



Awaiting a revolution in rail and property for Vietnam



By Vu Viet Linh

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Vietnam is entering a decisive phase in its economic journey. The government has set an ambitious plan for 2026–2030, targeting \$1.4 trillion in total investment.

The growth goals are underpinned by a series of transformative infrastructure projects designed to reshape the economic geography. At the heart of this vision lies the \$67 billion north–south high-speed rail (HSR) project, a landmark initiative that could well become Vietnam's most consequential infrastructure

development of the coming decade.

The north–south HSR line is designed to connect Hanoi and Ho Chi Minh City through 23 stations, creating a national transport backbone that integrates both express and sectional services.

This design is intended to channel economic activity into secondary hubs such as Vinh, Danang, and Nha Trang, thereby redistributing growth beyond the two dominant metropolitan centres.

With nearly half of Vietnam's population and GDP concentrated along the Hanoi–Ho Chi Minh corridor, the density profile strongly supports the viability of such a national HSR system. Comparative analysis indicates Vietnam's entry point into HSR mirrors the early-adoption strategies of China and India, where rail expansion catalysed strong urban growth and regional development.

The economic benefits of the project are multipronged. In the short term, construction will generate strong demand for raw materials, with estimated consumption of five million tonnes of steel and 29 million

tonnes of cement – equivalent to 21 per cent and 38 per cent of Vietnam's domestic steel and cement consumption in 2025, respectively.

Over the medium term, the venture is expected to transform secondary provinces into new growth centres, balancing demographic momentum and housing demand. Historical precedents from China, South Korea, and Japan show that HSR corridors often trigger strong property development in previously overlooked regions, redistributing wealth.

For Vietnam, this redistribution could prove critical in easing pressure on Hanoi and Ho Chi Minh City, where property prices have surged in recent years.

Equally important is the sustainability dimension. HSR is among the most environmentally efficient modes of transport, producing minimal emissions compared to cars and planes. Given Vietnam's high carbon intensity, the project represents a crucial step towards greener public transport and long-term climate resilience. By embedding sustainability into its infrastructure strategy, Vietnam

aligns itself with global climate goals while addressing domestic challenges of pollution and congestion.

The success of the undertaking, however, will hinge on several critical factors. Firstly, adequate public financing is essential to prevent delays caused by funding stress – a challenge that has plagued similar projects in Taiwan and Indonesia. In this regard, we see Vietnam's fiscal health provides a solid foundation, provided that execution is carried out with discipline and determination.

Equally important is the strengthening of mid-route economies. To prevent growth siphoning towards terminal cities, hubs such as Nghe An, Danang, and Khanh Hoa must reinforce their industrial and service bases, ensuring that the benefits of connectivity are widely distributed.

Another vital factor is the integration of HSR with transit-oriented development, which is often referred to as rail–property synergy. In fact, this model has been successfully implemented in several countries, proving real estate revenues can be leveraged to offset rail construction costs.

This approach ensures that stations evolve into vibrant economic hubs rather than mere transit points, embedding rail infrastructure into the broader urban fabric and reducing the burden on government budget.

More importantly, the HSR can catalyse an acceleration in Vietnam's urbanisation rate, narrowing the gap with more developed economies. China's experience between 2005 and 2012 illustrates how HSR projects can unlock growth potential across financials, construction, and real estate sectors.

Overall, we see Vietnam's HSR initiative as more than a transport initiative. It is the ultimate test of the country's ability to deliver a complex, large-scale, and potentially nation-shaping investment. For investors, the HSR represents a multi-year thematic opportunity across construction, real estate, banking, and modern trade.

And for the nation as a whole, the HSR can be a symbol of Vietnam's new growth era, positioning the country as one of Asia's most compelling economic stories. ■

By Bich Ngoc

The real estate and hospitality sector continues to lead merger and acquisition activity, with seven recorded deals and a total disclosed value of over \$446 million so far this year.

According to the Monthly Deal Digest released on March 11 by Grant Thornton Vietnam and Capital IQ, the real estate and hospitality sectors accounted for 26 per cent of the total merger and acquisition (M&A) numbers, and 81 per cent of total value of all sectors.

Most transactions in the sector revolved around corporate restructuring and the transfer of component projects.

Among those are in residential development, the only deal related to foreign investor was the Diamond Realty Investment La Pura (Mitsubishi Group, Japan) in February acquired the entire stake in Thien Long High-Rise Real Estate Investment and Development, the developer of the Thuan An 1 project in Binh Duong with the initial payment value of approximately \$73 million.

The rest of the deals belong to domestic investors. Everland An Giang in January acquired Sub-zone 7.1 of the Dai Phuoc Ecotourism Urban Area from DIC Corp for more than \$18.8 million. Within the same venture, TNT Phu Hoa purchased sub-zones 1-3 in a deal valued at over \$94.8 million.

Meanwhile, also in January, First Real approved a resolution to fully divest from Bach Dang Trading Services Hotel through the transfer of 10 million shares, equivalent to 22.22 per cent of its charter capital.

With an expected minimum transfer value of \$11.5 million, First Real will exit the Bach Dang Complex, a

M&As in real estate on a strong footing

Figures from the Vietnam Association of Realtors stated that Vietnam's real estate M&A market recorded strong growth in 2025, marking a positive shift after a prolonged downturn, with cumulative transaction value reaching approximately \$2.5 billion.

Top performers were United Overseas Australia, Birch Real Estate Business, SkyWorld, Vinaconex ITC, Geleximco, Savico, and Dai Quang Minh Real Estate Investment Corporation.

The previous year recorded 13 notable real estate M&A deals worth more than \$1.8 billion, involving both foreign major investors and leading domestic developers such as Keppel, Mapletree Investments, Gaw Capital Partners, Vingroup, Novaland, Nam Long Investment Corporation, Becamex IDC, and Bitexco.

luxury real estate complex located on a nearly 6,900sq.m site along the Han River in Danang city.

In the hotel sector, ASB HPL North Asia of Singapore spent \$38 million to acquire the entire Hotel Perle D'Orient Cat Ba project from Truong Binh Minh.

Located on Cat Ba Island in Haiphong city, this is the first international-standard 5-star hotel in the area and was previously operated under the upscale MGallery brand of Accor. The property comprises 11 storeys and over 120 luxury rooms. Construction began in 2017, with total investment across two phases exceeding \$34.6 million, and the hotel commenced operations in 2020.

The other deal in the sector involved the Parkroyal Saigon hotel in Ho Chi Minh City, which was transferred to domestic buyer TCG Land, a company headquartered in Ninh Binh province and owned by Thanh Cong Group.

The transaction has been completed, and the hotel has been renamed Garden Plaza Saigon. The disclosed

value of the deal was \$15.7 million.

Both of those two transactions were announced in March and were part of a broader surge in Vietnam hotel investment activity, with property consulting firm JLL forecasting the market to reach \$200 million in transaction volume for 2026.

The third quarter of this year is expected to mark a more active phase for real estate M&A transactions, driven by companies having accumulated sufficient resources, improved conditions for site inspections, and the acceleration of year-end disbursement schedules.

According to Ta My Bach, director of Capital Markets at JLL Vietnam, market sentiment also could receive an additional boost from the anticipated review of Vietnam's stock market upgrade by FTSE Russell, expected in the third quarter this year.

To make progress in attracting foreign investment and promoting the M&A market, three groups of legal challenges need to be addressed in a coordinated manner, Bach told *VIR* last week.

First is the lack of consistency in

policy implementation across localities, which has led to a situation where “the same law is interpreted differently”, particularly creating difficulties for logistics projects that span multiple provinces.

Second is the effectiveness of administrative procedures and the level of transparency. Many promising projects continue to face delays due to the need to wait for guiding documents or because of insufficient coordination among authorities responsible for land, planning, environmental management, and transport. The adoption of an electronic one-stop-shop mechanism with clear commitments on processing timelines could significantly improve progress.

“Finally, there is a need to further refine the legal framework for M&As, including regulations governing capital transfers, land-use rights in joint ventures, and dispute resolution mechanisms. Simplifying procedures and shortening approval timelines would help facilitate large-scale transactions,” Bach said.

Although no standout transactions were recorded in the industrial real estate sector during the first two months of the year, the segment is expected to continue expanding strongly in the coming period.

David Jackson, CEO of Avison Young Vietnam, noted that industrial real estate investors typically enter the market through both direct and indirect investment. Under the direct model, investors lease land

from the state or acquire land-use rights to develop new industrial park infrastructure.

“They may form joint ventures with local partners to leverage advantages in capital, legal procedures, and project execution. Notable investors include Amata, Vietnam-Singapore Industrial Parks, Sumitomo Corporation, and DEEP C in Haiphong,” Jackson explained.

A report from JLL Vietnam stated that in the logistics segment, due diligence standards are even more stringent, particularly regarding professional operational capacity, third-party logistics experience, understanding of global supply chains, and the ability to attract and retain high-quality tenants. Metrics such as occupancy rates, leasing timelines, and tenant quality are considered key evaluation criteria.

Partnership models are also shifting from outright acquisitions to joint ventures with milestone-based payment mechanisms to distribute risks. Corporate governance and financial transparency are being prioritised, with expectations for compliance with international standards such as IFRS and the establishment of independent oversight mechanisms.

The report expects that looking over the next five years, the market is expected to continue competing based on product and service quality.

“M&A will likely maintain a positive role in portfolio restructuring and improving supply quality, while industrial land rents are forecast to grow by 5-6 per cent annually over the next five years. With a stable macroeconomic foundation, improving connectivity infrastructure, and sustained investment, logistics is positioned as one of the core segments of Vietnam's industrial real estate sector in the coming years,” it said. ■