

## Residential Real Estate Sector – 2026 Outlook





# Tighter bank financing in 2026 will drive increasing divergence in the housing supply mix, funding structure, and credit profile of developers

In 2025, listed developers reported strong sales and profitability, significantly improving their liquidity. Looking ahead, new policy measures will increasingly motivate affordable housing development and improve market transparency. Sharply higher mortgage rates alongside elevated property prices, compounded by a wave of new supply, will weigh on homebuyer demand. With bank credit growth tightening under SBV's direction, developers are expected to rely more on bond issuance, equity raising, and M&A to meet funding needs. As a result, credit profiles will diverge further as large developers with strong handover pipelines should remain resilient, while those facing ongoing legal issues or deeply entangled in hospitality projects will continue to face liquidity pressures in 2026.

● Improved   
 ● Stable   
 ● Deteriorated

Indicator    Trend

Key Highlights

 <b>Policy measures</b>	<span style="color: green;">●</span>	<p><b>Policy focus is expanding from increasing supply to motivating affordable housing development and improving market transparency</b></p> <ul style="list-style-type: none"> <li>In 2025, project approvals continued to accelerate, with newly licensed social housing projects surged 161% YoY (2024: 13% YoY).</li> <li>The forthcoming government resolution on commercial affordable housing will lower land-use costs and cap the profit margin of 15% in this segment to keep selling prices more affordable, enhancing housing options for low- to middle-income buyers.</li> <li>Decree No. 357/2025/NĐ-CP introducing unique identification codes for real estate will improve land and housing management efficiency for authorities and reduce legal disputes and transaction risks for buyers.</li> </ul>
 <b>Market condition</b>	<span style="color: red;">●</span>	<p><b>Higher mortgage rates alongside elevated property prices, compounded by a wave of new supply, will weigh on homebuyer demand</b></p> <ul style="list-style-type: none"> <li>The condo absorption rate decreased to 95% in 2025 (2024: 106%), reflecting more cautious buyer sentiment amid elevated condo prices, which continued to increase by 20% YoY HN and HCM in 2025.</li> <li>Driven by policy support, new supply in HN and HCMC increased by 22% in 2025 and will remain substantial in 2026 from a mix of luxury urban launches, suburban mid-to-high-end mega projects, and social and affordable housing.</li> <li>We expect average mortgage rates in 2026 to be 3-4% higher than in 2025, driven by rising deposit rates and tightening room for real estate credit. As a result, prices and transaction volume will weaken in 2026, prompting developers toward lower-priced segments.</li> </ul>
 <b>Financing condition</b>	<span style="color: red;">●</span>	<p><b>Developers will increasingly tap into bond and capital markets to manage funding needs amid slower real estate bank credit growth</b></p> <ul style="list-style-type: none"> <li>After surging by 36% YoY in 2025, SBV signaled to curb overheating in real estate bank credit growth at the overall credit growth quota of 15% in 2026, constraining developers' access to bank financing.</li> <li>Real estate bond issuance reached VND 129 trillion (+40% YoY) in 2025, and we anticipate this momentum will continue in 2026, driven by higher bond refinancing need (VND 99 trillion real estate bond maturing in 2026 - +74% YoY), while more developers will tap the bond market to fund new projects, as seen in SGR (BBB+, stable), Thien Phuc Invest.</li> <li>Robust equity and M&amp;A markets in 2026, driven by equity market upgrade and strong sentiment of foreign developers, will support developers' funding needs. In 2025, registered real-estate FDI reached USD 7.1 billion (+13% YoY), while equity raised increased by 34%.</li> </ul>
 <b>Financial strength</b>	<span style="color: gray;">●</span>	<p><b>Liquidity profile will be more diverging in 2026 as developers with substantial handover pipelines will remain strong, while those with commercialization issues will experience refinancing difficulties</b></p> <ul style="list-style-type: none"> <li>Leverage, indicated by Debt/EBITDA, slightly increased to 3.4x in 2025 (2024: 3.3x) despite a total debt increase of 34% YoY. Strong profit recognition from project handovers will continue to mitigate rising debt and stabilize leverage in 2026.</li> <li>Listed developers ended 2025 with stronger liquidity profiles, reflected by the average Cash resources/ Short-term debt strengthening from 49% to 80%, driven by strong project sales. Sales proceeds from substantial handover pipelines in projects such as Izumi City, Southgate (NLG), Green City, Golden City (VHM), and The Privé (DXG) will further support their liquidity in 2026.</li> <li>Credit profiles of developers with ongoing legal issues or deeply entangled in hospitality projects, such as NVL, API, and NRC, will remain weak in 2026, indicated by persistent negative operating cash flow, limited cash resources, and more refinancing constraints amid sluggish commercialization progress.</li> </ul>

Source: VIS Rating

This publication does not announce a credit rating action

### CONTACTS

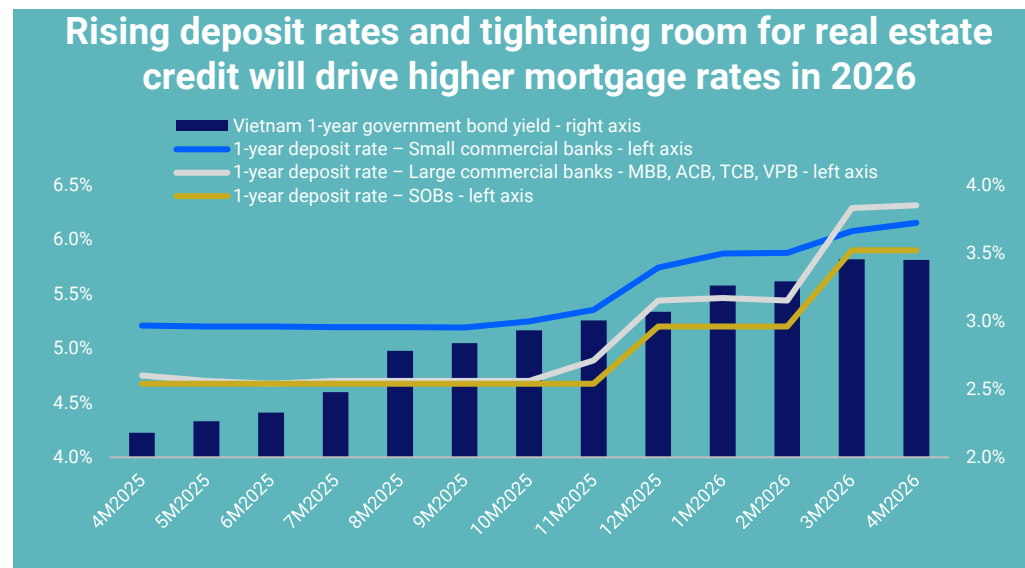
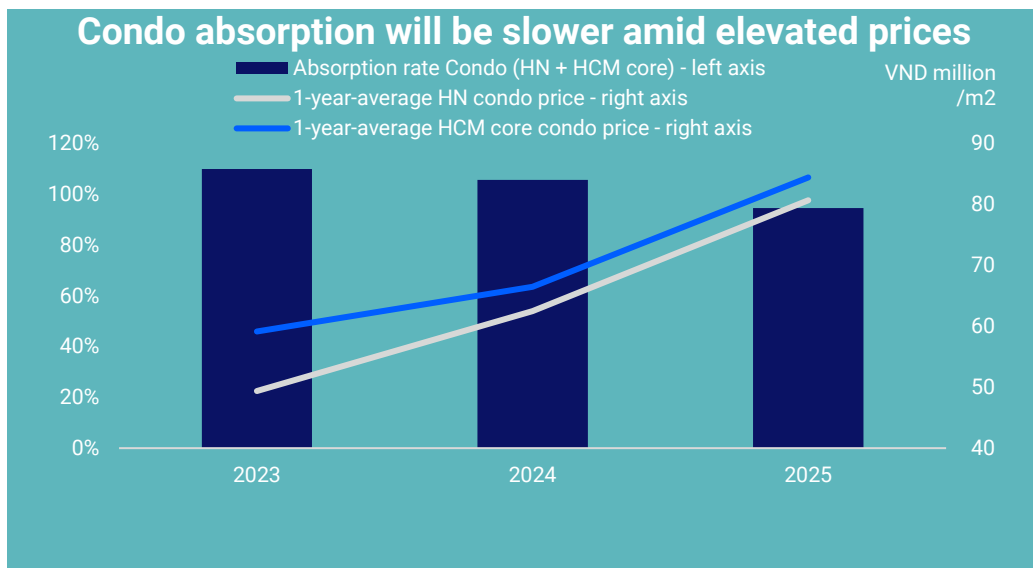
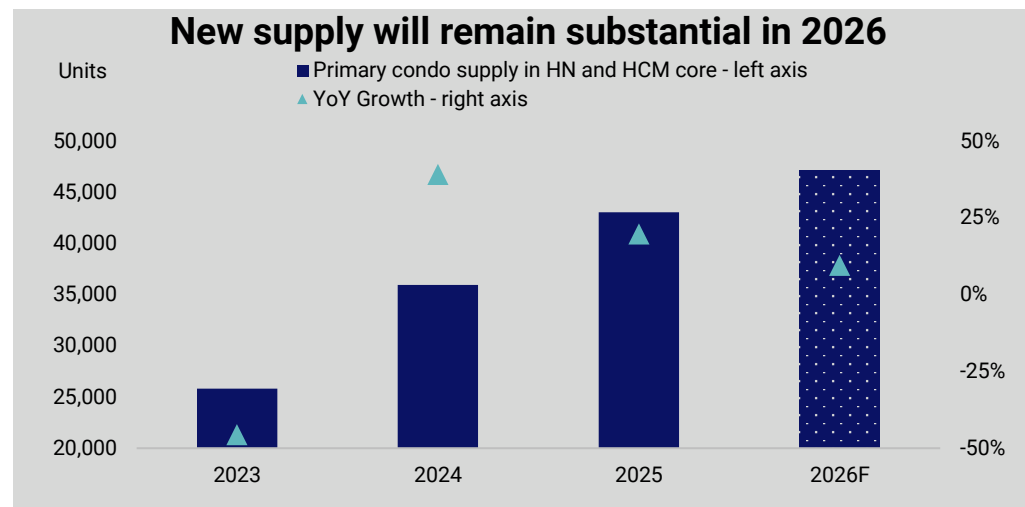
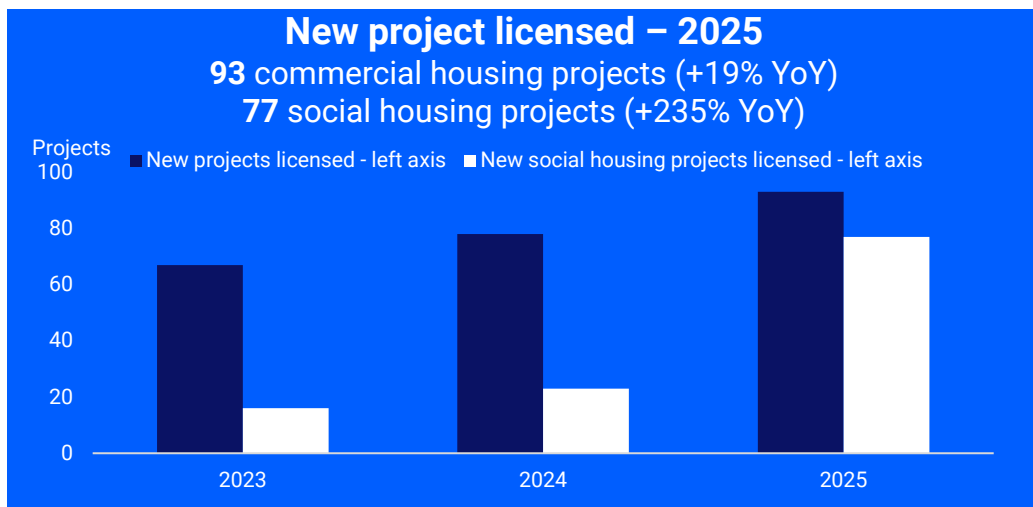
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# Higher mortgage rates alongside elevated property prices, compounded by a wave of new supply, will weigh on homebuyer demand

Exhibit 2: New supply remains substantial; absorption will be slower amid elevated prices and mortgage rates

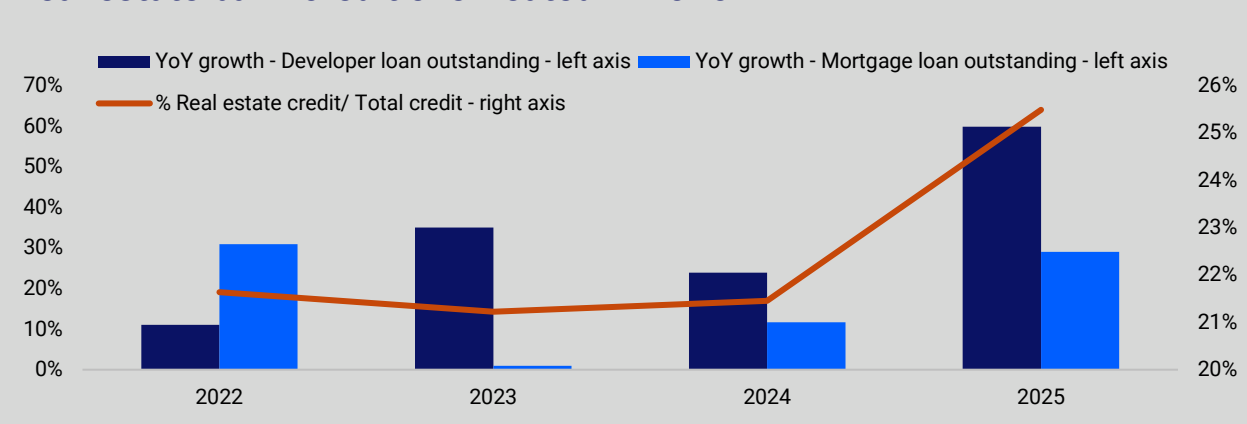


Source: Ministry of Construction, CBRE, Company data, VIS Rating

## Developers will increasingly tap into bond and capital markets for funding needs amid slower real estate bank credit growth

Exhibit 3: SBV signaled to curb overheating in real estate bank credit growth, constraining developers' access to bank financing

### Real estate bank credit overheated in 2025



### Announced funding plans in 3M2026

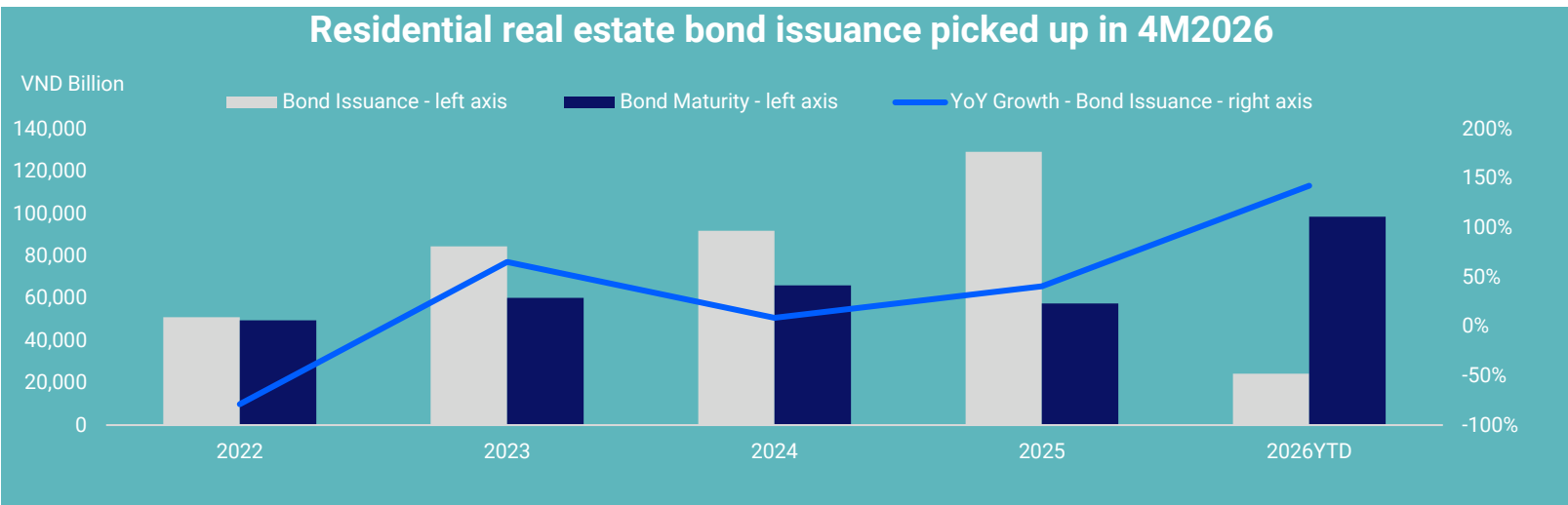
Developer	Chanel	Amount (VND billion)	Status
NLG	Equity	2,501	Issued
PDR	Equity	1,550	In progress
Viconship acquired 65% of Harbour City Project	M&A	914	Completed
Mitsubishi Corporation acquired Thuan An 1 Project from PDR	M&A	1,902	Completed
Textaco	Equity	1,130	In progress
NEW TIMES., JSC	Bond	8,000	Issued
Phat Dat Investment and Real Estate Development Ltd	Bond	5,600	Issued

**New issue  
VND 24,255 Billion**

**5 Issuers**

**7 Bonds**

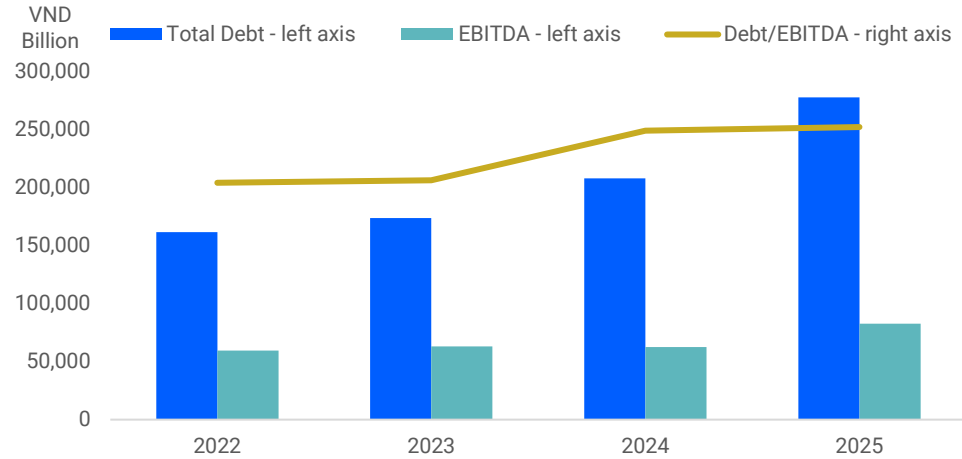
### Residential real estate bond issuance picked up in 4M2026



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

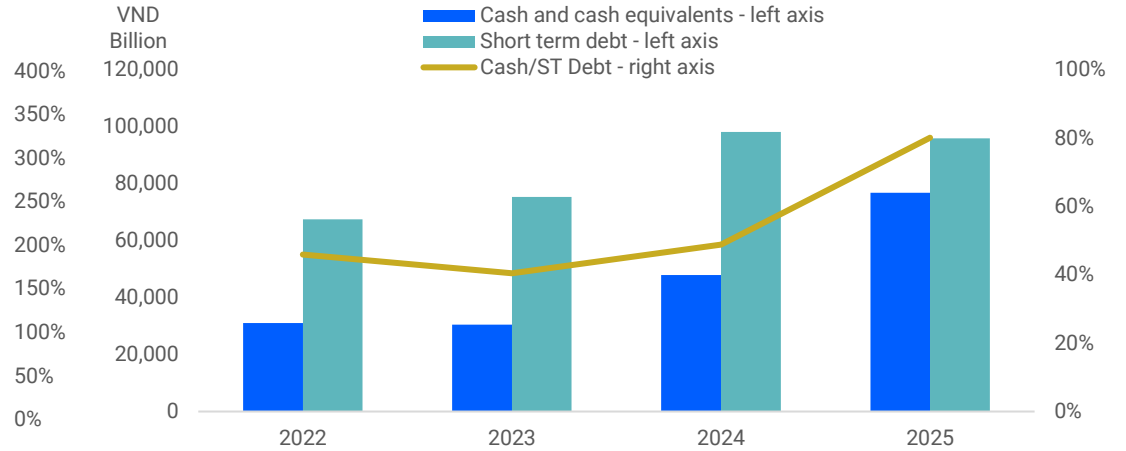
# Liquidity profile will be more diverging in 2026 as developers with substantial handover pipelines will remain strong, while those with commercialization issues will experience refinancing difficulties

**Exhibit 4: Strong profit recognition from project handovers will continue to mitigate rising debt and stabilize leverage in 2026**



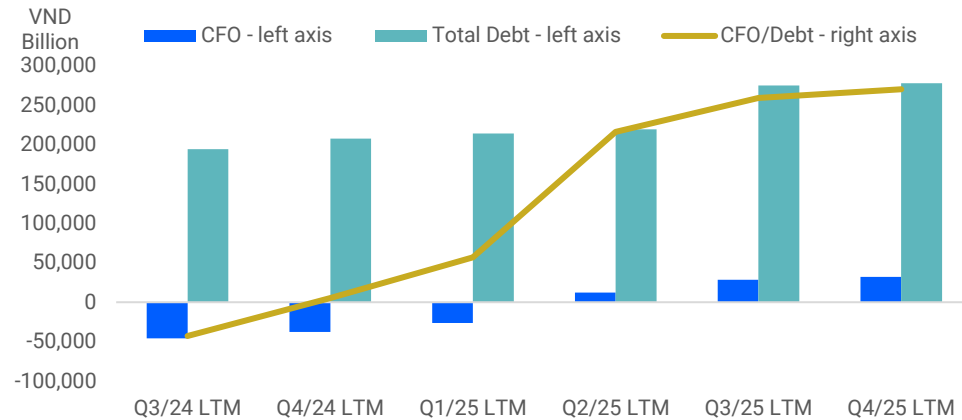
Source: Company data, VIS Rating  
 Note: Top 30 listed residential developers in terms of revenue

**Exhibit 5: Sector's average Cash resources/ Short-term debt strengthening from 49% to 80%, driven by strong project sales**



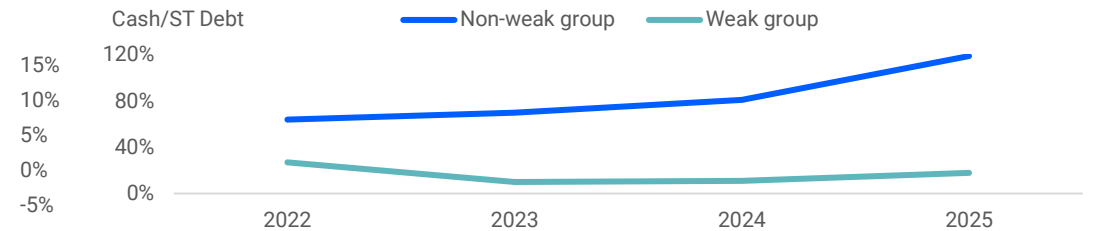
Source: Company data, VIS Rating  
 Note: Top 30 listed residential developers in terms of revenue

**Exhibit 6: Large developers' handover pipelines in the next 12-18 months will maintain a 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 7: Liquidity profile will be more diverging in 2026**



Note: Weak group includes developers with weak credit profiles, which are 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

**APPENDIX**

The companies included in our analysis are as follows:

	<b>Short name</b>	<b>Full name</b>
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	SGR	Saigon Real Estate Group Joint Stock Company
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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