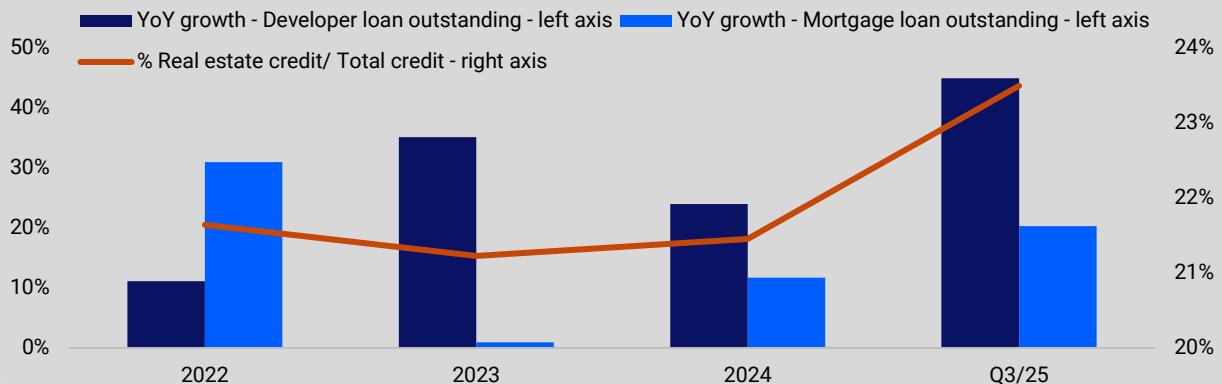
Project launch in Q4/2025

Developer	Location	Presales launch	Project
Masterise Homes	HCMC	Q4/2025	Masteri Grand View - Phase 2
Refico	HCMC	Q4/2025	The East Valley
Vinhomes	Hanoi	Q4/2025	Vinhomes Co Loa - Next phase
	Hanoi	Q4/2025	Vinhomes Wonder Park Dan Phuong - Next phase
Daewoo E&C	Hanoi	Q4/2025	Starlake - Next phase
Viglacera	Hanoi	Q4/2025	CT3 Kim Chung social housing

Real estate credit surges to a record high, highlighting the need for funding diversification for new project developments

Exhibit 3: Financing conditions improve, supporting project development activities

Bank loans surge to a record high



Announced funding plans in Q3/2025

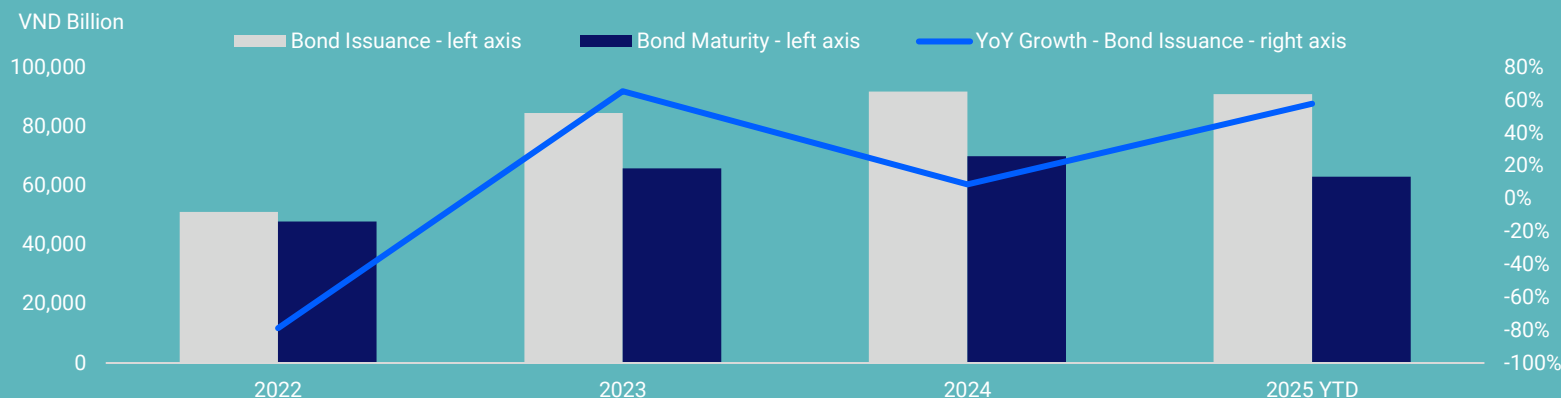
Developer	Chanel	Amount (VND billion)	Status*
Regal Group JSC	Equity	2,400	In progress
CII	Equity	1,998	Issued
VIC	Bond	USD 325 Million	In progress
VIC	Bond	2,500	In progress
KHAI HOAN LAND GROUP	Bond	80	Issued
SAIGON GARMENT - MATCH JOINT STOCK COMPANY	Bond	500	Issued
CONG TY TNHH DAU TU VA PHAT TRIEN BDS TRUONG MINH	Bond	4,500	Issued
HUNG PHAT INVEST HA NOI CO.,LTD	Bond	7,650	Issued
NEW TIMES., JSC	Bond	5,550	Issued

**New issue
VND 90,965 Billion**

22 Issuers

48 Bonds

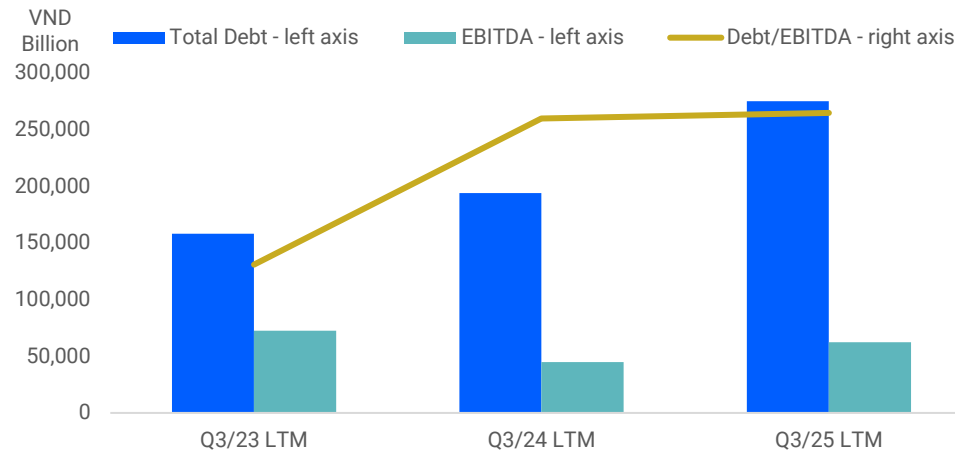
Residential real estate bond issuance picked up in 11M2025



Source: Ministry of Construction, State Bank of Vietnam, Hanoi Stock Exchange (HNX), Company data, VIS Rating

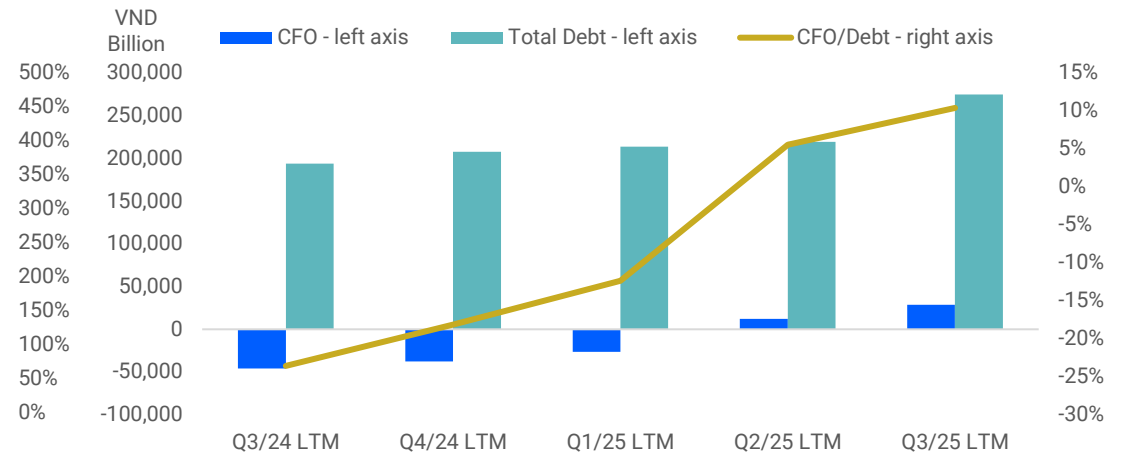
Operating cash flow improvements partly mitigate rising leverage, credit differentiation remains widening

Exhibit 4: Leverage increase due to high debt growth in Q3/2025 to finance their new projects



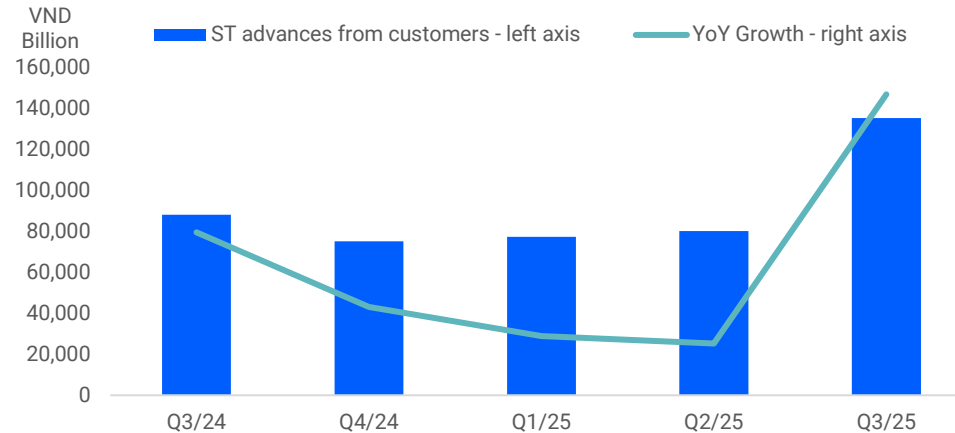
Source: Company data, VIS Rating
 Note: Top 30 listed residential developers in terms of revenue; LTM stands for last twelve months

Exhibit 5: Large handover pipelines in the next 12-18 months will maintain strong CFO outlook



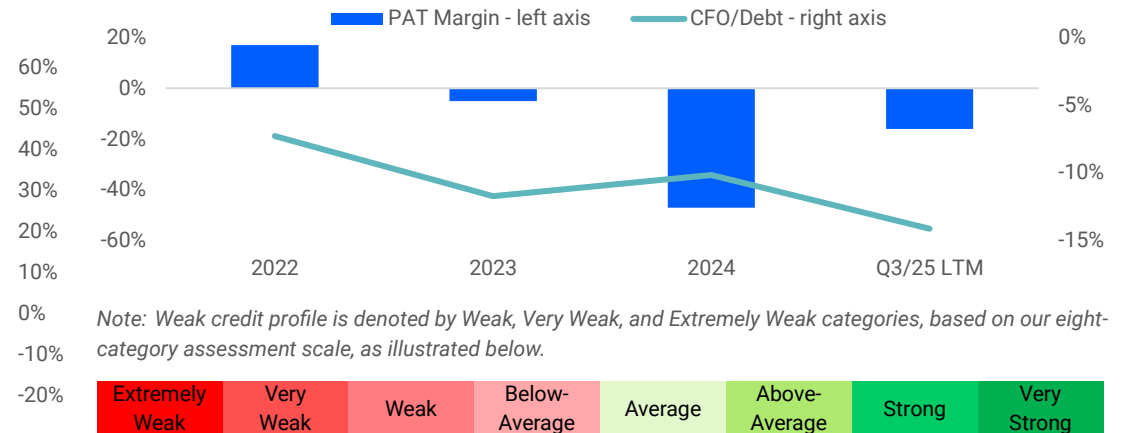
Source: Company data, VIS Rating
 Note: Top 30 listed residential developers in terms of revenue; LTM stands for last twelve months

Exhibit 6: Credit profiles of listed developers remain stable supported by stronger CFO from rising customer advances

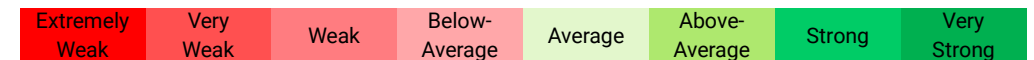


Source: Company data, VIS Rating
 Note: Top 30 listed residential developers in terms of revenue

Exhibit 7: Nonetheless, weak credit profile developers remained sluggish in business operations



Note: Weak credit profile is denoted by Weak, Very Weak, and Extremely Weak categories, based on our eight-category assessment scale, as illustrated below.



Source: Company data, VIS Rating
 Note: Top 30 listed residential developers in terms of revenue, PAT stands for profit after tax

APPENDIX

The companies included in our analysis are as follows:

	Short name	Full name
1	AGG	An Gia Real Estate Investment and Development Corporation JSC
2	API	Asia - Pacific Investment JSC
3	CCL	Cuu Long Petro Urban Development & Investment Corporation JSC
4	CEO	C.E.O Group JSC
5	CKG	Kien Giang Construction Investment Consultancy Group JSC
6	CSC	COTANA Group JSC
7	D2D	Industrial Urban Development JSC No. 2
8	DIG	Development Investment Construction JSC
9	DXG	Dat Xanh Group JSC
10	HPX	Hai Phat Investment JSC
11	HDC	Ba Ria - Vung Tau House Development JSC
12	HQC	Hoang Quan Consulting-Trading-Service Real Estate Corporation JSC
13	IDJ	IDJ Vietnam Investment JSC
14	ITC	Investment and Trading of Real Estate JSC
15	KDH	Khang Dien House Trading and Investment JSC
16	KOS	KOSY JSC
17	LDG	LDG Investment JSC
18	NBB	NBB Investment Corporation JSC
19	NLG	Nam Long Investment Corporation JSC
20	NRC	Danh Khoi Group JSC
21	NVL	No Va Land Investment Group Corporation JSC
22	NTL	Tu Liem Urban Development JSC
23	PDR	Phat Dat Real Estate Development JSC
24	QCG	Quoc Cuong Gia Lai JSC
25	SCR	Sai Gon Thuong Tin Real Estate JSC
26	SJS	Song Da Urban & Industrial Zone Investment & Development JSC
27	HDG	Ha Do Group JSC
28	TDC	Binh Duong Trade and Development JSC
29	VHM	Vinhomes JSC
30	VPI	Van Phu - Invest Investment JSC

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