

The amended Land Law was approved

The amended Land Law was approved by the National Assembly on January 18, 2024 and most regulations in this law will take effect from January 1, 2025. Key changes/amendments and effects are summarized in the table below.

Key points	Regulations in the Land Law (amended)	Changes and effects
Rights and obligations regarding land use of Vietnamese people residing abroad	Vietnamese people residing abroad with Vietnamese nationality and are Vietnamese citizens have full rights and obligations related to land (not only rights to residential land) like Vietnamese citizens in the country	Change in a direction to be consistent with the 2023 Real Estate Business Law to promote investment and attract remittances to Vietnam.
Land recall	There are many cases which the State can recall land, of which the amended law clarifies the case where land recalled to develop commercial housing projects, mixed-use projects including residential and commercial & service businesses classified as "urban area investment projects"	In principle, there is no change compared to the old law. Clarify the nature of "urban area investment projects" which is subject to land recall: synchronous infrastructure and social systems in according to construction regulations.
Types of land for developing commercial housing projects	Projects can only be developed via: (a) agreements on receiving land use rights of residential land and (b) In case of existing land use rights, commercial housing projects can only be developed if it is residential land or including both residential land and other land (not residential land, including agricultural land and non-agricultural land).	Maintain as prescribed in the 2023 Housing Law and supplemented according to Law No. 03/2022/QH15. Developers that do not have a portion of residential land in their projects will not be approved to develop commercial housing projects. Thus, these developers has to acquire a portion of residential land instead of changing non-residential land into residential land -> the problem of supply shortage has not been resolved.
Receive rice cultivation land by non-agricultural people	Set a limit of 3 ha/project for provinces/cities in the Southeast region and the Mekong Delta; 2 ha/project for other areas.	Strictly control agricultural land use and guarantee food security.
Land valuation method	Land valuation methods include: comparison, surplus, income, land price adjustment coefficient; Integrate the discounted method into the comparison method. Specify cases and conditions applicable to each land valuation method.	Replace 'Discounted method' by integrating the discounted method into the comparison method. Specify cases and conditions applicable to each land valuation method helps speed up the land valuation process.
Land price table	Provincial People's Committee develops and submits the first land price table to the People's Council for approval and use from January 1, 2026. Every year, the Provincial People's Committee must submit updated and amended land price table to the People's Council for approval.	Updated more frequently than every 5 years prescribed in the 2013 Land Law to ensure land prices closely follow actual market fluctuation, leading to an increase in land clearance and compensation costs for developers
Recognition of land use rights	Households and individuals that are using land without certificates on land use rights, do not violate land laws, and are not in the case of land being allocated without proper authority, before July 1, 2014 will be issued land use rights certificates.	Last 10 years more compared to the 2023 Land Law. Support residents to be issued land use rights certificates.
Digitize land data		Aim to manage and report market data more fully and transparently.
Resettlement		Adding conditions and regulations for resettlement will help speed up the resettlement process and ensures rights for resettled people.

Comment: In general, the amended law does not have many changes compared to the old law. Of which, the most expected amendment which is allowing the conversion of agricultural and non-agricultural land into residential land to develop commercial housing projects has not been changed. In addition, the regulation that requires developers to own a portion of residential land in their projects has not been amended. Thus, it is difficult for the supply and land bank expansion process to improve soon. In addition, updating land price table annually instead of every 5 years may increase land compensation and clearance costs in the future.

However, regulation that allows Vietnamese people residing abroad with Vietnamese nationality people have full rights and obligations related to land like domestic Vietnamese citizens will help attract remittances into the real estate sector. Other positive impacts of the amended Land Law are to be consistent with the 2023 Housing Law and the 2023 Real Estate Business Law, strengthen control over changes in land use purpose, improve market data management and statistics, ensure rights and harmonizing interests between real estate developers and resettled people.

While waiting for more detailed circulars and decrees, we believe that, with the main contents of the recently passed amended Land Law, developers with available clean land bank are expected to uphold their competitive advantages and expand market shares such as VHM, NLG and KDH.

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