

Debates on Land use rights of “Commercial Lots” in Vietnam

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Abstract

The commercial lots are a new real estate product in Vietnam that attracted property buyers in the last few years. Despite its rapid development, the legal status of this property is confusing among the authorities, real estate developers and property buyers. Various legal interpretations caused economic damages and violated rights of property buyers.

The case of Vinhomes Ocean Park Gia Lam revealed legal challenges and its consequences to the stake holders. By empirical study with observation, note-taking, and textual analysis of Vietnam's Real estate law, government reports and documents and sales contract, this paper aims to identify the legal terminology differences and legal challenges that customers may take when buying commercial lots therefore provides various legal recommendations to protect the property buyers as well as foster a fair and sustainable real estate business in Vietnam.

This paper concludes that the arbitrary use of new terms without a clear legal basis can mislead property buyers, who may not receive their rightful entitlements despite fulfilling payment obligations. In addition, the lack of clear legal definitions for terms related to land use classification created confusion and inconsistencies in property transactions and inferior values. More importantly, there is a conflict between the "common use" designation of land and the "separate ownership" of constructed properties, leading to disputes over land use rights and property ownership. This confusion led to tremendous consequences, including uncertified land use rights for property buyers leading to legal disputes among key actors, financial losses and other legal risks for customers, market instability and potential for protests and social instability.

As a result, there should be clear and standardized legal definitions, consistent housing terminology in law, and alignment of land use designations with property ownership rights to ensure transparency and fairness in the real estate market.

Keyword: *housing terminology, housing law, land law, real estate business, land use rights, Vietnam.*

1. Introduction

In recent years, the emergence of commercial lots as a new real estate product in Vietnam has attracted attention from homebuyers. These properties, often marketed as shophouses or commercial lots, promise lucrative investment opportunities and modern living spaces. However, the rapid development of these properties has outpaced the establishment of clear legal frameworks, leading to substantial legal and economic challenges for homebuyers.

The terminology, purpose of use, and form of use of commercial lots are not uniformly understood or agreed upon by authorities, real estate developers, and homebuyers. This lack of consensus has resulted in ambiguous land use and property ownership rights, causing confusion and controversy among stakeholders. Despite seven years of development, the state has been

unable to issue land use rights certificates to homebuyers, and the trading of these properties has been banned, leading to significant legal and economic damages.

This paper aims to address these pressing issues by conducting a thorough legal analysis of commercial lots, with a focus on the VH OCP project developed by GLUDIC in Hanoi, Vietnam. By examining Vietnam's laws and the sales contracts between GLUDIC and property buyers, this study seeks to identify the legal risks associated with purchasing commercial lots and provide recommendations to protect property buyers. The findings of this research are intended to foster a fair and sustainable real estate market in Vietnam, ensuring that homebuyers' rights are safeguarded and that urban development proceeds in compliance with legal standards.

The paper is structured as follows: first, it investigates the terminology and land use/property ownership rights of commercial lots by analyzing the sales contracts and legal documents at the time the contracts were signed to understand the inconsistencies in land use rights certificates; and second, it reviews the current legal documents and proposes policy changes to address the identified legal loopholes and protect homebuyers. Through this comprehensive analysis, the paper aims to contribute to the ongoing debates on land use rights on public land in Hanoi and offer valuable insights for policymakers and stakeholders in the real estate sector.

2. Literature review

Overview of Commercial Lots in Vietnam

The concept of Commercial Lots, also known as shophouses, has gained attraction in Vietnam's real estate market over the past few years. These properties are designed to serve dual purposes, combining residential and commercial uses (Land Law 2013 and 2024), which makes them attractive to investors and asset buyers alike. However, the rapid development of this real estate product has outpaced the establishment of clear legal frameworks, leading to significant legal ambiguities and challenges. In addition, as a new real estate development, little legal research has been done on Commercial Lots in Vietnam.

Legal Frameworks and Regulations

Vietnam's real estate market is governed by a complex set of laws and regulations, including the Law on Real Estate Business 2014 and 2023, the Law on Housing 2014 and 2024, and the Land Law 2013 and 2024. In addition to regulating quality and development and defining responsibilities of urban developers, Law on Construction 2014, Law on Protection of Consumers' Rights 2018 and 2023 are applied in several stages, such as building and assessing the quality of construction work and sales contracts signing and implementation. These laws outline the rights and obligations of various stakeholders, including developers, home buyers, and government authorities.

Besides law, Government issues Decrees and Ministries issue Circulars guiding specific legal provisions for detailed activities. For example, Circular No.: 01/VBHN-BTNMT dated 12 September 2019 by Ministry of Natural Resources and Environment (2019), on Providing for Certificate of Land Use Right, House Ownership and Other properties associated with the land, regulated the form and records of contents in the certificate and other related regulations. Because of the ratification of revised Land Law 2024, Circular No: 10/2024/TT-BTNMT dated

31 July 2024 on Providing for Certificate of Land Use Right, House Ownership and Other properties associated with the land became valid.

Despite a legal system on real estate and real estate business management, there have been no detailed guidelines on commercial lots or similar land for commerce and services. Therefore, several legal disputes over land use rights and property ownership rights emerged during commercial lots development.

Issues with Terminology and Legal Definitions

Despite numerous laws and regulations having been ratified to manage real estate business and certify land use rights for land and property buyers, terminology and legal definitions related to “land for commerce and service” and “public land for commercial use” are often vague and inconsistent, leading to confusion and disputes. Because of this lack of clear and consistent terminology. Different stakeholders, including authorities, developers, and homebuyers, often have varying interpretations of what constitutes a commercial lot. This inconsistency complicates the legal recognition and protection of these properties. For instance, the term “commercial lot” is not explicitly defined in Vietnam's legal documents, which creates a legal gray area, is this simply “land for commercial use” without property on it, or “land with construction work for commercial purposes”?

Land Use and Property Ownership Rights

Land in Vietnam is publicly owned, and individuals or entities can only acquire land use rights (LURs) (Article 1, Land Law 2013), which are granted, recognized, or leased by the state. Duration of use comprises long-term LUR and limited time such as 50-year LUR (Article 15, Land Law 2013). In both cases, the property users are granted a certificate of land use rights by the state.

Land use rights are ensured by the State by granting the Certificate of land use rights or Certificate of house ownership and residential land use rights for lands and properties that were granted before December 10, 2009 (Article 11, Land Law 2013). From 2013, the full name of such a certificate changed into “Certificate of land use rights and ownership of houses and other land-attached assets.” Article 3 of Land Law 2013 defined: “Certificate of land use rights and ownership of houses and other land-attached assets is a legal certificate in which the State certifies the lawful land use rights and ownership of houses and land-attached assets of the person who has land use rights and ownership of houses and land-attached assets.” referring to the certification of both land use rights and the ownership of houses and other land-attached assets which are permanently attached to or built on land, such as houses, buildings, and certain types of crops, for which ownership rights are recognized alongside land use rights. Hereby, the certificate of land use rights and ownership of houses and other land-attached assets will be referred as “Certificates”.

Certificates indicate duration of use, in which, “long-term” LUR usually refers to LUR certificate and uses the land forever, except in the case of transfer or repossession by the state. The second type, with a limited duration LUR, meaning that the land buyer leases the land from the state for a period of a limited period, for example, 50 years (Article 126, Land Law 2013). It can be paid

one-time or annually, depending on the urban plan or investment project. The home buyers are still granted a certificate like the first type of shophouse, however, the certificate will clearly state the 50-year term. After the 50-year term mentioned above, if the home buyer wants to extend, the state will charge a new fee.

However, “Certificate of land use rights and ownership of houses and other land-attached assets” with limited duration of use may cause confusion. How does a home buyer own his/her houses permanently while the land use rights are granted for a limited period, such as 50 years? In other words, what would happen if the certificate of land use rights expired while his/ her ownership of the associated property remains valid? After 50 years, who should register the LUR extension - the property buyer or the urban developer? These have not been clearly regulated in Vietnam’s law. Therefore, the ambiguity in terminology extends to land use and property ownership rights.

Debates on Land use rights and Property ownership of the 50-year-LUR Commercial Lots in Vinhomes Ocean Park

The VH OCP project in Hanoi, developed by GLUDIC, serves as a prominent example of the legal challenges associated with commercial lots (VH OCP, 2018). Despite being a high-profile development, the project has faced numerous legal hurdles related to the issuance of land use rights certificates. The sales contracts between the urban developer and homebuyers refer to a 50-year housing ownership. However, when the homebuyers received their LUR certificate from the Office of Land Registration of Hanoi (who oversees printing and issuing the certificate), the commercial lots revealed several legal risks, including a non-compliance with urban planning regulations and the lack of clear property ownership rights.

The commercial lots were built on public land that had been leased by the state for 50 years but the property ownership was supposed to be forever, which adds another layer of complexity. The Land Law 2013 stipulates that land use rights must be clearly defined and documented. However, in practice, the issuance of land use rights certificates for commercial lots has been fraught with delays and inconsistencies. This has resulted in significant legal and economic damages for homebuyers, who find themselves unable to obtain the necessary certificates to legally own and trade their properties.

The legal ambiguities surrounding commercial lots have exposed several loopholes in Vietnam's real estate regulations. These loopholes allow developers to circumvent legal requirements, leading to non-compliance with urban planning and construction laws. The lack of regulatory oversight has further exacerbated the situation, leaving home buyers vulnerable to legal and financial risks. Therefore, this paper identifies the terminology of “commercial lots” and land use/property ownership rights of commercial lots by reviewing and analyzing such terms in sales contracts and legal documents at the mean time to understand the inconsistencies in certificates of land use rights; and analyzes the current legal documents aiming to propose policy changes to address the identified legal loopholes and protect homebuyers.

3. Methodology

This study employs a qualitative research approach to investigate the legal complexities surrounding commercial lots at the Vinhomes Ocean Park (VH OCP) project in Hanoi, Vietnam.

The research focuses on two critical issues: the terminology and the land use and property ownership rights of these commercial lots.

The VHOC project was selected as a case study due to its prominence and the significant legal controversies it has generated. This case provides a representative example of the broader issues faced by Commercial Lot developments in Vietnam.

Data collection: The primary data sources include legal documents, such as Vietnam's real estate laws and regulations such as guidelines, circulars and notices, and sales contracts between the urban developer and homebuyers. Secondary data were gathered from government legal documents, guidelines, circulars and notices and industry publications to provide context and support the analysis.

In addition, observation and note-taking are made at the field site where property buyers gathered to discuss and argue about the legalities set by sales contracts and the issued Certificate of Land use rights with the GLUDIC and authorities.

As a result, a textual analysis was conducted on the collected legal documents and sales contracts to identify inconsistencies and ambiguities in the terminology and legal provisions related to commercial lots. This analysis aimed to uncover the reasons behind the inability of authorities to issue land use rights certificates and the resulting legal risks for homebuyers.

By systematically examining these documents, the study aims to provide a comprehensive understanding of the legal challenges and propose actionable recommendations to protect homebuyers and ensure compliance with urban development regulations.

3. Terminology analysis and Legal analysis: Sales Contract vs. Certificate

The Sales Contract between the urban developer and property buyers provided several terms, in which, it referred the real estate product in transaction was "Commercial Lot", which is ("*Lô Thương Mại*" or "*Lô TM*" in Vietnamese) is a construction located in the Commercial Zone and legally owned by the Commercial Lot Owner;" (Article 1, Chapter I, Appendix A - Regulations on Commercial Zone). "Commercial Zone" is an area or space designed/planned for business, service, commercial purposes... belonging to the Project;". Accordingly, sales contract provisions had property buyers believe that they were purchasing both land and attached construction and owned both for 50 years.

However, the Certificate that the Office of Land Registration of Hanoi issued to property buyers recorded distinct terms and conditions. First of all, type of construction was stated as "Commercial Booth", form of land use as "Common use" and purpose of land use as "City Public Land".

There are three important terminological issues about the real estate product that confused both law enforcers and property buyers. First of all, the difference between "Commercial Lot" and "Commercial Booth", and second, the purpose of land use is commerce and services but on which type of land certified by the state, "Land for Commerce and Services" or "Public Land but used for Commerce and Services purposes". Thereby, it raised the question about the land use rights and ownership, in other words "common use" or "separate use" or "separate ownership"?

"Commercial Lot" vs. "Commercial Booth"

According to Vietnamese Dictionary (n.d), “Lot” (Lô) means a “relatively large and complete area, part divided for convenience of use and handling.” while a “Booth” (Gian) is a small, relatively independent unit in a house, limited by columns or walls, partitions. The terms “Commercial Lot” and “Commercial Booth” differ significantly in size and convenience, with “Commercial Booth” often referring to market stalls. This distinction creates a sense of inferiority for property buyers who purchased a “Commercial Lot” but received certification for a “Commercial Booth.” Additionally, neither term is defined in the Land Law 2013 or the Real Estate Trading Law 2014, raising concerns about the legal basis for their use in Sales Contracts and Certificates. This discrepancy underscores the need for clear legal definitions to ensure consistency and transparency in property transactions.

“Land for Commerce and Services” or “Public Land for Commercial purpose”

The Sales Contract specifies that the “Commercial Lot” is a construction within the Commercial Zone, which is designed for business, service, and commercial purposes as part of the Project. However, the urban planning map at the time of sale labeled this area as “Public Land,” according to Decision No. 3955/QĐ-UBND, Decision No. 2783/QĐ-UBND, Decision No. 2997/QĐ-UBND (Hanoi People’s Committee, 2018), Decision No. 6949/QĐ-UBND (Hanoi People’s Committee, 2019). A question is, is it legal for the urban developer to build “Commercial Zone” on “Public Land” and have it sold?

Reviewing the legal framework, Vietnam's Land Law 2013, Clause 2, Article 153 stipulates that land used for trading and services must align with approved land use master plans, urban construction master plans, and regulations on environmental protection. In addition, Circular No. 23/2014/TT-BTNMT, Article 6, Clause 6 requires that the land use purpose stated on the Certificate of Land Use Rights must be consistent with the land registry, specifying types such as “Commercial and service land” or “Other public works land.” Meanwhile, Land classification is represented in Article 10 of the Land Law 2013, classifies land into agricultural land, non-agricultural land, and land of undetermined purpose. Among non-agricultural land, Clause e refers to “Land used for public purposes,” which does not explicitly include commerce and services but only mentions “market land.” Clause đ of Article 10 includes “commercial and service land” within non-agricultural production and business land. But Public Facilities for Commercial Purposes was stipulated in Article 56 and Article 153. In which, Article 56 introduces the term “land for construction of public facilities for commercial purposes,” allowing the State to lease land for trading and services purposes. Article 153, Clause 1 defines land used for trading and services as including land for construction of trading or service establishments and other facilities serving these purposes.

Overall, the terms related to “Commerce and services purposes” and “Public land” are not clearly defined and classified, leading to confusion among policy enforcers, urban developers, and property buyers. The property buyers believed they were purchasing a Commercial Lot planned and constructed on “Land for Commerce and Services” as per Article 10. However, the Urban Master Plan designated this land as “Public Land,” which can also be used for commercial purposes according to Articles 56 and 153.

In addition, Decision No. 3955/QĐ-UBND dated 1 August 2018, issued by Hanoi People's Committee, decided the handover such land as "Public Land Area" to be used as multi-function zone including commerce, services, culture, tourism, gym, health care, library, finance, banking and office. This is considered the final basis for the urban developer to use the term Commercial-Service Land in the Sales Plan Diagram (ignoring all other functions), leading to differences in understanding among all parties. Consequently, the Office of Land Registration issued the Certificate with the land use purpose as "City Public Land," resulting in a conflict of interests in land use rights and property ownership.

The ambiguity in the legal definitions and classifications of land use purposes has led to a significant conflict between the intended use of the land as described in the Sales Contract and the designation in the urban planning map. This issue further leads to the confusion of land use rights and property ownership of the Commercial Lot, and requires further legal clarification to ensure the alignment with the expectations set forth in the Sales Contract and the applicable legal framework.

Land use rights and Property Ownership: "Common use", "Separate use" vs. "Separate ownership"

According to the Sales Contract, the buyers are entitled to a "Certificate of land use rights and ownership of houses and other land-attached assets" with 50-year land use rights and property ownership of the Commercial Lot. This arrangement complies with the "lease purchase agreement" as defined in Article 3 and Section 4 of the Real Estate Trading Law 2014¹.

However, the Certificate issued by the Hanoi Land Registration Office designated the land use as "common use" for an area of 14,473.0m², encompassing the entire Commercial Zone. However, the construction on this land, the Commercial Lot, is designated for "separate ownership." This raises the question: why is the land use classified as "common use" while the Commercial Lot is under "separate ownership"?

The Sales Contract Provisions specifies that the "Owner's Private Property" includes the area within the Commercial Lot and the technical equipment attached to it. It differentiates this from "Common Area and Common Utilities," which include public areas such as walkways, internal roads, green spaces, playgrounds, gym parks, sports fields, and other communal facilities, according to Appendix 1: Common Areas and Common Facilities (attached to Regulations on Commercial Area).

However, from Hanoi Land Registration Office's Stance, the Office considers the Commercial Area to be located on "City Public Land", thus classifying the entire land as common land. Consequently, they argue that the land cannot be privately used, despite the private ownership of the property constructed on it.

Property buyers contend that they should have both "private use" and "separate ownership" of the Commercial Lot, as affirmed in the Sales Contract. This is also the main reason why property

¹ 7. *Lease purchase agreement* means an agreement between parties, whereby the lessee shall pay an option fee to the lessor and be entitled to use a building; the remaining payment shall be considered as the monthly payment; the lessee shall acquire ownership of that building if he pays off the total amount.

buyers objected to receiving the Certificate of land use rights, house ownership rights and assets attached to land that the Office of Land Registration of Hanoi had issued and requested a revocation of the Certificate (Notice No.2115/VPĐKĐĐHN-ĐK&CGCN on notice of revocation and termination of the legal validity of GCN: DM 333196, issued by Hanoi Land Registration Office, dated 1 March 2024).

The core of the controversy lies in the conflicting interpretations of land use rights and property ownership between the Sales Contract and the Hanoi Land Registration Office. While the Sales Contract supports private use and separate ownership of the Commercial Lot, the Office's classification of the land as common use due to its location on City Public Land creates a legal impasse. This issue necessitates further legal clarification and potential legislative or administrative intervention to resolve the conflict and align the land use rights with the property ownership as intended in the Sales Contract.

4. Arguments of the property buyers

4.1 Land valuation methods and property valuation methods are different, therefore, the house purchase and sale value at the time of sale (2021-2022) is the value including Land Use Rights and Property Ownership Rights attached to the land.

The asset buyers argued that Land Use Rights when signing the Sales Contract should be recognized and certified by the Certificate because of its price evaluation. Each owner bought a Commercial lot with different areas, different street locations, different locations on each plot of land, so the land price coefficient is different, consequently, the value of each Commercial lot on the Sales Contract is completely different. Sold commercial Lots valued by the GLUDIC from 7-8 billion up to more than 40 billion. This price calculation is consistent with Article 4, Article 5 and Article 8, Decree 74/2024/ND-CP of the Government on Land Price Regulations.

Meanwhile, Article 4 of Decree 74/2024/ND-CP stipulates "*The method of calculating the value of new construction and the depreciation value of assets attached to land is implemented according to the provisions of specialized laws.*". Therefore, the value of the Commercial Service Lots cannot differ by tens of billions of VND as the Investor sold to us in 2021-2022. In addition, the construction value between the Commercial Lots cannot differ by tens of billions of VND as valued by the GLUDIC.

As a result, the property buyers believe that the Hanoi Commercial Office should accept this argument to certify the land use rights for the buyers, rather than for the Investor.

Consequences of terminological ambiguity

The introduction of new terms in the real estate business showcases innovative thinking and adaptability. However, the arbitrary use of these terms without a clear legal foundation can be misleading, misunderstandings and confusion among property buyers, developers, and policy enforcers, often disadvantageous to those who have met all their payment obligations but have not received their rightful entitlements. As a result, legal disputes, economic loss, market instability and other legal risks may occur.

Legal disputes

Property buyers felt misled because the property they receive does not match their expectations based on the terminology used in the Sales Contract, potentially resulting in legal disputes that are both time-consuming and costly. VH OCP property buyers staged several protests and negotiation talks at the Hanoi Land Registration Office building to demand their rights. Although there were multiple changes in Land Law 2023 and Real Estate Trading Law 2023, no progress has been seen to certify the land use rights and property ownership as matching with the Sales Contract provisions. Therefore, as of April 2025 there have been no satisfactory results.

In addition, the parties acknowledged the responsibilities they failed to fulfill. According to triparties working minutes among Hanoi Land Registration Office, urban developer and property owners (dated April 2025), the urban developer argued that they had no legal basis to register land for home buyers to recognize land use rights as private use. The Hanoi Land Registration Office argued that this was a new form of use and had not been clearly defined in the Circulars and Guidelines of the Ministry of Natural Resources and Environment. Although there was a document issued by the Ministry of Natural Resources and Environment, it did not clarify the concept and status of land use, therefore, there was not enough legal basis for both the urban developer and the Hanoi Land Registration Office to issue a Certificate according to the information on the Sales Contract. As a result, Commercial Lot buyers are the ones who suffered the greatest loss.

Economic loss

In addition, legal disputes have led to a transaction ban in the real estate market for this VH OCP housing type, resulting in an economic loss. According to Notice No.2115/VPĐKĐĐHN-ĐK&CGCN on notice of revocation and termination of the legal validity of GCN: DM 333196, issued by Hanoi Land Registration Office, dated 1 March 2024), the lot was not allowed to be traded on the Real Estate Trading Floor or by notarized written transaction. The similar ban was made for all Commercial Lot of this VH OCP project. Therefore, the housing price dramatically decreased. Before 2021, the Commercial Lot was sold at up to about USD 5,000 to 6,800 per m² (as prices addressed in Sales Contracts that author compiled with). While the price of other housing types has reached USD 13,000 per m², the market price of the Commercial Lots has reduced by 50-60% (about USD 2,000 per m²) (One Housing, 2025) because of legality of the Lot.

It does not only cause economic damages to the owners, but also represents a debt trap since many individuals bought the Commercial Lot by signing a loan contract with a bank and mortgaging the Commercial Lot itself (according to Loan Agreement - attached to Sales Contract). The bank just received a mortgaged property that has no legal status and has collected a huge amount of interest from the buyers (13.7% in 2023). Nevertheless, if the property owners are unable to repay the loan and the mortgaged property faces a trade ban, the buyer falls into a debt trap: high debt levels, high interest rates, low housing prices, therefore decreased overall income or make it harder to generate enough income to cover debt obligations.

This terminology ambiguity, trade ban, 5-year-delay for granting the Certificate and the debt trap can erode confidence in the real estate market, as buyers become wary of entering into

transactions without clear and legally defined terms, negatively impacting the reputation of developers and the overall market.

Market instability

Furthermore, it might contribute to market instability as potential buyers hesitate to invest in properties due to fears of similar issues. Additionally, the administrative burden of revoking and reissuing Certificates highlights the need for clearer guidelines and more efficient processes to prevent such issues from arising. Addressing these terminology distinctions and ensuring clear legal definitions across all relevant terms will help mitigate these consequences, fostering a more transparent and stable real estate market.

Other legal risks

The ambiguity may also lead to other legal consequences such as land price assessment, land rental determination, land acquisition or lease extension. Because the nature of type of land and purpose of land are identified differently. For example, according to Decision No.: 62 /2024/QĐ-UBND (Hanoi People's Committee, 2024) on Regulations on the rate (%) for calculating land rental price, the rate (%) collected for land for underground construction, the rate (%) collected for land with water surface in Hanoi city, Article 1 distinguishes the owner of land for trade and service sectors to pay the annual land rental unit price at 2% of the land price, but only 1% for other cases such as market land (which is classified as public land, according to Land Law 2013 and 2024). If the Certificate does not clearly specify the purpose of use as commerce and services, and does not distinguish between a "Commercial Lot" and a "Commercial Booth" (which typically refers to a "Market Stall"), what legal basis can be used to determine the land rental price unit or annual land rental price?

Similarly, "Land for Commerce and Services" and "Public Land" may have different policies for land requisition. According to Land Law 2024, Article 16, Clause 1, the State shall decide to expropriate land in the various cases for the purpose of national defense or security; socio-economic development for the national or public interest, in which public land or "common use" already refers to "public interest", therefore it is impossible or unnecessary to conduct land requisition. However, other types of land and assets with Certificates will be compensated at the value of the corresponding type of land/asset, according to State or municipal regulations. This means that if the Certificate recognizes this as Commercial and Service Land, the compensation value will also be different from that of Public Land with assets attached to the land, even if the assets are privately owned.

Despite the 2024 revised Land Law and the 2024 revised Real Estate Business Law, the amendments and additions to terms related to real estate products for commercial and service purposes were not made, exacerbating legal concerns and economic loss for property buyers who have fulfilled all financial obligations.

Last but not least, without sufficient legal basis for the use of the term, this could set a precedent for other urban developers to intentionally circumvent the law and be allowed to use ambiguous, misleading terms and put buyers in a passive position, while the amount of money that

developers earn is very high. This is also a potential risk to ensure fairness and sustainability in real estate business in Vietnam.

Potential for Protest and Social Instability

The absence of government-certified housing ownership creates significant potential for protest and social instability as residents face tenure insecurity, leading to fear and collective action. Various crowd gathering at the government agencies against the issuance of Certificates with contents different from the Sales Contract have been taking place in front of the Hanoi Land Registration Office and the Hanoi People's Council building. This may affect people's trust in the authorities and the reputation of state officials, and more broadly, the operating political apparatus. If not resolved soon, these crowd gatherings may escalate to mass protests, making a significant impact on the upcoming election in Vietnam in early 2026.

5. Policy implications

Addressing these terminology issues through well-defined policies will help align the expectations of all stakeholders, improve the accuracy of land use and property ownership certifications, and ultimately create a more transparent and fair real estate market. By implementing these policy implications, policy makers, enforcers, developers, and buyers can work together to resolve conflicts and enhance the overall property transaction process.

Policy Makers

Policy makers should focus on developing clear and standardized legal definitions for terms that urban developers are allowed to use in Sales Contract, such as "Commercial Lot" and "Commercial Booth", "Public Land for Commercial purposes," and "Land for Commerce and Services." to prevent any misunderstanding or law circumvent that may occur in real estate business. These definitions should be incorporated into relevant laws and regulations, particularly Land Law, Real Estate Business Law, specified Circulars and Guiding Documents on Land and Facilities for Commerce and Services to provide a consistent framework for property transactions.

Additionally, policy makers should revise existing laws or issue new guidelines to align land use designations with property ownership rights, preventing conflicts and enhancing transparency. Regular updates to urban planning maps and land use master plans are also essential to accurately reflect the intended use of land.

In addition, prioritizing terminology clarification related to land use and property ownership is crucial to prevent mistakes in assessing land prices and land rental prices. Ambiguities in these terms can lead to incorrect land rental pricing, resulting in tax losses and reduced government revenue. Additionally, clear terminology helps avoid legal disputes over taxation, price evaluation for rental or requisition, ensures fair compensation for land acquisition by the state. By establishing standardized legal definitions and guidelines, policy makers can improve transparency, foster trust among stakeholders, and support the efficient functioning of the real estate market.

More importantly, strict penalties should be implemented for those urban developers who intentionally abuse legal loopholes to mislead customers in the real estate market. Such actions

not only harm individual buyers but also undermine the integrity of the market, leading to a loss of trust and potential financial instability. Clear and enforceable regulations should be established to deter deceptive practices, ensuring that all stakeholders operate transparently and ethically. By holding offenders accountable, policy makers can protect consumers, maintain market confidence, and ensure fair competition. Additionally, these measures will help prevent tax losses and safeguard government revenue by ensuring accurate assessments and compliance with land use regulations.

Policy Enforcers

For policy enforcers, the state units in charge of approving planning and granting construction permits need to review the project's sales and transaction process. According to the Real Estate Trading Law 2014 and 2023, urban developers must have a model contract according to government regulations, which means that when organizing sales, managers have read the model contract and clearly understand the legality of the Sales Contract that urban developers will sign with customers. Fully checking the legality of each stage of project implementation will avoid legal risks for both urban developers and property buyers.

Furthermore, the Hanoi Land Registration Office, it is crucial to ensure consistency in certification processes. This involves making sure that the terms used in Sales Contracts are consistent with those recognized by land registration offices and implementing standardized procedures for issuing Certificates of Land Use Rights and Property Ownership to avoid discrepancies. Providing training for staff on the updated legal definitions and guidelines will ensure consistent application in land registration and certification processes. Additionally, increasing awareness among property buyers about the legal basis for land use and property ownership terms is important.

For cases where Commercial Lots have been transacted but have not yet been granted a Certificate, the Hanoi Land Registration Office should propose reasonable solutions to ensure the rights of property buyers. If necessary, the City Planning in the next year's Land Use Plan should be revised to match the agreed land use purpose under the Sales Contract. This will provide a basis for recording land information on the Certificate. In addition, the area of land used and privately owned should also be the area of the Commercial Lot being transacted, instead of the area of the entire Commercial Area (which is also the entire Public Land area) as it is now. The amendment of this Planning is only intended to ensure the rights of home buyers according to the Law on Real Estate Business 2013 and 2023, and the Law on Protection of Consumers' Rights 2018 and 2023, and not for the purpose of profiteering for urban developers who violate similar errors. Therefore, urban developers such as GLUDIC also need to pay an administrative penalty for not providing full information to property buyers when opening the Commercial Lot for sale. From there, it will both ensure the rights of home buyers and avoid encouraging urban developers to circumvent the law without warning customers in advance.

Urban Developers

Urban developers should prioritize transparent communication by clearly conveying the intended use of land and property classifications in Sales Contracts and marketing materials. Ensuring that

the terms used are consistent with legal definitions and urban planning maps is essential. Developers must also comply with updated land use master plans and urban construction guidelines to ensure that developments align with approved land use purposes and update to property buyers if any changes occur. This complies with both Real Estate Trading Law and Law on Consumer Protection that the Sales Contract noted as legal basis. Furthermore, it is critical to have close collaboration with policy makers and enforcers to address any discrepancies and ensure rights of property buyers.

Property Buyers

Property buyers should be encouraged to make informed decisions by educating themselves about the legal definitions and implications of terms such as "Commercial Lot" and "Commercial Booth." Reviewing Sales Contracts and Certificates carefully to understand land use and property ownership rights is crucial. Additionally, property buyers should provide feedback to policy makers and enforcers about any issues or discrepancies encountered in property transactions. Advocacy for clearer legal definitions and consistent application of land use and property ownership regulations will help improve the overall property transaction process.

By addressing these policy implications, each stakeholder can contribute to a more transparent, consistent, and fair property transaction process, ultimately benefiting the entire real estate market.

6. Conclusion

The new real estate market and planning in Vietnam are considered to have great potential. However, the emergence of new real estate products means synchronizing real estate business terminology with current relevant laws. Such terminology issues in the real estate sector, such as the distinctions between "Commercial Lot" and "Commercial Booth," as well as other terms like "Public Land" and "Land for Commerce and Services," highlight the need for clear and standardized legal definitions. These ambiguities can lead to misunderstandings, legal disputes, and a loss of trust among property buyers, developers, and policy enforcers. The revocation of issued Certificates further exacerbates these issues, causing legal disputes, financial losses and other legal risks for customers, market instability and potential for protests and social instability. To address these challenges, multiple policy changes should be made. Policy makers should standardize housing terminology in law, align land use and property ownership, and enhance the legal framework and punishment mechanisms. Policy enforcers should ensure consistency in certification processes, provide training, and streamline administrative procedures. Urban developers should communicate transparently, comply with regulations, and engage with stakeholders. Property buyers should make informed decisions, advocate for clearer definitions, and seek legal support. By implementing these recommendations, all stakeholders can contribute to a more transparent, consistent, and fair property transaction process, ultimately benefiting the entire real estate market.

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