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REAL ESTATE INVESTMENTS IN VIETNAM

Legal, Tax and Ownership Essentials for Foreign Investors



1. Why Invest in Vietnam's Real Estate Market?

Vietnam's real estate market is being reshaped by the same manufacturing wave that is drawing foreign investors into the country - industrial and logistics real estate is currently the strongest-performing segment, while urbanization and a rising middle class continue to support residential and hospitality demand.

- **Industrial & logistics boom**: Southern Vietnam industrial land occupancy reached 76.3% in Q2 2026 (+1.4 percentage points QoQ); ready-built factories 92% and ready-built warehouses 91.7% occupied. HCMC leads at 86.1%, while Tay Ninh is the fastest-growing satellite market (ready-built factory occupancy +10% YoY) on abundant land and competitive pricing.[1]
- **Rental levels**: Average industrial land rent ~USD 186.4/sqm/lease term (Dong Nai ~USD 189.6, Tay Ninh ~USD 179.6); ready-built warehouses average ~USD 4.6/sqm/month.[2]
- **Infrastructure tailwinds**: Long Thanh International Airport, Ring Road 3, and the Dong Nai-HCMC inland waterway corridor are expected to strengthen regional connectivity through 2028, supporting both industrial and residential land values.[3]
- **Formalized hospitality product**: Since 2023, condotels, officetels and resort villas built on commercial/service land have been eligible for ownership certificates (first under Decree 10/2023/ND-CP and, from 1 August 2024, under the Land Law 2024 framework), unlocking a resort real estate segment previously frozen by legal uncertainty (an estimated 239 projects worth ~VND 682 trillion as of 2022).[4]

2. Foreign Ownership Rules

Land in Vietnam is owned by the people and administered by the State, so no investor (foreign or domestic) holds freehold title to land; investors hold land use rights, leases and/or ownership of buildings attached to land. What a foreign investor can hold depends on the asset class and the vehicle used to acquire it.

Condominiums (apartments)

- Foreign organizations and individuals may collectively own up to 30% of the total apartments in a condominium building (Housing Law 27/2023/QH15 and its implementing Decree 95/2024/ND-CP, both effective 1 August 2024).
- The 30% cap is assessed per building (or per block, where a project has multiple blocks on a shared base) within its ward-equivalent area - not pooled across the whole project or ward.
- Eligible individual buyers need a valid passport bearing a Vietnamese entry stamp or visa, may acquire commercial housing by purchase, hire-purchase, gift or inheritance, and cannot buy in national defense and security protected zones. An individual's ownership term is up to 50 years from the certificate date, extendable once.

Landed property (houses, villas, land)

- Foreign individuals may own landed houses (including villas), but only within commercial housing projects - capped at 250 houses per ward-equivalent area and outside protected zones - which confers ownership of the house, not freehold land. Institutional investors instead access land through a foreign-invested enterprise (FIE) holding rights for an approved project.



Condotels, officetels & resort villas

- The Land Law 2024 (which superseded Decree 10/2023/ND-CP from 1 August 2024) provides for ownership certificates for condotel, officetel and resort-villa units on commercial/service land - certificates run for the remaining term of the project's land use right (generally up to 50 years, or up to 70 years for certain projects), not indefinite residential ownership.
- Not yet open to foreign individuals: as of September 2026, a draft Law on Real Estate Business revision that would allow this has not been passed, with passage expected around the October 2026 National Assembly session. Until then, foreign investors access this segment through an FIE or other corporate holding structure, and should confirm the current status of this proposal before relying on one.

Industrial land & FIE land rights (Land Law 2024)

- Expanded rights: FIEs could previously only lease or sublease land in industrial parks, clusters and economic zones. Under the Land Law 2024 (effective 1 August 2024), FIEs may now receive transfers of land use rights and attached assets in these zones - a materially stronger form of tenure than a lease.
- Payment and financing flexibility: Annual payment is the default for leased land under the Land Law 2024, with one-off (lump-sum) payment available only in specified cases; the payment method affects what can be mortgaged (lump-sum leases carry fuller rights than annual-rent leases).

3. Regional and Sector-Specific Considerations

Location and asset class should be settled together - each region and product type carries a different regulatory path, capital intensity and exit profile.

Segment	Location	Key Considerations
Industrial & logistics	HCMC, Dong Nai, Tay Ninh (South); Bac Ninh, Hai Phong (North)	Strongest fundamentals nationally; South leads on maturity and infrastructure, Tay Ninh on growth and pricing; typically held via FIE land-use rights, not direct purchase.
Residential (condominiums)	Ho Chi Minh City, Hanoi	Core urban markets for the foreign quotas (30% per building; 250 landed houses per ward-equivalent area); suited to individual foreign buyers rather than an operating entity.
Hospitality/resort (condotel, villa, high-tech manufacturing)	Da Nang, Nha Trang, Phu Quoc	Ownership-certificate mechanism under Land Law 2024 (leasehold-style, tied to the project's land term, generally up to 50 years); direct foreign-individual purchase still pending as of Sep 2026 - institutional investors use an FIE.
Office & commercial	Ho Chi Minh City, Hanoi	Typically held and operated through an FIE; usually part of a broader mixed-use or investment project rather than a standalone purchase.



4. The Legal Framework

Vietnam's real estate regulation rests on three laws that all took effect together on 1 August 2024, replacing the Land Law 2013, Housing Law 2014 and Law on Real Estate Business 2014 (the effective dates were brought forward from 1 January 2025 by Law No. 43/2024/QH15).

Law	Key Provisions
Land Law No. 31/2024/QH15	Land use rights, land allocation/lease, valuation, and - critically for FIEs - the ability to receive land-use-right transfers (not just leases) inside industrial parks, clusters and economic zones.
Housing Law No. 27/2023/QH15	Foreign individual/organization eligibility to own apartments, the 30% per-building cap, and acquisition methods (purchase, inheritance, gift).
Law on Real Estate Business No. 29/2023/QH15	Formalizes condotel/officetel/resort-villa transactions, developer capital and pre-sale/escrow requirements, and the conditions for conducting real estate business generally.

Note: All three laws are now being comprehensively revised, with passage expected around the October 2026 National Assembly session; the final texts should be reviewed once issued, particularly on foreign ownership of condotels/officetels and FIE land-use rights. In the meantime, Resolution 254/2025/QH15 provides interim mechanisms for Land Law implementation.

5. Taxes and Fees on Real Estate

Tax / Fee	Details
Registration fee	Payable on registration of ownership/land use rights over houses and land at a flat 0.5% (Decree 10/2022/ND-CP, as amended); the value base is set by reference to provincial land/house price tables, or the contract price where this is higher.
Non-agricultural land use tax	Residential land: progressive 0.03% - 0.15% depending on area relative to the local residential land quota (0.03% for apartment buildings); non-agricultural production and business land: 0.03%; land not used for its proper purpose: 0.15%. (A separate agricultural land use tax exemption runs 1 Jan 2026 - 31 Dec 2030 under Resolution 216/2025/QH15 and Decree 292/2025/ND-CP, mainly benefiting agricultural producers rather than commercial real estate)
VAT	Land use right is not subject to VAT. 10% applies to the value of any building/structure sold; real estate business is excluded from the temporary 8% VAT reduction that runs through 31 Dec 2026. The land price or land rent paid to the State is deducted from the VAT base. Individual lessors pay 5% VAT on rental revenue once annual revenue exceeds VND 1 billion (Decree 141/2026).
Personal Income Tax (individual seller)	2% of the transfer price per transaction (Law on PIT No. 109/2025/QH15, effective 1 July 2026), payable regardless of whether the sale produced a gain or a loss; the same rate applies to non-residents.
Rental income (individuals)	From 2026, 5% PIT plus 5% VAT apply once annual rental revenue exceeds VND 1 billion, with PIT calculated only on the portion above that threshold (accommodation business is taxed differently).
Corporate Income Tax (corporate seller)	20% CIT on the net gain from a real estate transfer; under the CIT Law No. 67/2025/QH15 (applicable from the 2025 tax period), gains and losses from real estate transfers may now be offset against other business activities, except activities enjoying CIT incentives.

Note: Rates and thresholds above are indicative and subject to change; the applicable rate will depend on the specific circumstances at the time of the transaction.



6. Acquisition Structures and Capital Flows

Available Structures

- **Direct individual purchase**: Available for condominium units and landed houses in commercial housing projects, within the foreign-ownership caps - no local entity required, but ownership is limited to residential housing (not yet condotels or officetels).
- **Foreign-invested enterprise (FIE)**: The standard route for industrial, commercial, mixed-use or portfolio investment. Follows the same Investment Registration Certificate / Enterprise Registration Certificate process as any other FDI project under the Law on Investment No. 143/2025/QH15 (effective 1 March 2026) and Decree 96/2026/ND-CP.
- **M&A of a project company**: Acquiring shares or capital in an existing project company is common for entering an already-licensed development, but may trigger M&A approval, foreign-ownership checks, and the developer equity requirements under the Law on Real Estate Business 2023 (owner's equity of at least 20% of total investment for projects under 20 ha, or 15% for projects of 20 ha or more).

Moving capital

- Capital contributions must flow through a foreign-investment capital account (formerly commonly called a DICA) opened with an authorized bank; Circular 38/2026/TT-NHNN (effective 18 August 2026) allows this account to be opened before the IRC is issued, though pre-IRC use is limited to receiving charter capital, paying lawful pre-investment costs, and refunding capital if the IRC is not ultimately granted.
- Dividends and distributable profit may be paid in VND or convertible currency once statutory conditions are met (losses covered, tax finalized); converting VND to foreign currency requires proof of a legitimate underlying purpose.
- Medium/long-term offshore loans used to fund a project must be registered with the State Bank of Vietnam and settled through a dedicated loan account.

7. China's Outbound Direct Investment (ODI) and Valuation Report Requirements

Regulatory approvals and foreign exchange registration for outbound investments

For Chinese investors acquiring or developing real estate in Vietnam, the core regulatory hurdles and capital outflow controls remain in mainland China. Any Chinese entity, including domestic firms investing indirectly through offshore vehicles, seeking to establish or hold an interest in an overseas non-financial enterprise (whether through ownership, control or management rights) must first secure approvals or regulatory filings from the National Development and Reform Commission (under NDRC Order No. 11) and the Ministry of Commerce (under MOFCOM Order No. 3 [2014]) before they could proceed to complete ODI foreign exchange registration, set up designated FX accounts, and remit funds abroad in accordance with PRC Foreign Exchange Regulations and SAFE capital account rules.

Independent valuation for NDRC approval

For outbound projects requiring formal NDRC approval, the authority often subjects the deal's commercial viability and asset pricing to deeper scrutiny. In such cases, applicants may be required to commission a qualified third-party appraisal firm to issue an independent valuation report on the overseas target within a prescribed timeframe.

Since regulators rely heavily on this assessment to verify transaction reasonableness and project risk, engaging an accredited appraisal firm ensures the report meets statutory standards and avoids unnecessary delays in the outbound approval process.

Valuation involving state-owned assets and listed companies

Transactions involving state-owned assets or listed company disclosures trigger stringent regulatory thresholds regarding appraiser eligibility. The valuation report must be issued by an accredited appraisal firm that has completed formal statutory registration. Furthermore, where the report is used for capital market filings or securities-related matters, the firm must possess the specific regulatory qualification and regulatory filing for securities valuation services. Engaging a properly licensed and accredited valuer is therefore a prerequisite to ensure regulatory acceptance by State-owned Assets Supervision and Administration Commission of the State Council, China Securities Regulatory Commission and the stock exchanges.

8. References

1 *Cushman & Wakefield, Southern Key Economic Zone Industrial Markets - MarketBeat Q2 2026, August 2026. https://assets.cushmanwakefield.com/-/media/cw/marketbeat-pdfs/2026/q2/apac-and-gc/hcmc-marketbeat-industrial-q2-2026---en.pdf*

2 *Cushman & Wakefield, Southern Key Economic Zone Industrial Markets - MarketBeat Q2 2026, August 2026. https://assets.cushmanwakefield.com/-/media/cw/marketbeat-pdfs/2026/q2/apac-and-gc/hcmc-marketbeat-industrial-q2-2026---en.pdf*

3 *Cushman & Wakefield Vietnam, "Southern Vietnam Industrial Real Estate Maintains Stable Fundamentals, with Infrastructure Expanding Growth Potential for 2026-2028", press release, 18 August 2026. https://www.cushmanwakefield.com/en/vietnam/news/2026/08/southern-vietnam-industrial-real-estate-maintains-stable-fundamentals*

4 *Báo Đầu tư, "Condotel không bị bỏ rơi" [Condotels are not left behind], citing Vietnam Real Estate Association (VNREA) data. https://baodautu.vn/condotel-khong-bi-bo-roi-d187251.html*

HOW ANDERSEN IN VIETNAM CAN HELP

ANDERSEN VIETNAM CAN SUPPORT FOREIGN INVESTORS ACROSS THE FULL LIFECYCLE OF THE PROJECT

- Helping identify an investment target or local partner
- Coordinating with government authorities on licensing and approvals
- Conducting all types of due diligence (legal, tax, financial)
- Providing ongoing reporting support (legal and tax)
- Accounting

HOW AVISTA CAN HELP

AVISTA GROUP CAN SUPPORT CHINA DOMESTIC INVESTORS ACROSS THE FULL LIFECYCLE OF OUTBOUND DIRECT INVESTMENT (ODI) PROJECTS

- Assessing commercial feasibility analysis and pre-deal valuation
- Providing independent valuations to support pricing negotiations
- Preparing valuation for ODI regulatory filings and approvals
- Appraising business, real estates, equipment and intellectual property
- Conducting ESG due diligence and ongoing sustainability reporting
- Advising on risk management and internal controls
- Providing post-deal valuations for financial reporting

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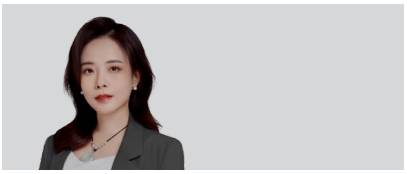

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