

**THE PRESIDENT**

**No. 14/2023/L-CTN**

**THE SOCIALIST REPUBLIC OF VIETNAM**

**Independence - Freedom - Happiness**

*Hanoi, December 5, 2023*

## **ORDER**

### **On the promulgation of law**

**THE PRESIDENT OF THE SOCIALIST REPUBLIC OF VIETNAM**

*Pursuant to Articles 88 and 91 of the Constitution of the Socialist Republic of Vietnam;*

*Pursuant to Article 80 of the Law on Promulgation of Legal Documents,*

**PROMULGATES:**

**The Housing Law,**

which was passed on November 27, 2023, by the 15<sup>th</sup> National Assembly of the Socialist Republic of Vietnam at its 6<sup>th</sup> session.

*President of the Socialist Republic of Vietnam*

**VO VAN THUONG**

## HOUSING LAW<sup>1</sup>

*Pursuant to the Constitution of the Socialist Republic of Vietnam;  
The National Assembly promulgates the Housing Law.*

### Chapter I

#### GENERAL PROVISIONS

##### **Article 1.** Scope of regulation

1. This Law provides house ownership, development, operation management and use; housing transactions; and state management of housing in Vietnam, except the cases specified in Clause 2 of this Article.

2. Transactions of purchase and sale, lease-purchase or lease of commercial houses of businesses, cooperatives and unions of cooperatives having the function of real estate business, and transactions of transfer of house purchase and sale contracts must comply with the law on real estate business.

##### **Article 2.** Interpretation of terms

In this Law, the terms below are construed as follows:

1. *House* means a construction work used for residential purpose and to serve daily-life needs of a household or individuals. Houses that are used for residential purpose and non-residential purposes not banned by law are regarded as mixed-use houses.

2. *Independent house* means a house constructed on a separate residential land parcel under the use rights of an organization or individual or on a rented or borrowed land area of an organization or individual. Independent houses include villas, terraced houses and detached houses constructed for residential purpose or mixed-use purposes.

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<sup>1</sup> Công Báo Nos 37-38 (08/01/2023)

3. *Condominium* means a building with 2 or more stories and multiple apartments and having common passageways and stairways, areas under private ownership and areas under common ownership and a system of infrastructure facilities for shared use by households, individuals and organizations. Condominiums include those constructed for residential purpose and those constructed for mixed-use purposes.

4. *Commercial house* means a house constructed for sale, lease-purchase or lease under the market mechanism.

5. *Official residence* means a house used for lease to a person who is eligible to live in an official residence during his/her term of office as provided in this Law.

6. *House for resettlement* means a house to be allocated to a person eligible for resettlement upon recovery of his/her residential land or demolition of his/her house by the State in accordance with law.

7. *Social house* means a house constructed with the State's support for a person who is entitled to the housing support policy provided in this Law.

8. *Lodging house for industrial park workers* means a work constructed on a commercial or service land area within an industrial park under regulations on management of industrial parks for lease to workers during the period they work in such industrial park in accordance with this Law.

9. *House for the people's armed forces* means a social house for sale, lease-purchase or lease to a person serving in the people's armed forces in accordance with this Law.

10. *Old house* means a house constructed in or before 1994. Old houses include also condominiums.

11. *House classified as public asset* means a house under the all-people ownership and uniformly managed by the State as the owner's representative.

12. *Housing investment project* means a collection of proposals related to the use of capital for the construction of new houses and technical and social infrastructure facilities or for the reconstruction, renovation or repair of existing ones to meet residential needs in a certain location within a given period of time and with specified expenses.

13. *Domestic organizations* include state agencies, people's armed forces units, public non-business units, political organizations, socio-political organizations, socio-politico-professional organizations, social organizations,

socio-professional organizations, economic organizations and other organizations defined by the civil law (below collectively referred to as organizations).

14. *Housing investment project owner* means an organization selected to implement a housing investment project in accordance with this Law.

15. *Housing development* means investment in the construction of new houses or reconstruction or renovation of existing houses to increase their floor areas.

16. *House renovation* means the upgrading of the quality, expansion of the floor area or adjustment of the floor area structure of an existing house.

17. *House maintenance* means regular maintenance of a house and repair upon a damage or breakdown in order to maintain its quality, normal operation and safety during use.

18. *House owner* means an organization or individual that has the lawful house ownership in accordance with this Law.

19. *Condominium owner* means the owner of an apartment or another floor area in a condominium.

20. *Private areas in a condominium* means floor areas inside apartments or within other floor areas in a condominium which are recognized as under private ownership of condominium owners and equipment for private use by condominium owners inside their apartments or within other floor areas in accordance with this Law.

21. *Common areas* means floor areas of a condominium other than private areas of condominium owners and equipment for shared use for such condominium in accordance with this Law.

22. *House lease-purchase* means that a lessee-purchase pays in advance to a lessor a certain percentage of the value of the house put for lease-purchase as agreed upon, which must not exceed 50% of the value of the house lease-purchase contract. The remaining amount shall be paid on a monthly basis as rental to the lessor within a period agreed upon by the parties. Upon the expiration of the house lease-purchase term and full payment of the remaining amount, the lessee-purchase has the right to own such house.

23. *Ready-built house* means a house which has been completely built, undergone acceptance testing for being put into use in accordance with the construction law.

24. *Future house* means a house which is under construction or has not yet undergone acceptance testing for being put into use in accordance with the construction law.

**Article 3. Prohibited acts**

1. Infringing upon the house ownership of organizations and individuals.
2. Obstructing the performance of the responsibility for state management of housing, and the exercise of the rights and performance of the obligations of organizations and individuals to own, use and transact houses.
3. Deciding on or approving investment policy for or approving housing investment projects not in conformity with approved land use master plans, construction master plans, urban master plans, and housing development programs or plans.
4. Constructing houses on land areas not permitted for house construction in accordance with this Law; constructing or renovating houses not in conformity with land-use master plans, construction master plans and urban master plans or not in conformity with design and floor area standards for each type of house as required by competent state agencies; improperly applying methods of calculating house use areas provided in this Law; developing multi-story, multi-apartment buildings of individuals in contravention of this Law.
5. Illegally appropriating house floor areas; encroaching in any form upon common spaces and areas or those of other owners; renovating, building expansions to, dismantling or reconstructing houses which are currently on lease, lease-purchase, borrowing, borrowing for use as temporary residence or management authorization without consent of their owners.
6. Signing documents on fund mobilization or mobilizing funds for housing development when the conditions specified in this Law and other relevant laws are not yet satisfied; improperly using mobilized funds or advanced payments for house purchase for housing development purposes.
7. Conducting house purchase and sale, lease-purchase, lease, lease-for-accommodation, donation, exchange, mortgage, contribution-as-capital, lending, lending for use as temporary residence or management authorization transactions in contravention of this Law and relevant regulations; handing over houses to purchasers or lessees-purchase when the conditions specified in this Law and the construction law are not yet satisfied.
8. Committing acts in the management and use of condominiums, including:

a/ Failing to pay expenses for the maintenance of common areas of condominiums (below referred to as maintenance expenses); managing and using operation management expenses and maintenance expenses in contravention of the housing law;

b/ Intentionally causing water seepage or leakage; making noises or vibration in excess of permitted levels; discharging wastes, wastewater, emissions or hazardous substances in contravention of the law on environmental protection or internal regulations on condominium management and use; painting or decorating the apartment or condominium exterior in contravention of regulations on design and architecture; grazing cattle or keeping poultry; slaughtering livestock within condominium areas;

c/ Changing without permission functions and use purposes of common areas of condominiums or those for shared use; using condominium apartments for non-residential purposes; altering or causing damage to force-bearing structures; dividing or splitting up condominium apartments without permission of competent state agencies;

d/ Using without permission common areas and equipment or those for shared use for private use purposes; repurposing of areas used for service provision in mixed-use condominiums without permission of competent state agencies;

dd/ Causing disorder, safety threats, fire or explosion in condominiums; trading in flammable or explosive materials or conducting business lines likely to be dangerous to the life and assets of condominium users as specified by the law on fire prevention and fighting and relevant regulations;

e/ Dealing in dance halls, karaoke parlors or bars; providing motor vehicle repair services; or providing other polluting services as specified by the law on environmental protection; providing restaurant services without satisfying fire prevention and fighting requirements or having emergency exits and satisfying other business conditions specified by law.

9. Using independent houses for trading in flammable or explosive materials, provision of polluting or noisy services or services affecting social order and safety and daily life in residential quarters in contravention of regulations on business conditions.

#### **Article 4.** Policies on housing development, management and use

1. The State shall adopt housing development policies and create conditions for everyone to have a residence through promoting the development of diverse house types, including houses for sale, lease-purchase and lease, as suitable to

needs and financial capacity of individuals and families, and providing financial support for house renovation and reconstruction. The State shall invest in the construction of social houses partially or wholly with public investment funds (below referred to as public investment funds) for lease or lease-purchase.

2. The State shall be responsible for creating residential land areas through approving land-use master plans and plans, construction master plans, urban master plans and master plans on construction of functional zones.

3. The State shall promulgate mechanisms and policies on planning, land, finance, credit, research and application of science, technology and new construction materials in order to encourage all economic sectors to invest in housing development and encourage organizations and individuals to participate in the development of houses for sale, lease-purchase or lease under the market mechanism.

4. The State shall promulgate mechanisms and policies to provide land-related financial incentives and long-term soft loans and other financial incentive mechanisms and state capital support for implementation of policies on social houses and condominium renovation and reconstruction.

5. The State shall adopt policies to promote the study and promulgation of model designs and typical designs for each type of houses suitable to each area, locality or region; and adopt policies to promote the development of energy-efficient houses.

6. People's Committees of provinces and centrally run cities (below collectively referred to as provincial-level People's Committees) shall be responsible for planning and allocating land areas and investing in the construction of social houses in accordance with this Law and relevant regulations.

7. The State shall adopt policies on house management and use in an efficient and safe manner for proper purposes and functions.

**Article 5.** General requirements on house development, management and use

1. Meeting the house demand of different subjects and socio-economic conditions of the country, localities, areas and regions in each period.

2. Being in line with the national housing development strategy, land use master plans and plans, construction master plans, urban master plans, and housing development programs and plans of localities in each period, ensuring complete technical and social infrastructure facilities; developing houses on the

basis of economical use of resources; and enhancing the house construction management.

3. Complying with the housing law; meeting house standards, technical regulations and construction quality standards specified by law; strictly following fire prevention and fighting, architecture, landscape, sanitation, environmental protection and safety requirements in the course of house construction in accordance with law; facilitating the response to disasters and climate change; economically using energy and land resources.

4. For urban areas, housing development shall be carried out mainly under projects with house categories and floor areas suitable to the market demand. For the remaining areas, provincial-level People's Committees shall base themselves on local conditions to specifically determine locations and positions requiring housing development under projects. In grade-I urban centers and wards, districts and towns of special-grade cities, mainly condominiums shall be developed.

5. In wards, districts and towns of special-grade, grade-I, grade-II and grade-III urban centers, housing investment project owners shall construct houses for sale, lease-purchase or lease. For the remaining areas, provincial-level People's Committees shall base themselves on local conditions to determine locations where housing investment project owners are required to construct houses for sale, lease-purchase or lease or are entitled to transfer land use rights in the form of division of residential land areas into plots for sale to individuals to build houses by themselves. In case housing investment project owners are entitled to transfer land use rights to individuals to build houses by themselves, they shall comply with the law on real estate business and the land law. In case of auction of land use rights for investment in housing projects in accordance with the Land Law, housing investment project owners shall construct houses for sale, lease-purchase or lease.

6. Based on the local house demand and conditions, agencies competent to approve master plans shall plan land areas for the development of social houses for low-income earners, poor households and households living just above the poverty line in urban areas, and workers in economic zones, industrial parks, export processing zones and hi-tech parks in accordance with this Law.

7. For rural, mountainous and border areas and islands, housing development must be in line with the program on building of a new-style countryside and conformable with traditions and customs of local ethnic groups, and natural conditions of different regions and areas; step by step eliminating shifting cultivation and residence and facilitating sustainable rural development; and promoting housing development under projects and multi-story condominiums.

8. Ensuring proper management and use of houses as suitable to use functions; ensuring the satisfaction of fire prevention and fighting, sanitation, environmental protection, security, social order and safety conditions, and compliance with regulations on management of house-related documents, warranty, maintenance, renovation and dismantlement, and other relevant regulations on house management and use.

9. Meeting other requirements specified in this Law for the development of each type of houses.

## Chapter II

### HOUSE OWNERSHIP

#### Section 1

#### GENERAL PROVISIONS ON HOUSE OWNERSHIP

##### **Article 6.** Right of residence and house ownership

1. Individuals have the right of residence and may exercise such right through building, purchasing, leasing-purchase, renting, receiving houses as donations or capital contributions, inheriting, exchanging, borrowing, borrowing for use as temporary residence or managing as authorized, houses or in other forms specified by law.

2. Organizations and individuals that have lawful houses under Clause 2, Article 8 of this Law have the ownership over such houses in accordance with law.

##### **Article 7.** Protection of house ownership

1. The State shall recognize and protect the lawful house ownership of house owners in accordance with this Law.

2. Houses under lawful ownership of organizations and individuals will not be nationalized. In case of extreme necessity, the State shall decide to purchase in advance or remove houses under lawful ownership of organizations and individuals for national defense or security purposes, for national interests, in cases of emergency, or for disaster prevention and control.

In case of purchase of houses in advance, the State shall make payments at market prices. In case of house removal, the State shall provide compensations and support and implement the resettlement policy for house owners in accordance with law. Cases of compulsory purchase or requisition of houses must comply with the law on compulsory purchase and requisition of property.

**Article 8.** Subjects entitled to and conditions for house ownership in Vietnam

1. Subjects entitled to own houses in Vietnam include:

a/ Domestic organizations and individuals;

b/ Overseas Vietnamese as specified by the citizenship law;

c/ Foreign organizations and individuals specified in Clause 1, Article 17 of this Law.

2. Conditions for house ownership in Vietnam:

a/ Domestic organizations and individuals may acquire house ownership through building, purchasing, leasing-purchase, receiving houses as donations or capital contributions, inheriting or exchanging houses, or receiving resettlement houses in accordance with law, or in other forms specified by law;

b/ Overseas Vietnamese permitted to enter Vietnam may own houses associated with land use rights in accordance with the land law;

c/ Foreign organizations and individuals may own houses in the forms specified in Clause 2, Article 17 of this Law.

3. The Government shall specify documents for proving subjects entitled to and conditions for house ownership specified in this Article.

**Article 9.** Recognition of house ownership

1. Organizations and individuals that fully satisfy the conditions and have lawful houses as specified in Article 8 of this Law may have their house ownership recognized by competent state agencies by granting certificates of land use rights and ownership of houses and other land-attached assets (below referred to as Certificates), except houses classified as public assets.

Houses eligible for recognition of ownership in Certificates must be ready-built ones. The order and procedures for granting Certificates to house owners must comply with the land law.

2. In case of definite-term house purchase and sale under Clause 1, Article 165 of this Law, the house purchaser shall be granted a Certificate within the house ownership term as agreed upon. Upon the expiration of the house ownership term, the house ownership shall be returned to the house seller in the capacity as house owner as agreed upon in the contract. In case the house seller refuses to receive back the house upon the expiration of the house ownership term, the house shall be handled under Article 166 of this Law and relevant regulations.

3. The agency competent to grant Certificates shall clearly state house types and grades in Certificates in accordance with this Law and the construction law. For condominium apartments, it shall also state construction floor areas and apartment use areas. For houses constructed under projects, it shall state names of housing investment projects with investment policy approved or decided by competent agencies.

4. For houses constructed under projects for sale or lease-purchase, Certificates shall be granted to purchasers or lessees-purchase rather than project owners, unless the project owners wish to be granted Certificates for houses not yet put for sale or lease-purchase. Housing investment project owners that construct houses for lease shall be granted Certificates for such houses.

#### **Article 10. Rights of house owners and house users**

1. House owners that are domestic organizations and individuals and overseas Vietnamese have the following rights:

a/ The right to inviolability of houses under their lawful ownership;

b/ To use houses for residential purpose and other purposes not banned by law;

c/ To be granted Certificates for houses under their lawful ownership in accordance with this Law and the land law;

d/ To sell, lease-purchase, donate or give as gifts, exchange, bequeath, mortgage or contribute as capital houses in accordance with this Law, the land law and relevant regulations; to transfer house purchase and sale contracts, lease, lend, lend for use as temporary residence or authorize others to manage, their houses, and other rights provided by law. In case of giving as gifts/donations or bequeathal of houses to subjects ineligible to own houses in Vietnam, such subjects are only entitled to the value of such houses.

In case the Land Law otherwise provides rights of owners of houses associated with land use rights who are overseas Vietnamese, such provisions shall be complied with;

dd/ To use public-utility facilities in their house areas in accordance with this Law and relevant regulations.

Condominium owners have the right to commonly own and use common areas and infrastructure facilities for shared use of the condominiums, except works constructed for commercial purposes or handover to the State in accordance with law or under house purchase and sale or lease-purchase contracts;

e/ To maintain, renovate, demolish or reconstruct houses in accordance with this Law and the construction law;

g/ To have their house ownership protected under Article 7 of this Law;

h/ To file complaints, denunciations or lawsuits against infringements upon their lawful ownership and other violations of the housing law;

i/ Other rights provided by law.

2. House owners that are foreign organizations and individuals have the rights provided in Article 20 of this Law.

3. House users other than house owners may exercise the rights in managing and using houses as agreed upon with house owners.

#### **Article 11. Obligations of house owners and house users**

1. House owners that are domestic organizations households and individuals and overseas Vietnamese have the following obligations:

a/ To use houses for proper purposes; to make and keep dossiers of houses under their ownership;

b/ To carry out fire prevention and fighting and ensure environmental sanitation and social order and safety in accordance with law;

c/ To fully comply with relevant regulations when selling, lease-purchasing or leasing, donating, exchanging, bequeathing, mortgaging, contributing as capital, lending, lending for use as temporary residence, or authorizing others to manage, their houses, and transferring house purchase and sale contracts. Transactions on houses being common assets of husbands and wives must also comply with the Law on Marriage and Family. In case of definite-term house purchase and sale under Clause 1, Article 165 of this Law, houses shall be returned upon the expiration of the house purchase and sale term under Clause 2, Article 9 of this Law.

In case the Land Law otherwise specifies obligations of owners of houses associated with land use rights who are overseas Vietnamese, such provisions shall be complied with;

d/ To strictly comply with relevant regulations and refrain from causing damage to the State's interests or public interests and lawful rights and interests of other organizations and individuals when maintaining, renovating, dismantling or reconstructing their houses. In case of definite-term house purchase and sale under Clause 1, Article 165 of this Law, the agreement of related parties shall be complied with;

dd/ To purchase fire and explosion insurance for their houses subject to compulsory fire and explosion insurance in accordance with the law on fire prevention and fighting and the law on insurance business;

e/ To abide by legally effective decisions of competent state agencies regarding handling of violations, settlement of disputes, complaints or denunciations concerning housing, compensation, support and resettlement, and relocation or demolition of houses;

g/ To allow related parties and competent persons to inspect, monitor and maintain systems of equipment and technical infrastructure facilities and common areas or those for shared use;

h/ To perform financial obligations toward the State when having their house ownership recognized and conducting housing transactions and in the course of using their houses in accordance with law;

i/ Other obligations specified by law.

2. House owners that are foreign organizations and individuals have the obligations specified in Clause 1 of this Article and Article 21 of this Law; representatives of owners of houses classified as public assets have the obligations specified in Clause 1 of this Article and the responsibilities specified in Article 15 of this Law.

3. House users other than house owners shall perform their obligations in the management and use of houses as agreed with house owners and as specified by this Law and relevant regulations.

## **Article 12.** Time of establishment of house ownership

1. In case of direct investment in the construction of a house, the time of establishment of house ownership is when the house construction is completed in accordance with the construction law.

2. For cases of house purchase and sale or lease-purchase other than those specified in Clause 4 of this Article, the time of establishment of house ownership is when the purchaser or lessee-purchase makes full payment for the purchase or lease-purchase and takes over the house, unless otherwise agreed upon by the parties.

3. For cases of contribution as capital, giving as a donation, or exchange of a house, the time of establishment of house ownership is when the beneficiary takes over the house, unless otherwise agreed upon by the parties.

4. For house purchase and sale or lease-purchase between a housing investment project owner and a purchaser or lessee-purchase, the time of establishment of house ownership must comply with the law on real estate business.

5. For cases of house inheritance, the time of establishment of house ownership must comply with the civil law.

6. Other cases must comply with relevant regulations.

7. House transactions specified in Clauses 2, 3 and 4 of this Article must satisfy the house trading conditions and be conducted under valid contracts in accordance with this Law.

## Section 2

### HOUSES CLASSIFIED AS PUBLIC ASSETS

#### **Article 13.** Houses classified as public assets

1. Houses classified as public assets include:

a/ Official residences, which include official residences of central authorities and official residences of local authorities as specified by the housing law;

b/ Houses for resettlement constructed by the State or commercial houses purchased for resettlement in accordance with the housing law but not yet arranged for resettlement;

c/ Social houses and houses for the people's armed forces which are constructed by the State for allocation to subjects entitled to social housing policies in accordance with the housing law;

d/ Houses other than those specified at Points a, b and c of this Clause which are constructed with state budget funds or funds originating from the state budget or over which the all-people ownership was/is established in accordance with law in different periods and which are currently leased to households and individuals in accordance with the housing law;

dd/ Houses of other owners whose ownership is converted into the all-people ownership in accordance with law in cases other than those specified at Point d of this Law.

2. The development, management and use of houses classified as public assets must comply with this Law or the Law on Management and Use of Public Property in case this Law contains no provision thereon.

#### **Article 14.** Representatives of owners of houses classified as public assets

1. The Ministry of Construction shall act as the representative of owners of official residences and social houses constructed with central budget funds, and student accommodations currently managed by public education institutions attached to the Ministry of Construction.

2. The Ministry of National Defense and Ministry of Public Security shall act as the representatives of owners of official residences and houses for the people's armed forces purchased or constructed by the Ministry of National Defense and Ministry of Public Security, and student accommodations currently managed by public education institutions attached to these ministries. For the houses specified at Point d, Clause 1, Article 13 of this Law currently managed by the Ministry of National Defense for lease, the Ministry of National Defense shall act as the representative of their owners, except where such houses are transferred to provincial-level People's Committees for management in accordance with law.

3. Ministries, ministerial-level agencies, government-attached agencies and other central agencies (below collectively referred to as central agencies) shall act as representatives of owners of official residences and student accommodations currently managed by public education institutions attached to such agencies.

4. Provincial-level People's Committees shall act as representatives of owners of houses constructed with funds specified in Clause 1, Article 113 of this Law and managed by their localities, and houses assigned to them for management in their localities.

**Article 15.** Responsibilities of representatives of owners of houses classified as public assets

1. For houses classified as public assets which are constructed with funds specified at Point a, Clause 1, Article 113 of this Law, representatives of their owners have the following responsibilities:

a/ To decide on subjects entitled to rent official residences, rent, transfer the right to rent, or purchase houses in the case specified at Point d, Clause 1, Article 13 of this Law; to decide on subjects entitled to rent, lease-purchase or purchase social houses and houses for the people's armed forces; to decide on subjects entitled to resettlement houses;

b/ To select house operation management units and house maintenance units;

c/ To decide on house maintenance, renovation, dismantlement and reconstruction; to approve plans on removal, coercive removal, compensation, support, resettlement and arrangement of temporary accommodations for resettled people according to their competence;

d/ To promulgate or decide on house rent rates, lease-purchase or sale prices and house rental or payment-for-purchase exemption or reduction;

dd/ To decide on conversion of house functions under Article 124 of this Law;

e/ To decide on the use of profits earned from the commercial operation of spaces for service provision in resettlement houses to partially provide funds for the maintenance and operation management of such houses;

g/ To decide on recovery of houses or coercive recovery of houses;

h/ Other responsibilities specified by law.

2. For houses classified as public assets which are constructed with funds specified at Point b, Clause 1, Article 113 of this Law, representatives of their owners have the responsibilities specified at Points c, dd, e, g and h, Clause 1 of this Article.

3. Except the cases specified in Clause 2 of this Article, representatives of owners of houses classified as public assets may assign housing management agencies to select house operation management units and house maintenance units, and decide on house maintenance. The Ministry of National Defense and Ministry of Public Security may also assign housing management agencies to exercise the rights provided at Points a and g, Clause 1 of this Article.

4. The Government shall provide in detail responsibilities of housing management agencies and house operation management units in the management and use of houses classified as public assets.

### Section 3

## HOUSE OWNERSHIP IN VIETNAM BY FOREIGN ORGANIZATIONS AND INDIVIDUALS

**Article 16.** Areas where foreign organizations and individuals are entitled to house ownership in Vietnam

1. Foreign organizations and individuals may own houses under housing investment projects as specified in Article 17 of this Law, except projects in areas requiring national defense and security assurance in accordance with Vietnam's law.

2. The Ministry of National Defense and Ministry of Public Security shall notify areas requiring national defense and security assurance to provincial-level People's Committees for the latter to determine and announce on their portals and portals of provincial-level housing management agencies the lists of housing

investment projects in areas where foreign organizations and individuals may own houses.

**Article 17.** Foreign organizations and individuals entitled to house ownership and forms of house ownership in Vietnam

1. Foreign organizations and individuals entitled to house ownership in Vietnam include:

a/ Foreign-invested economic organizations that invest in house construction under projects in Vietnam in accordance with this Law and relevant regulations;

b/ Foreign-invested economic organizations, branches and representative offices of foreign enterprises, foreign investment funds, and foreign bank branches currently operating in Vietnam (below collectively referred to as foreign organizations).

c/ Foreign individuals permitted to enter Vietnam.

2. Foreign organizations and individuals specified in Clause 1 of this Article may own houses in Vietnam, including also condominium apartments and independent houses, in the following forms:

a/ Organizations specified at Point a, Clause 1 of this Article may own houses through implementing housing investment projects in Vietnam;

b/ Organizations and individuals specified at Points b and c, Clause 1 of this Article may own houses through purchasing or renting with the option to purchase commercial houses of housing investment project owners, receiving house given as donations, or inheriting commercial houses under housing investment projects not in areas requiring national defense and security assurance specified in Article 16 of this Law;

c/ Organizations and individuals specified at Points b and c, Clause 1 of this Article may own houses through purchasing or renting with the option to purchase houses of other foreign organizations and individuals that have owned such houses under Point b of this Clause.

**Article 18.** Conditions for foreign organizations and individuals to own houses in Vietnam

1. For the foreign-invested economic organizations specified at Point a, Clause 1, Article 17 of this Law, they must be housing investment project owners as specified in this Law and the law on real estate business.

2. For the foreign organizations specified at Point b, Clause 1, Article 17 of this Law, they must possess investment certificates or investment registration

certificates or papers permitting their operation or establishment in Vietnam that remain valid at the time of entering into housing transactions (below collectively referred to as investment certificates) granted by Vietnamese competent state agencies in accordance with law.

3. For the foreign individuals specified at Point c, Clause 1, Article 17 of this Law, they must be other than those entitled to diplomatic and consular privileges and immunities as specified by law.

**Article 19.** Quantity of houses that foreign organizations and individuals may own in Vietnam

1. Foreign organizations and individuals specified at Points b and c, Clause 1, Article 17 of this Law may purchase, lease-purchase, receive as donations, inherit and own no more than 30% of total apartments of a condominium, or no more than 250 houses, for independent houses, including villas and terraced houses, in an area with a population equal to that of a ward.

2. In case an area with a population equal to that of a ward has multiple condominiums or for independent houses in the same street, foreign organizations and individuals may purchase, lease-purchase, receive as donations, inherit and own condominium apartments or independent houses of a quantity not exceeding that specified in Clause 1 of this Article.

3. The Government shall specify requirements on areas requiring national defense and security assurance, criteria for conversion of population size equal to that of a ward, quantity of houses that foreign organizations and individuals may own, extension of the house ownership duration, and the house management and ownership by foreign organizations and individuals in Vietnam.

**Article 20.** Rights of house owners being foreign organizations and individuals

1. Foreign-invested economic organizations specified at Point a, Clause 1, Article 17 of this Law may exercise the rights of house owners provided in Article 10 of this Law. In case of construction of houses on rented land areas, they may only lease their houses.

2. Foreign organizations and individuals specified at Points b and c, Clause 1, Article 17 of this Law have the rights of house owners to their houses like Vietnamese citizens but shall comply with the following provisions:

a/ They may only purchase, lease-purchase, receive as donations, inherit and own houses of a quantity specified in Article 19 of this Law and may be granted Certificates for such houses;

b/ In case they are given as gifts/donations or inherit houses not falling into the case specified at Point b, Clause 2, Article 17 of this Law or of a quantity exceeding the quantity specified in Article 19 of this Law or in an area requiring national defense and security assurance as specified in Article 16 of this Law, they are only entitled to the value of such houses;

c/ Foreign individuals may own houses under agreements in house purchase and sale, lease-purchase, donation or inheritance transactions for a duration not exceeding 50 years from the date of grant of Certificates, which may be extended once for another 50 years if they so wish. The house ownership duration must be clearly stated in Certificates.

Foreign individuals who are married to Vietnamese citizens and currently residing in Vietnam may own houses and have the rights of house owners like Vietnamese citizens.

Foreign individuals who are married to Vietnamese citizens, residing overseas and permitted to enter Vietnam may own houses and have the rights of house owners like overseas Vietnamese;

d/ Foreign organizations may own houses under agreements in house purchase and sale, lease-purchase, donation or inheritance transactions for a duration stated in their investment certificates, including also the extension thereof. The house ownership duration shall be counted from the date a foreign organization is granted an investment certificate and clearly stated in such certificate;

dd/ Before the house ownership duration expires in accordance with this Law, house owners may directly exercise or authorize other organizations and individuals to exercise the right to give as gifts/donations or sell their houses to subjects entitled to house ownership in Vietnam. Upon the expiration of the house ownership duration, if house owners do not sell or give as gifts/donations their houses, such houses shall be classified as public assets.

Recipients of houses given as gifts/donations or house purchasers who are the subjects specified at Points a and b, Clause 1, Article 8 of this Law have the rights provided in Clause 1, Article 10 of this Law.

**Article 21.** Obligations of house owners being foreign organizations and individuals

1. Foreign-invested economic organizations specified at Point a, Clause 1, Article 17 of this Law have the obligations of house owners specified in Article 11 of this Law.

2. Foreign organizations and individuals specified at Points b and c, Clause 1, Article 17 of this Law have the obligations of house owners like Vietnamese citizens but shall comply with the following provisions:

a/ House owners that are foreign individuals may lease their houses for use for purposes not banned by law but shall, before doing so, notify in writing the house lease to housing management agencies in rural districts, urban districts, towns, provincial cities or municipal cities (below collectively referred to as district-level housing management agencies) where such houses are located under the Minister of Construction's regulations and pay taxes for income earned from house lease in accordance with law.

Foreign individuals who are married to Vietnamese citizens and currently residing in Vietnam have the obligations of house owners like Vietnamese citizens.

Foreign individuals who are married to Vietnamese citizens, residing overseas and permitted to enter Vietnam have the obligations of house owners like overseas Vietnamese;

b/ House owners that are foreign organizations may only use their houses for allocation to their current employees for residence;

c/ To make payments for house purchase or lease-purchase via credit institutions or foreign bank branches operating in Vietnam;

d/ In case foreign individuals are compelled to leave Vietnam or expelled by Vietnamese competent agencies, or foreign organizations are compelled to terminate their operation in Vietnam for their violations of Vietnam's law in the use of houses under their ownership, their houses shall be handled under decisions of Vietnamese competent agencies.

**Article 22.** Cases in which foreign organizations and individuals may not be granted Certificates for their houses

1. Foreign organizations and individuals falling into the following cases may not be granted Certificates for their houses but may only sell or give as gifts/donations their houses to subjects entitled to house ownership in Vietnam:

a/ Foreign organizations and individuals that receive houses given as gifts or donations or inherit houses not falling into the case specified at Point b, Clause 2, Article 17 of this Law or in excess of the quantity they are permitted to own under Article 19 of this Law or in areas requiring national defense and security assurance under Article 16 of this Law;

b/ Foreign organizations that are not operating in Vietnam and foreign individuals that are not permitted to enter Vietnam but receive houses given as gifts or donations or inherit houses in Vietnam.

2. The subjects specified at Point a, Clause 1 of this Article may directly sell or give as gifts/donations their houses or authorize other organizations and individuals to do so; the subjects specified at Point b, Clause 1 of this Article may authorize other organizations and individuals currently operating or residing in Vietnam to sell or give as gifts/donations their houses.

3. Subjects that inherit houses, regardless of whether they are entitled or not entitled to house ownership in Vietnam, shall reach agreement on handling of such houses as inheritances by either of the following modes:

a/ Letting organizations and individuals entitled to house ownership in Vietnam inherit such houses; those not entitled to house ownership in Vietnam may enjoy the value of such houses as inheritances;

b/ Giving as gifts/donations or selling such houses to organizations and individuals entitled to house ownership in Vietnam for enjoyment of the house value.

### Chapter III

## NATIONAL HOUSING DEVELOPMENT STRATEGIES, PROVINCIAL-LEVEL HOUSING DEVELOPMENT PROGRAMS AND PLANS

### Section 1

#### NATIONAL HOUSING DEVELOPMENT STRATEGIES

**Article 23.** Grounds for formulation of national housing development strategies

1. National socio-economic development strategies; national overall master plans.
2. National socio-economic development conditions.
3. Results of the implementation of national housing development strategies for previous periods; actual state of houses.
4. Requirements on the development of houses for different subjects in the process of formulation of national housing development strategies.

**Article 24.** Contents of a national housing development strategy

A national housing development strategy must have the following principal contents:

1. Housing development viewpoints;

2. Housing development objectives, including:

a/ General objectives to meet the housing demand of different subjects, ensuring the sustainable and transparent development of the real estate market;

b/ Specific objectives/targets, including development of the housing area; improvement of house quality; development of commercial houses, social houses, houses for the people's armed forces, official residences, resettlement houses, houses under national target programs and public investment programs on housing; houses of individuals; and renovation and reconstruction of condominiums; and objectives within the vision of the strategy, including total housing area, additional area of social houses and houses for the people's armed forces, and house quality;

3. Tasks and solutions to implement the strategy, including land planning and land area development; development and management of houses under programs and plans; funding sources and taxes, reform of administrative procedures and investment procedures; development of the real estate market, and other tasks and solutions;

4. Responsibilities of ministries, ministerial-level agencies, provincial-level People's Committees, and related agencies and organizations in implementation of the strategy.

**Article 25.** Periods of national housing development strategies and competence to approve national housing development strategies

1. Each national housing development strategy shall be formulated for a period of 10 years with a vision in conformity with the relevant national socio-economic development strategy. A national housing development strategy shall be approved in the first year of the strategy period.

2. The Ministry of Construction shall assume the prime responsibility for, and coordinate with ministries, ministerial-level agencies and related agencies and organizations in, organizing the formulation of national housing development strategies and submitting them to the Prime Minister for approval.

3. Basic housing development targets set in a national housing development strategy include per-capita housing area, and quality of houses in urban areas, rural areas and throughout the country, which must be incorporated in national socio-economic development tasks in each period.

4. Provincial-level People's Committees shall organize the formulation and approval of provincial-level housing development programs and plans in

accordance with this Law in order to organize the implementation of national housing development strategies.

## Section 2

### PROVINCIAL-LEVEL HOUSING DEVELOPMENT PROGRAMS AND PLANS

**Article 26.** Grounds for formulation, and periods, of provincial-level housing development programs and plans

1. Grounds for formulation of a provincial-level housing development program include:

- a/ The relevant national housing development strategy;
- b/ Land use master plans, construction master plans and urban master plans;
- c/ Local socio-economic development conditions; results of the implementation of the provincial-level housing development program in the previous period; actual state of houses; housing demand in the process of formulation of the provincial-level housing development program.

2. Grounds for formulation of a provincial-level housing development plan include:

- a/ The relevant provincial-level housing development program;
- b/ Local socio-economic development plans;
- c/ Results of the implementation of the provincial-level housing development plan in the previous period; actual state of houses; and housing demand in the period of formulation of the provincial-level housing development plan.

3. Based on their local conditions, provincial-level People's Committees may formulate and approve separate plans on development of social houses and resettlement houses, renovation and reconstruction of condominiums.

4. The period of a provincial-level housing development program or plan shall be determined as follows:

- a/ The period of a provincial-level housing development program is 10 years, corresponding to the period of the relevant national housing development strategy;
- b/ The period of a provincial-level housing development plan is 5 years; the first period of a provincial-level housing development plan shall be determined according to the first period of a provincial-level housing development program.

**Article 27.** Contents of provincial-level housing development programs and plans

1. Contents of a provincial-level housing development program include:

a/ Evaluation of the actual state of the house floor area and quality of independent houses and condominiums; actual state of types of houses developed under projects, houses under national target programs or public investment programs on housing, and houses constructed by individuals by themselves; and actual state of the housing market;

b/ Analysis and evaluation of achieved results, problems and difficulties in the implementation of the provincial-level housing development program in the previous period, and causes thereof;

c/ Projected land area for development of social houses, resettlement houses and official residences, and renovation and reconstruction of condominiums; projected total demand increased for house floor area in the province or centrally run city in the program's period, determining the house area demand of each group of subjects entitled to the social house support policy and each type of houses developed under projects;

d/ Determination of general objectives and specific objectives/targets of housing development in the province or centrally run city;

dd/ Orientations for housing development targets in the program's period, including per-capita house areas in urban centers, rural areas and in the province or centrally run city; minimum house floor area; house floor area expected to be completed and put into use in the program's period; and quality of houses in urban and rural areas;

e/ Determination of the demand for state budget funds and other funding sources for housing development;

g/ Solutions to implement the program, including planning, land area, funding source, tax, and administrative and investment procedure reform solutions and other solutions;

h/ Areas projected for housing development in district-level administrative units;

i/ Responsibilities of People's Committees at all levels and local functional agencies in the implementation of the program.

2. Contents of a provincial-level housing development plan include:

a/ Targets of per-capita house area, floor area of houses completed and put into use, for houses developed under projects, and houses under national target programs and public investment programs on housing;

b/ Targets of quality of houses in urban and rural areas in the province or centrally run city;

c/ Demand for state budget funds and other funding sources for housing development;

d/ Solutions to implement the plan under the relevant national housing development strategy and provincial-level housing development program;

dd/ Responsibilities of People's Committees at all levels and local functional agencies in the implementation of the plan.

**Article 28.** Modification of provincial-level housing development programs and plans

1. The modification of a provincial-level housing development program shall be carried out when there is a change in one of the contents specified at Point c, d, dd and h, Clause 1, Article 27 of this Law due to the modification of a provincial-level master plan or due to the approval of a provincial-level master plan for a new period or due to the establishment, dissolution, merger, division or adjustment of boundaries of a provincial-level administrative unit.

2. A modified provincial-level housing development program must clearly state:

a/ Necessity of the program modification;

b/ Modified contents; funding sources for implementation of modified contents;

c/ Solutions to implement modified contents;

d/ Responsibilities of People's Committees at all levels and local functional agencies in the implementation of the modified program.

3. The modification of a provincial-level housing development plan shall be carried out when there is one of the following grounds:

a/ A content of an approved provincial-level housing development program is modified;

b/ A housing-related content of a decided provincial-level socio-economic development plan is modified;

c/ The case specified in Clause 4, Article 65 of this Law if a plan on condominium renovation or reconstruction is formulated and approved together with the provincial-level housing development plan.

4. A modified provincial-level housing development plan must clearly state:

- a/ Modification objectives and requirements;
- b/ Modified contents; funding sources for implementation of modified contents;
- c/ Solutions to implement modified contents;
- d/ Responsibilities of People's Committees at all levels and local functional agencies in the implementation of the modified plan.

5. Upon the modification of provincial-level housing development programs and plans, provincial-level People's Committees shall keep the periods of approved programs and plans unchanged.

**Article 29.** Formulation and approval of provincial-level housing development programs and plans

1. The formulation and approval of a provincial-level development program or plan shall be carried out as follows:

a/ The provincial-level People's Committee shall organize the formulation of a provincial-level development program and submit it to the same-level People's Council for approval. After such program is approved by the same-level People's Council, the provincial-level People's Committee shall approve, and organize the implementation of, the program;

b/ Based on the approved provincial-level development program, the provincial-level People's Committee shall organize the formulation, approval and implementation of a provincial-level housing development plan. In case such a plan states the use of budget funds for housing development, it must conform to the approved medium-term public investment plan.

2. After approving a provincial-level development program or plan, the provincial-level People's Committee shall publish such program or plan on its Portal and in the local mass media and send it to the provincial-level housing management agency for publication on the latter's Portal and concurrently to the Ministry of Construction.

3. The Government shall provide in detail contents, order and procedures for formulation, approval and modification of provincial-level housing development programs and plans as well as funds for formulation and modification thereof; and requirement on conformity of contents of housing investment projects with provincial-level housing development programs and plans upon the appraisal of their investment policy.

Chapter IV  
HOUSING DEVELOPMENT  
Section 1  
GENERAL PROVISIONS

**Article 30.** Forms of housing development

1. Housing development under a housing investment project may take the following forms:

a/ An investment project on construction of 1 independent house or 1 housing complex;

b/ An investment project on construction of 1 mixed-use building or 1 mixed-use housing complex;

c/ An investment project on construction of a housing complex where the construction of houses is synchronized with technical and social infrastructure facilities and other residential facilities;

d/ An investment project on construction of infrastructure of a housing complex for transfer of land use rights to individuals for house construction by themselves;

dd/ An investment project on construction of a urban center with houses;

e/ A project using land for multiple purposes and reserving a land area for house construction.

2. Individuals may develop houses under Section 5 of this Chapter.

**Article 31.** Types of houses developed under housing investment projects and house area standards

1. Types of houses developed under housing investment projects include:

a/ Commercial houses;

b/ Social houses, lodging houses for industrial park workers and houses for the people's armed forces;

c/ Official residences;

d/ Resettlement houses;

dd/ Houses to be renovated or reconstructed;

e/ Mixed-use houses of the types specified in this Clause in accordance with this Law.

2. Houses shall be designed and constructed in accordance with this Law and in conformity with relevant construction standards and technical regulations. Condominium apartments shall be designed and constructed in a closed manner and each must have a floor area not smaller than that provided in the relevant national technical regulations on condominiums. For rural areas, the construction of houses must also conform to rural traditions, customs and house architecture in each region or area and cover auxiliary works for daily-life and production activities of families and individuals.

**Article 32. Land areas for housing development**

1. Land areas for housing development must be determined in urban master plans, master plans on construction of industrial parks, master plans on construction of higher education institutions, and other construction master plans in accordance with the planning, urban planning and construction laws and relevant regulations.

2. The allocation of land areas for housing development must conform to land use master plans and plans and demand for land areas for housing development in localities as stated in approved provincial-level housing development programs and plans and comply with this Law and the land law.

3. The allocation of land areas for development of commercial houses, official residences and resettlement houses must comply with Clauses 1 and 2 of this Article, and Sections 2, 3 and 4 of this Chapter.

4. The allocation of land areas for development of social houses, lodging houses for industrial park workers and houses for the people's armed forces must comply with Clauses 1 and 2 of this Article and Chapter VI of this Law.

**Article 33. Requirements for housing investment projects**

1. Housing investment projects specified in Clause 1, Article 30 of this Law must satisfy the following general requirements:

a/ They conform to approved provincial-level housing development programs and plans, comply with contents of the decided or approved investment policy, and satisfy the requirements specified in Article 5 of this Law; and are implemented under approved detailed plans;

b/ Their components (if any) and investment phases are determined in the investment policy, construction investment feasibility study reports and construction investment decisions in accordance with the investment, public investment and construction laws;

c/ Their names and names of their areas/sections are given in Vietnamese. Names of investment projects on construction of social houses, houses for the people's armed forces and resettlement houses shall be given in Vietnamese by the project owners. In case owners of investment projects on construction of commercial houses and investment projects on condominium renovation and reconstruction wish to name their projects and areas/sections in their projects in foreign languages, the projects' full names in Vietnamese shall be inscribed before foreign-language ones. Names of projects and areas/sections of projects shall be stated in the approved investment policy or project contents, and used throughout the course of project construction investment and management and use after the construction is completed;

d/ The projects' approved contents are fully implemented by their owners. In case the modification of project contents leads to the modification of investment policy, the project owners shall carry out procedures for modification of investment policy in accordance with law before modifying their contents;

dd/ The acceptance testing and handover of houses and technical and social infrastructure facilities under projects comply with this Law, the construction law and relevant regulations, ensuring quality and safety in the construction, operation and use of facilities and satisfaction of fire prevention and fighting and environmental protection requirements. In areas affected by climate change, it is also required to satisfy the law-specified requirements on disaster prevention and control and climate change response.

e/ Housing investment projects applying energy- and resource- efficient, green facility or smart city technologies must also satisfy the law-specified requirements, standards and technical regulations. For condominiums, telecommunications and information infrastructure systems shall also be designed and installed in accordance with law.

2. Investment projects on construction of mixed-use houses specified at Point b, Clause 1, Article 30 of this Law must satisfy the requirements specified in Clause 1 of this Article and the following requirements:

a/ The residential purpose and office purpose or commercial, service and other purposes shall be clearly stated in the projects' decided or approved investment policy;

b/ The projects' approved contents must clearly state whether it is possible to divide separate functional quarters. In case it is possible to divide separate functional quarters, equipment systems for shared use for different functional quarters and those for shared use for the whole housing complex shall be

separately designed and constructed in order to facilitate operation management after they are commissioned;

c/ Technical and social infrastructure systems inside and outside project areas must be synchronous.

3. Housing investment projects specified at Points c, d, dd and e, Clause 1, Article 30 of this Law must satisfy the requirements specified in Clause 1 of this Article and the following requirements:

a/ There are adequate technical and social infrastructure systems satisfying planning criteria specified by the planning law and being connected with common technical infrastructure systems of surrounding areas;

b/ In the investment policy, it is required to determine the responsibilities for investment, construction, and post-construction investment management and use of technical and social infrastructure facilities of projects in accordance with the investment, public investment and construction laws;

c/ In case it is allowed to transfer land use rights to individuals to build houses by themselves in accordance with this Law and relevant regulations, the projects' approved contents must clearly determine locations and positions where house construction investment is required and those eligible for transfer of land use rights to individuals to build houses by themselves or the whole projects eligible for transfer of land use rights to individuals to build houses by themselves.

4. In addition to the requirements specified in Clauses 1, 2 and 3 of this Article, housing investment projects must satisfy other requirements specified for different types of housing investment projects specified in Articles 49, 53, 60, 81, 95 and 105 of this Law and relevant regulations.

5. Lists of housing investment projects currently implemented in provinces and centrally run cities shall be published on portals of provincial-level People's Committees and housing management agencies.

#### **Article 34.** Stages of housing investment projects

1. Stages of a housing investment project include project preparation, project implementation, project construction completion, and project commissioning in accordance with the housing, investment, public investment and construction laws and relevant regulations.

2. The Government shall detail Clause 1 of this Article.

**Article 35.** Housing investment project owners and conditions for acting as housing investment project owners

1. Housing investment project owners include:

a/ Enterprises, cooperatives or unions of cooperatives, including also foreign-invested economic organizations established and operating in accordance with Vietnam's laws and having the function of real estate business (below collectively referred to as real estate businesses), that satisfy the conditions specified in Clause 2 of this Article;

b/ Organizations investing in house construction with funding sources specified in Clause 5, Article 112, and Clause 1, Article 113, of this Law, and satisfying the conditions specified in Clause 3 of this Article.

2. Housing investment project owners specified at Point a, Clause 1 of this Article must satisfy the following conditions:

a/ Having equity as required by the law on real estate business for each type of housing investment projects;

b/ Having land use rights required for each type of housing investment projects specified in this Law or being allocated or leased land in accordance with the Land Law;

c/ Having capacity and experience to implement housing investment projects in accordance with law.

3. Housing investment project owners specified at Point b, Clause 1 of this Article must be organizations assigned by investment deciders to manage and use capital for implementation of housing investment projects.

4. Depending on each type of housing investment projects, the selection of housing investment project owners must comply with Clauses 1, 2 and 3 of this Article and other relevant provisions of this Law.

## Section 2

### COMMERCIAL HOUSING DEVELOPMENT UNDER PROJECTS

#### **Article 36.** Commercial housing investment project owners

1. Commercial housing investment project owners must be real estate enterprises satisfying the conditions specified at Points a and c, Clause 2, Article 35 of this Law and falling into one of the cases specified in Clause 2 or 3 of this Article.

2. Commercial housing investment project owners shall be allocated or leased land after winning the auction of land use rights or winning the bidding for selection of investors to implement land-using projects; in other cases, they shall

be accepted to act as investors after undergoing auction or bidding in accordance with the investment law.

3. Investors may have investment policy approved and be accepted to act as commercial housing investment project owners when they acquire land use rights through agreements on acquisition of land use rights for types of land on which they are permitted to implement commercial housing investment projects or when they currently have land use rights for such types of land in accordance with the Land Law.

**Article 37.** Implementation of commercial housing investment projects

1. The implementation of housing investment projects must comply with this Law, the construction law and relevant regulations.

2. Housing investment project owners shall build houses and technical and social infrastructure systems under approved master plans and according to project contents and schedule. For projects with investment phases, the construction shall be carried out according to their approved investment phases.

3. Technical and social infrastructure systems that are required to be handed over to local administrations or local functional agencies for management based on the approved investment policy or project contents shall be handed over after their construction is completed. The agency or organization to which a technical or social infrastructure system will be handed over shall receive such system for management, maintenance, operation, exploitation and use according to their approved purposes and functions. For the State-invested technical and social infrastructure systems, organizations assigned to build technical and social infrastructure systems shall comply with the approved project contents and schedule.

4. The handover of a house to the purchaser or lessee-purchase may only be carried out after its acceptance testing is completed according to the approved design and after the acceptance testing of technical infrastructure facilities of the area where the house is constructed according to the approved project schedule. In case a housing investment project owner is required to construct social infrastructure facilities to meet the residential demand according to the project investment policy, the construction and acceptance testing of such facilities shall be completed according to the approved project schedule before the house is handed over. In case of handover of an unfinished house, it is required to finish the entire exterior of such house.

Upon the handover of a condominium, the housing investment project owner shall produce sufficient documents for house handover under the Government's regulations.

5. The acceptance testing of housing facilities and technical and social infrastructure systems under projects must comply with the construction law.

**Article 38.** Rights of commercial housing investment project owners

1. To request related agencies and organizations to carry out procedures in accordance with law in the course of investment policy approval and project formulation, approval and implementation.

2. To sell, lease-purchase or lease houses; to mobilize funds, and collect proceeds from the sale, lease-purchase or lease of houses in accordance with this Law, the law on real estate business and signed contracts.

3. To exercise the rights of land users and trade in products under projects according to the approved investment policy and project contents.

4. To transfer part or the whole of projects in accordance with the law on real estate business, the land law and the law on investment.

5. To manage and operate technical and social infrastructure systems within projects that are not required to be handed over to the State according to the approved investment policy and project contents.

6. To request competent state agencies to grant certificates for houses constructed under projects under Article 9 of this Law and the land law.

7. To be entitled to the State's incentive policies during the project implementation in accordance with law.

8. Other rights provided by law.

**Article 39.** Obligations of commercial housing investment project owners

1. To formulate, approve and implement projects according to the approved investment policy and project contents, this Law, the construction law and relevant regulations.

2. To make deposits or obtain a bank guarantee for the deposit obligation for project implementation in accordance with the investment law; to pay a guarantee amount for housing transactions in accordance with the law on real estate business; to ensure their financial capacity for project implementation in accordance with law.

3. To construct houses and technical and social infrastructure facilities under projects assigned to them in accordance with detailed master plans and approved investment policy, designs, housing area standards and project contents.

4. If eligible for transfer of land use rights to individuals for them to construct houses by themselves in accordance with this Law, to carry out the transfer only after technical infrastructure systems are completed and tested for acceptance for being put into use in accordance with the construction law and the law on estate real business for areas permitted to be transferred.

5. To report on the situation and results of the project implementation on a periodical basis and upon the project completion in accordance with the housing law and the law on real estate business.

6. To sign contracts and documents related to the mobilization of funds for project implementation in accordance with this Law, the law on real estate business and relevant regulations; to refrain from authorizing or assigning parties to investment cooperation, joint venture, association or business cooperation, capital contributors or other organizations/individuals to sign contracts on house lease, lease-purchase or purchase/sale, or on payment of deposits for house-related transactions or land-use rights trading under projects.

7. To fulfill their commitments in project product trading contracts; to ensure the quality of facilities in accordance with the construction law; to hand over houses and accompanying papers to customers and carry out house purchase/sale, lease-purchase or lease transactions or land-use right trading transactions in accordance with this Law, the law on real estate business and other relevant laws.

8. Within 50 days from the date of handover of a house to the purchaser or from the date the purchaser makes full payment as agreed upon, to submit a dossier to a competent state agency for the latter to grant a certificate to the purchaser or lessee-purchase, unless the latter voluntarily carries out procedures for application for a Certificate.

9. To provide house warranty in accordance with this Law and the construction law; to fulfill financial obligations to the State in accordance with law.

10. To abide by competent agencies' legally effective decisions on handling of violations in housing development, capital mobilization, receipt of advance payments of customers, performance of housing transactions and other activities specified in this Law.

11. To pay compensation for damage caused to customers or organizations/individuals participating in housing construction.

12. The obligations specified in Clauses 2 and 3, Article 83 of this Law.
13. Other obligations as specified by law.

### Section 3

## DEVELOPMENT OF OFFICIAL RESIDENCES

### **Article 40.** Land areas for construction of official residences

1. Land areas for construction of official residences are specified in approved construction master plans.
2. For official residences of central agencies, the Ministry of Construction shall assume the prime responsibility for, and coordinate with provincial-level People's Committees in, determining land areas for construction of official residences in localities, except the case specified in Clause 3 of this Article. Provincial-level People's Committees shall allocate land areas for the construction of official residences at the request of the Ministry of Construction.
3. For official residences for persons in the people's armed forces as specified in this Law, the Ministry of National Defense and Ministry of Public Security shall assume the prime responsibility for, and coordinate with the Ministry of Construction and provincial-level People's Committees of localities that have the demand for official residences in, determining land areas for construction of official residences for these persons.
4. For official residences of localities, provincial-level People's Committees shall allocate land areas for construction thereof upon the formulation and approval of master plans in accordance with law.
5. The State does not collect land use levy for land areas used for the construction of official residences specified in this Article.

### **Article 41.** Forms of, and plans on, development of official residences

1. The State shall allocate funds from the central budget and local budgets for the construction of official residences and purchase and rent of commercial houses for use as official residences.
2. Central agencies that are subject to hierarchical management shall determine the demand of their own or of their sectors for official residences and the contents specified at Points a, b and c, Clause 5 of this Article and send them to the Ministry of Construction for appraisal and formulation of their 5-year plans on development of official residences for submission to the Prime Minister for approval, except the case specified in Clause 3 of this Article.

3. The Ministry of National Defense and Ministry of Public Security shall assume the prime responsibility for, and coordinate with the Ministry of Construction in, formulating 5-year plans on development of official residences for persons in the people's armed forces in accordance with this Law for submission to the Prime Minister for approval.

4. Provincial-level People's Committees shall formulate and approve the contents of development of official residences specified in Clause 5 of this Article for persons eligible to rent official residences in their localities in provincial-level housing development plans in accordance with this Law.

5. A plan on development of official residences specified in this Article must have the following principal contents:

a/ Number and job positions of persons eligible to rent official residences in accordance with this Law;

b/ Demand for land area for the construction of official residences;

c/ Type of houses and quantity of houses of each type, total floor area of houses to be constructed or commercial houses to be purchased or rented for use as official residences in the planning period;

d/ Expected funding sources for construction of official residences, or for purchase or rent of commercial houses for use as official residences for 5 years;

dd/ Responsibilities of the in-charge agency and related ministries, sectors and localities.

6. Official residence development plans and contents serve as a basis for the formulation of investment projects on construction of official residences or purchase or rent of commercial houses for use as official residences.

**Article 42.** Investment policy decision, investment decision and decision on owners of investment projects on construction of official residences

1. The decision on investment policy for investment projects on construction of official residences is provided as follows:

a/ The Prime Minister shall decide on investment policy for investment projects on construction of official residences at the request of the Ministry of Construction for lease to persons of central agencies, except the case specified at Point b of this Clause;

b/ The Minister of National Defense and Minister of Public Security shall decide on investment policy for investment projects on construction of official

residences after reaching agreement with the Ministry of Construction for lease to persons of the people's armed forces;

c/ Provincial-level People's Councils shall decide on investment policy or assign provincial-level People's Committees to decide on investment policy for investment projects on construction of official residences for lease to persons coming to work in their localities.

2. For the cases specified at Points a and b, Clause 1 of this Article, the person competent to decide on investment policy shall decide on investment or owners of investment projects on construction of official residences. For the case specified at Point c, Clause 1 of this Article, chairpersons of provincial-level People's Committees shall decide on investment or owners of investment projects on construction of official residences.

3. The Government shall detail this Article.

**Article 43.** Purchase or rent of commercial houses for use as official residences

1. In case official residences in a locality are not enough for lease to eligible persons while there are commercial houses constructed under projects that meet quality requirements specified in the construction law and are conformable with the type and area standards of official residences, a competent agency specified in Article 14 of this Law may purchase or rent such houses for use as official residences.

2. Before formulating a project to purchase commercial houses for use as official residences, a competent agency shall decide on investment policy in accordance with the following provisions:

a/ The Ministry of Construction shall submit to the Prime Minister for decision the investment policy for projects on purchase of commercial houses for lease to the persons specified at Points a, e and g, Clause 1, Article 45 of this Law and the persons of central agencies specified at Point b, Clause 1, Article 45 of this Law;

b/ The Ministry of National Defense or Ministry of Public Security shall submit to the Prime Minister for decision the investment policy for projects on purchase of commercial houses for lease to the persons specified at Point d, Clause 1, Article 45 of this Law;

c/ Provincial-level People's Councils shall decide on investment policy or assign provincial-level People's Committees to decide on investment policy for projects on purchase of commercial houses for lease to the persons specified

at Points c and dd, Clause 1, Article 45 of this Law and the persons of local authorities specified at Point b, Clause 1, Article 45 of this Law.

3. After the competent agency decides on investment policy, a project on purchase of commercial houses for use as official residences shall be implemented as follows:

a/ For projects on purchase of commercial houses for lease to persons of central agencies, except those in the people's armed forces, the Ministry of Construction shall report to the Prime Minister for the latter to decide on investment or the Minister of Construction shall decide on investment if authorized by the Prime Minister;

b/ For projects on purchase of commercial houses for lease to persons of the people's armed forces, the Minister of National Defense or Minister of Public Security shall decide on investment after reaching agreement with the Ministry of Construction;

c/ For projects on purchase of commercial houses for lease to persons of local authorities, provincial-level housing management agencies shall report to chairpersons of provincial-level People's Committees for the latter to decide on investment;

d/ A project on purchase of commercial houses for use as official residences specified in this Clause must have the following principal contents: position, location, types of house, quantity of houses, usable area of each type of houses, house purchase price, related expenses, funding sources for house purchase, methods of payment, agency signing house purchase and sale contracts, project implementation progress, agency responsible for managing houses after purchase, and responsibilities of related agencies in the project implementation;

dd/ Purchase prices of commercial houses for use as official residences shall be decided by investment deciders on the basis of reference to market house purchase and sale prices and price appraisal results provided by units having the price appraisal function at the time of house purchase.

4. The rent of commercial houses for use as official residences is provided as follows:

a/ In case of renting houses for lease to persons of central agencies, the Ministry of Construction shall report such to the Prime Minister for consideration and decision; and shall directly sign house rent contracts with house owners for lease to persons eligible to rent official residences;

b/ In case of using houses for lease to persons of the people's armed forces, the Ministry of National Defense or Ministry of Public Security shall report such to the Prime Minister for consideration and decision; and shall directly sign house rent contracts with house owners for lease to persons eligible to rent official residences;

c/ In case of using houses for lease to persons of local authorities, provincial-level housing management agencies shall report such to provincial-level People's Committees for consideration and decision; and shall directly sign house rent contracts with house owners for lease to persons eligible to rent official residences;

d/ A report on proposal to rent commercial houses for use as official residences specified in this Clause must have the following principal contents: position, location, types of house, number of houses, usable area of each type of houses, house rent rate, house rent term, related expenses, funding sources for house rent, agency responsible for rental payment, agency signing house rent contracts and managing houses after the rent.

5. The Government shall detail this Article.

#### **Article 44.** Types and area standards of official residences

1. Official residences include villas, terraced houses and condominium apartments with different area standards suitable to each group of persons eligible to rent official residences in accordance with this Law.

2. Area standards and interior equipment norms for official residences shall be specified by the Prime Minister and adjusted as suitable to each period at the proposal of the Ministry of Construction.

#### **Article 45.** Persons eligible and conditions for rent of official residences

1. Persons eligible to rent official residences include:

a/ Leading officials of the Party and the State who are entitled to stay in official residences during their terms of office;

b/ Cadres and civil servants of Party and State agencies and socio-political organizations other than those specified at Point a of this Clause who are transferred, rotated or seconded from local authorities to central agencies and hold the positions of deputy heads of government-attached agencies and equivalent or higher positions; or who are transferred, rotated or seconded from central agencies to local authorities or from one locality to another and hold the positions of vice chairpersons of district-level People's Committees or deputy directors of provincial-level Departments and equivalent or higher positions;

c/ Cadres, civil servants and employees of Party and State agencies and socio-political organizations other than those specified at Points a and b of this Clause who are transferred, rotated or seconded to communes in deep-lying areas, remote areas, areas with extremely difficult socio-economic conditions, border areas and islands;

d/ Officers, professional army men and non-commissioned officers of the people's armed forces who are transferred, rotated or seconded to meet national defense and security requirements; public security workers, defense civil servants, workers and employees, persons engaged in cipher work and persons performing other jobs in cipher organizations in the people's armed forces who are salaried by the state budget and are transferred, rotated or seconded to communes in deep-lying areas, remote areas, areas with extremely difficult socio-economic conditions, border areas and islands, unless the persons specified at this Point are required by law to stay in barracks of the people's armed forces;

dd/ Teachers, medical doctors and medical workers who come to work in rural areas, and communes in deep-lying areas, remote areas, areas with extremely difficult socio-economic conditions, border areas and islands;

e/ Scientists assigned to take charge of extremely important national-level science and technology tasks as specified by the Law on Science and Technology; talented persons who have made important contributions to the country as recognized by competent authorities in accordance with law;

g/ Based on practical conditions, the Prime Minister shall decide to allocate official residences to persons other than those specified at Points a, b, c, d, dd and e of this Clause at the request of the Ministry of Construction on the basis of summarizing proposals of ministries, central agencies and organizations and provincial-level People's Committees.

## 2. Conditions for rent of official residences:

a/ The persons specified at Point a, Clause 1 of this Article may be allocated official residences to meet security requirements;

b/ The persons specified at Points b, c, d, dd, e and g, Clause 1 of this Article may be allocated official residences if they have no houses under their ownership and are not yet entitled to purchase, rent with the option to purchase or rent social houses in localities where they come to work or already have houses under their ownership in localities to which they come to work but the per-capita house area is smaller than the law-specified minimum house area.

The Government shall detail this Point.

**Article 46.** Principles of determination of rental rates of official residences

1. To correctly and fully calculate expenses necessary for operation management, maintenance and management the course of use of official residences.

2. Not to calculate land use levy for land areas for construction of official residences or expenses of amortization of investment capital for construction of official residences or expenses for purchase of commercial houses for use as official residences.

3. Rental rates of official residences shall be decided by competent agencies specified in Article 14 of this Law and considered for adjustment as suitable to each period.

4. In case of renting commercial houses for use as official residences, lessees of official residences shall pay rental rates lower than commercial house rental rates.

5. The Government shall provide in detail the determination of rental rates of official residences, and order and procedures for rent of official residences.

**Article 47.** Rights and obligations of lessees of official residences

1. Lessees of official residences have the following rights:

a/ To be handed over official residences and accompanying equipment as agreed upon in official residence rent contracts;

b/ To use official residences for themselves and their family members during their terms of office;

c/ To request house operation management units to promptly fix breakdowns of the official residences if such breakdowns are not caused by the lessees' fault;

d/ To have official residence rent contracts extended in case the rent term expires while they are still eligible to rent official residences under Article 45 of this Law;

dd/ Other housing-related rights as provided by law and agreed upon in official residence rent contracts.

2. Lessees of official residences have the following obligations:

a/ To use official residences for residential purposes and to meet daily-life needs of their own and their family members during the rent term;

b/ To preserve houses and accompanying equipment; to refrain from arbitrarily renovating, repairing or dismantling official residences. In case of using

condominium apartments, to comply with regulations on management and use of condominiums;

c/ To refrain from sub-leasing, lending, or authorizing others to manage, official residences;

d/ To pay rentals under house rent contracts signed with lessors and pay other expenses for daily-life needs under regulations of service providers;

dd/ To return official residences to agencies or organizations assigned to manage official residences within 90 days from the date of retirement according to the regime as specified in retirement decisions or from the date of moving to other localities to work under job transfer decisions or from the date they are no longer eligible to rent official residences or no longer satisfy the conditions for rent of official residences specified in Article 45 of this Law. Past the time limit specified at this Point, if lessees fail to return official residences, the agencies competent to lease such official residences shall decide to recover, and force the handover of, the official residences under Clause 2, Article 127 of this Law. The recovery and forcible handover of official residences shall be publicly notified in the mass media;

e/ Upon returning official residences, lessees shall hand over such official residences and accompanying equipment as agreed upon in official residence rent contracts;

g/ Other housing-related obligations as specified by law and agreed upon in official residence rent contracts.

#### Section 4

#### DEVELOPMENT OF HOUSES FOR RESETTLEMENT

##### **Article 48.** Arrangement of houses for resettlement

##### 1. Forms of arrangement of houses for resettlement:

a/ Building houses under projects for sale, lease-purchase or lease to resettled persons;

b/ Making order placements for or purchasing commercial houses constructed under projects for sale, lease-purchase or lease to resettled persons;

c/ Letting resettled persons to purchase, rent with the option to purchase or rent social houses constructed under projects;

d/ Permitting resettled persons to make payments for purchase, rent with the option to purchase or rent of houses;

dd/ Arranging houses for resettled persons under investment projects on renovation and reconstruction of condominiums in accordance with Chapter V of this Law;

e/ Arranging resettlement in accordance with the land law.

2. The Government shall specify eligible subjects and conditions for arrangement of houses for resettlement; and order and procedures for purchase, rent with the option to purchase or rent of houses for resettlement.

**Article 49. Principles of development of houses for resettlement**

1. The arrangement of houses for resettlement for persons relocated to new accommodations shall be carried out before house recovery or clearance, unless the persons subject to relocation voluntarily hand over their houses before being arranged other houses for resettlement, ensuring publicity, transparency, and harmony of interests of the State, persons having their houses recovered or cleared and investors in accordance with law; the quality of houses for resettlement must be equivalent to or better than that of recovered or cleared houses.

2. In case of clearance of houses for construction of other works under approved master plans in grade-I urban centers or in wards, urban districts or cities of special-grade urban centers, houses shall be arranged for resettlement for persons having their houses cleared in one of the forms specified at Points b, c and d, Clause 1, Article 48 of this Law if such persons wish to resettle in grade-I urban centers or in wards, urban districts or cities of special-grade urban centers. In case such persons do not wish to resettle in grade-I urban centers or in wards, urban districts or cities of special-grade urban centers, the resettlement arrangement shall, based on local conditions, be carried out in one of the forms specified in Clause 1, Article 48 of this Law.

In case of resettlement in the form of purchase or lease-purchase of social houses, resettled persons shall be arranged social houses with priority.

3. In case of clearance of houses for construction of other works under approved master plans in areas other than those specified in Clause 2 of this Article, the resettlement arrangement shall, based on local conditions and needs of resettled persons, be carried out in one of the forms specified in Clause 1, Article 48 of this Law.

4. In case of clearance of houses for implementation of investment projects on construction of commercial houses or social houses and persons having their houses cleared wish to resettle on the spot, project owners shall arrange commercial houses or social houses right in their projects to serve the resettlement.

5. In case of demolition of condominiums for implementation of investment projects on renovation or reconstruction of condominiums or condominium complexes (below collectively referred to as investment projects on renovation or reconstruction of condominiums), the compensation, support and resettlement must comply with Chapter V of this Law.

6. In case of construction of houses for resettlement under projects, it is required to formulate and approve separate projects on construction of houses for resettlement but not construct houses for resettlement together with commercial houses, official residences or social houses, except investment projects on renovation and reconstruction of condominiums. For rural areas, investment projects on construction of houses for resettlement must cover the arrangement of land areas to facilitate resettled persons' production.

7. In case resettled persons are entitled to compensation with land use rights, the land law applies.

**Article 50.** Land areas for implementation of investment projects on construction of houses for resettlement

1. The arrangement of land areas for implementation of investment projects on construction of houses for resettlement must comply with Article 32 of this Law and the land law.

2. Land areas for formulation of investment projects on construction of houses for resettlement shall be determined in relevant zoning master plans or detailed construction plans of a scale of 1:500 in adherence to the principles specified in Article 49 of this Law.

3. The determination of land-related financial obligations for implementation of investment projects on construction of houses for resettlement must comply with the land law.

**Article 51.** Owners of investment projects on construction of houses for resettlement

1. Owners of investment projects on construction of houses for resettlement include specialized project management boards attached to provincial-level People's Committees, provincial-level land fund development organizations, provincial-level housing management agencies, and district-level People's Committees or real estate enterprises. Except the case specified in Clause 4 of this Article, the decision on owners of investment projects on construction of resettlement houses must comply with Clauses 2 and 3 of this Article.

2. For an investment project on construction of houses for resettlement using public investment funds, the provincial-level housing management agency shall propose one of the units specified in Clause 1 of this Article to act as the project owner, except real estate enterprises, and report such to the provincial-level People's Committee for decision.

3. For investment projects on construction of houses for resettlement using the funding sources other than those specified in Clause 2 of this Article, the competence to decide on project owners is provided as follows:

a/ In case of construction of houses for resettlement for projects of national importance, the Prime Minister shall decide or authorize the Minister of Construction to decide on project owners;

b/ In case of construction of houses for resettlement for projects other than those specified at Point a of this Clause, provincial-level People's Committees shall decide on project owners, except the case specified at Point c of this Clause;

c/ In case it is required under regulations to hold bidding for selection of investors to act as housing investment project owners, such regulations apply.

4. In case of clearance or demolition of condominiums for reconstruction, the selection of housing investment project owners must comply with Article 68 of this Law.

**Article 52.** Order placement for and purchase of commercial houses, arrangement of social houses for resettlement

1. For order placement for and purchase of commercial houses for resettlement, the unit assigned to arrange resettlement shall sign a house purchase and sale contract or an order placement contract with the housing investment project owner to arrange houses for resettled persons under the following provisions:

a/ In case the unit assigned to arrange resettlement signs a contract for purchase and sale of commercial houses with the housing investment project owner, resettled persons shall directly sign contracts for purchase and sale, lease-purchase or rent of houses with, and receive houses from, such unit;

b/ In case the unit assigned to arrange resettlement signs a contract on order placement for house purchase with the housing investment project owner, resettled persons shall directly sign house purchase and sale contracts with the project owner on the basis of contents agreed upon in such contract.

Provincial-level People's Committees shall determine the number of houses under order placement to meet the needs for resettlement in their

localities. Resettled persons shall receive houses under commercial house purchase contracts;

c/ Housing investment project owners shall carry out procedures for requesting competent state agencies to grant certificates to resettled persons who purchase or rent with the option to purchase houses as specified at Points a and b of this Clause, unless these persons voluntarily carry out procedures for grant of certificates.

2. For arrangement of social houses for resettlement, the unit assigned to arrange resettlement shall introduce the social housing fund in the locality for resettled persons to sign contracts on rent, lease-purchase or purchase of social houses in accordance with this Law.

3. The Government shall provide in detail the order placement for and purchase of commercial houses, arrangement of social houses for resettlement, order and procedures for house handover, and management and use of houses for resettlement.

#### **Article 53.** Requirements for houses for resettlement

1. Houses for resettlement must satisfy design requirements and construction standards and technical regulations in accordance with the construction law.

2. In case of investment in house construction under projects for resettlement, it is required to satisfy the requirements of a housing investment project specified in Article 33 of this Law. A housing investment project owner may not change the design, area and auxiliary works (if any) of houses for resettlement after the resettlement plan has been approved.

3. The handover of houses to resettled persons must comply with Clauses 3 and 4, Article 37 of this Law.

4. The following organizations and individuals shall be held responsible for the quality of houses for resettlement:

a/ Owners of investment projects to construct houses for resettlement;

b/ Owners of investment projects to construct houses for use for resettlement;

c/ Organizations and individuals involved in the construction of houses for resettlement in accordance with law.

5. Provincial-level housing management agencies shall guide and inspect the management of quality of houses for resettlement in their localities.

## Section 5

### DEVELOPMENT OF HOUSES OF INDIVIDUALS

#### **Article 54.** Requirements for development of houses of individuals

1. Ensuring conformity with relevant construction master plans and compliance with the construction law.

2. The construction of houses must ensure connection with common technical infrastructure systems of areas where houses are constructed and satisfy requirements on hygiene, environmental protection, architecture and landscape, and may not infringe upon lawful rights and interests of owners of and persons holding other rights over adjacent constructions. The construction and renovation of houses must go hand in hand with preservation and conservation of traditional house architecture and conform with customs, practices and production conditions of each region or area, and ensure the preservation of natural landscapes and historical-cultural relics. The construction of houses under projects must comply with approved detailed construction plans of projects.

3. Individuals may only construct houses on residential land areas under their use rights or allocated by the State, including also land areas allocated as a result of land-related compensation or land areas from the acquisition of land use rights or land areas rented or borrowed from other organizations or individuals.

4. Provincial-level People's Committees shall consider to provide part or the whole of local budget funds in accordance with the law on the state budget for individuals to conserve, maintain and renovate houses in areas where artistic, cultural and historical values need to be conserved.

#### **Article 55.** Methods of development of houses of individuals

1. Individuals in rural areas may construct houses by the following methods:

a/ Constructing houses by themselves or hiring other organizations or individuals to construct houses or constructing houses with assistance of other organizations or individuals;

b/ Hiring units or individuals with construction capacity to construct houses, in case the construction of houses is required under the construction law to be carried out by capable units or individuals;

c/ Forming cooperation groups to help one another construct houses.

2. Individuals in urban areas shall construct houses by the methods specified at Points a and b, Clause 1 of this Article and the following methods:

a/ Forming cooperation groups to help one another renovate and embellish urban areas, including houses, or renovate and reconstruct condominiums in accordance with this Law;

b/ Forming cooperation groups to help one another construct houses through contributing land use rights, capital, labor, materials and efforts of members of the cooperation groups.

Members of cooperation groups shall reach agreement on the method of contributing land use rights, capital, labor, materials, efforts and time, and rights and obligations of members, and commit to implementing such agreement.

**Article 56.** Responsibilities of individuals in housing development

1. To comply with the construction law in house construction and renovation.

2. To comply with the environmental protection law during house construction and renovation.

3. To ensure safety for persons and assets of owners and users of adjacent constructions during house construction and renovation; if causing damage, to pay compensation in accordance with law.

4. Individuals constructing multi-story, multi-apartment buildings for sale, lease-purchase or lease shall also comply with Article 57 of this Law.

5. Other responsibilities as specified by law.

**Article 57.** Development of multi-story, multi-apartment buildings of individuals for sale, lease-purchase or lease

1. Individuals having residential land use rights specified in Clause 3, Article 54 of this Law and wishing to construct houses in the following cases must satisfy the conditions for acting as housing investment project owners; and shall comply with the construction law and relevant regulations applicable to housing investment projects:

a/ Houses with 2 or more floors with each floor designed for construction of apartments for sale or lease-purchase or combined sale, lease-purchase and lease;

b/ Houses with 2 or more floors and 20 or more apartments for lease.

2. The apartments specified in Clause 1 of this Article may be granted certificates in accordance with the land law, and put for sale, lease-purchase or lease in accordance with this Law and the law on real estate business.

3. Individuals having residential land use rights specified in Clause 3, Article 54 of this Law and wishing to construct houses with 2 or more floors and less than

20 apartments with each floor designed for construction of apartments for lease shall comply with the following provisions:

a/ Satisfying the requirements for construction of multi-story, multi-apartment buildings of individuals under the Minister of Construction's regulations;

b/ Satisfying the fire prevention and fighting requirements specified by the law on fire prevention and fighting, for multi-story, multi-apartment buildings of individuals;

c/ Satisfying conditions set by provincial-level People's Committees for roads for firefighting vehicles to operate at places where multi-story, multi-apartment buildings of individuals are located.

4. In case multi-story, multi-apartment buildings of individuals specified in Clause 3 of this Article have apartments for sale or lease-purchase, they must satisfy the conditions specified in Clause 1 of this Article.

5. The operation management of houses specified in Clauses 1 and 3 of this Article must comply with the Minister of Construction's regulation on management and use of condominiums (below referred to as the regulation on management and use of condominiums).

6. People's Committees at all levels shall, within the ambit of their tasks and powers, examine and inspect the satisfaction of the requirements and conditions specified in Clauses 1 and 3 of this Article.

7. The Government shall detail this Article.

## Chapter V

### RENOVATION AND RECONSTRUCTION OF CONDOMINIUMS

#### Section 1

#### GENERAL PROVISIONS

##### **Article 58.** Use duration of condominiums

1. The use duration of condominiums shall be determined on the basis of design documents and practical use duration of condominiums as stated in inspection conclusions of competent agencies. The use duration of a condominium based on design documents shall be clearly stated in the competent agency's appraisal document in accordance with the construction law.

2. The use duration of a condominium shall be counted from the time of acceptance testing of the condominium for being put into use in accordance with the construction law.

3. When the use duration of a condominium stated in design documents expires under Clause 1 of this Article or has not yet expired but such condominium is damaged and in danger of collapse, threatening the safety of condominium owners and users, the provincial-level People's Committee shall direct the inspection and evaluation of the condominium quality under Article 61 of this Law.

4. The announcement of the expiration of the use duration of condominiums must comply with this Law and the construction law.

**Article 59. Condominiums subject to demolition**

1. Condominiums subject to demolition specified in Clause 2 of this Article include:

a/ Condominiums with expired use duration under Article 58 of this Law and subject to demolition;

b/ Condominiums with their use duration specified in Article 58 of this Law not yet expiring but subject to demolition.

2. Condominiums subject to demolition include:

a/ Condominiums suffering damage due to fire or explosion, thus no longer satisfying safety conditions for further use;

b/ Condominiums suffering damage due to disasters or enemy sabotage, thus no longer satisfying safety conditions for further use;

c/ Condominiums with main load-bearing structures showing the state of overall danger, threatening to collapse, thus no longer satisfying safety conditions for further use, and requiring urgent relocation of their owners and users;

d/ Condominiums suffering serious damage and showing the state of partial danger in the main load-bearing structures and one of the following phenomena: technical infrastructure systems for fire prevention and fighting; water supply and drainage and wastewater treatment; electricity supply or internal traffic no longer satisfy requirements of current standards or technical regulations or likely to become unsafe in operation and use, thus requiring demolition to ensure safety for their owners and users and satisfy urban renovation and embellishment requirements;

dd/ Condominiums suffering damage of one of main structures of the following components: foundations, columns, walls, beams or girders, thus no longer satisfying requirements for normal use and, though not falling into the cases specified at Points c and d of this Clause, located in the areas subject to renovation or construction with condominiums subject to demolition specified in this Clause under approved construction master plans.

**Article 60.** Principles of renovation and reconstruction of condominiums

1. The reconstruction of condominiums with multiple owners and condominiums classified as public assets subject to demolition specified in Clause 2, Article 59 of this Law under approved master plans must adhere to the principles specified in this Article.

The renovation and reconstruction of single-owner condominiums not classified as public assets must comply with the construction law.

2. The renovation and reconstruction of condominiums shall be carried out under projects in association with urban renovation and embellishment, ensuring connection of technical and social infrastructure systems, and conformity with approved construction master plans, land use master plans and plans, provincial-level housing development programs and plans on renovation and reconstruction of condominiums.

For cases of demolition of condominiums specified at Points a and b, Clause 2, Article 59 of this Law which are not yet specified in approved plans on renovation and reconstruction of condominiums, provincial-level People's Committees shall arrange temporary accommodations for relocated owners and users of condominiums. After the relocation, provincial-level People's Committees shall add the demolition of condominiums into local plans on renovation and reconstruction of condominiums.

3. The renovation and reconstruction of condominiums must comply with this Law, the laws on construction, investment, and public investment, and relevant regulations.

4. In case a condominium is to be reconstructed under an approved master plan, its owners will be entitled to on-the-spot resettlement unless they do not so wish. In case a condominium is not to be reconstructed under an approved master plan, its condominium owners will be entitled to monetary compensation or resettlement in other places in the same commune, ward or township (below collectively referred to as the commune-level locality). If there are no houses for resettlement in a commune-level locality, such houses shall be arranged in the same district-level locality. If there are no houses for resettlement in a district-

level locality, such houses shall be arranged in the neighboring locality, unless condominium owners wish to purchase or rent with the option to purchase social houses.

For condominiums classified as public assets which current lessees no longer wish to rent after such condominiums are reconstructed, representatives of condominium owners may choose the form of compensation payment specified in Clause 7, Article 70 of this Law.

5. Resettled persons have the ownership over houses for resettlement after such houses are renovated or reconstructed under plans on compensation, support, resettlement and arrangement of temporary accommodations (below collectively referred to as compensation and resettlement plans) under Article 71 of this Law.

6. In case of renovation or reconstruction of condominiums specified in Clause 2, Article 59 of this Law, provincial-level People's Committees shall decide to implement one or more than one project but shall ensure connection of technical and social infrastructure systems and compliance with approved detailed construction master plans of the entire condominium complex.

7. The selection of owners of investment projects on renovation and reconstruction of condominiums may be carried out only after plans on renovation and reconstruction of condominiums are approved under Article 65 of this Law.

8. Owners of investment projects on renovation and reconstruction of condominiums may implement their projects in phases but are required to demolish the condominiums specified at Points a, b and c, Clause 2, Article 59 of this Law for reconstruction before demolishing other condominiums for reconstruction.

The scope of investment projects on renovation and reconstruction of condominiums shall be determined under detailed master plans or stated in project investment policy decision or approval issued by competent agencies.

9. The decision on or approval of investment policy and adjustment of investment policy for investment projects on renovation and reconstruction of condominiums must comply with Articles 67 and 69 of this Law.

10. The recovery, allocation, lease or repurposing (if any) of land areas for implementation of investment projects on renovation or reconstruction of condominiums must comply with the land law, unless condominium owners agree to transfer land use rights to project owners under Clause 11 of this Article.

11. The agreement on transfer of land use rights for implementation of an investment project on renovation and reconstruction of condominiums shall be made when the following conditions are fully satisfied:

a/ The project does not fall into one of the cases specified in Clauses 1 and 3, Article 68 of this Law;

b/ The project is to be implemented on the land area under joint use rights of condominium owners;

c/ The transfer of land use rights for implementation of the project to serve on-the-spot resettlement under the compensation and resettlement plan has been agreed upon by all condominium owners with the project owner.

The transfer of land use rights specified at this Point is exempt from taxes.

12. Provincial-level People's Committees shall allocate local budget funds according to the order and procedures specified in the law on the state budget for performance of the following tasks:

a/ Inspecting and evaluating the quality of condominiums classified as public assets; inspecting and evaluating the quality of other condominiums, unless such condominiums come under a single owner and are not public assets;

b/ Formulating, appraising and approving relevant master plans for renovation and reconstruction of condominiums;

c/ Organizing the formulation and approval of plans on renovation and reconstruction of condominiums;

d/ Implementing investment projects on renovation and reconstruction of condominiums in localities with local budget funds.

13. The arrangement of temporary accommodations for condominium owners must comply with Article 72 of this Law.

14. The Government shall detail Clause 11 of this Article.

#### **Article 61.** Inspection and evaluation of quality of apartment buildings

1. Provincial-level People's Committees shall direct provincial-level housing management agencies to assume the prime responsibility for, and coordinate with local functional agencies and district-level People's Committees of localities where condominiums are located in, inspecting and evaluating the quality of condominiums constructed in their localities. For a condominium complex, inspection and evaluation shall be carried out for the whole complex before including it in a plan on condominium renovation and reconstruction.

Condominium owners shall coordinate with the agencies specified in this Clause and units engaged in the inspection in inspecting and evaluating the condominium quality in accordance with this Law and the construction law.

2. Organizations assigned to inspect and evaluate the condominium quality shall clearly state whether or not condominiums are subject to demolition as specified in Clause 2, Article 59 of this Law in inspection result reports sent to provincial-level housing management agencies. The inspection and evaluation of the condominium quality must comply with the construction law and this Law.

3. After receiving inspection result reports, provincial-level housing management agencies shall consider and issue conclusions on condominium quality inspection. Such conclusions must clearly show inspection contents in accordance with the construction law and must state whether or not the inspected condominiums are subject to demolition under Clause 2, Article 59 of this Law. In case a condominium is not subject to demolition, inspection conclusions must clearly state how long the condominium may continue to be used until it becomes subject to demolition.

4. Inspection conclusions shall be posted on portals of provincial-level housing management agencies.

#### **Article 62.** Forms of renovation and reconstruction of condominiums

1. Real estate enterprises may invest capital or contribute capital together with condominium owners in the cases specified in Clause 2, Article 59 of this Law to demolish and reconstruct condominiums, except the cases specified in Clauses 2 and 3 of this Article.

2. Provincial-level People's Councils shall decide to use local budget funds in accordance with the public investment law to implement investment projects on renovation and reconstruction of condominiums in areas other than those specified in Clause 3 of this Article in the following cases:

a/ The whole condominiums are public assets;

b/ Condominiums are subject to demolition under Point b, Clause 2, Article 59 of this Law, unless the whole condominiums come under a single owner and are not public assets.

3. The renovation and reconstruction of houses classified as public assets of which central agencies act as owners' representatives must comply with the law on public investment.

**Article 63.** Incentive mechanisms for implementation of investment projects on renovation and reconstruction of condominiums

1. The owner of an investment project on renovation and reconstruction of condominiums specified in Clause 1, Article 62 of this Law is entitled to the following incentive mechanisms:

a/ Being exempted from land use levy and land rental for land areas subject to land use levy or land rental within the project's scope, including: the land area on which the existing condominium and independent houses (if any) were constructed, land area for construction of service, commercial and public facilities, and land area under technical, transport and social infrastructure facilities and other facilities, including also the land area embracing public assets within the project's scope.

The project owner is not required to carry out procedures for determining land prices and calculating land use levy and land rental to be exempted as well as procedures for requesting exemption from land use levy or land rental;

b/ Being entitled to commercially operate the remaining housing area left after arranging the resettlement and the area for service and commercial activities within the project's scope; being not required to pay land use levy or land rental when selling apartments of the condominium renovated or reconstructed on the land area on which the existing condominium was constructed after arranging the resettlement.

For the land area eligible for commercial operation other than the land area for which the project owner is exempt from or not required to pay land use levy or land rental as specified at this Point and Point a of this Clause, the project owner shall fulfill financial obligations in accordance with the land law;

c/ Being entitled to borrow loans in accordance with law from the land development funds or other non-budget state financial funds; receiving payments made in advance as compensation for damage and support for resettlement upon ground clearance; and collect money amounts for the purchase or lease-purchase of future houses and the area of service and commercial facilities within the project's scope for project implementation;

d/ Being entitled to local budget funds as partial support for construction of technical and social infrastructure facilities within the project's scope under the decision of the provincial-level People's Council;

dd/ Tax, credit and other incentives as provided by law.

2. Owners of investment projects on renovation and reconstruction of condominiums specified in Clauses 2 and 3, Article 62 of this Law are entitled to the incentive mechanisms specified at Points a and dd, Clause 1 of this Article.

3. The Government shall detail Points a and b, Clause 1 of this Article.

## Section 2

### MASTER PLANS AND PLANS ON RENOVATION AND RECONSTRUCTION OF CONDOMINIUMS

**Article 64.** Requirements on master plans on renovation and reconstruction of condominiums

1. Competent state agencies shall formulate, appraise, approve and adjust detailed master plans for investment projects on renovation and reconstruction of condominiums and announce them in accordance with the urban planning and construction laws.

2. A detailed master plan on an investment project on renovation and reconstruction of condominiums must indicate norms on land use and population size or determine the land area that may be repurposed for construction of service and commercial facilities, offices or other social infrastructure facilities to ensure socio-economic and environmental efficiency with a view to engaging investors in the project implementation.

3. Based on the list of condominiums and places where condominiums subject to demolition for reconstruction are located as provided in this Law, provincial-level People's Committees shall decide on planning solutions for reconstruction of whole condominium complexes or selection solutions for reconstruction of a number of condominiums in the same commune- or district-level localities or neighboring district-level localities in order to ensure socio-economic and environmental efficiency, associated with urban renovation and embellishment.

In case a condominium is subject to demolition but the approved relevant master plan does not mention reconstruction of condominiums and it is impossible to implement selection solutions for condominium reconstruction under this Clause, the provincial-level People's Committee shall allocate local budget funds according to the order and procedures specified in the state budget law for relocation, compensation, support and resettlement for owners and users of such condominium and organize auction of the land plot on which the condominium was constructed in order to carry out construction under the approved master plan, unless otherwise provided by the Land Law.

4. The formulation, appraisal and approval of detailed master plans on investment projects on renovation and reconstruction of condominiums may be carried out simultaneously with the inspection and evaluation of condominium quality.

**Article 65.** Requirements on plans on renovation and reconstruction of condominiums

1. Provincial-level People's Committees may formulate and approve plans on renovation and reconstruction of condominiums separately or together with provincial-level housing development plans for use as a basis for implementation of investment projects on renovation and reconstruction of condominiums.

2. Provincial-level housing management agencies shall formulate by themselves or hire consultancy units in accordance with the bidding law to formulate plans on renovation and reconstruction of condominiums and report them to provincial-level People's Committees for approval.

3. Plans on renovation and reconstruction of condominiums shall be approved only after provincial-level housing management agencies issue conclusions of inspection and evaluation of condominium quality in accordance with this Law.

4. After a plan on renovation and reconstruction of condominiums is approved, if a condominium becomes subject to demolition or a provincial-level housing development program has a modified content related to the approved plan, the provincial-level People's Committee shall modify such plan.

5. Approved plans on renovation and reconstruction of condominiums, including also modified plans, shall be posted on portals of provincial-level People's Committees and district-level People's Committees of localities where condominiums subject to renovation or reconstruction are located; and sent to commune-level People's Committees of localities where condominiums subject to renovation or reconstruction are located for notification to condominium owners and users and concurrently to the Ministry of Construction.

**Article 66.** Contents of plans on renovation and reconstruction of condominiums

A plan on renovation and reconstruction of condominiums must have the following principal contents:

1. List and locations of condominiums and condominium complexes that need to be renovated or reconstructed which must state the time of demolition for each type of condominiums specified in Clause 2, Article 59 of this Law.

In case of renovation or reconstruction of a condominium complex, it is required to project the time for relocation, demolition and reconstruction of the first condominium of the condominium complex and the time for relocation,

demolition and reconstruction of the remaining condominiums in the condominium complex;

2. Estimated funding sources for renovation and reconstruction of condominiums and condominium complexes in the locality;

3. Responsibilities of functional agencies and People's Committees at all levels in implementing the plan.

### Section 3

#### DECISION ON INVESTMENT POLICY, APPROVAL OF INVESTMENT POLICY, AND OWNERS OF INVESTMENT PROJECTS ON RENOVATION AND RECONSTRUCTION OF CONDOMINIUMS

##### **Article 67.** Decision on investment policy and approval of investment policy

1. For the condominiums specified in Clauses 2 and 3, Article 62 of this Law, the decision on, and modification of, investment policy must comply with the public investment law.

2. For condominiums other than those specified in Clause 1 of this Article, after their owners have selected an investor to implement a project through the condominium conference, the selected investor shall submit a dossier and follow the order and procedures for approval of investment policy simultaneously with investor approval under Clauses 1 and 4, Article 69 of this Law without having to comply with the Investment Law, except projects subject to the Prime Minister's approval of investment policy simultaneously with investor approval which must comply with Clause 3, Article 69 of this Law.

3. For the case specified in Clause 3, Article 68 of this Law, the provincial-level housing management agency shall prepare and submit a dossier to the provincial-level People's Committee for approval of investment policy according to the order and procedures specified in Clauses 2 and 5, Article 69 of this Law, except projects subject to the Prime Minister's approval of investment policy which must comply with Clause 3, Article 69 of this Law.

4. For investment projects on renovation and reconstruction of condominiums specified in Clauses 2 and 3 of this Article, if they are subject to modification of investment policy under the Investment Law, the agency competent to approve investment policy may modify investment policy; the order and procedures for modification of investment policy must comply with Article 69 of this Law with respect to contents to be modified.

**Article 68.** Owners of investment projects on renovation and reconstruction of condominiums

1. The decision on the owner of an investment project on renovation and reconstruction of condominiums, for the condominiums specified in Clauses 2 and 3, Article 62 of this Law, must comply with the public investment and construction laws.

2. For condominiums other than those specified in Clause 1 of this Article, the selection of owners of investment projects on renovation and reconstruction of condominiums must comply with Clause 2, Article 67 of this Law.

3. In the case specified in Clause 2 of this Article in which it is impossible to select an investor to implement a project within the time limit set by the Government, after approving investment policy under Clause 3, Article 67 of this Law, the provincial-level housing management agency shall organize the bidding to select the investor of an investment project on renovation and reconstruction of condominiums under the following provisions:

a/ In case there is only 1 investor expressing interest as specified by the bidding law, the competent agency shall carry out procedures for approving such investor to act as the project owner if the investor satisfies the Government-set conditions and criteria;

b/ In case there are 2 or more investors expressing interest, the project owner shall be selected through bidding in accordance with the bidding law.

4. Owners of investment projects on renovation and reconstruction of condominiums specified in Clauses 2 and 3 of this Article have the rights provided in Clauses 1, 2, 3, 5, 6, 7 and 8, Article 38 of this Law and are entitled to the incentive mechanisms specified in Article 63 of this Law.

5. Owners of investment projects on renovation and reconstruction of condominiums specified in Clauses 2 and 3 of this Article have the obligations specified in Clauses 1, 3, 5, 6, 8, 9, 10, 11 and 13, Article 39 of this Law and the following obligations:

a/ To ensure their financial capacity for project implementation in accordance with law;

b/ To fulfill their commitments in project product trading contracts; to ensure the quality of facilities in accordance with the construction law; to hand over houses and accompanying papers to customers and carry out house purchase and sale, lease-purchase or lease transactions in accordance with this Law, the real estate business law and other relevant regulations;

c/ To demolish condominiums under Article 75 of this Law;

d/ To provide temporary accommodations, and carry out compensation, support and resettlement for owners and users of demolished condominiums under approved compensation and resettlement plans in accordance with this Law.

6. The Government shall detail this Article.

**Article 69.** Dossiers, order and procedures for approval of investment policy for investment projects on renovation and reconstruction of condominiums

1. A dossier of request for approval of investment policy simultaneously with approval of an investor to act as the owner of an investment project on renovation and reconstruction of condominiums must comprise:

a/ A written request for approval of the project investment policy;

b/ An investment project proposal, which must have the following principal contents: investor, investment objectives, investment scale, investment capital and capital mobilization plan, location, time and schedule for project implementation, proposal of land use demand, preliminary environmental impact assessment (if any) in accordance with the environmental protection law, information on certificates of condominium owners, proposed investment incentives, and minutes of collected opinions on investor selection;

c/ The compensation and resettlement plan agreed upon by the condominium owners with the investor;

d/ A written agreement on transfer of land use rights from the condominium owners to the investor, for the case specified in Clause 11, Article 60 of this Law;

dd/ Documents on the investor's legal status and documents proving the investor's financial capacity;

e/ Other relevant documents (if any).

2. A dossier of request for approval of investment policy proposed by a provincial-level housing management agency must comprise:

a/ A written request for approval of the project investment policy;

b/ An investment project proposal, which must have the following principal contents: investment objectives, investment scale, investment capital, location, time and progress for project implementation; information on the current status of land use at the project site, projected land use demand, and preliminary environmental impact assessment (if any) in accordance with the environmental protection law; form of selection of the project owner; and incentive mechanisms and policies;

c/ Other relevant documents (if any).

3. In case an investment project on renovation and reconstruction of condominiums is subject to the Prime Minister's approval of investment policy simultaneously with investor approval, or investment policy approval in accordance with the Law on Investment, the dossier must comply with Clauses 1 and 2 of this Article, and the order and procedures must comply with the Law on Investment.

4. The approval of investment policy simultaneously with investor approval by provincial-level People's Committees must comply with the following order and procedures:

a/ The investor selected by condominium owners under Clause 2, Article 67 of this Law shall submit a dossier specified in Clause 1 of this Article to the provincial-level housing management agency;

b/ Within 3 working days after receiving a complete dossier, the provincial-level housing management agency shall send a request to related state agencies for collecting the latter's appraisal opinions on project contents;

c/ Within 15 days after receiving the request, the consulted agencies shall give their opinions on contents falling within their scope of state management and send them to the provincial-level housing management agency. Within 25 days after receiving a complete dossier specified in Clause 1 of this Article, the provincial-level housing management agency shall make and submit an appraisal report to the provincial-level People's Committee;

d/ Within 7 working days after receiving a complete dossier and the appraisal report, the provincial-level People's Committee shall consider and decide to approve the compensation and resettlement plan and approve investment policy simultaneously with approving an investor to act as the project owner. In case of disapproval, the provincial-level People's Committee shall issue a notice thereof, clearly stating the reason.

5. The approval of investment policy by a provincial-level People's Committee for a project specified in Clause 3, Article 67 of this Law must comply with the following order and procedures:

a/ The provincial-level housing management agency shall prepare and send a dossier specified in Clause 2 of this Article to related state agencies for collecting the latter's opinions on project contents;

b/ Within 15 days after receiving the request for opinions, the consulted agencies shall give their opinions on contents falling within their scope of state management and send them to the provincial-level housing management agency. Within 25 days after receiving a complete dossier specified in Clause 2 of

this Article, the provincial-level housing management agency shall make and submit an appraisal report to the provincial-level People's Committee;

c/ Within 7 working days after receiving a complete dossier and an appraisal report, the provincial-level People's Committee shall consider and approve investment policy. In case of disapproval, the provincial-level People's Committee shall issue a notice thereof, clearly stating the reason.

6. The Government shall detail this Article.

#### Section 4

### COMPENSATION AND RESETTLEMENT PLANS

**Article 70.** Principles for formulation of compensation and resettlement plans

1. Compensation and resettlement plans for implementation of condominium renovation and reconstruction projects shall only be formulated and approved after detailed master plans are approved.

2. In case of implementing the projects specified in Clause 1, Article 68 of this Law, compensation and resettlement plans must comply with the law on public investment; for the projects specified in Clause 3, Article 68 of this Law, provincial-level People's Committees shall assign responsible organizations to formulate compensation and resettlement plans and submit them to provincial-level People's Committees for approval.

3. In case of selecting condominium renovation and reconstruction project owners other than the cases specified in Clause 2 of this Article, real estate businesses registering for participation in selection of project owners shall formulate compensation and resettlement plans for decision by condominium owners.

4. Compensation, support, resettlement, and arrangement of temporary accommodation shall be carried out in a public, transparent and objective manner and comply with approved compensation and resettlement plans. The area of apartments arranged for resettlement must not be smaller than the area of apartments prescribed in national technical regulations on condominiums. Expenses for compensation, support and resettlement and arrangement of temporary accommodation shall be included in projects' total investment capital.

5. In case of renovation and reconstruction of houses classified as public assets, current tenants will be entitled to rent houses after the condominiums are reconstructed, unless they have no demand to rent houses. For condominiums under mixed ownership of owners of houses classified as public assets and other

owners, representatives of owners of houses classified as public assets may negotiate with condominium renovation and reconstruction project owners on whether compensation will be made in money or in house.

6. The arrangement of houses for resettlement shall be carried out under contracts on purchase and sale, lease-purchase or lease of houses for resettlement in accordance with this Law.

7. The form of compensation for condominium owners shall be clearly stated in compensation and resettlement plans according to the following provisions:

a/ For the condominiums specified in Clause 10, Article 2 of this Law, their owners may choose to receive compensation in the form of arrangement of houses for resettlement or in a sum of money equivalent to the value of the houses for resettlement in case they have no demand to be arranged houses for resettlement;

b/ For condominiums other than those specified in Clause 10, Article 2 of this Law, if their owners do not contribute funds for the renovation or reconstruction of the condominiums, they will be entitled to compensation for the value of the right to use the land plots under the condominiums in proportion to their land-use rights determined according to the land law at the time of formulating compensation and resettlement plans and shall transfer their land-use rights to condominium renovation and reconstruction project owners; for the condominiums specified at Point dd, Clause 2, Article 59 of this Law, their owners will be entitled to compensation for the value of their land-use rights and the remaining value of their apartments according to the Government's regulations.

8. Owners of non-apartment areas of to-be-renovated or -reconstructed condominiums will be entitled to compensation, support, resettlement, and arrangement of temporary accommodation according to the Government's regulations.

**Article 71.** Contents of, and competence to approve, compensation and resettlement plans

1. A compensation and resettlement plan must have the following main contents:

a/ Name of the project owner, in case the owner of the condominium renovation and reconstruction investment project has been selected;

b/ Names and addresses of condominium owners and users;

c/ Location and area of the condominium to be renovated or reconstructed; location and area of houses for resettlement;

d/ Forms of arrangement of houses for resettlement, including arrangement of on-the-spot houses for resettlement, arrangement of houses for resettlement at another location or purchase or lease-purchase of social houses in the locality or payment of money in accordance with this Law;

dd/ Coefficient K on apartment area, for the condominiums specified in Clause 10, Article 2 of this Law; land price for calculation of compensation (if any); and house rental rates after the condominium is reconstructed (if any);

e/ The value of each apartment determined after converting the apartment area according to coefficient K specified at Point dd of this Clause; the contribution for building the condominium to be paid according to the project implementation progress or paid in a lump sum after the apartment is handed over, for condominiums other than those specified in Clause 10, Article 2 of this Law; value of houses for resettlement in case of arrangement of houses for resettlement at another location;

g/ Agreement on transfer of land-use rights for implementation of the condominium renovation and reconstruction investment project, for the cases specified in Clause 11, Article 60 of this Law;

h/ Plan on handling the remaining apartments after completing resettlement work;

i/ The difference (if any) between the value of the house for resettlement and the value of the house each condominium owner will receive under the compensation and resettlement plan, payable by the condominium renovation or reconstruction project owner or the condominium owner;

k/ Project implementation duration; time for completion of compensation, support, resettlement, and arrangement of temporary accommodation; time for handover of houses for resettlement in the forms specified at Point d of this Clause;

l/ Expenses for payment of support for relocation and rent of temporary accommodation and other related expenses (if any);

m/ Expenses for maintenance after the condominium is reconstructed, which must comply with this Law;

n/ Compensation and resettlement for non-apartment areas (if any).

2. Provincial-level People's Committees shall approve compensation and resettlement plans according to their competence and inspect and urge condominium renovation and reconstruction project owners to properly implement the approved compensation and resettlement plans.

**Article 72.** Arrangement of houses for resettlement and arrangement of temporary accommodation

1. For those whose house ownership has been established, the arrangement of houses for resettlement must comply with the following regulations:

a/ For condominiums which are to be reconstructed according to approved master plans, condominium owners will be entitled to arrangement of on-the-spot houses for resettlement according to approved compensation and resettlement plans.

For the condominiums specified in Clause 10, Article 2 of this Law, their owners will be entitled to receive compensation calculated according to coefficient K specified at Point dd, Clause 1, Article 71 of this Law.

For condominiums other than those specified in Clause 10, Article 2 of this Law, their owners shall make contributions to reconstruct the condominiums, except the condominiums specified in Clauses 2 and 3, Article 62 of this Law. Contribution for reconstruction of condominiums shall be made as agreed based on the project implementation progress or paid in a lump sum after apartments are handed over and shall be determined in compensation and resettlement plans;

b/ For condominiums which, according to approved master plans, are not to be reconstructed, their owners will be entitled to arrangement of houses for resettlement according to Clause 4, Article 60 of this Law.

2. For current house lessees, the arrangement of houses for resettlement must comply with agreement in house lease contracts; those who are renting public-property houses will be entitled to rent houses after the renovation and reconstruction of condominiums are completed, unless otherwise agreed by the house tenants and the representatives of the house owners.

3. Only condominium owners who have the demand to be resettled in houses shall be entitled to arrangement of temporary accommodation.

4. Temporary accommodation for condominium owners must meet requirements and conditions on infrastructure to serve their daily activities. For current tenants of houses classified as public assets, provincial-level People's Committees of the localities where condominium renovation and reconstruction projects are implemented shall arrange temporary accommodation or pay a sum of money for house tenants to arrange accommodation for themselves during the project implementation period.

In the case specified at Point b, Clause 2, Article 59 of this Law, provincial-level People's Committees shall arrange temporary accommodation during the project implementation period.

In the cases specified at Points a and c, Clause 2, Article 59 of this Law, provincial-level People's Committees shall arrange temporary accommodation until condominium renovation and reconstruction project owners are selected. After being selected, the project owners shall arrange temporary accommodation during the project implementation period.

In the cases specified at Points d and dd, Clause 2, Article 59 of this Law, the condominium renovation and reconstruction project owners shall arrange temporary accommodation during the project implementation period.

5. In addition to arrangement of houses for resettlement as prescribed in Clause 1 or 2 of this Article, based on local conditions, provincial-level People's Committees shall decide to allocate local budget funds as support for people entitled to arrangement of houses for resettlement according to the order and procedures prescribed by the law on the state budget.

6. The Government shall provide in detail the formulation and approval of plans on renovation and reconstruction of condominiums, investment in projects; relocation or forced relocation of condominium owners and users; compensation, support, resettlement, and arrangement of temporary accommodation; and contributions of condominium owners for investment in reconstruction of condominium.

## Section 5

### RELOCATION, FORCED RELOCATION AND DEMOLITION OF CONDOMINIUMS

#### **Article 73.** Relocation of condominium owners and users

1. For condominiums subject to demolition as specified at Points a and b, Clause 2, Article 59 of this Law, provincial-level People's Committees shall issue an emergency relocation decision and organize the relocation of condominium owners and users subject to relocation to temporary accommodation.

2. For condominiums subject to demolition as specified at Points c, d and dd, Clause 2, Article 59 of this Law, provincial-level People's Committees shall issue relocation decisions according to approved compensation and resettlement plans.

3. A relocation decision must have the following main contents:

a/ Names and addresses of condominium owners/users subject to relocation;

b/ Deadline for relocation;

c/ Location of temporary accommodation;

d/ Relocation method;

dd/ Relocation expenses, including expenses for moving people and assets; expenses for rent of temporary accommodation and other related expenses (if any);

e/ Responsibilities of related agencies, organizations and individuals in implementing the decision.

4. Provincial-level People's Committees shall send relocation decisions to condominium owners and users subject to relocation and publicly post these decisions on their portals and portals of district-level People's Committees and provincial-level housing management agencies of the localities where exist condominiums, and in the local mass media.

5. Condominium owners and users and related organizations and individuals shall deploy the relocation according to decisions of provincial-level People's Committees.

6. Relocation expenses are prescribed as follows:

a/ For the cases specified in Clause 1 of this Article, relocation expenses shall be covered by the local budgets;

b/ For the cases specified in Clause 2 of this Article, relocation expenses shall be included in the total investment capital of condominium renovation and reconstruction projects and paid by project owners; project owners shall refund relocation expenses to state agencies in case state agencies have relocated people from condominiums subject to demolition before condominium renovation and reconstruction project owners are selected.

Based on local conditions, provincial-level People's Committees shall decide to allocate local budget funds as support for relocation expenses according to the order and procedures prescribed by the law on the state budget.

#### **Article 74.** Forced relocation of condominium owners and users

1. Past the relocation deadline specified in relocation decisions of provincial-level People's Committees, if condominium owners or users fail to remove, provincial-level People's Committees shall issue forced relocation decisions.

2. A forced relocation decision must have the following main contents:

a/ Names and addresses of condominium owners and users subject to forced relocation;

b/ Time for carrying out forced relocation;

c/ Location of temporary accommodation;

d/ Methods of forced relocation;

dd/ Expenses for forced relocation;

e/ Responsibilities of related agencies, organizations and individuals in implementing forced relocation.

3. District-level People's Committees of localities where exist condominiums shall organize forced relocation according to forced relocation decisions of provincial-level People's Committees.

4. Expenses for forced relocation are prescribed as follows:

a/ For the cases specified in Clause 1, Article 73 of this Law, expenses for forced relocation shall be covered by the local budgets;

b/ For the cases specified in Clause 2, Article 73 of this Law, expenses for forced relocation shall be included in the total investment capital of condominium renovation and reconstruction projects and paid by project owners; project owners shall refund expenses for forced relocation to state agencies in case state agencies have carried out forced relocation of people from condominiums subject to demolition before condominium renovation and reconstruction project owners are selected.

Based on local conditions, provincial-level People's Committees shall decide to allocate local budget funds as support for expenses for forced relocation according to the order and procedures prescribed by the law on the state budget.

#### **Article 75. Demolition of condominiums**

1. After the relocation of condominium owners and users is completed, condominium renovation and reconstruction project owners shall organize the demolition of the condominiums according to the following provisions:

a/ Condominium renovation and reconstruction project owners shall themselves carry out the demolition if they have sufficient capacity as prescribed by the construction law or may hire capable construction organizations to carry out the demolition.

b/ Before carrying out the demolition, condominium renovation and reconstruction project owners shall formulate demolition plans and send them to

provincial-level housing management agencies for appraisal and approval. Within 30 days after receiving demolition plans of condominium renovation and reconstruction project owners, provincial-level housing management agencies shall organize the appraisal and approval of demolition plans according to the construction law;

c/ Condominium renovation and reconstruction project owners shall organize the demolition according to demolition plans approved by provincial-level housing management agencies.

2. In case a condominium has to be urgently demolished to ensure the safety for surrounding construction works, the provincial-level housing management agency shall formulate a demolition plan and report it to the provincial-level People's Committee for organization of the demolition.

3. Expenses for demolition of a condominium shall be included in the project's total investment capital. The condominium renovation and reconstruction project owner shall refund emergency demolition expenses specified in Clause 2 of this Article to the state agency that has carried out the emergency demolition of the condominium.

4. The order and procedures for demolition of condominiums must comply with the construction law.

## Chapter VI

### SOCIAL HOUSING POLICIES

#### Section 1

#### GENERAL PROVISIONS

#### **Article 76.** Social housing support policy beneficiaries

1. People with meritorious services to the revolution and relatives of martyrs who are eligible for housing improvement support under the Ordinance on Preferential Treatment for People with Meritorious Services to the Revolution.

2. Poor households and near-poor households in rural areas.

3. Poor households and near-poor households in rural areas in regions frequently affected by disasters and climate change.

4. Poor households and near-poor households in urban areas.

5. Low-income people in urban areas.

6. Workers and laborers working in enterprises, cooperatives and unions of cooperatives inside and outside industrial parks.

7. Officers, professional army men and non-commissioned officers of the people's armed forces; workers of the public security forces; national defense officials, workers and employees on active duty; people engaged in cipher work and other staffs on active duty of cipher organizations who are salaried by the state budget.

8. Cadres, civil servants and public employees as prescribed by the law on cadres, civil servants and public employees.

9. Those who have returned official residences in accordance with Clause 4, Article 125 of this Law, except those who are subject to recovery of official residences due to violations of this Law.

10. Households and individuals that are subject to land recovery and house demolition in accordance with law but have yet to be compensated by the State in house or residential land.

11. Learners and students of general universities, academies, universities, colleges, vocational schools and specialized schools as prescribed by law; pupils of public ethnic minority boarding schools.

12. Enterprises, cooperatives and unions of cooperatives operating in industrial parks.

**Article 77.** Forms of implementation of social housing support policies

1. Support in the form of sale, lease-purchase or lease of social houses to the subjects specified in Clauses 1, 4, 5, 6, 8, 9 and 10, Article 76 of this Law; and the subjects specified in Clause 7, Article 76 of this Law who have yet to benefit from housing support policies for the people's armed forces.

Based on local conditions, provincial-level People's Committees may prescribe the provision of support in the form of sale, lease-purchase or lease of social houses to the subjects specified in Clauses 2 and 3, Article 76 of this Law.

2. Support under national target programs or public investment programs on housing for the subjects specified in Clauses 1, 2 and 3, Article 76 of this Law to build, renovate and repair houses by their own.

3. Support in the form of giving houses as gifts/donations for the subjects specified in Clauses 1, 2 and 3, Article 76 of this Law; the exemption from, or reduction of, residential land use levy for construction of the houses specified in this Clause must comply with the land law.

4. Support in the form of sale, lease-purchase or lease of houses for the people's armed forces, for the subjects specified in Clause 7, Article 76 of this Law who have yet to benefit from the policies specified in Clause 1 of this Article.

5. Support in the form of provision of the State's preferential loans through the Bank for Social Policies and credit institutions designated by the State for the subjects specified in Clauses 1 thru 8, Article 76 of this Law to purchase or rent with an option to purchase social houses or build or renovate houses by their own; the subjects specified in Clause 7, Article 76 of this Law will be entitled to borrow preferential loans to purchase or rent with an option to purchase houses for the people's armed forces.

The Government shall detail this Clause.

6. The subjects specified in Clause 11, Article 76 of this Law are entitled to rent social houses during the term of their training courses.

7. The subjects specified in Clause 12, Article 76 of this Law are entitled to rent lodging houses for industrial park workers for sub-lease to their employees under Section 3 of this Chapter.

8. Workers working in enterprises, cooperatives and unions of cooperatives in industrial parks are entitled to rent lodging houses for industrial park workers under Section 3 of this Chapter.

**Article 78.** Conditions for entitlement to social housing support policies

1. To be entitled to purchase or rent with an option to purchase social houses, the subjects specified in Clauses 1, 4, 5, 6, 7, 8, 9 and 10, Article 76 of this Law must fully meet the following conditions:

a/ Housing condition: To be entitled to purchase or rent with an option to purchase social houses under a social housing investment project, a subject specified in Clauses 1, 4, 5, 6, 7, 8, 9 and 10, Article 76 of this Law must not own any house in the province or centrally run city where the social housing investment project is implemented, have yet to purchase or rent with an option to purchase a social house, and have yet to benefit from housing support policies in any form in the province or centrally run city where the social housing project is implemented; or must own a house in the province or centrally run city where the social housing project is implemented but the per-capita housing area is lower than the minimum housing area; those specified at Points b, c, d, dd, e and g, Clause 1, Article 45 of this Law must not be currently living in official residences. The Government shall detail this Point;

b/ Income condition: To be entitled to purchase or rent with an option to purchase social houses, the subjects specified in Clauses 5, 6, 7 and 8, Article 76 of this Law must meet the income condition according to the Government's regulations; the subjects specified in Clause 4, Article 76 of this Law must be those of poor households or near-poor households according to the Government's regulations.

2. The subjects specified in Clauses 1, 4, 5, 6, 7, 8, 9, 10 and 11, Article 76 of this Law shall, when renting social houses, not be required to meet the housing and income conditions specified in Clause 1 of this Article.

3. Conditions for receiving support in the form of borrowing preferential loans from the State through the Bank for Social Policies and credit institutions designated by the State:

a/ To be entitled to borrow loans to purchase or rent with an option to purchase social houses, the subjects specified in Clauses 1 thru 8, Article 76 of this Law must enter into a contract on purchase or rent with an option to purchase of social houses and meet loan borrowing conditions in accordance with the law on credit institutions;

b/ To be entitled to borrow loans to purchase or rent with an option to purchase houses for the people's armed forces, the subjects specified in Clause 7, Article 76 of this Law must enter into a contract on purchase or rent with an option to purchase of houses for the people's armed forces and meet loan borrowing conditions in accordance with the law on credit institutions.

4. To be entitled to receive support in the form specified in Clause 2, Article 77 of this Law, the subjects specified in Clauses 1, 2 and 3, Article 76 of this Law must meet the conditions specified in competent state agencies' decisions approving corresponding national target programs or public investment programs on housing.

5. To be entitled to rent lodging houses for industrial park workers, the subjects specified in Clause 6, Article 76 of this Law must meet the conditions specified in Clause 2, Article 93 of this Law.

6. To be entitled to purchase or rent with an option to purchase houses for the people's armed forces, the subjects specified in Clause 7, Article 76 of this Law must meet the conditions specified at Point a, Clause 1 of this Article and income conditions according to the Government's regulations. Those who rent houses for the people's armed forces are not required to meet the housing and income conditions.

7. To be entitled to rent lodging houses for industrial park workers for sub-lease to their employees, the subjects specified in Clause 12, Article 76 of this Law must meet the conditions specified in Clause 1, Article 93 of this Law.

8. To be entitled to purchase or rent with an option to purchase social houses under Clause 1, Article 77 of this Law, the subjects specified in Clauses 2 and 3, Article 76 of this Law must meet the housing condition specified at Point a, Clause 1 of this Article, have yet to benefit from the housing support policy specified in Clause 3, Article 77 of this Law, and be classified as poor households or near-poor households according to the Government's regulations.

Those who rent social houses are not required to meet the housing and income conditions specified in this Clause.

9. The Minister of Construction shall issue forms of papers proving the status of the subjects specified in Clauses 1, 2, 3, 4, 5, 6, 8, 9, 10 and 11, Article 76 of this Law and forms of papers proving eligibility for social housing support policies.

The Minister of National Defense and the Minister of Public Security shall issue forms of papers proving eligibility for social housing support policies for use by the subjects specified in Clause 7, Article 76 of this Law under their management.

#### **Article 79.** Principles of implementation of social housing support policies

1. The implementation of social housing support policies must adhere to the following principles:

a/ The State shall adopt housing development policies and create conditions for everyone to have a place to live in;

b/ The State, businesses, residential communities, families and policy beneficiaries shall join hands in implementing social housing support policies;

c/ To ensure publicity, transparency, and strict inspection and supervision by competent state agencies, residential communities and the Vietnam Fatherland Front;

d/ To ensure eligibility and satisfaction of the conditions in accordance with this Law;

dd/ In case a subject is entitled to more than one support policy with different support levels, the highest support level will be applied; in case there are more than one subject meeting the same criteria and conditions, the following order of priority will be applied: people with meritorious services to the revolution,

relatives of martyrs, people with disabilities, people entitled to arrangement of resettlement in the form of purchase or hire-purchase of social houses, and women;

e/ In case a household has more than one member entitled to different support policies, only one support policy will be applied to the household as a whole.

2. Provincial-level People's Committees shall organize, examine and inspect the implementation of social housing support policies in their localities.

3. The provisions of Section 2 of this Chapter do not apply to development of lodging houses for industrial park workers, development of houses for the people's armed forces, or individuals who build or renovate their houses by themselves, unless Sections 3, 4 and 5 of this Chapter contain provisions referring to the application of the provisions of Section 2 of this Chapter.

## Section 2

### DEVELOPMENT OF SOCIAL HOUSES FOR SALE, LEASE-PURCHASE AND LEASE

#### **Article 80.** Forms of social housing development

1. The State shall invest in building social houses with public investment funds for lease and lease-purchase.

2. The State shall invest in building social houses with the funding sources specified at Point b, Clause 1, Article 113 of this Law for sale, lease-purchase and lease.

3. Enterprises, cooperatives and unions of cooperatives shall invest in building social houses for sale, lease-purchase and lease to the subjects specified in Clause 1, Article 77 of this Law.

4. The Vietnam General Confederation of Labor shall act as the managing agency of social housing investment projects that are invested with financial sources of trade unions for lease to workers and employees being social housing policy beneficiaries.

5. Foreign-invested economic organizations shall participate in social housing development in the form of capital investment, investment in social housing construction or entering into business cooperation with domestic enterprises, cooperatives and unions of cooperatives to jointly implement social housing investment projects for sale, lease-purchase or lease in accordance with this Law, the laws on land and real estate business, and relevant regulations.

6. Individuals may build social houses for lease to the subjects specified in Clause 1, Article 77 of this Law.

**Article 81.** Types of and requirements on social housing investment projects

1. Social housing investment projects include the projects specified at Points a, b, c, dd and e, Clause 1, Article 30 of this Law.

2. Social housing investment projects specified in Clause 1 of this Article must be built on land areas reserved for social housing development specified in Clause 6, Article 83 of this Law and meet the requirements specified in Article 33 of this Law. The handover of social houses shall be carried out according to Clauses 3 and 4, Article 37 of this Law.

3. Social housing investment project owners shall build houses for sale, lease-purchase or lease and may not transfer land-use rights to individuals for self-construction of houses.

**Article 82.** Types and area standards of social houses

1. Types and area standards of social houses are prescribed as follows:

a/ Social houses are condominiums that are built under projects in conformity with approved detailed construction master plans. In case of implementing social housing investment projects in communes in ethnic minority and mountainous areas prescribed by the Prime Minister, it is permitted to build independent houses;

b/ In case of building condominiums as social houses, apartments must be designed and built according to national technical regulations on condominiums and meet area standards of social houses;

c/ In case of building independent houses as social houses, such houses must be designed and built in accordance with the construction law and meet area standards of social houses;

d/ In case individuals build social houses according to Clause 6, Article 80 of this Law, they may build multi-story, multi-apartment houses or independent houses in accordance with this Law.

2. The Government shall detail this Article.

**Article 83.** Land for social housing development

1. Provincial-level People's Committees shall allocate sufficient land areas for social housing development according to approved provincial-level housing development programs and plans, including: land areas for development of independent social houses; and land areas for building social houses within the

scope of commercial housing investment projects as prescribed in Clauses 2 and 3 of this Article.

For rural areas, provincial-level People's Committees shall, based on local conditions, allocate land areas for social housing development.

2. In special-grade, grade-I, grade-II and grade-III urban areas, provincial-level People's Committees shall, based on the Government's regulations, decide to require commercial housing investment project owners to reserve part of their projects' residential land area with technical infrastructure systems for building social houses; arrange land areas with technical infrastructure systems outside their projects in such urban areas for building social houses; or pay a sum of money equivalent to the value of land areas with technical infrastructure systems for building social houses.

3. For urban areas other than those specified in Clause 2 of this Article, provincial-level People's Committees shall, based on local conditions, specify criteria on commercial housing investment projects the owners of which are required to reserve part of the projects' residential land areas with technical infrastructure systems for building social housing; arrange land areas with technical infrastructure systems outside their projects in such urban areas for building social houses; or pay a sum of money equivalent to the value of land areas with technical infrastructure systems for building social houses.

4. Land areas for social housing development specified in Clause 1 of this Article must be arranged in conformity with the demand therefor determined in approved provincial-level housing development programs and plans, ensure connection with technical and social infrastructure systems of the areas where projects are implemented, and conform to the living and working needs of beneficiaries of social housing policies specified in this Law.

Provincial-level People's Committees shall invest in the construction of technical infrastructure systems outside social housing investment projects.

5. Based on the demand for investment in social housing construction determined in provincial-level housing development programs and plans, provincial-level People's Committees shall, during the process of making local budget estimates, report to the same-level People's Councils the reserve of budget funds for investment in social housing investment projects in their localities, carry out compensation, support, resettlement, investment in technical infrastructures outside social housing investment projects, connection of technical infrastructure systems of social housing investment projects with technical infrastructure

systems outside social housing investment projects to ensure synchronization of social infrastructure inside and outside projects.

6. Land areas for social housing development under projects include:

a/ Land areas allocated by the State for building houses for sale, lease-purchase or lease;

b/ Land areas leased by the State for building houses for lease;

c/ Residential land areas reserved for building social houses specified in Clauses 2 and 3 of this Article;

d/ Land areas for implementation of social housing investment projects by enterprises, cooperatives and unions of cooperatives according to Point c, Clause 4, Article 84 of this Law.

7. Individuals may use land-use rights as prescribed in Clause 3, Article 54 of this Law to build social houses.

8. The Government shall detail Clause 2 of this Article.

#### **Article 84.** Social housing investment project owners

1. For social housing investment projects invested with the funding sources specified in Clause 1, Article 113 of this Law, their owners shall be determined according to the laws on public investment and construction.

For social housing investment projects subject to investment decision by provincial-level People's Committee chairpersons, provincial-level housing management agencies shall recommend entities to act as project owners in accordance with the laws on public investment and construction.

2. For social housing investment projects invested with financial resources of trade unions, their owners shall be determined according to the provisions applicable to public investment projects of the laws on public investment and construction.

3. Owners of commercial housing investment projects which are required to reserve a land area within the projects for building social houses according to Clauses 2 and 3, Article 83 of this Law shall be assigned to build social houses, unless the State allocates such land area to other organizations for building social houses.

4. For a social housing investment project that is not invested by the funding sources specified in Clauses 1 and 2 of this Article and does not fall into cases in which commercial housing investment project owners are required to build social houses, the selection of the project owner shall be carried out as follows:

a/ In case there is only 1 investor expressing interest in the project as prescribed by the bidding law, the competent agency shall carry out procedures to approve the investor to act as the project owner as long as the investor meets the conditions and criteria prescribed by the Government;

b/ In case there are 2 or more investors expressing interest in the project, the project owner shall be selected through bidding in accordance with the bidding law;

c/ It is permitted to approve investment policy concurrently with approval of an investor to act as the project owner in case the investor has acquired land-use rights through an agreement on acquisition of land-use rights for land areas qualified for implementation of social housing investment projects or currently possesses land-use rights for land areas qualified for implementation of social housing investment projects in accordance with the Land Law.

5. Social housing investment project owners specified in Clauses 3 and 4 of this Article have the rights specified in Clauses 1, 2, 3, 5, 6, 7 and 8, Article 38; Clause 2, Article 85; and Clause 2, Article 88, of this Law.

6. Social housing investment project owners specified in Clauses 3 and 4 of this Article have the obligations specified in Clauses 1, 3, 5, 6, 8, 9, 10, 11 and 13, Article 39; Clause 3, Article 81; and Clause 4, Article 87, of this Law and the following obligations:

a/ Making a deposit or obtaining a bank guarantee for the obligation to make a deposit for implementation of the projects in accordance with the law on investment; ensure financial capacity to implement the projects in accordance with law;

b/ Fully implementing commitments in the projects' product sales contracts; ensuring the quality of works in accordance with the construction law; handing over houses together with accompanying documents and carrying out house purchase and sale, lease-purchase or lease transactions in accordance with this Law, the law on real estate business and other relevant laws.

7. The Government shall detail this Article.

**Article 85.** Incentives for owners of investment projects to build social houses for sale, lease-purchase or lease

1. Owners of social housing investment projects invested with public investment funds are entitled to the incentives specified at Points a and b, Clause 2 of this Article. Owners of social housing investment projects invested with

financial sources of trade unions are entitled to the incentives specified at Points a, b, e, g and h, Clause 2 of this Article.

2. Owners of social housing investment projects not invested with the funding sources specified in Clause 1 of this Article are entitled to the following incentives:

a/ Exemption from land use levy and land rental for the projects' entire land area. Project owners are not required to carry out procedures for determination of land prices and calculation of to-be-exempted land use levy or land rental and procedures to request exemption from land use levy and land rental, except the case specified at Point d of this Clause;

b/ Value-added tax and enterprise income tax incentives in accordance with the tax laws;

c/ Profits not exceeding 10% of the total construction investment cost for the social housing construction area;

d/ Setting aside at most 20% of the total residential land area within the projects' land areas with technical infrastructure systems for building service and commercial facilities and commercial houses. Project owners may account separately but may not include costs for construction of these service and commercial facilities and commercial houses in social house costs and may enjoy all profits for the area of these service and commercial facilities and commercial houses; in case of investing in commercial houses, project owners shall pay land use levy for the commercial housing construction area in accordance with the land law.

In case the detailed plan of a social housing investment project approved by a competent state agency does not mention the arrangement of a separate land area for construction of service and commercial facilities and commercial houses within the project area, the project owner may set aside at most 20% of the total residential floor area of the project for service and commercial purposes. The project owner may account separately but may not include costs for construction of service and commercial facilities in social house costs and may enjoy all profits for the area of these service and commercial facilities;

dd/ Borrowing preferential loans. Owners of investment projects to build social houses for lease may borrow loans with a lower interest rate and a longer loan term than those applicable to cases of building social housing for sale or lease-purchase according to the Prime Minister's regulations in each period;

e/ Support from provincial-level People's Committees to connect the projects' technical infrastructure systems with the surrounding areas' technical

infrastructure systems, ensuring synchronization of social infrastructure inside and outside the projects;

g/ Provincial-level People's Councils shall, based on local conditions and within their competence, promulgate mechanisms on support for social housing investment projects in their localities in accordance with relevant laws;

h/ Other incentives as prescribed by law (if any).

3. In case commercial housing investment project owners directly invest in building social houses within the scope of their projects, they will be entitled to the incentives specified in Clause 2 of this Article for the land area specified in Clauses 2 and 3, Article 83 of this Law on which they build social houses.

4. Individuals are entitled to borrow preferential loans under Clause 2 of this Article to build or renovate and repair houses for lease to social housing support policy beneficiaries.

5. The Government shall detail Points c, d and dd, Clause 2; and Clause 3, of this Article.

**Article 86.** Determination of rates for rent and rent with an option to purchase of social houses built with public investment funds and financial sources of trade unions

1. In case renting a social house, the rental rate must fully include the house maintenance cost and house construction capital recovery cost in a minimum of 20 years from the date of signing the lease contract.

2. In case of renting with an option to purchase a social house, the rental rate must fully include house construction capital recovery cost in a minimum period 5 years from the date of signing the lease-purchase contract, and not include the maintenance cost payable by the lessee-purchase.

3. The rates for rent or rent with an option to purchase of social houses must not include the incentives specified in Clause 1, Article 85 of this Law.

4. The competent agencies specified in Article 14 of this Law shall decide on rates for rent and rent with an option to purchase of social houses.

5. The Vietnam General Confederation of Labor shall decide on rental rates of social houses built with financial resources of trade unions.

**Article 87.** Determination of sale prices, rental rates and rates for rent with an option to purchase of social houses built with funds other than public investment funds and financial resources of trade unions

1. The sale price of a social house shall be determined as follows:

a/ To include all costs in order to recover investment capital, including: house construction cost, cost for compensation, support and resettlement; cost for technical and social infrastructure systems built by the social housing investment project owner (if any) in the projects' area, except those which are built for commercial purposes or required to be handed over to the State for management under the project's approved contents; loan interest (if any); reasonable and valid expenses of enterprises, including selling expenses, enterprise management expenses, expenses with sufficient invoices and documents directly related to the project in accordance with law; and the profit rate specified at Point c, Clause 2, Article 85 of this Law;

b/ Not to include the incentives specified in Points a, b, dd, g and h, Clause 2, Article 85 of this Law and the maintenance cost payable by the purchaser according to Article 152 of this Law.

2. The rates for rent with an option to purchase of social houses shall be determined according to Clause 1 of this Article.

3. Rental rates of social houses, including also house maintenance costs, shall be agreed upon by social housing investment project owners and lessees according to rental rate brackets prescribed by provincial-level People's Committees.

4. Social housing investment project owners shall formulate plans on sale prices and rates for rent with an option to purchase of social houses, ensuring adherence to the principles specified in Clause 1 of this Article, and submit them to specialized agencies of provincial-level People's Committees for appraisal at the time the houses are qualified for sale or lease-purchase in accordance with the housing law.

5. The rental rates of social houses built by individuals with their own funds must conform to the rental rate brackets prescribed by provincial-level People's Committees.

6. The Government shall detail this Article.

#### **Article 88.** Principles of sale, lease-purchase and lease of social houses

1. The sale, lease-purchase and lease of social houses must comply with this Law.

2. Social housing investment project owners may choose to apply the form of sale or lease-purchase of future houses or sale, lease-purchase or lease of ready-built houses. Social housing investment project owners shall, upon sale or lease-purchase of houses, not be required to fulfill the obligation to provide guarantee for future houses and conduct transactions via real estate exchanges.

3. The sale and lease-purchase of future social houses under a social housing investment project must satisfy the following conditions:

a/ The project dossier and house technical design have been approved and a construction permit has been granted, in case such permit is required;

b/ The construction of the house foundation has been completed as required under the construction law and roads, water supply and drainage systems, domestic electricity and public lighting systems of the housing area put up for sale or lease-purchase have been completed according to the project's approved detailed construction plan, design documents and progress; and the mortgage has been released in case the project has been mortgaged by the project owner, unless the purchaser or lessee-purchase and the mortgagee agree that the mortgage release is not required;

c/ The provincial-level housing management agency has issued a notice of the house's eligibility for sale or lease-purchase, except social houses built with public investment funds.

4. The sale, lease-purchase or lease of ready-built social houses by a social housing investment project owner must satisfy the following conditions:

a/ The construction of technical infrastructure systems and social infrastructure facilities in the housing area for sale, lease-purchase or lease has been completed according to the project's approved detailed construction plan, design documents and progress; and the mortgage has been released before sale or lease-purchase in case the project has been mortgaged by the project owner, unless the purchaser or lessee-purchase and the mortgagee agree that the mortgage release is not required;

b/ The provincial-level housing management agency has issued a notice of the house's eligibility for sale, lease-purchase or lease, except social houses built with public investment funds;

c/ The houses meet the conditions specified at Points b and c, Clause 1, Article 160 of this Law.

5. Social houses built by individuals for lease must only comply with Article 56 of this Law.

6. Each subject specified in Clauses 1, 2, 3, 4, 5, 6, 8, 9 and 10, Article 76 of this Law may purchase or rent with an option to purchase only 1 social house. Each subject specified in Clause 7, Article 76 of this Law may purchase or rent with an option to purchase only 1 social house or 1 house for the people's armed forces.

7. Each subject specified in Clauses 1, 2, 3, 4, 5, 6, 8, 9, 10 and 11, Article 76 of this Law may rent only 1 social house at a time. Each subject specified in Clause 7, Article 76 of this Law may rent only 1 social house or 1 house for the people's armed forces at a time.

8. Lessees or lessees-purchase of social houses may only use the houses for the residential purpose for themselves and family members during the lease or lease-purchase term; if they no longer need to rent or rent with an option to purchase the houses, they shall terminate contracts and return the houses.

9. Owners of investment projects on construction of social houses for lease may sell these houses to those in need according to the market mechanism after 10 years from the date these houses are tested for acceptance and put into use if the projects are conformable with construction master plans, urban master plans and the land law. These projects owners shall pay land use levy according to the Government's regulations and other taxes in accordance with the tax laws. Social houses classified as public assets must comply with Clause 2, Article 125 of this Law.

10. In case the sale or lease-purchase of social houses violates this Law's provisions on eligibility or conditions for purchase or rent with an option to purchase of social houses, the house purchase and sale or lease-purchase contracts shall be invalidated and the purchasers or lessee-purchase shall be required to hand over the houses to social housing investment project owners or social housing management units; in case they refuse to hand over the houses, provincial-level People's Committees of localities where the houses are located shall organize forced recovery of these houses.

The handling of payments for purchase of social houses must comply with the civil law; the handling of payments for rent with an option to purchase of social houses must comply with Clause 1, Article 175 of this Law; and the forced recovery of social houses must comply with the Government's regulations.

**Article 89.** Sale, lease-purchase and lease of social houses

1. The sale of social houses shall be carried out according to the following regulations:

a/ The sale of future social houses can be carried out only when the conditions specified in Clause 3, Article 88 of this Law are met; the sale of ready-built social houses can be carried out only when the conditions specified in Clause 4, Article 88 of this Law are met;

b/ The purchase and sale of social houses shall be made into a contract which must have the contents specified in Article 163 of this Law;

c/ The advance payment by a social house purchaser shall be made as agreed in the house purchase and sale contract in conformity with the house construction completion rate and the approved implementation schedule of the project provided that the first advance payment, inclusive of the deposit (if any), must not exceed 30% of the contract value; and the value of total payments before the house is handed over to the purchaser and before the purchaser is granted a Certificate for that house must not exceed 70% and 95% of the contract value, respectively;

d/ The social house purchaser may not resell the house within 5 years from the date of making full payment for purchase of the house, except the case specified at Point dd of this Clause;

dd/ Within 5 years from the date the social house purchaser makes full payment for the purchase of the house and wishes to sell this house, he/she may only resell the house to the social housing investment project owner or a subject eligible to purchase social houses at a sale price not exceeding the sale price of this social house stated in the purchase and sale contract signed with the social housing investment project owner. The payment of personal income tax must comply with the tax laws;

e/ After 5 years from the date of making full payment for the purchase of the house, the social house purchaser may resell the house according to the market mechanism to those in need as long as it/he/she has been granted a Certificate; the seller are not required to pay land use levy but shall pay income tax in accordance with the tax laws, except cases of selling social houses as independent houses in which the seller is required to pay land use levy in accordance with the Government's regulations and pay income tax in accordance with the tax laws.

2. The lease-purchase of social houses shall be carried out according to Points a and b, Clause 1 of this Article and the following regulations:

a/ The payment term for lease-purchase of a social house is within 5 years from the date of signing the house lease-purchase contract;

b/ The lessee-purchase of a social house may not resell the house within 5 years from the date of making full payment for the lease-purchase of the house according to the time limit specified at Point a of this Clause, except the case specified at Point c this Clause;

c/ Within 5 years from the date the lessee-purchase makes full payment for the lease-purchase of the house, if wishing to sell the house, it/he/she may only resell it to the housing management agency, in case the house is built with public investment funds, or resell the house to the social housing investment project

owner, in case the house is built with funds other than public investment funds, or resell the house to the subjects eligible to purchase social houses at a sale price not exceeding the sale price of this house stated in the purchase and sale contract signed with the housing management agency or social housing investment project owner. The payment of personal income tax must comply with the tax laws;

d/ After 5 years from the date the lessee-purchaser makes full payment for the hire-purchase of the social house according to the time limit specified at Point a of this Clause, it/he/she may resell the house according to the market mechanism according to Point e, Clause 1 of this Article.

3. The lease of social houses shall be carried out according to the following regulations:

a/ The lease of ready-built social houses may be carried out only when the conditions specified in Clause 4 or 5, Article 88 of this Law are met;

b/ The lease of social houses shall be made into a contract which must have the contents specified in Article 163 of this Law;

c/ It is not permitted to sign contracts for lease of future social houses. For social housing investment projects that fully meet the conditions specified at Points a and b, Clause 3, Article 88 of this Law, their owners may only sign a deposit contract and collect a deposit not exceeding the 12 months' temporarily calculated rental rate; the signing of the deposit contract must ensure compliance with regulations on eligibility and conditions for rent of social houses prescribed in this Law; after the conditions specified in Clause 4, Article 88 of this Law are fully met, the project owner may sign a house lease contract with the lessee.

4. The Government shall prescribe the order and procedures for sale, lease-purchase and lease of social houses.

#### **Article 90. Operation management of social houses**

1. For social houses built with public investment funds, the competent agencies specified in Article 14 of this Law shall decide to select housing operation management units according to Clause 5, Article 125 of this Law. For social houses built with financial resources of trade unions, the Vietnam General Confederation of Labor shall decide to select housing operation management units according to its competence; in case there are 2 or more units registering to be selected as housing operation management units, it is permitted to apply the bidding law to select housing operation management units.

2. The operation management of social houses that are built with funds other than public investment funds or financial resources of trade unions are prescribed as follows:

a/ For social houses for lease, social housing investment project owners shall organize the operation management of houses by themselves or hire or entrust qualified units as prescribed by this Law to manage the operation of these houses;

b/ For social houses for lease-purchase, during the lease-purchase term, project owners shall manage and operate the houses according to Point a of this Clause; after the lessees-purchase make full payment for the lease-purchase of the houses to the project owners, the operation management of social houses must comply with Point c of this Clause;

c/ For social house for sale, house purchasers shall manage and operate the houses by themselves, if the houses are independent houses; social houses which are condominiums must comply with this Law's provisions on operation management of condominiums.

3. Social housing operation management activities shall be entitled to incentives like public-utility services.

4. Social housing operation management units have the right to deal in other services which are not prohibited by law in the social housing area to reduce the housing operation management service prices.

### Section 3

## DEVELOPMENT OF LODGING HOUSES FOR INDUSTRIAL PARK WORKERS

**Article 91.** Subjects entitled to the support policy on lodging houses for industrial park workers

1. Workers currently working in production enterprises, cooperatives and unions of cooperatives in industrial parks.

2. Enterprises engaged in commercial operation of industrial park infrastructure; and production enterprises, cooperatives and unions of cooperatives in industrial parks investing in the construction of lodging houses for industrial park workers.

**Article 92.** Forms of development of lodging houses for industrial park workers

1. Enterprises engaged in commercial operation of industrial park infrastructure may invest in the construction of lodging houses for industrial park workers.

2. Production enterprises, cooperatives and unions of cooperatives in industrial parks may invest in the construction of or rent lodging houses for industrial park workers for sublease to their workers.

**Article 93.** Conditions for renting lodging houses for industrial park workers

1. If wishing to rent lodging houses for industrial park workers, production enterprises, cooperatives and unions of cooperatives in industrial parks must have industrial park ground rent contracts, be currently engaged in production and business activities in such industrial parks, and have labor hire and employment contracts with the subjects specified in Clause 1, Article 91 of this Law.

2. If wishing to rent lodging houses for industrial park workers, the subjects specified in Clause 1, Article 91 of this Law must have labor contracts and certification of production enterprises, cooperatives and unions of cooperatives in industrial parks or enterprises engaged in commercial operation of industrial park infrastructure.

3. The approval of eligibility for renting lodging houses for industrial park workers shall be carried out by owners of investment projects on construction of lodging houses for industrial park workers. In case production enterprises, cooperatives and unions of cooperatives in industrial parks rent lodging houses for industrial park workers for sublease to their workers, the approval of eligibility for renting houses shall be carried out by production enterprises, cooperatives and unions of cooperatives. Industrial park management boards shall inspect according to their competence the approval of eligibility for renting lodging houses for industrial park workers.

**Article 94.** Planning and allocation of land for development of lodging houses for industrial park workers

1. Based on provincial-level land-use master plans and plans, provincial-level housing development programs and plans, in the course of formulation and modification of master plans on construction of industrial parks, competent agencies shall decide on the allocation of land in commercial and service land areas of such industrial parks to construct lodging houses for industrial park workers and service and public facilities for workers working in production enterprises, cooperatives and unions of cooperatives in such industrial parks. Environmental safety distances must be ensured between land areas on which

lodging houses for industrial park workers and service and public facilities are to be constructed and production areas in industrial parks.

2. The Government shall specify conditions on assurance of environmental safety, scale and proportion of land areas for development of lodging houses for industrial park workers.

**Article 95.** Types of, and requirements on, investment projects on construction of lodging houses for industrial park workers

1. Investment project on construction of lodging houses for industrial park workers means an investment project on construction of a lodging house or lodging housing complex for industrial park workers.

2. An investment project on construction of lodging houses for industrial park workers specified in Clause 1 of this Article must satisfy the following requirements:

a/ Conforming to the master plan on construction of industrial parks;

b/ Meeting the demand for house floor area for industrial park workers as determined in the provincial-level housing development program or plan;

c/ Ensuring complete technical and social infrastructure systems with sufficient functional quarters and spaces to meet the demand for accommodations, including healthcare, cultural, playground, sports and physical training, service and commercial facilities and public utilities;

d/ Having fences and passageways built in separation from production areas in the industrial park, ensuring security and safety;

dd/ Making environmental impact assessment in accordance with the environmental protection law.

3. Investment projects on construction of lodging houses for industrial park workers must obtain industrial park management boards' approval of investment policy and investors in accordance with the investment law's provisions applicable to house construction investment projects; and shall manage and control quality, floor area standards and rent rates of lodging houses for industrial park workers.

**Article 96.** Types and designing and construction standards of lodging houses for industrial park workers

1. Lodging houses for industrial park workers constitute a type of condominiums constructed in conformity with detailed construction plans approved by competent state agencies.

2. Lodging houses for industrial park workers shall be designed and constructed according to construction standards and regulations with priority given to the application of new construction technologies to reduce costs and save energy.

**Article 97.** Owners of investment projects on construction of lodging houses for industrial park workers

1. Enterprises engaged in commercial operation of industrial park infrastructure shall determine the demand for rent of lodging houses for industrial park workers, formulate and submit to competent authorities for approval master plans on investment in construction of technical and social infrastructure of lodging houses for industrial park workers associated with industrial parks.

2. After completing the construction of technical and social infrastructure of lodging houses, enterprises engaged in commercial operation of industrial park infrastructure may on their own invest in construction of, or lease land to production enterprises, cooperatives and unions of cooperatives in industrial parks to construct, lodging houses for industrial park workers.

**Article 98.** Incentives for owners of investment projects on construction of lodging houses for industrial park workers and enterprises, cooperatives and unions of cooperative that rent lodging houses for industrial park workers for sublease to their workers

1. Owners of investment projects on construction of lodging houses for industrial park workers are entitled to the incentives specified at Points a, b, dd, g and h, Clause 2, Article 85 of this Law and the following incentives:

a/ Investment costs of technical and social infrastructure of lodging houses for industrial park workers shall be included in investment costs of industrial park infrastructure;

b/ Construction investment costs of lodging houses for industrial park workers shall be calculated as deductible expenses upon the determination of taxable income in accordance with the enterprise income tax law.

2. In case production enterprises, cooperatives and unions of cooperatives in industrial parks rent lodging houses for industrial park workers for sublease to their workers, expenses for rent of such lodging houses may be accounted as reasonable expenses in production costs for enterprise income tax calculation in accordance with the tax laws.

**Article 99.** Rent rates of lodging houses for industrial park workers

Rent rates of lodging houses for industrial park workers shall be agreed upon by lessors and lessees within the rent rate brackets promulgated by provincial-level People's Committees.

**Article 100.** Principles of lease and operation management of lodging houses for industrial park workers

1. Principles of lease of lodging houses for industrial park workers:

a/ An individual who is an industrial park worker may rent only 1 lodging house for industrial park workers at a time and may not sublease the rented house or transfer the rent contract;

b/ After his/her labor contract is terminated, the lessee shall return the lodging house for industrial park workers to the lessor;

c/ Production enterprises, cooperatives and unions of cooperatives in industrial parks may only rent lodging houses for industrial workers for sublease to individuals being their workers.

2. Lessors of lodging houses for industrial park workers shall lease such houses to eligible individuals who are industrial park workers.

3. The operation management of lodging houses for industrial park workers must comply with Point a, Clause 2, Article 90 of this Law.

4. The Government shall provide in detail the lease, management and use of lodging houses for industrial park workers.

#### Section 4

### DEVELOPMENT OF HOUSES FOR THE PEOPLE'S ARMED FORCES

**Article 101.** Subjects entitled to the support policy on houses for the people's armed forces

1. The subjects specified in Clause 7, Article 76 of this Law are entitled to the support policy on houses for the people's armed forces.

2. The Minister of National Defense and Minister of Public Security shall issue forms of papers proving the eligibility for the support policy on houses for the people's armed forces under their management.

**Article 102.** Development of houses for the people's armed forces

The Ministry of National Defense and Ministry of Public Security shall determine the house demand of the subjects specified in Clause 7, Article 76 of this Law under their management and notify it to provincial-level People's Committees for inclusion in their provincial-level housing development plans.

**Article 103.** Forms of development of houses for the people's armed forces

1. The State constructs houses for the people's armed forces with public investment funds for the subjects specified in Clause 7, Article 76 of this Law to rent with the option to purchase.

2. The State constructs houses for the people's armed forces with the funding sources specified at Point b, Clause 1, Article 113 of this Law for the subjects specified in Clause 7, Article 76 of this Law to purchase, rent with the option to purchase or rent.

3. Real estate businesses may invest in the construction of houses for the people's armed forces for the subjects specified in Clause 7, Article 76 of this Law to purchase, rent with the option to purchase or rent.

**Article 104.** Land for development of houses for the people's armed forces

The allocation of land for development of houses for the people's armed forces from localities' social housing development land areas specified in Article 83 of this Law shall be decided by provincial-level People's Committees, ensuring the connection with technical and social infrastructure systems of areas where housing development projects are located and meeting the living and working needs of subjects in the people's armed forces.

**Article 105.** Types of, and requirements on, investment projects on construction of houses for the people's armed forces; types and area standards of houses for the people's armed forces

1. Investment projects on construction of houses for the people's armed forces include the projects specified at Points a, b, c, dd and e, Clause 1, Article 30 of this Law.

2. Investment projects on construction of houses for the people's armed forces must satisfy the requirements specified in Article 33 of this Law and other requirements specified by the Minister of National Defense and Minister of Public Security for projects under their management. The handover of houses for the people's armed forces must comply with Clauses 3 and 4, Article 37 of this Law.

3. Owners of investment projects on construction of houses for the people's armed forces shall construct houses for sale, lease-purchase or lease, and may not transfer land use rights to individuals for the latter to construct houses by themselves.

4. Types and area standards of houses for the people's armed forces must comply with Points a, b and c, Clause 1, Article 82 of this Law.

**Article 106.** Owners of investment projects on construction of houses for the people's armed forces

1. The determination of owners of investment projects on construction of houses for the people's armed forces constructed with the funding sources specified in Clause 1, Article 113 of this Law must comply with the public investment and construction laws.

2. Owners of investment projects on construction of houses for the people's armed forces not constructed with funding sources specified in Clause 1 of this Article shall be selected by provincial-level People's Committees under Clause 4, Article 84 of this Law.

3. Owners of investment projects on construction of houses for the people's armed forces specified in Clause 2 of this Article have the rights and obligations specified in Clauses 5 and 6, Article 84 of this Law.

**Article 107.** Incentives for owners of investment projects on construction of houses for the people's armed forces

1. Owners of investment projects on construction of houses for the people's armed forces constructed with public investment capital are entitled to the incentives provided at Points a and b, Clause 2, Article 85 of this Law.

2. Owners of investment projects on construction of houses for the people's armed forces not constructed with funding sources specified in Clause 1 of this Article are entitled to the incentives provided in Clause 2, Article 85 of this Law.

**Article 108.** Determination of sale prices, lease-purchase prices and rent rates of houses for the people's armed forces

1. For investment projects on construction of houses for the people's armed forces constructed with public investment capital, the determination of house rent rates or lease-purchase prices must comply with Article 86 of this Law.

2. For investment projects on construction of houses for the people's armed forces not constructed with funding sources specified in Clause 1 of this Article, the determination of house sale prices, lease-purchase prices and rent rates must comply with Clauses 1, 2, 3 and 4, Article 87 of this Law.

**Article 109.** Principles of sale, lease-purchase, lease and management of operation of houses for the people's armed forces

1. The sale, lease-purchase and lease of houses for the people's armed forces must comply with Articles 88 and 89 of this Law.

2. The operation management of houses for the people's armed forces must comply with Article 90 of this Law.

3. The Government specifies the order and procedures for sale, lease-purchase and lease of houses for the people's armed forces.

## Section 5

### HOUSING SUPPORT POLICIES FOR HOUSEHOLDS AND INDIVIDUALS THAT CONSTRUCT, RENOVATE OR REPAIR HOUSES BY THEMSELVES

**Article 110.** Housing support policies for households and individuals that construct, renovate or repair houses by themselves

1. The State shall provide support for the households and individuals specified in Clauses 1, 2 and 3, Article 76 of this Law to construct, renovate or repair houses by themselves under national target programs and public investment programs on houses.

2. Housing support policies for the subjects specified in Clause 1 of this Article shall be implemented as follows:

a/ Partial financial support from the state budget;

b/ Concessional loans from the Vietnam Bank for Social Policies;

c/ Financial support for construction of technical and social infrastructure in rural housing areas;

d/ Donation of houses to subjects that remain financially incapable to improve their housing conditions after receiving the financial support provided at Points a and b of this Clause.

3. The State shall provide concessional loans through the Vietnam Bank for Social Policies or credit institutions designated by the State for the households and individuals specified in Clauses 1 thru 8, Article 76 of this Law to construct, renovate or repair houses by themselves.

4. Conditions for the subjects specified in Clause 3 of this Article to borrow the State's concessional loans through the Vietnam Bank for Social Policies and credit institutions designated by the State:

a/ Having residential land areas on which there are no houses or having damaged or dilapidated houses;

b/ Having permanent residence registration in commune-level administrative units where they have residential land areas on which houses need to be constructed, renovated or repaired.

**Article 111.** Forms of implementation of housing support policies for households and individuals that construct, renovate or repair houses by themselves

1. The State shall provide support for households and individuals to construct, renovate or repair houses by themselves.

2. The State shall construct, renovate or repair houses for the subjects specified in Clauses 1, 2 and 3, Article 76 of this Law that are incapable of constructing, renovating and repairing houses by themselves.

## Chapter VII

### FINANCE FOR HOUSING DEVELOPMENT

**Article 112.** Funding sources for housing development

1. Equity of organizations and individuals.
2. The funding sources specified in Clause 1, Article 113 of this Law.
3. Funds mobilized from organizations and individuals under Article 114 of this Law.
4. Foreign investment.
5. Financial sources of trade unions specified the trade union law.
6. Other lawful funding sources.

**Article 113.** The State's funding sources for housing development

1. The State's funding sources for housing development include:
  - a/ Public investment capital as specified by the public investment law;
  - b/ National debentures, bonds, official development assistance, concessional loans of donors, and the State's development investment loans; funds mobilized from the land development fund and other off-budget financial funds of the State as specified by law.
2. The funding sources specified in Clause 1 of this Article shall be used by the State to develop official residences, social houses, houses for the people's armed forces, resettlement houses, and renovate and reconstruct condominiums and houses classified as public assets in accordance with this Law.

**Article 114.** Forms of mobilization of funds for housing development

1. Forms of mobilization of funds for housing development include:

- a/ Capital contribution, investment cooperation, business cooperation, joint venture or partnership of organizations and individuals;
- b/ Issuance of bonds, stocks and fund certificates in accordance with law;
- c/ Allocation of funds from the funding sources specified in Clause 1, Article 113 of this Law;
- d/ Borrowing of loans from credit and financial institutions operating in Vietnam;
- dd/ Borrowing of loans from the Vietnam Bank for Social Policies;
- e/ Foreign direct investment in Vietnam;
- g/ Other lawful funding sources.

2. The Government shall specify conditions for forms of mobilization of funds for housing development.

**Article 115.** Funds for development of all types of houses

1. Funds for development of commercial houses include:

- a/ Funds of commercial housing investment project owners;
- b/ Funds mobilized through capital contribution, investment cooperation, business cooperation, joint venture, partnership of organizations and individuals;
- c/ Funds mobilized through the issuance of bonds, stocks and fund certificates in accordance with law;
- d/ Advanced, deferred or in-installment house purchase or lease-purchase payments made by customers under contracts on purchase and sale or lease-purchase of future houses;

dd/ Loans from credit and financial institutions operating in Vietnam.

2. Funds for development of official residences include:

- a/ Allocated state budget funds, including central and local budgets;
- b/ Other lawful funding sources.

3. Funds for implementation of social housing policies include:

- a/ Funds of owners of social housing investment projects, investment projects on construction of lodging houses for industrial park workers, and investment projects on construction of houses for the people's armed forces; funds of commercial housing investment project owners;

b/ Funds mobilized through capital contribution, investment cooperation, business cooperation, joint venture or partnership of organizations and individuals;

c/ Funds of the subjects entitled to social housing support policies;

d/ Funds specified in Clause 1, Article 113 of this Law;

dd/ Funds directly provided by the State as support for subjects entitled to social housing policies; concessional loans provided through the Vietnam Bank for Social Policies or by credit institutions designated by the State;

e/ Trade unions' financial sources for implementation of the projects specified in Clause 4, Article 80 of this Law;

g/ Loans from credit and financial institutions operating in Vietnam;

h/ Foreign direct investment in Vietnam;

i/ Other lawful funding sources.

4. Funds for development of resettlement houses and renovation and reconstruction of condominiums include:

a/ Funds of owners of investment projects on construction of resettlement houses; funds of owners of projects on renovation or reconstruction of condominiums;

b/ Funds mobilized through capital contribution, investment cooperation, business cooperation, joint venture or partnership of organizations and individuals;

c/ Funds specified in Clause 1, Article 113 of this Law;

d/ Funds from the land development fund;

dd/ Compensation and support for resettlement upon ground clearance in accordance with law, contributions of resettled people for projects on renovation or reconstruction of condominiums;

e/ Loans from credit and financial institutions operating in Vietnam;

g/ Other lawful funding sources.

5. Funds for development of individual houses include:

a/ Individual funds;

b/ Funds for cooperation among individuals; financial support of family clans and residential communities;

- c/ Loans from credit and financial institutions operating in Vietnam;
- d/ Funds provided by the State as support for subjects entitled to social housing support policies;
- dd/ Other lawful funding sources.

**Article 116.** Principles of mobilization and use of funds for housing development

1. The mobilization of funds for housing development must adhere to the following principles:

- a/ Mobilizing funds in law-specified forms;
- b/ Fully satisfying the fund mobilization conditions specified by the housing law;
- c/ Being appropriate to each type of houses specified by this Law;
- d/ Complying with the anti-money laundering law;

dd/ Complying with the bidding law and other relevant regulations; cases of mobilization of the State's funding sources under Article 113 of this Law must also comply with the state budget and public investment laws.

e/ Capital contributors and parties to investment cooperation, business cooperation, joint ventures or partnerships specified at Point a, Clause 1, Article 114 of this Law may only divide profits in cash or stocks based on capital contribution portions as agreed upon in contracts; housing investment project owners may not apply the form of fund mobilization specified at this Point or other forms of fund mobilization for the purpose of sharing of housing products or enjoying priority in registration, making of deposits or purchase of houses or dividing land use rights under projects to capital-receiving parties, except the case of contributing capital for the establishment of new legal entities to be assigned by the State to act as housing investment project owners in accordance with law.

2. The mobilization of funds in an inappropriate form that fails to fully satisfy the conditions specified by the housing law for each type of house is regarded as legally invalid.

3. The use of funds for housing development must adhere to the following principles:

- a/ Ensuring publicity and transparency; protecting lawful rights and interests of subjects from whom funds are mobilized;

b/ Using mobilized funds for housing development and implementation of housing investment projects, not for other projects or purposes;

c/ Ensuring that the allocation and use of funding sources for housing development conform to approved provincial housing development programs and plans.

**Article 117.** Concessional loans from the Vietnam Bank for Social Policies for development of social houses

1. The Vietnam Bank for Social Policies shall provide long-term concessional loans with low interest rates by allocating state budget funds to the Vietnam Bank for Social Policies for implementation of national target programs and public investment programs on housing and construction of social houses and houses for the people's armed forces in accordance with regulations of the Government and the Prime Minister in each period.

2. The Vietnam Bank for Social Policies may mobilize savings of domestic households and individuals that wish to purchase or rent with an option to purchase social houses and houses for the people's armed forces for providing these subjects with long-term concessional loans after a certain saving-depositing period.

3. The Vietnam Bank for Social Policies shall open separate accounts for management and use of funding sources for proper purposes specified in Clauses 1 and 2 of this Article.

4. The Government shall detail this Article.

## Chapter VIII

### MANAGEMENT AND USE OF HOUSES

#### Section 1

#### GENERAL PROVISIONS

**Article 118.** Contents of management and use of houses

1. Preparation, archive, handover and management of house dossiers.

2. Management and use of houses of artistic, architectural, cultural or historical value.

3. Management and use of houses classified as public assets.

4. Insurance, warranty, maintenance, renovation and demolition of houses

### **Article 119.** Preparation of house dossiers

1. House owners or current users in case house owners have not yet been identified, and organizations assigned to manage houses as public assets shall prepare and archive house dossiers under Clause 2 of this Article.

2. Dossiers of houses, including independent houses and condominiums, are specified as follows:

a/ Dossiers of houses in urban areas and rural areas which are constructed before July 1, 2006, must include papers proving their lawful construction or house information declarations in accordance with the housing law;

b/ Dossiers of houses in urban areas constructed since July 1, 2006, must include papers proving the lawful construction of houses, papers indicating consultancy and construction units, design drawings and site plans of houses and residential land areas, and as-built dossiers specified by the construction law (if any);

c/ Dossiers of houses in rural areas constructed since July 1, 2006 must include papers proving the lawful construction of houses and design drawings and site plans of houses and residential land areas (if any);

d/ Dossiers of houses constructed under projects must include housing investment project dossiers and as-built dossiers specified by the construction law.

### **Article 120.** Archive, handover and management of house dossiers

1. Organizations and individuals that archive house dossiers are specified as follows:

a/ House owners or current users in cases house owners have not yet been identified; organizations assigned to manage houses as public assets shall archive house dossiers. The handover, archive and management of condominium dossiers must comply with regulations on condominium management and use;

b/ District-level housing management agencies shall archive dossiers of houses of domestic households and individuals and overseas Vietnamese in their localities;

c/ Provincial-level housing management agencies shall archive dossiers of houses of domestic organizations, foreign organizations and individuals, and of house construction investment projects in their localities.

2. When carrying out procedures for granting certificates, competent state agencies shall provide information on houses specified in Clause 2, Article 119 of

this Law to same-level housing management agencies for preparation of house dossiers.

Provincial-level People's Committees shall specify the coordination in the provision of information on houses between state agencies competent to carry out procedures for granting Certificates and local housing management agencies in order to ensure consistency of information on houses and residential land areas recorded in such house dossiers.

**Article 121.** Management and use of independent houses under housing investment projects

1. In case a housing investment project owner manages the area of independent houses after completing the construction of such houses, it shall manage the exterior architecture of such houses that have been handed over to house owners according to the approved design dossier; manage and maintain technical and social infrastructure systems for the owners and users of independent houses under the project according to the approved project contents, except the case subject to the handover to the State for management under the decided or approved investment policy.

In case the housing investment project owner does not manage the area of independent houses under the project, the provincial-level People's Committee shall manage the exterior architecture of such houses according to the approved master plan and regulations on project architecture management or assign it to the district-level People's Committee for management.

In case a housing investment project is eligible for transfer of land use rights to individuals for construction of their houses by themselves, the latter shall construct houses under the approved master plan and architecture management regulations.

2. A housing investment project owner may divide and name each area of independent houses that is zoned off and constructed separately under the project for management. The naming of the project and its areas must comply with Article 33 of this Law.

3. After independent houses are handed over and put into use, the housing investment project owner and owners and users of such houses may establish a housing area self-management board to manage the maintenance of the exterior architecture of houses, take care of trees and flower gardens and maintain utility facilities and the technical infrastructure system of the housing area, excluding technical infrastructure facilities that have been handed over to the State or have been assigned by the State to the housing investment project owner for

management and maintenance. The housing area self-management board must be composed of representatives of house owners and users and representatives of the housing investment project owner (if any).

4. House owners and users in the independence house area shall hold a meeting to elect members of the housing area self-management board, approve the regulations and term of office of the housing area self-management board, regulations on management and use of the housing area, decisions on contribution of funds to pay remunerations to the housing area self-management board members, taking care of trees and flower gardens, maintenance of utility facilities and technical infrastructure systems of the housing area that are not under the management of the State or the housing investment project owner.

5. The first-time election of a housing area self-management board shall be held by the housing investment project owner; the subsequent elections shall be held by the housing area self-management board or the authorized housing investment project owner. In case house owners and users fail to elect a housing area self-management board, the housing investment project owner shall manage this housing area according to the approved project contents.

6. The housing investment project owner may provide financial support for housing area self-management board to take care of trees and flower gardens and maintain utility facilities and technical infrastructure system of the housing area that is neither managed by the State nor itself. The jobs specified in this Clause shall be performed by the housing investment project owner. In case the housing investment project owner fails to perform such jobs, the housing area self-management board may hire a capable unit to do them.

**Article 122.** Management and use of houses with artistic, architectural, cultural or historical value

1. Houses with artistic, architectural, cultural or historical value, including also old villas, regardless of their form of ownership, are specified as follows:

a/ Houses classified by competent state agencies as national- or provincial-level historical-cultural relics;

b/ Houses not specified at Point a of this Clause but on lists approved by provincial-level People's Committees as specified in Clause 2 of this Article.

2. Provincial-level People's Committees shall set up councils composed of representatives of provincial-level architecture, construction and culture agencies, related professional associations and scientists to determine criteria and draw up lists of houses of artistic, architectural, cultural or historical value in their localities. Such councils shall submit lists of houses of artistic, architectural,

cultural or historical value in their localities to provincial-level People's Committees for approval in accordance with law.

3. The management and use of houses specified in Clause 1 of this Article must comply with this Law, the architecture and cultural heritage laws and other relevant regulations. The management and use of houses as public assets must also comply with Section 2 of this Chapter. The management and use of villas must also comply with Article 123 of this Law.

4. Funds for the management, conservation, maintenance and renovation of the houses specified at Point a, Clause 1 of this Article and houses classified as public assets shall be allocated by the state budget. For houses not classified as public assets but specified at Point b, Clause 1 of this Article, depending on practical local conditions, provincial-level People's Committees shall decide to partially or wholly pay expenses for the management, conservation, maintenance and renovation of these houses by their owners.

5. In case houses subject to conservation and renovation require a lower population density to ensure artistic, architectural, cultural or historical value of such houses, provincial-level People's Committees shall allocate land areas, formulate relocation projects, provide new accommodations for relocated people, and financial support for house owners and users to relocate before such the house conservation or renovation is commenced.

#### **Article 123.** Management and use of villas

1. Villas are divided into the following 3 groups:

a/ Group-1 villas are villas classified as historical-cultural relics in accordance with the cultural heritage law; villas with typical architectural value and ancient houses as determined and listed by councils specified in Clause 2, Article 122 of this Law for submission to provincial-level People's Committees for approval;

b/ Group-2 villas are villas other than those specified at Point a of this Clause but having artistic, architectural, cultural or historical value as determined and listed by councils specified in Clause 2, Article 122 of this Law for submission to provincial-level People's Committees for approval;

c/ Group-3 villas are villas other than those specified at Points a and b of this Clause.

2. The management and use, maintenance and renovation of villas must adhere to the following principles:

a/ Complying with this Law and the planning, architecture and construction laws; and also complying with the cultural heritage law, for villas with artistic, cultural or historical value.

b/ Keeping intact exterior architecture styles, including architectural shapes; internal structures; construction density, number of floors and height, for group-1 villas.

c/ Keeping intact exterior architecture styles, for group-2 villas.

**Article 124.** Transformation of house functions

1. Cases eligible for transformation of house functions include:

a/ Transformation of resettlement houses into social houses;

b/ Transformation of official residences or social houses that are no longer used into resettlement houses;

c/ Transformation of the houses specified at Point d, Clause 1, Article 13 of this Law into official residences or social houses for lease;

d/ Other cases decided by the Prime Minister based on proposals of the Ministry of Construction.

2. The transformation of house functions under Clause 1 of this Article must adhere to the following principles:

a/ Conforming to approved provincial-level housing development programs and plans and causing no loss of public assets;

b/ Ensuring that transformed houses are used efficiently, for proper purposes, and in conformity with technical standards and regulations applicable to transformed houses;

c/ Obtaining approval of the Ministry of Construction or provincial-level People's Committees.

3. The Government shall detail this Article.

Section 2

MANAGEMENT AND USE OF HOUSES CLASSIFIED AS PUBLIC ASSETS

**Article 125.** Management and use of houses classified as public assets

1. Houses classified as public assets shall be properly and efficiently used, avoiding loss and waste; the lease, lease-purchase and sale of houses must ensure compliance with this Law's provisions on eligible subjects and conditions. Proceeds from sale and lease-purchase of houses classified as public assets shall,

after deducting reasonable expenses, be included in budget expenditure estimates for investment in construction of social houses classified as public assets.

2. Official residences may only be used for lease; social houses and houses for the people's armed forces may be constructed for lease, lease-purchase and sale; houses constructed with public investment funds may only be used for lease and lease-purchase.

In case of necessity to invest in construction of social houses or houses for the people's armed forces, representatives of owners of houses classified as public assets may prepare schemes to sell social houses or houses for the people's armed forces currently on lease, unless social houses and houses for the people's armed forces are constructed with the funding sources specified at Point b, Clause 1, Article 113 of this Law, and send them to the Ministry of Construction for appraisal and reporting to the Prime Minister for decision under the Government's regulations.

3. The lease and sale of houses classified as public assets specified at Point d, Clause 1, Article 13 of this Law may only be carried out when such houses do not involve use rights-related lawsuits or disputes in accordance with regulations on settlement of disputes, complaints and denunciations and are those eligible for lease or sale in accordance with the housing law.

For houses classified as public assets specified at Point d, Clause 1, Article 13 of this Law that are arranged on or after January 19, 2007, they shall be managed and used in accordance with this Law and the law on management and use of public assets. If the State no longer needs to use such houses, the houses may be sold under the law on management and use of public assets regarding sale of public assets.

4. Official residence lessees who are no longer eligible to rent official residences or move to other places or commit violations of regulations on house management and use and are subject to house recovery shall return official residences to the State.

For those who return official residences and are not subject to house recovery for committing violations specified at Points a, e and h, Clause 1, Article 127 of this Law and have no houses in localities where they reside after returning the official residences, agencies or organizations directly managing and employing these persons shall work with provincial-level People's Committees of localities where they reside in order to proceed with the purchase, lease-purchase or lease of social houses or allocate residential land for them to construct houses, depending on local conditions.

5. The operation management of houses classified as public assets is as follows:

a/ To be performed by organizations or enterprises with the housing operation management function and capacity and entitled to the preferential mechanisms applicable to public-utility services;

b/ Representatives of owners of houses classified as public assets that are constructed with the funding sources specified at Point a, Clause 1, Article 113 of this Law shall assign the units currently performing operation management of such houses to manage their operation; for condominiums, such units must satisfy the capacity conditions specified in this Law for performing operation management. In case there is no unit currently performing operation management of such houses or the unit currently performing operation management of such houses is not qualified for performing operation management of the houses, bidding shall be held to select a house operation management unit.

6. The management and use of recovered houses must comply with Article 127 of this Law.

**Article 126.** Subjects eligible and conditions for rent, lease-purchase and purchase of houses classified as public assets

1. Subjects eligible for rent, lease-purchase or purchase of houses classified as public assets are as follows:

a/ The subjects specified in Clause 1, Article 45 of this Law may only rent official residences;

b/ The subjects specified in Clauses 1 thru 10, Article 76 of this Law may be considered and allowed to rent, lease-purchase or purchase social houses; the subjects specified in Clause 7, Article 76 of this Law who are not yet entitled to rent, lease-purchase or purchase of social houses may be considered and allowed to rent, lease-purchase or purchase houses for the people's armed forces;

c/ The subjects specified in Clause 10, Article 76 of this Law who are not yet entitled to rent, lease-purchase or purchase of social houses may be allowed to rent, lease-purchase or purchase resettlement houses;

d/ Subjects that are currently using houses specified at Point d, Clause 1, Article 13 of this Law may rent or purchase such houses;

dd/ The subjects specified in Clause 11, Article 76 of this Law may be considered and allowed to rent social houses.

2. Conditions for rent, lease-purchase or purchase of houses classified as public assets are as follows:

a/ Those who wish to be entitled to rent official residences must satisfy the conditions specified in Clause 2, Article 45 of this Law;

b/ Those who wish to be entitled to rent, lease-purchase or purchase social houses must satisfy the conditions specified in Clause 1, 2 or 8, Article 78 of this Law; for the subjects specified in Clause 10, Article 76 of this Law, they must be those having not yet been allocated houses or residential land for resettlement. Those who wish to be entitled to rent, lease-purchase or purchase houses for the people's armed forces must satisfy the conditions specified in Clause 6, Article 78 of this Law.

The subjects specified in Clause 11, Article 76 of this Law may rent houses during their study periods;

c/ Those who wish to be entitled to rent, lease-purchase or purchase houses for resettlement must be those subject to land recovery or house clearance under decisions of competent state agencies and not yet entitled to rent, lease-purchase or purchase social houses;

d/ Those who wish to be entitled to rent or purchase the houses specified at Point d, Clause 1, Article 13 of this Law must be those currently using such houses, and possessing documents proving that they are eligible for arrangement of houses and need to rent or purchase such houses.

3. Competence to sign contracts on lease, lease-purchase or purchase of houses classified as public assets is as follows:

a/ In case of lease-purchase or purchase of social houses or houses for the people's armed forces, or purchase and sale of houses specified at Point d, Clause 1, Article 13 of this Law, contracts shall be signed between lessees-purchase or purchasers and agencies assigned to manage the houses;

b/ In case of lease, lease-purchase or purchase of resettlement houses, contracts shall be signed between resettled people and units assigned to arrange resettlement;

c/ In case of rent of houses specified at Point d, Clause 1, Article 13 of this Law, official residences, social houses and houses for the people's armed forces, contracts shall be signed between the lessees and the agencies assigned to manage the houses or the units performing operation management of such houses;

d/ For pupils and students as lessees, lease contracts shall be signed between lessees and education institutions or agencies assigned to manage the houses.

4. The Government shall stipulate in detail the determination of the time for arrangement of houses; subjects eligible and conditions for rent or purchase of houses; sale and lease of houses; and determination of rental rates and sale prices of the houses specified at Point d, Clause 1, Article 13 of this Law; determination of prices of, and management of proceeds from, lease, lease-purchase and sale of houses classified as public assets; rental exemption and reduction for social houses and houses for the people's armed forces classified as public assets, proceeds from rent and sale of the houses specified at Point d, Clause 1, Article 13 of this Law; and management, use and operation of houses classified as public assets.

**Article 127.** Cases of recovery or coercive recovery of houses classified as public assets

1. A house classified as public asset shall be recovered in one of the following cases:

a/ The house is leased, leased-purchase or sold *ultra vires* or to an ineligible subject or without satisfaction of the conditions specified in the housing law;

b/ The lessee no longer needs to rent such house upon the expiration of the lease term stated in the lease contract or the two parties agree to terminate the house lease contract;

c/ The lessee or lessee-purchase returns the house currently on lease or lease-purchase;

d/ The lessee is no longer eligible for house rent as specified in this Law;

dd/ The lessee dies or is declared missing by a court without any surviving cohabitant; or the lessee of an official residence dies or is declared missing by a court;

e/ The lessee or lessee-purchase has failed to fully pay rental under the contract for 3 or more months without any plausible reasons;

g/ The house on lease or lease-purchase is subject to demolition for renovation or reconstruction under a competent state agency's decision; the house is no longer safe for use as specified in the construction law;

h/ The lessee or lessee-purchase uses the house not for the purposes agreed upon in the lease or lease-purchase contract or transforms, sells, sub-leases, lends, repairs, extends, renovates or demolishes the house without permission;

i/ The lessee of an official residence is transferred, rotated or seconded to work in another locality;

k/ The house is illegally appropriated.

2. Current lessees, lessees-purchase, purchasers or users of houses subject to recovery as specified in Clause 1 of this Article shall return such houses to units assigned to manage houses; if they do not return the houses, representatives of owners of houses classified as public assets shall decide on coercive recovery. Provincial-level People's Committees shall organize the coercive recovery of houses, or assign district-level People's Committees of localities where such houses are located to coerce recovery of such houses within 30 days after coercive recovery decisions are issued.

After the houses are recovered, competent agencies shall, on a case-by-case basis, change their functions or continue to manage and lease, lease-purchase or sell them in accordance with this Law.

3. The Government shall stipulate in detail the order and procedures for recovery and coercive recovery of houses classified as public assets.

### Section 3

## HOUSE INSURANCE, WARRANTY, MAINTENANCE AND RENOVATION

### **Article 128.** House insurance

1. The State shall encourage house owners to purchase insurance for their houses in accordance with law. For houses on the list of facilities prone to fire or explosion specified by the law on fire prevention and fighting, their owners shall purchase compulsory fire and explosion insurance.

2. Methods of payment and levels of house insurance premiums and house insurance terms must comply with the law on insurance business and the law on fire prevention and fighting.

3. In case the owner of a house has paid insurance premiums in accordance with this Article and such house suffers fire or explosion, it/he/she is entitled to compensations under the signed insurance agreement.

### **Article 129.** House warranty

1. Organizations and individuals that construct houses shall provide house warranty in accordance with the construction law; organizations and individuals that supply house equipment shall provide warranty for such equipment according to their useful life recommended by manufacturers.

In case of construction of houses for sale or lease-purchase, house sellers or lessors shall provide warranty under Clauses 2 and 3 of this Article. House sellers or lessors may request organizations and individuals that have constructed houses or supplied house equipment to provide warranty in accordance with law.

2. Warranty shall be provided for houses after the houses are completely constructed, tested for acceptance and put into use for at least:

a/ Sixty months, for condominiums;

b/ Twenty-four months, for independent houses.

3. House warranty covers repair and fixing of the damage or deterioration of frames, columns, beams, floors, walls, ceilings, roofs, terraces, stairways, tiled, floored and plastered areas, fuel supply systems, domestic electricity and lighting supply systems, water tanks and domestic water supply systems, septic tanks and wastewater drainage and household waste discharge systems; fixing of phenomena of tilting, subsidence, fracture and collapse; and other contents as agreed upon in house purchase and sale or lease-purchase contracts. For other equipment affixed to houses, house sellers or lessors shall provide warranty by repairing or replacing them within their useful life recommended by manufacturers.

#### **Article 130. House maintenance**

1. House owners shall maintain their houses. In case house owners are not identifiable, persons currently managing or using the houses shall maintain such houses. Condominium owners shall maintain private areas and contribute funds for maintenance of common areas of condominiums.

2. Contents and process of maintenance and management of condominium maintenance documents must comply with the construction law.

For the houses specified in Clause 1, Article 122 of this Law, the maintenance must also comply with the laws on architecture, planning, and cultural heritages.

3. House owners and units conducting house maintenance shall ensure safety for people and property and ensure sanitation and environmental protection in the course of house maintenance. The maintenance of houses classified as public assets must also comply with Article 133 of this Law.

#### **Article 131. House renovation**

1. House owners may renovate their houses. Persons other than house owners may renovate houses only after obtaining the consent of the owners.

2. House renovation must comply with this Law and the construction law. In case it is required by law to formulate a house renovation project, the renovation shall be carried out under the approved project. For houses classified as public assets, their renovation must also comply with Article 133 of this Law.

3. The renovation of the villas specified in Clause 1, Article 123 of this Law must also comply with the laws on planning, architecture and cultural heritages. In case it is required by law that the renovation is subject to approval of competent agencies, house owners or housing management agencies shall comply with the written approval of competent agencies.

4. The renovation of the old villas specified at Points a and b, Clause 1, Article 123 of this Law must also comply with the following provisions:

a/ It is not allowed to change their initial state;

b/ It is not allowed to demolish the villas unless they are severely damaged or in danger of collapse as stated in inspection conclusions of provincial-level housing management agencies. In case it is required to demolish the villas for reconstruction, the reconstruction must strictly follow the initial architectural styles, use the same building materials with the same construction density, number of stories and height as those of the villas before it is reconstructed;

c/ It is not allowed to build additional structures for increasing their floor areas or expand the villas or occupy their outside spaces.

**Article 132.** Maintenance and renovation of houses currently on lease

1. Lessors may maintain or renovate houses after obtaining the consent of lessees, except in emergency circumstances or for *force majeure* reasons. Lessees shall allow lessors to conduct the house maintenance and renovation.

2. Lessors may reasonably adjust rent rates after completing the renovation if the remaining lease term is equal to at most one-third of the contract term. In case lessees disagree with the adjustment of the rent rates, they may unilaterally terminate the contracts and are entitled to compensations in accordance with law.

3. In case lessees have to move to other places for the house maintenance or renovation, the parties shall agree on temporary accommodations and rentals payable during the maintenance or renovation period. In case lessees seek temporary accommodations by themselves and have paid in advance rentals for the whole period of maintenance or renovation, lessors shall refund such rentals to lessees. The maintenance or renovation period may not be included in the contract term. Lessees may continue renting houses after the maintenance or renovation is completed.

4. Lessees may request lessors to maintain houses, unless the houses suffer damage caused by lessees. In case lessors fail to maintain the houses, lessees may do so but shall send a notice of such maintenance to lessors at least 15 days in advance. Such notice must clearly state the extent of and expenses for

maintenance. Lessors shall pay maintenance expenses to lessees or gradually deduct them from rentals.

**Article 133.** Maintenance and renovation of houses classified as public assets

1. The maintenance and renovation of houses classified as public assets shall be approved by competent state agencies and must comply with this Law and the construction law. For the maintenance of condominiums classified as public assets, the representatives of their owners shall assign the current operation management units to conduct the maintenance if they are qualified for doing so; in case such units are not qualified for conducting the maintenance, bidding shall be organized to select qualified units.

2. The renovation of houses classified as public assets currently on lease must comply with Article 132 of this Law. In case housing management agencies grant written permission for lessees to renovate houses at their own expenses, the renovated parts of the houses are still public assets and organizations assigned to manage such houses shall refund renovation expenses to the lessees or gradually deduct them from rentals.

**Article 134.** Maintenance and renovation of houses under common ownership

1. Co-owners of houses under common ownership have the right and responsibility to maintain and renovate houses under common ownership corresponding to the parts under their respective ownership. In case it is impossible to determine the part under ownership of each co-owner of a house under common ownership, the responsibility for maintenance and renovation shall be equally divided among co-owners. For the maintenance and renovation of houses under common ownership, the consent of co-owners is required; for condominiums, their maintenance and renovation must comply with this Law and the Regulation on condominium management and use.

2. Expenses for maintenance and renovation of parts of houses under common ownership shall be divided among co-owners in proportion to the parts under their respective ownership, unless otherwise agreed upon by co-owners. For multi-owner condominiums, maintenance funds must comply with Section 4, Chapter IX of this Law.

**Article 135.** Rights and obligations of house owners in house maintenance and renovation

1. House owners have the following rights in house maintenance and renovation:

a/ To conduct on their own or hire other organizations or individuals to conduct the maintenance and renovation. In case the house maintenance and renovation are required by law to be conducted by capable organizations or individuals, house owners shall hire such organizations or individuals to conduct the maintenance and renovation;

b/ To request competent state agencies to grant construction permits in case such permits are required for house renovation, and facilitate the house maintenance and renovation when the conditions specified in the construction law are fully satisfied;

c/ Other rights provided by law.

2. House owners have the following obligations in house maintenance and renovation:

a/ To comply with regulations on house maintenance and renovation; to create conditions for other house owners to conduct the maintenance and renovation of their houses;

b/ To pay compensations if causing damage to other organizations or individuals;

c/ Other obligations specified by law.

#### Section 4

### DEMOLITION OF HOUSES

#### **Article 136.** Houses subject to demolition

1. Houses subject to demolition include:

a/ Houses suffering severe damage or danger of collapse, thus becoming unsafe for users as stated in quality inspection conclusions of provincial-level housing management agencies of localities where such houses are located, or in a state of emergency or for disaster prevention and control;

b/ Condominiums subject to demolition as specified in Clause 2, Article 59 of this Law;

c/ Houses subject to clearance for land recovery under decisions of competent state agencies;

d/ Houses constructed in areas where construction is banned or on non-residential land areas under approved master plans;

dd/ Houses subject to demolition under the construction law in cases other than those specified at Points a, b, c and d of this Clause.

2. The demolition of houses specified in Clause 1 of this Article must comply with this Law and the construction law.

**Article 137. Responsibility for house demolition**

1. House owners or persons currently managing or using houses shall demolish their houses. For houses subject to clearance for construction of new houses or other facilities, owners of investment projects on construction of houses or facilities shall demolish such houses.

2. House owners may demolish houses on their own if they are qualified to do so in accordance with the construction law or hire organizations or individuals with construction capacity to do so.

3. The demolition of condominiums must comply with Chapter V of this Law.

4. Commune-level People's Committees shall monitor and urge the demolition of houses in their localities.

**Article 138. Requirements on house demolition**

1. People and property shall be removed from places of demolition.

2. Caution signs shall be placed and measures taken to isolate places of demolition from surrounding areas.

3. Safety for people, property, adjacent facilities and technical and social infrastructure facilities not subject to demolition and sanitation and environmental protection shall be ensured in accordance with law.

4. In case demolition plans are required by the construction law, owners or persons currently managing or using the houses or owners of investment projects on construction of houses or works shall prepare demolition plans before implementation thereof.

5. Demolition of houses in residential areas may not be carried out during 12:00-13:00 hours and 22:00-5:00 hours, except in emergency cases.

**Article 139. Coercive house demolition**

1. For houses subject to demolition specified in Article 136 of this Law, the owners or persons currently managing or using the houses or owners of investment projects on construction of houses or works fail to voluntarily demolish such houses, competent state agencies specified in Clause 2 of this Article shall issue decisions on coercive house demolition.

2. Competence to issue decisions on coercive house demolition:

a/ Chairpersons of district-level People's Committees shall issue decisions on coercive demolition of houses for land recovery in the case specified at Point c, Clause 1, Article 136 of this Law, or of independent houses specified at Point a, d and dd, Clause 1, Article 136 of this Law;

b/ Chairpersons of provincial-level People's Committees shall issue decisions on coercive demolition of condominiums in the cases specified at Point a, b, d and dd, Clause 1, Article 136 of this Law.

3. District-level People's Committees shall organize coercive house demolition under decisions specified in Clause 2 of this Article.

4. Funds for coercive house demolition are as follows:

a/ Owners or persons currently managing or using houses or owners of investment projects on construction of houses or works shall bear expenses for coercive demolition and expenses related to the demolition;

b/ In case owners or persons currently managing or using houses or owners of investment projects on construction of houses or works refuse to pay expenses for coercive demolition and expenses related to the demolition, competent state agencies shall issue decisions on application of coercive measures to force them to pay demolition expenses with their property.

**Article 140.** Accommodations for house owners when their houses are demolished

1. House owners shall seek accommodations for themselves when their houses are demolished, except the cases specified in Clauses 2 and 3 of this Article.

2. In case of demolition of houses falling into the cases subject to land recovery, accommodations for house owners shall be arranged under the policy on houses for resettlement upon land recovery by the State in accordance with this Law and the land law.

3. In case of demolition of condominiums, accommodations for condominium owners shall be arranged in accordance with Article 72 of this Law.

**Article 141.** Demolition of houses currently on lease

1. Lessors shall notify in writing the house demolition to lessees at least 90 days before the demolition is conducted, except in emergency cases or demolition under decisions of competent state agencies.

2. In case of demolition of houses for reconstruction during the lease term, lessors shall arrange other accommodations for lessees during the demolition and

reconstruction, unless lessees agree to seek accommodations for themselves. After the construction of houses is completed, lessees may continue renting the houses until the expiration of the contracts, unless they no longer need to rent such houses. In case lessees seek accommodations for themselves, they are not required to pay rental during the demolition and reconstruction period. The demolition and reconstruction period shall not be included in the contract term.

## Chapter IX

### MANAGEMENT AND USE OF CONDOMINIUMS

#### Section 1

#### GENERAL PROVISIONS

##### **Article 142.** Private areas and common areas in condominiums

##### 1. Private areas in a condominium include:

- a/ Spaces inside apartments, including also built-in balcony and loggia areas;
- b/ Other spaces in the condominium recognized as under its owners' private ownership;
- c/ Equipment systems for private use built in apartments or in other spaces under private ownership of the condominium owners, except those under common ownership specified in Clause 2 of this Article.

##### 2. Common areas in a condominium include:

- a/ The remaining areas of the condominium other than the areas under private ownership specified in Clause 1 of this Article; community spaces in the condominium;
- b/ Spaces and systems of force-bearing structures and equipment for common use in the condominium, including frames, columns, force-bearing walls, surrounding walls, apartment partition walls, floors, roofs, terraces, passageways, stairways, lifts, emergency exits, garbage chutes, technical boxes and their surrounding walls (if any), electricity, water and gas supply, information and communications, radio and television and water drainage systems, septic tanks, lightning protection systems, fire prevention and fighting systems and other spaces not under private ownership of condominium owners;
- c/ Exterior technical infrastructure systems connected to the condominium, except technical infrastructure systems used for public purposes or subject to

handover to the State or housing investment project owners for management according to the approved projects;

d/ Public facilities within the condominium's area but not for commercial purposes or for handover to the State according to the approved projects, including common yards, flower gardens, parks and other facilities specified in the approved projects.

3. Contents on spaces and equipment under private ownership and common ownership specified in this Article must be clearly stated in the contracts for purchase and sale or lease-purchase of houses or other spaces in a condominium. In case these contents are not clearly stated in such a contract, private areas and common areas shall be determined under this Article.

**Article 143.** Determination of apartment use areas and other spaces in condominiums; grading of condominiums

1. Apartment use areas or other spaces in a condominium under private ownership of condominium owners shall be measured by carpet area, including also the thickness of internal partition walls and balcony and loggia (if any) areas and excluding the thickness of external walls, apartment dividing walls and areas embracing columns and technical boxes and their surrounding walls (if any) within apartments. When measuring the balcony area, the total floor area shall be calculated. For balconies with shared walls, their area shall be measured from the inner edge of the shared walls.

For loggias, their thickness shall be measured from the inner edge of the shared walls or surrounding walls of an apartment.

In case equipment and components built in balconies or loggias are part of the facade of the building under the approved design documents in accordance with the construction law, such equipment and components shall be regarded as common areas of the condominium.

2. The determination of the areas specified in Clause 1 of this Article must comply with the Regulation on condominium management and use.

3. The grading of condominiums must comply with the Government's regulations.

**Article 144.** Condominium parking spaces

1. Parking spaces for condominium owners and users, including those for automobiles, two-wheeled and three-wheeled motorcycles, bicycles and vehicles for people with disabilities, shall be constructed by housing investment project owners according to construction technical regulations and approved designs and

used for proper purposes. Parking spaces may be arranged in basements or in other areas inside or outside condominiums under approved master plans or designs. The approved designs must specify parking spaces for automobiles and parking spaces for two-wheeled and three-wheeled motorcycles, bicycles and vehicles for people with disabilities.

Places for electric vehicle charging shall be constructed according to construction standards and technical regulations.

2. The determination of the ownership of use rights over parking spaces is provided as follows:

a/ Parking spaces for bicycles, two-wheeled and three-wheeled motorcycles and vehicles for people with disabilities for condominium owners or users must be under common ownership and shared use by condominium owners;

b/ For parking spaces reserved for automobiles of condominium owners, purchasers or lessees of apartments or other spaces in the condominium may decide to purchase or rent them. In case these parking spaces are not purchased or rented, they shall be managed by housing investment project owners and these owners may not include the expenses for construction of such parking spaces in the sale or lease-purchase prices. Housing investment project owners shall announce expenses for construction of parking spaces for automobiles. The arrangement of parking spaces for automobiles in a condominium must adhere to the principle that parking spaces for automobiles are arranged for condominium owners first, then for public parking spaces.

The purchase or rent of parking spaces for automobiles specified at this Point shall be recorded in contracts for apartment purchase and sale or lease-purchase or in separate contracts;

c/ Housing investment project owners shall hand over to condominium owners drawings of areas for parking spaces based on approved project and design documents, which must clearly state parking spaces for condominium owners and users, including parking spaces under common ownership, parking spaces for automobiles and public parking spaces.

3. Parking service prices must comply with the price law.

4. The operation management of parking spaces must comply with the Regulation on condominium management and use.

## Section 2

### CONDOMINIUM MEETINGS AND CONDOMINIUM GOVERNANCE BOARDS

## **Article 145. Condominium meetings**

1. Condominium meeting means a meeting of condominium owners or of condominium users if the condominium owners are absent. For a single-owner condominium, condominium meeting means a meeting of the condominium owners and condominium users.

2. A condominium meeting shall be held to decide on issues specified in Clause 3 or 4 of this Article when fully meeting the conditions specified in the Regulation on condominium management and use. A condominium meeting shall be held in person. In case it is impossible to hold an in-person meeting due to an epidemic or a disaster, an online or hybrid meeting may be held.

3. For a multi-owner condominium, a condominium meeting shall decide on the following issues:

a/ Nomination, election, relief from duty or dismissal of members of the condominium governance board; adoption, modification and supplementation of an internal regulation on condominium management and use;

b/ Adoption, modification and supplementation of a regulation on operation, a regulation on revenues and expenditures of the condominium governance board; decision on remunerations for members of the condominium governance board and other expenses for its operation;

c/ Approval of rates of condominium operation management services and use of maintenance funds. For the condominiums specified in Clause 4, Article 155 of this Law, in case parties to contracts on purchase and sale or lease-purchase of apartments make no agreement on their proportions to maintenance funds, the condominium meeting shall consider and decide on such proportions;

d/ Decision on selection of a condominium operation management unit, in case the housing investment project owner no longer exists or does not have the condominium operation management function and capacity or has the condominium operation management function and capacity but does not participate in the condominium operation management or participates in the condominium operation management but fails to meet the requirements agreed upon in the service provision contract signed with the condominium governance board;

dd/ Approval of maintenance plans for common areas in the condominium;

e/ Approval of reports on operation management and maintenance of common areas in the condominium;

g/ Other issues related to condominium management and use.

4. For single-owner condominiums, condominium meetings shall be held to decide on the issues specified at Points a, b and e, Clause 3 of this Article. For condominiums classified as public assets, condominium meetings shall be held to decide on the issues specified at Points b and e, Clause 3 of this Article.

5. Decisions of a condominium meeting on the issues specified in Clause 3 of this Article shall be approved by a majority rule by showing hands or casting ballots and recorded in a minutes signed by the members chairing the meeting and secretary of the meeting.

#### **Article 146.** Condominium governance boards

1. For a single-owner condominium or a multi-owner condominium with fewer than 20 apartments, its owner(s) and users shall agree on deciding whether or not to establish a condominium governance board. In case of deciding to establish a condominium governance board:

a/ For a single-owner condominium, the condominium governance board shall be composed of representatives of the condominium owner and users;

b/ For a multi-owner condominium, the composition of the condominium governance board must comply with Clause 2 of this Article.

2. For a multi-owner condominium with 20 apartments or more, a condominium governance board shall be established and composed of representatives of condominium owners, or condominium users if the condominium owners do not join the board and a representative of the housing investment project owner that still owns spaces in the condominium, unless the project owner does not appoint a representative to join the condominium governance board.

3. The governance board of a single-owner condominium shall operate after the self-management model. For a condominium classified as public asset, a representative of the owner of such condominium or the housing management agency shall establish a governance board or assign a unit to manage the operation of such condominium.

For a multiple-owner condominium, the condominium governance board will have its own seal and accounts to operate and exercise the rights and discharge the responsibilities specified in Articles 147 and 148 of this Law. The convening of meetings of the condominium governance board, conditions for organization of meetings, voting methods and other related issues must comply with the condominium governance board's operation regulation approved by the condominium meeting.

4. People with experience and knowledge about construction, architecture, finance, law and fire prevention and fighting are encouraged to join condominium governance boards.

5. The election, relief from duty and dismissal of members of a condominium governance board; determination of the number of members of a condominium governance board; division of a condominium governance board and merger of condominium governance boards; dossiers, order and procedures for recognizing a condominium governance board, and coercive handover of condominium dossiers must comply with the Regulation on condominium management and use.

**Article 147. Rights of condominium governance boards**

1. For a multi-owner condominium, the condominium governance board has the following rights:

a/ To request in writing the housing investment project owner to transfer all maintenance funds to the condominium governance board after it is established and makes a request for the transfer; to request a competent agency to coerce transfer of maintenance funds;

b/ To manage and use maintenance funds in accordance with this Law and decisions of condominium meetings;

c/ To request condominium meetings to approve rates of condominium operation management service;

d/ To enjoy responsibility-based remuneration and have other expenses paid under decisions of condominium meetings;

dd/ To request a competent agency to recognize the condominium governance board;

e/ To request the housing investment project owner to hand over condominium dossiers; to request a competent agency to coerce the handover of condominium dossiers;

g/ To perform other jobs assigned by condominium meetings which are not in contravention of law.

2. For condominiums classified as public assets, condominium governance boards shall exercise the rights specified at Points d and g, Clause 1 of this Article. For other single-owner condominiums, condominium governance boards shall exercise the rights specified at Points d, dd and g, Clause 1 of this Article.

**Article 148. Responsibilities of condominium governance boards**

1. For a multi-owner condominium, the condominium governance board has the following responsibilities:

a/ To register a seal and account for its operation, and an account for management and use of maintenance funds; to receive condominium dossiers from the housing investment project owner, manage and provide such dossiers to the condominium operation management unit in accordance with the Regulation on condominium management and use;

b/ To manage and use maintenance funds in accordance with the regulation on revenues and expenditures decided by condominium meetings; to report to condominium meetings on the collection and use of such funds;

c/ To sign a contract on provision of the condominium operation management service with the housing investment project owner or a unit with the condominium operation management function and capacity after such unit is selected at a condominium meeting under Point d, Clause 3, Article 145 of this Law.

In case a condominium is not required to have an operation management unit under Clause 1, Article 149 of this Law and the condominium operation management is assigned to condominium governance board by the condominium meeting, the condominium governance board shall collect and spend operation management expenses under decisions of condominium meetings;

d/ To select and sign a contract to maintain common areas in the condominium and supervise such maintenance in accordance with the Regulation on condominium management and use. The maintenance of common areas may be conducted by the current condominium operation management unit or another units with maintenance capacity as provided by the construction law;

dd/ To urge and remind condominium owners and users to comply with internal regulations on condominium management and use and the Regulation on condominium management and use; to collect and summarize opinions and recommendations of condominium owners and users on the condominium management and use and provision of condominium services and coordinate with functional agencies and related organizations and individuals in the consideration and settlement thereof;

e/ To coordinate with local administrations and residential groups in building a civilized lifestyle and maintaining social order and safety in the condominium;

g/ To strictly observe its operation regulation and regulation on revenues and expenditures approved by the condominium meeting and refrain from relieving from duty or dismissing its members or admitting new members on its own;

h/ To be held responsible before law and condominium owners and users for exercising the rights and performing the responsibilities in contravention of this Clause;

i/ To abide by decisions of competent state agencies;

k/ To perform other jobs assigned by condominium meetings which are not in contravention of law;

l/ To discharge other responsibilities provided by law.

2. For single-owner condominiums, condominium governance boards shall perform the responsibilities specified at Points dd, e, g, h, i, k and l, Clause 1 of this Article.

3. A decision of a condominium governance board that is issued beyond the rights and responsibilities specified in this Law and the operation regulation of the condominium governance board is legally invalid; civil transactions that are established and performed *ultra vires* shall be handled in accordance with the Civil Code. Members of the condominium governance board shall, depending on the nature and severity of their violations, be administratively sanctioned or examined for penal liability; if causing damage, they shall pay compensation in accordance with law.

4. A decision of a member of a condominium governance board that is issued beyond his/her powers, rights and responsibilities specified in this Law and the operation regulation of the condominium governance board is legally invalid. Violating members shall, depending on the nature and severity of their violations, be administratively sanctioned or examined for penal liability; if causing damage, they shall pay compensation in accordance with law.

5. In case the existing condominium governance board terminates its operation while a new condominium governance board has not been recognized, the commune-level People's Committee of the locality where the condominium is located shall fulfill the responsibilities of the condominium governance board until the new condominium governance board is recognized.

### Section 3

## ORGANIZATION OF CONDOMINIUM OPERATION MANAGEMENT

### **Article 149.** Condominium operation management units

1. For condominiums with lifts, their operation management shall be conducted by a unit with the condominium operation management function and capacity. For condominiums without lifts, condominium meetings shall decide to

perform the condominium operation management or hire units with the condominium operation management function and capacity to do so.

In case the housing investment project owner directly performs the condominium operation management, it must have the operation management function and capacity specified in Article 150 of this Law.

2. In case a condominium is required to have an operation management unit specified in Clause 1 of this Article, the condominium owners and users are not allowed to hire separate services to conduct the operation management. The condominium operation management unit may sign contracts with service providers to perform a number of tasks related to the condominium operation management but shall be held responsible for the operation management under the contract signed with the condominium governance board.

3. A condominium operation management unit may perform the operation management of more than one condominium in one or more location(s).

**Article 150.** Conditions on condominium operation management units

1. A condominium operation management unit must fully meet the following conditions:

a/ It is a public non-business unit or an enterprise, a cooperative, or a union of cooperatives having the function of condominium operation management;

b/ It has divisions in charge of technical issues, customer service, security, fire prevention and fighting, sanitation, and environmental protection, and other relevant divisions to provide condominium operation management services;

c/ Managers and employees directly involved in the operation management of the condominium operation management unit must have professional qualifications in the fields of construction, electricity and water engineering, fire prevention and fighting, and operation of equipment and facilities attached to condominiums, and possess certificates of training in condominium operation management knowledge and skills.

2. A condominium operation management unit may only provide condominium operation management services after receiving a competent state agency's notice that it is qualified to perform condominium operation management.

3. The Government shall detail this Article.

**Article 151.** Condominium operation management service prices

1. The determination of condominium operation management service prices must ensure publicity and transparency and shall be based on operation management tasks and services for each type of condominium.

2. Condominium operation management service prices do not cover expenses for fire and explosion insurance, maintenance and vehicle keeping, charges for use of fuel, energy, domestic water, television and communication services, remunerations for condominium governance boards, and other services for the private use by condominium owners and users.

Condominium operation management service prices shall be determined in Vietnamese currency and calculated per square meter of apartment use areas or other spaces in condominiums.

3. For a multi-owner condominium, the condominium operation management service prices are provided as follows:

a/ In case the first condominium meeting has not been held yet, the condominium operation management service prices are those agreed in the house purchase and sale or lease-purchase contracts;

b/ In case a condominium meeting has been held, the condominium operation management service prices shall be negotiated and decided by the condominium operation management unit and the condominium meeting.

4. For a single-owner condominium, the condominium operation management service prices are those agreed between the condominium owners and users in the rent contracts. For a condominium classified as public asset, the condominium operation management service prices must comply with Clause 7 of this Article.

5. For mixed-use condominiums, the condominium operation management service prices applicable to the service areas and the private areas used as parking spaces for automobiles shall be determined in adherence to the following principles:

a/ The operation management service price applicable to the service areas shall be agreed upon by the parties, depending on the actual activities in these areas and each location in the condominium;

b/ The operation management service price applicable to the private areas used as parking spaces for automobiles shall be agreed upon by the parties and may be lower than the operation management service price applicable to apartments in the same condominium.

6. For condominiums solely for residential purpose, the condominium operation management service price applicable to the private areas used as parking spaces for automobiles must comply with Point b, Clause 5 of this Article.

7. Provincial-level People's Committees shall promulgate condominium operation management service price frames for:

a/ Collection of operation management expenses for condominiums classified as public assets in their localities;

b/ Use as a reference for the parties to reach agreement on operation management service prices applicable to houses not classified as public assets or in case of disputes over service prices between the condominium operation management unit and condominium owners or users. In case it is impossible to reach agreement on the condominium operation management service prices, the prices in the service price frames promulgated by provincial-level People's Committees shall be applied.

#### Section 4

### MANAGEMENT AND USE OF MAINTENANCE FUNDS OF MULTI-OWNER CONDOMINIUMS

#### **Article 152.** Maintenance funds of multi-owner condominiums

1. For apartments and non-apartment areas in a condominium which are put for sale or lease-purchase by the housing investment project owner, each purchaser/lessee shall contribute maintenance funds at the rate of 2% of the value of its/his/her apartment or area; this amount shall not be included in the amount paid for the sale or lease-purchase of such apartment or non-apartment area and specified in the purchase and sale or lease-purchase contract;

2. For apartments and non-apartment areas in a condominium which are retained by the housing investment project owner and will not be put for sale or lease-purchase or have yet to be put for sale or lease-purchase by the time the condominium is handed over for use, except common areas, the housing investment project owner shall contribute maintenance funds at the rate of 2% of the value of such retained apartments or non-apartment areas; this amount shall be calculated according to the selling price of the apartment with the highest selling price in the condominium at the time the condominium is handed over for use.

3. In case housing investment project owners signed contracts on purchase and sale or lease-purchase of apartments and non-apartment areas in condominiums before July 1, 2006, but have yet to collect maintenance funds, condominium owners shall hold a condominium meeting to agree on the rate of

contribution of maintenance funds; contributions may be made on a monthly basis into the deposit account opened at a credit institution or foreign bank branch operating in Vietnam by condominium governance boards or upon arising of maintenance work.

4. In case housing investment project owners sign contracts on purchase and sale or lease-purchase of apartments and non-apartment areas in condominiums at a time between July 1, 2006, and before the effective date of this Law but such contracts have no agreement on maintenance funds, the housing investment project owners shall pay such amounts; in case purchase prices or rental rates in case of lease-purchase stated in house purchase and sale or lease-purchase contracts do not include maintenance funds, house owners shall contribute maintenance funds according to Clause 3 of this Article.

**Article 153.** Management and handover of maintenance funds of a multi-owner condominium

1. The housing investment project owner shall open an account for management of maintenance funds as follows:

a/ Before signing contracts on purchase and sale or lease-purchase of apartments or non-apartment areas in the condominium, the housing investment project owner shall open a payment account at a credit institution or foreign bank branch operating in the locality where the condominium is located for deposit of maintenance funds by purchasers/lessees and the housing investment project owner itself as specified in Article 152 of this Law. Within 5 working days after opening the account, the housing investment project owner shall send a notice to the provincial-level housing management agency of the locality where the project exists to inform the latter of the account holder's name, account number, name of the credit institution or foreign bank branch where the account is opened, and deposit term. The housing investment project owner may not require the credit institution or foreign bank branch to deduct the amount paid to the account opened under this Article to use for any other purpose when the maintenance funds have not yet been handed over to the condominium governance board.

Pending the handover of maintenance funds to the condominium governance board, in case of necessity to carry out maintenance of a work item or equipment in common areas in the condominium of which the warranty period has expired, the housing investment project owner shall use its own funds to carry out maintenance and abide by the maintenance plan and process formulated under the construction law. When handing over maintenance funds to the condominium governance board, the housing investment project owner will have the amount paid for such maintenance refunded but shall make a detailed report, enclosed

with the formulated maintenance plan and process, and invoices and documents proving the maintenance work;

b/ When signing contracts on purchase and sale or lease-purchase of apartments or non-apartment areas in the condominium, the contractual parties shall specify in the contract information on the account opened under Point a of this Clause. Before being handed over apartments or non-apartment areas in the condominium, purchasers/lessees shall contribute the maintenance funds according to Article 152 of this Law and deposit such funds into the account specified in the contracts and send a copy of the proof of payment to the housing investment project owner; if failing to contribute the maintenance funds, purchasers/lessees shall not be handed over the apartments or non-apartment areas in the condominium they purchase or lease/purchase; in case the housing investment project owner still hands over apartments or other non-apartment areas in the condominium to such purchasers/lessees, it shall contribute the maintenance funds for these apartments or areas.

2. The handover of maintenance funds is provided as follows:

a/ After a competent agency issues a decision on recognition of the condominium governance board, the condominium governance board shall open an account at a credit institution or foreign bank branch operating in Vietnam for management of maintenance funds and request in writing the housing investment project owner to hand over the maintenance funds collected under Clause 1 of this Article;

b/ Within 30 days after receiving the request from the condominium governance board, the housing investment project owner and the condominium governance board shall agree on the finalization of maintenance funds for use as a basis for the handover of maintenance funds according to the Regulation on condominium management and use;

c/ Based on the finalization of maintenance funds as specified at Point b of this Clause, the housing investment project owner shall request the credit institution or foreign bank branch managing the maintenance funds deposit account to transfer the funds, together with the interest thereon, to the maintenance funds management account opened by the condominium governance board;

d/ The credit institution or foreign bank branch shall transfer the funds specified at Point c of this Clause to the condominium governance board according to the finalized data agreed upon by both parties. Expenses arising from the transfer of maintenance funds shall be deducted from the maintenance funds.

3. After handing over maintenance funds to the condominium governance board, the housing investment project owner shall close the account in accordance with law, and notify in writing such to the provincial-level housing management agency of the locality where the condominium is located for monitoring.

4. In case the condominium has revenues from provision of services in common areas, such revenues must be remitted into the maintenance funds account managed by the condominium governance board or the person assigned to manage the maintenance fund account, in case it is not compulsory to establish a condominium governance board to deploy the maintenance of the condominium.

The revenues specified in this Clause and deposit interest on maintenance funds shall be used for maintenance of the condominium.

**Article 154.** Coercive handover of maintenance funds of a multi-owner condominium

1. In case the housing investment project owner fails to hand over maintenance funds according to Clause 2, Article 153 of this Law, the condominium governance board may request in writing the district-level People's Committee of the locality where the condominium is located to request the housing investment project owner to hand over maintenance funds.

2. Within 15 days after receiving the condominium governance board's request, the district-level People's Committee shall send to the housing investment project owner a request for handover of maintenance funds to the condominium governance board.

3. Within 10 days after receiving the district-level People's Committee' request, if the housing investment project owner still fails to hand over maintenance funds, the district-level People's Committee shall issue a decision on coercive handover of maintenance funds and deploy coercive recovery of maintenance funds for handover to the condominium governance board according to the decision on coercive handover.

In the course of carrying out coercive handover of maintenance funds, if detecting signs of crime committed by the housing investment project owner, the district-level People's Committee shall send a petition, enclosed with relevant evidence and documents, to a competent investigation agency for consideration and handling in accordance with law.

4. The Government shall detail this Article.

**Article 155.** Use of maintenance funds of a multi-owner condominium

1. Maintenance funds may only be used for maintenance and replacement of work items and equipment in the condominium's common areas according to maintenance plans annually approved by the condominium meeting. The condominium governance board may not use maintenance funds for condominium operation management and other purposes. In case the condominium is subject to demolition in accordance with this Law, the remainder of maintenance funds may be used to provide resettlement support or forwarded to maintenance funds of the reconstructed condominium's common areas.

2. The use of maintenance funds must be backed by invoices and payment documents and reported to the condominium meeting.

3. In case maintenance funds are used up, condominium owners shall contribute maintenance funds upon performance of maintenance under maintenance plans annually approved by the condominium meeting or upon irregular maintenance of work items or equipment.

4. In case the condominium is a mixed-use building which can be divided into separate functional components, including apartment component and service component and the common area in each component can be separated from the common area of the whole building and is independently managed and operated, the housing investment project owner and purchasers/lessees of apartments or non-apartment areas in the condominium shall agree in purchase and sale or lease-purchase contracts or make a contract annex on the proportional division of maintenance funds for management and use.

The agreement on proportional division of maintenance funds specified in this Clause must be calculated based on the percentage of the construction floor area of each functional component in the building of the total construction floor area of the building.

5. The management of maintenance funds specified in Clause 4 of this Article shall be carried out as follows:

a/ Maintenance funds of the whole building and the apartment component's common area shall be transferred into the account opened by the condominium governance board under Point a, Clause 2, Article 153 of this Law for management and use;

b/ Maintenance funds of the service component shall be managed and used by the owner(s) of the service component for maintenance of the common area of such component.

6. In case the condominium does not fall into cases subject to mandatory establishment of a condominium governance board under this Law, condominium

owners and users shall agree on the appointment of a representative to manage the maintenance funds account and the use of maintenance funds.

## Section 5

### MANAGEMENT AND USE OF TECHNICAL INFRASTRUCTURE FACILITIES IN CONDOMINIUM AREAS

**Article 156.** Technical infrastructure facilities in condominium areas which are subject to handover and the time limit for handover thereof

1. Technical infrastructure facilities in areas with condominium built under projects which are either subject to handover to local administrations or competent agencies or placed under management of housing investment project owners after projects are completed, must be specified in the approved project investment policy or project contents.

2. Housing investment project owners shall hand over the facilities subject to handover after completing the acceptance testing in accordance with the construction law. Based on the approved implementation progress or investment phasing of their projects, housing investment project owners may hand over all facilities or each facility to local administrations or competent agencies for management.

**Article 157.** Handover, receipt and management of technical infrastructure facilities in condominium areas

1. Housing investment project owners shall send written requests for handover of technical infrastructure facilities in condominium areas together with dossiers thereof to agencies competent to receive such facilities.

2. Agencies receiving technical infrastructure facilities in condominium areas shall receive such facilities for management, exploitation and use; the handover and receipt must be recorded in a minutes.

3. Pending the handover of technical infrastructure facilities in condominium areas, housing investment project owners shall carry out the maintenance, operation management and exploitation of such facilities according to the approved project contents.

**Article 158.** Management, exploitation and use of technical infrastructure facilities in condominium areas after such facilities are handed over

1. For technical infrastructure facilities in condominium areas which are subject to handover, the receiving agencies shall manage, exploit and use them according to the objectives and functions of the buildings and perform

maintenance in accordance with the construction law, ensuring the normal operation of the facilities.

The State shall allocate state budget funds for operation management, maintenance and exploitation of technical infrastructure facilities in condominium areas which have been handed over to local administrations or competent agencies.

2. For technical infrastructure facilities in condominium areas that are not subject to handover, the housing investment project owners shall manage, exploit and maintain such facilities according to the objectives and functions of the facilities in accordance with law and under agreements with condominium owners and users, ensuring the normal operation of the facilities.

## Chapter X

### HOUSING TRANSACTIONS

#### Section 1

#### GENERAL PROVISIONS

##### **Article 159.** Housing transactions

Housing transactions include house purchase and sale, lease-purchase, lease, donation, exchange, inheritance, mortgage, contribution as capital, lending, lending for use as temporary residence, and authorization of house management.

**Article 160.** Conditions on houses being subject matters of housing transactions

1. The house which is the subject matter in a transaction of purchase and sale, lease-purchase, donation, exchange, mortgage and contribution as capital must fully meet the following conditions:

a/ Having a Certificate as provided by law, except the cases specified in Clause 2 of this Article;

b/ Being free from any dispute, complaint or lawsuit over ownership in accordance with the law on settlement of disputes, complaints and denunciations;

c/ Being in the house ownership period, for houses under a definite-term ownership;

d/ Not being distrained for enforcement of a judgment or execution of a legally valid administrative decision of a competent state agency or not falling

into cases subject to application of interim urgent measures or deterrent measures under a court's ruling or a competent state agency's decision.

dd/ Not being subject to a land recovery decision, ground clearance or house demolition notice of a competent agency;

e/ The conditions specified at Points b and c of this Clause shall not apply to cases of purchase and sale or hire-purchase of future houses.

2. Houses which are the subject matters of the following transactions are not required to have a Certificate:

a/ Purchase and sale, lease-purchase and mortgage of future houses; sale of houses in case of dissolution or bankruptcy;

b/ Donation of gratitude houses, compassion houses or great unity houses by organizations;

c/ Purchase and sale and lease-purchase of ready-built houses from housing investment project owners in the following cases: houses classified as public assets, social houses, houses for the people's armed forces, or houses for resettlement that are not public assets.

d/ Lease, lending, lending for use as temporary residence, and authorization of house management;

dd/ Receipt of houses as an inheritance;

Papers proving satisfaction of the conditions specified in this Clause must comply with the Government's regulations.

3. Houses for lease must, in addition to satisfying the conditions specified at Points c, d and dd, Clause 1 of this Article, ensure quality and safety for lessees, have complete electricity, water supply and drainage systems and ensure environmental sanitation, unless otherwise agreed upon by the parties.

#### **Article 161. Conditions on parties to housing transactions**

1. The party that sells, leases with an option to purchase, leases, donates, exchanges, bequeaths, or mortgages a house, contributes a house as capital, lends a house, lends a house for use as temporary residence, or authorizes the management of a house must meet the conditions on subjects to transactions provided by the civil law.

2. A person who purchases, rents with an option to purchase, or rents a house, receives a house as a gift, receives a house in exchange for another, inherits a house, provides mortgage on a house, receives a house as capital contribution, borrows a house, borrows a house for use as temporary residence, or is authorized

to manage a house must meet the conditions on subjects to transactions provided by the civil law and comply with the following regulations:

a/ If he/she is a domestic individual, he/she will not be required to register residence in the locality where the house that is the subject matter of the transaction is located;

b/ If he/she is a foreigner or overseas Vietnamese, he/she must be eligible for owning houses in Vietnam in accordance with this Law and will not be required to register residence in the locality where the house that is the subject-matter of the transaction is located. Particularly, overseas Vietnamese shall also abide by the Land Law.

3. An organization that purchases, rents with an option to purchase, or rents a house, receives a house as a gift, receives a house in exchange for another, inherits a house, provides mortgage on a house, receives a house as capital contribution, borrows a house, borrows a house for use as temporary residence, or is authorized to manage a house must meet the conditions on subjects to transactions prescribed by the civil law, regardless of its place of business registration or establishment; in case it is a foreign organization, it must be eligible for owning houses in Vietnam in accordance with this Law. Particularly, organizations authorized to manage houses must have the function of real estate service provision and be operating in Vietnam in accordance with the law on real estate business.

#### **Article 162.** Order and procedures for conducting housing transactions

1. Parties to a housing transaction shall agree on the making a contract on house purchase and sale, lease-purchase, lease, or donation, exchange, mortgage, contribution as capital, or lending, lending for use as temporary residence, authorization of house management (below collectively referred to as housing contract) which must have the contents specified in Article 163 of this Law; in case organizations donate gratitude or compassion or great unity houses, only a donation contract shall be made.

2. The parties shall agree to choose one of them to submit to a competent state agency a dossier of application for a Certificate for such house; for transactions of house purchase and sale or lease-purchase from project owners, project owners shall carry out procedures for competent state agencies to grant Certificates to purchasers or lessees-purchase, unless purchasers or lessees-purchase voluntarily carry out procedures to apply for Certificates.

3. When granting a Certificate to the party that purchases or rents with an option to purchase a house, receives a house as a gift, receives a house in

exchange for another, receives a house as capital contribution, or inherits a house and concurrently acquires the right to use the residential land plot on which the house is built, the concerned competent state agency shall also recognize the house ownership and residential land use rights for that party, provided that such party is entitled to acquire residential land use rights.

### **Article 163. Housing contracts**

A housing contract shall be agreed upon by parties and made in writing and must have the following contents:

1. Full names, for individuals, names, for organizations, and addresses of the parties;

2. Descriptions of characteristics of the house and characteristics of the residential land plot on which the house is built.

For apartment purchase and sale or lease-purchase contracts, the parties shall clearly state common areas and shared facilities; designed lifespan of the condominium; usable area under private ownership; apartment floor area; designed use purposes of common areas and shared facilities in the condominium; condominium operation management service charge rates, in case the first-time condominium meeting has yet to be held; responsibility for contributing maintenance funds, contribution rates, and information on the account for contribution of maintenance funds;

3. Value of capital contribution or housing transaction, if the contract has a price agreement; for cases of house purchase and sale, lease-purchase or lease that are subject to price regulations promulgated by the State, the parties shall comply with such regulations;

4. Payment time and method, for house purchase and sale, lease-purchase and lease;

5. Time for house handover; house warranty period, for purchase or lease-purchase of newly built houses; house lease-purchase or lease term; house mortgage term; house lending period; period of lending for use as temporary residence; house management authorization period; time limit for capital contribution; or period of ownership, in case of purchase and sale of houses under definite-term ownership;

6. Rights and obligations of the parties.

In case of house lease-purchase, it is mandatory to specify parties' rights and obligations regarding the repair of the house upon occurrence of damage or breakdown during the lease-purchase term;

7. Commitments of the parties;
8. Other agreements;
9. Effective time of the contract;
10. Date of signing of the contract;
11. Signatures and full names of the parties, and seals (if any) and positions of the signatories, for organizations.

**Article 164.** Notarization or certification of housing contracts and effective time of housing contracts

1. Contracts on house purchase and sale, lease-purchase, donation, exchange, contribution as capital and mortgage must be notarized or certified, except the case specified in Clause 2 of this Article.

For a transaction specified in this Clause, the effective time of the contract is the time the notarization or certification is completed in accordance with the law on notarization and certification.

2. Contracts on donation of gratitude, compassion or great unity houses by organizations; purchase and sale or lease-purchase of houses classified as public assets; contracts on purchase and sale or lease-purchase of houses with one party being an organization, including social houses, houses for the people's armed forces and houses for resettlement; contracts on contribution of houses as capital with one party being an organization; contracts on house lease, house lending, house lending for use as temporary residence, or authorization of house management are not required to be notarized or certified, unless contracting parties so wish.

For a transaction specified in this Clause, the effective time of the contract shall be agreed upon by the parties; in case they reach no agreement, the effective time of the contract is the time of its signing.

3. House inheritance documents shall be notarized or certified in accordance with the civil law.

4. Housing contracts shall be notarized by notarization-practicing organizations; housing contracts shall be certified by commune-level People's Committees of localities where houses are located.

## Section 2

### PURCHASE AND SALE OF HOUSES

**Article 165.** Transactions of house purchase and sale

1. The purchase and sale of a house must be carried out under a contract with the contents specified in Article 163 of this Law. The contracting parties may reach an agreement according to Clause 2 of this Article that the seller sells the house to the purchaser for a definite term.

2. Parties shall reach agreement on the following contents:

a/ The purchaser's period of holding ownership of the house; the purchaser's rights and obligations during the period of ownership; responsibilities for registering and carrying out procedures for grant of a Certificate to the purchaser.

If parties agree that the purchaser has the right to sell, donate, bequeath, or contribute the house as capital during the period of holding ownership of the house, the party that purchases the house, receives the house as a gift, inherits the house or receives the house as capital contribution will hold the ownership of the house only during the period of ownership specified in the Certificate issued to the party that sells, donates, bequeaths or contributes the house as capital;

b/ Return of the house and persons receiving the house when the period of ownership expires;

c/ Handling of the Certificate when the period of ownership expires and responsibilities of parties in performing the house purchase and sale contract;

d/ Other agreements.

3. For house purchase and sale transactions with agreement on the period of ownership, agencies competent to grant Certificates shall clearly inscribe the period of ownership in the Certificates.

**Article 166.** Handling cases of purchase and sale of houses for a definite period

The purchase and sale of a house for a definite period specified in Clause 1, Article 165 of this Law is as follows:

1. Within the house ownership period, the house purchaser shall exercise rights and perform obligations as agreed upon in the contract;

2. Upon the expiration of the house ownership term, the Certificate issued to the purchaser shall be no longer legally valid. The house ownership shall be transferred back to the house seller.

The house seller or his/her lawful heir shall request a competent agency to issue a Certificate for that house. The order and procedures for grant of the Certificate specified in this Clause must comply with the land law;

3. In case the first-time owner, that is an organization, goes bankrupt, dissolves or terminates operation, its house shall be handled in accordance with the laws on bankruptcy, dissolution or operation termination and the ownership of this house shall be transferred back to the individual or organization entitled to own the house in accordance with the laws on bankruptcy, dissolution or operation termination.

In case the first-time owner, that is an individual, dies without an heir or his/her heir refuses to receive the house back, the establishment of house ownership must comply with the Civil Code;

4. Pending the identification of the house owner, the organization or individual managing the house may continue to manage it and may not exercise the ownership to this house; the handover of the house shall be carried out within 3 months after the house owner is identified.

**Article 167.** House purchase and sale with deferred payment or installment payment

1. The purchase and sale of a house with deferred payment or installment payment shall be agreed upon by the parties and clearly stated in the house purchase and sale contract. During the period of deferred payment or installment payment, the purchaser may use house and shall be responsible for maintaining the house, unless the house warranty period has yet to expired in accordance with this Law or the parties agree otherwise.

2. A party that purchases a house on deferred payment or installment payment may only sell, donate, exchange, or mortgage such house or contribute it as capital after making full payment for the house, unless otherwise agreed by the parties.

During the period of deferred payment or installment payment, if the purchaser, that is an organization, goes bankrupt, dissolves or terminates operation, its rights and obligations must comply with the law on bankruptcy, dissolution or operation termination.

During the period of deferred payment or installment payment, if the purchaser dies, his/her lawful heir may continue exercising his/her rights and performing his/her obligations and be granted a Certificate by a competent state agency after making full payment to the seller.

3. In case the purchaser wishes to return the purchased house during the period of deferred payment or installment payment and obtains consent of the seller, the two parties shall reach agreement on the method of returning the house and refund of the house payment.

### **Article 168.** Purchase and sale of houses currently on lease

1. In case a house owner sells its/his/her house currently on lease, it/he/she shall notify in writing the lessee of the sale of the house and sale conditions; the lessee shall have the preemptive right to buy the house if it/he/she has fully paid rental to the lessor by the time the lessor issues the notice of the sale of the house currently on lease, unless otherwise provided by the Civil Code. Within 30 days after receiving the notice, if the lessee does not buy the house, the owner may sell it to another person, unless the parties agree on another time limit.

2. The sale of houses classified as public assets currently on lease must comply with Section 2, Chapter VIII of this Law.

### **Article 169.** Preemption of houses

In case parties have signed a house purchase and sale contract but the State needs to buy such house for use for national defense or security purposes or for national interests, in a state of emergency or in response to a disaster, the chairperson of the provincial-level People's Committee shall issue a decision on preemption of the house. The purchase price, conditions and payment method must comply with the house purchase and sale contract signed by the parties. The State shall compensate for damage (if any) to the parties. The house purchase and sale contract signed by the parties shall be no longer legally valid.

## Section 3

### HOUSE LEASE

### **Article 170.** Lease term, rental rates, and sub-lease of houses

1. The lessor and lessee may agree on the house lease term and rental rate and payment method which is either installment or lump-sum payment. In case the State has regulations on house rental rates, the parties shall comply with such regulations.

2. In case the lessor renovates the house and the lessee so agrees, the lessor may adjust the rental rate if the remaining lease term is equal to or shorter than one-third of the term of the lease contract. The new rental rate shall be agreed upon by the parties; if they cannot reach an agreement, the lessor is entitled to unilaterally terminate the house lease contract and shall pay compensation to the lessee in accordance with law.

3. During the lease term, the lessor and lessee shall have their lawful rights and interests protected by the State.

4. The lessee may sub-lease the leased house if the lessor so agrees.

**Article 171.** Cases of termination of house lease contracts

1. In case the leased house is a public asset, the house lease contract may be terminated in one of the cases specified in Clause 1, Article 127 of this Law.

2. In case the leased house is not a public asset, the house lease contract may be terminated in one of the following cases:

a/ The contract expires; in case the contract is an indefinite-term contract, it shall be terminated 90 days after the date the lessor notifies the lessee of the contract termination;

b/ The two parties agree to terminate the contract;

c/ The leased house no longer exists;

d/ The lessee, that is an individual, dies or is declared missing by a court and does not live together with anyone at the time he/she dies or is declared missing;

dd/ The lessee, that is an organization, dissolves, goes bankrupt or terminates operation;

e/ The leased house is severely damaged or in danger of collapse or located in an area subject to land recovery or house clearance or demolition decision issued by a competent state agency; the leased house is subject to compulsory purchase or requisition by the State for repurposing.

The lessor shall notify in writing the lessee of the termination of the lease contract specified at this Point at least 30 days in advance, except *force majeure* cases or the parties otherwise agree;

g/ The case specified in Article 172 of this Law.

**Article 172.** Unilateral termination of house lease contracts

1. During the house lease term agreed in the contract, the lessor may not unilaterally terminate the contract and recover the leased house, except the cases specified in Clause 2 of this Article.

2. The lessor may unilaterally terminate the house lease contract and recover the leased house in one of the following cases:

a/ The leased house which is a public asset, social house, house for the people's armed forces or lodging house for industrial park workers is leased by the lessor *ultra vires* or to an ineligible or unqualified subject as provided by the housing law;

b/ The lessee fails to fully pay rentals as agreed upon in the contract for 3 or more consecutive months without the reasons as agreed in the contract;

- c/ The lessee uses the house not for the purposes agreed upon in the contract;
- d/ The lessee breaks, expands, renovates or demolishes the leased house at its/his/her own will without the consent of the lessor;
- dd/ The lessee exchanges, lends or sub-leases the leased house without the consent of the lessor;
- e/ The lessee causes disorder or environmental insanitation, seriously affecting the living of the neighborhood but fails to remedy his/her violation though the lessor or head of the residential quarter or chief of the village or hamlet has thrice made records of his/her violation;

g/ The case specified in Clause 2, Article 170 of this Law.

3. The lessee may unilaterally terminate the house lease contract if:

- a/ The lessor fails to repair the house when it is severely damaged;
- b/ The lessor increases the rental rate unreasonably or without notifying such in advance to the lessee as agreed upon in the house lease contract; or,
- c/ The house use right is restricted for the interests of a third person.

4. The party that unilaterally terminates the house lease contract shall notify such in writing or in other forms as agreed in the contract to the other party at least 30 days in advance, unless otherwise agreed upon by the parties; if violating this Clause and causing damage, the party unilaterally terminating the house lease contract shall pay compensation in accordance with law.

### **Article 173.** The right to continue renting houses

1. In case the house owner dies while the house lease term has not expired, the lessee may continue renting the house until the expiration of the contract. The house owner's heir shall continue performing the signed house lease contract, unless otherwise agreed upon by the parties. In case the house owner has no lawful heir, the Civil Code shall apply.

2. In case the house owner transfers the ownership of the house currently on lease to another person while the house lease term has not expired, the lessee may continue renting the house until the expiration of the contract, and the new house owner shall continue performing the signed house lease contract, unless otherwise agreed upon by the parties.

3. When the lessee dies while the house lease term has not expired, the person who lives together with the lessee may continue renting the house until the house lease contract expires, unless the leased house is a house classified as public asset or otherwise agreed upon by the parties or provided by law.

## Section 4

### HOUSE LEASE-PURCHASE

#### **Article 174.** House lease-purchase

1. The lease-purchase of house must be carried out under a contract with the contents specified in Article 163 of this Law; in case of lease-purchase of houses built by organizations or individuals, the lease-purchase contracts shall be signed between such organizations or individuals and lessees-purchase; in case of lease-purchase of houses classified as public assets, the signing of lease-purchase contracts must comply with Points a and b, Clause 3, Article 126 of this Law.

2. Upon the expiration of the lease-purchase period, if the lessee-purchase has made full payment for the lease-purchase as agreed upon, the lessor shall carry out the procedures requesting a competent state agency to issue a Certificate to the lessee-purchase, unless the latter voluntarily carries out such procedures by its/his/her own.

#### **Article 175.** Rights and obligations of lessees-purchase

1. The lessees-purchase shall comply with this Law and exercise other rights and perform other obligations as agreed upon in lease-purchase contracts.

In case a lease-purchase contract terminates when the house has been handed over to the lessee-purchase, the lessee-purchase shall return the house to the lessor and be refunded the first payment, except the cases specified at Point d, Clause 2, this Article; Points e and h, Clause 1, Article 127; and Points a, b, c, d and dd, Clause 2, Article 176, of this Law.

2. In case a lessee-purchase dies, the following regulations shall apply:

a/ If the lessee-purchase has a lawful heir and such person is living together with him/her in the house, the lawful heir will be entitled to continue to lease-purchase the house, unless he/she voluntarily returns the house;

b/ If the lessee-purchase has a lawful heir but such person is not living together with him/her in the house, the lawful heir will be entitled to pay the remainder and be granted a Certificate by a competent state agency, provided that at least two-thirds of the lease period has passed; in case the house is a social house or house for the people's armed forces, the lawful heir who is a person specified in Article 76 of this Law may continue to perform the lease-purchase contract and shall perform obligations of a lessee-purchase under the signed contract event if the lease has not yet passed two-thirds of its period.

c/ If the lessee-purchase has a lawful heir but does not fall into the case specified at Point a or b of this Clause, the lessor may recover the house and the lawful heir will be entitled to refund of the first payment paid by the lessee-purchase, plus an interest calculated according to regulations on inter-bank demand deposit interests at the time of refund;

d/ If the lessee-purchase does not have any lawful heir, the paid first payment shall belong to the State in accordance with the Civil Code and the lessor may recover the house for signing a lease or lease-purchase contract with another person eligible for lease or lease-purchase of the house in accordance with this Law.

**Article 176.** Cases of termination of lease-purchase contracts and recovery of houses on lease-purchase

1. In case of lease-purchase of a house that is a public asset, the lease-purchase contract may be terminated and the house may be recovered in one of the cases specified at Points a, c, e, g and h, Clause 1, Article 127 of this Law.

2. In case of lease-purchase of a social house or a house for the people's armed forces that is not a public asset, the lessor may terminate the lease-purchase contract and recover the house in one of the following cases:

a/ The lessee-purchase sub-leases or sells the house to another person within the lease term at its/his/her own will;

b/ After signing the lease-purchase contract, the lessee-purchase is detected to be ineligible or unqualified for lease-purchase as prescribed by this Law;

c/ The lessee-purchase fails to fully pay rental for 3 or more months as agreed upon in the contract without any reasons as stated in the contract;

d/ The lessee-purchase breaks, expands, renovates or demolishes the house at its/his/her own will;

dd/ The lessee-purchase uses the houses for purposes other than those as agreed upon in the lease-purchase contract;

dd/ The cases specified at Points c and d, Clause 2, Article 175 of this Law;

e/ Other cases as specified in Clause 3 of this Article.

3. A lessee-purchase that does not fall into the cases specified in Clauses 1 and 2 of this Article may terminate lease-purchase contracts as agreed in the contract; in case the house has been handed over to the lessee-purchase, he/she shall return it to the lessor.

## Section 5

### HOUSE DONATION AND EXCHANGE, CONTRIBUTION OF HOUSES AS CAPITAL, LENDING OF HOUSES, LENDING OF HOUSES FOR USE AS TEMPORARY RESIDENCE

#### **Article 177.** House donation

1. The donation of houses under common ownership is provided as follows:

a/ The donation of a house under common ownership by integration must be agreed in writing by all co-owners of the house;

b/ In case of donation of a house under common ownership by shares, co-owners may only donate the parts of the house under their respective ownership.

2. The donation of a house currently on lease is provided as follows:

a/ The owner of the house shall notify in writing the lessee of the donation of the house at least 30 days in advance;

b/ The lessee may continue renting the house until the expiration of the lease contract signed with the house donor, unless otherwise agreed by the parties.

3. House donation in other cases must comply with the civil law and other relevant laws.

#### **Article 178.** Exchange of houses

1. Exchange of houses under common ownership is provided as follows:

a/ The exchange of a house under common ownership by integration must be agreed in writing by all co-owners of the house;

b/ In case of exchange of a house under common ownership by shares, co-owners of the house may exchange only the parts of the house under their respective ownership.

2. Exchange of a house currently on lease is provided as follows:

a/ The owner of the house shall notify in writing the lessee of the exchange of the house at least 30 days in advance;

b/ The lessee may continue renting the house until the expiration of the lease contract signed with the house owner, unless otherwise agreed by the parties;

c/ When exchanging house and transferring house ownership to each other, if there is difference in the houses' value, the parties to the house exchange transaction shall pay the difference, unless they otherwise agree.

3. The exchange of houses in other cases must comply with the civil law and other relevant laws.

**Article 179.** Contribution of houses as capital

1. Conditions for contribution of houses as capital:

a/ House owners or commercial housing investment project owners may contribute houses as capital for participating in business activities carried out in such houses in the sectors not banned by law. The contribution of a house as capital shall be made under a contract which must have the contents specified in Article 163 of this Law.

b/ Houses to be contributed as capital must be ready-built houses and meet the conditions specified in Clause 1, Article 160 of this Law.

2. The contribution as capital of houses under common ownership is provided as follows:

a/ The contribution as capital of a house under common ownership by integration must be agreed in writing by all co-owners of the house;

b/ For a house under common ownership by shares, each co-owner may contribute as capital only the part of the house under its/his/her respective ownership.

3. The contribution as capital of a house currently on lease is provided as follows:

a/ The owner of the house shall notify in writing the lessee of the contribution as capital of the house at least 30 days in advance;

b/ The lessee may continue renting the house until the expiration of the lease contract signed with the capital contributor, unless they otherwise agree.

4. The contribution as capital of houses in other cases must comply with the civil law and other relevant laws.

**Article 180.** Lending of houses, lending of houses for use as temporary residence

1. The lending or lending for use as temporary residence of a house under common ownership by integration must be agreed in writing by all co-owners of the house; for a house under common ownership by shares, each co-owner may lend the part of the house under its/his/her respective ownership, provided that such does not affect the interests of other co-owners. A person that lends its/his/her house may reclaim the house and a person that lends its/his/her house to another person for use as temporary residence may terminate the lending upon

termination of the lending contract specified in Clause 2 of this Article and as agreed in the contract.

2. The contract on lending or lending for use as temporary residence of a house shall be terminated in the following cases:

a/ The lending term expires;

b/ The house no longer exists;

c/ The person who borrows or is lent the house for use as temporary residence dies or is declared missing by a court;

d/ The organization that borrows or is lent the house for use as temporary residence is dissolved, bankrupted or terminates operation;

dd/ The house is in danger of collapse or subject to ground clearance, demolition or land recovery under the decision of a competent state agency;

e/ Other cases as agreed by the parties.

## Section 6

### HOUSE MORTGAGE

#### **Article 181.** House mortgagor and mortgagee

1. A house owner that is an organization may mortgage its house at a credit institution operating in Vietnam.

2. A house owner that is an individual may mortgage his/her house at a credit institution or an economic organization operating in Vietnam or to an individual in accordance with law, except the case specified in Clause 3 of this Article.

3. The mortgage of housing investment projects and future houses must comply with Article 183 of this Law.

#### **Article 182.** Mortgage of houses currently on lease

1. An owner may mortgage its/his/her house currently on lease but shall notify in writing the lessee of the mortgage in advance, and notify the mortgagee of the lease of such house. The lessee may continue renting the house until the expiration of the lease contract, unless otherwise agreed by the parties.

2. In case a house currently on lease is handled for performance of the obligations of the house mortgagor, the lessee may continue renting the house until the expiration of the lease contract, unless it/he/she violates Clause 2, Article 172 of this Law or otherwise agreed by the parties.

**Article 183.** Mortgage of housing investment projects and mortgage of future houses

1. A housing investment project owner may mortgage part or the whole of the project or mortgage houses constructed under the project at a credit institution operating in Vietnam to borrow loans for investment in such project or construction of such houses; the mortgage of housing investment projects or houses must also include the land use rights.

2. In case a housing investment project owner has mortgaged part or the whole of the project or houses constructed under the project but still needs to further mobilize capital in accordance with the housing law or needs to sell or lease-purchase such houses, it shall get the mortgage of the relevant part or the whole of the project or houses constructed under the project and the land use rights thereon released before signing capital mobilization contracts or house purchase and sale or lease-purchase contracts with customers, except the cases specified at Point b, Clause 3 and Point a, Clause 4, Article 88 of this Law.

The confirmation that the house mortgage has been released before house purchase and sale or lease-purchase contracts are signed with customers under this Clause shall be clearly stated in the notice of houses' eligibility for sale issued by the provincial-level housing management agency of the locality where the houses are located. When signing house purchase and sale or lease-purchase contracts with customers, the project owner shall provide them with the notice of houses' eligibility for sale. In case of capital mobilization, when signing capital contribution contracts, the project owner shall provide capital contributors with a mortgage release document issued by the credit institution.

3. Organizations and individuals that construct future houses on residential land plots under their lawful ownership; and organizations and individuals that purchase future houses under housing investment projects may mortgage such houses at credit institutions operating in Vietnam to borrow loans to construct houses or purchase, renovate or repair houses under the projects.

**Article 184.** Conditions for mortgage of housing investment projects and mortgage of future houses

1. Conditions for mortgage of part or the whole of housing investment projects mortgage of future houses are specified as follows:

a/ In case a housing investment project owner mortgages part or the whole of its housing investment project, the project must have its dossier and technical design approved and have obtained a Certificate or land allocation or lease decision issued by a competent state agency;

b/ In case a housing investment project owner mortgages future houses to be constructed under the project, such houses must, in addition to the conditions specified at Point a of this Clause, have their foundations completely built in accordance with the construction law and must not belong to the part of the project or to the whole project already mortgaged by the project owner under Point a of this Clause, unless the mortgage has been released;

c/ In case an organization or individual mortgages a future house on a residential land plot under its/his/her lawful ownership, it/he/she must have papers proving its/his/her land use rights in accordance with the land law and construction permits, in case such a permit is required.

In case an organization or individual mortgages a future house it/he/she has purchased from a housing investment project owner, it/he/she must have a house purchase and sale contract signed with the project owner or a document on transfer of house purchase and sale contract, if it/he/she is the transferee of the house purchase and sale contract, and a proof of payment for the purchase of the house to the project owner according to the schedule agreed upon in the house purchase and sale contract or a document proving that the house purchase and sale contract or the document on the transfer of the house purchase and sale contract is free from any dispute, complaint or lawsuit in accordance with the law on dispute, complaint or lawsuit settlement.

2. The conditions for mortgage of part or the whole of housing investment projects and mortgage of future houses must comply with this Law; contracts on mortgage of part or the whole of housing investment projects or future houses in contravention of this Law are null and void.

#### **Article 185.** Handling of mortgaged houses and housing investment projects

1. The handling of mortgaged houses, including also future houses, must comply with this Law, the civil law and other relevant laws.

2. The handling of mortgaged property being part or the whole of housing investment projects must comply with the civil law and other relevant laws. Transferees of part or the whole of housing investment projects must be eligible for acting as housing investment project owners and carry out procedures for being transferred part or the whole of housing investment projects in accordance with this Law and other relevant laws.

### Section 7

#### HOUSE MANAGEMENT AUTHORIZATION

#### **Article 186.** Contents and scope of house management authorization

1. House management authorization means that a house owner authorizes another organization or individual to exercise its/his/her rights and perform its/his/her obligations in the management of the house during the period of authorization. The management authorization shall be applicable only to ready-built houses.

2. The contents and period of house management authorization shall be agreed by the parties and stated in the house management authorization contract in accordance with the civil law.

3. The house management authorizer shall pay management expenses, unless otherwise agreed by the parties.

**Article 187.** Authorization of management of houses under common ownership

1. The authorization of management of a house under common ownership by integration must be agreed in writing by co-owners of the house.

2. In case a house is under common ownership by shares, each co-owner may authorize other organizations or individuals to manage the part of the house under its/his/her respective ownership provided that such authorization does not affect the interests of other co-owners; and shall notify other co-owners of the house management authorization.

**Article 188.** Termination of house management authorization contracts

A house management authorization contract shall be terminated in accordance with the civil law or at the request of a competent agency upon settlement of disputes over the house and handling of violations of the housing law.

## Chapter XI

### STATE MANAGEMENT OF HOUSING

**Article 189.** Contents of state management of housing

1. Formulating national housing development strategies, and directing and guiding the implementation of housing development strategies, schemes, programs, and plans.

2. Promulgating, and organizing the implementation of, legal documents on housing, and mechanisms and policies for housing development and management.

3. Formulating and promulgating standards and technical regulations on housing classification, housing quality management and condominium grading.

4. Appraising housing-related contents in the process of deciding on or approving investment policy of housing investment projects; deciding on housing investment project owners.

5. Managing house dossiers; managing houses classified as public assets; and managing housing investment projects.

6. Conducting housing surveys and making housing statistics, building housing database and information systems; managing, operating and exploiting housing database and information systems and providing housing data and information.

7. Conducting scientific and technological research and application, and disseminating legal knowledge in the housing field.

8. Providing training and further training for human resources to meet housing development and management requirements.

9. Managing public services related to housing; promulgating rental brackets of social houses, houses for the people's armed forces, lodging houses for industrial park workers, and houses classified as public assets.

10. Guiding, urging, examining, and inspecting, settling disputes, complaints and denunciations about, and handling violations of the housing law.

11. Carrying out international cooperation on housing.

**Article 190.** State management agencies in charge of housing

1. The Government shall perform the uniform state management of housing nationwide.

2. The Ministry of Construction shall act as a focal agency assisting the Government in performing the uniform state management of housing.

3. Ministries and ministerial-level agencies shall, within the ambit of their tasks and powers, perform, and coordinate with the Ministry of Construction in performing, the state management of housing.

4. People's Committees at all levels shall, within the ambit of their tasks and powers, perform the state management of housing in their localities.

**Article 191.** Responsibilities of the Ministry of Construction

1. To assume the prime responsibility for formulating and submitting to the Government and Prime Minister legal documents, strategies and schemes on housing.

2. To formulate, and submit to competent authorities for promulgation or promulgate according to its competence, mechanisms and policies for mobilizing resources for housing development investment; and key housing development programs, schemes and projects as assigned by the Government and Prime Minister, and guide, examine and implement such programs, schemes and projects after they are approved. To formulate and submit to the Government for promulgation, or promulgate according to its competence, regulations detailing, and guiding the implementation of, Article 198 of this Law.

3. To determine basic housing development targets under socio-economic development tasks in each period in conformity with the National Housing Development Strategy. To specify funds for formulating provincial-level housing development programs and plans.

4. To promulgate, and organize the implementation of, legal documents on housing according to its competence; to specify standards and technical regulations on housing and lodging houses for industrial park workers; to promulgate contract forms for purchase and sale, lease-purchase, and lease of social houses, houses for resettlement and houses classified as public assets.

5. To perform the following tasks regarding official residences:

a/ To develop and submit to the Prime Minister for promulgation standards and norms of official residences, and report to the Prime Minister for decision subjects eligible for using official residences in accordance with this Law;

b/ To appraise or give opinions on the demand for official residences and official residence development plans in accordance with this Law;

c/ To organize the establishment, management, operation and lease of official residences of central agencies as assigned by the Prime Minister.

6. To guide the inspection and evaluation of factors to determine the quality of condominiums in accordance with this Law and the construction law.

7. To appraise housing-related contents of housing investment projects subject to the Prime Minister's investment policy decision or approval.

8. To approve or report to the Prime Minister to decide on the repurposing of houses in accordance with this Law.

9. To examine the reservation of land areas and the rationality of arrangement of land areas for development of social houses, lodging houses for industrial park workers and houses for the people's armed forces in the master plans specified in Article 32 of this Law; to inspect provincial-level housing development programs and plans in accordance with this Law.

10. Based on the National Housing Development Strategy and the actual situation, to formulate and submit to the Prime Minister for decision on investment in a national target program with contents on housing support and development of social houses for the subjects specified in Article 76 of this Law; to organize and direct the implementation of such national target program.

11. To manage houses, and archive dossiers of houses classified as public assets of central agencies in accordance with this Law.

12. To conduct housing surveys, make housing statistics at the national scale, develop national housing database and information systems, organize the management, operation and exploitation of national housing database and information systems, and provide national housing data and information.

13. To organize scientific and technological research and application and dissemination of legal knowledge in the housing field. To organize training and further training of housing development and management within its management scope.

14. To specify the framework programs for training and further training on condominium operation management. To publicize on its Portal a list of units eligible for condominium operation management.

15. To guide, urge, monitor, inspect, examine, settle disputes, complaints and denunciations about, and handle, violations in the housing field according to its competence.

16. To carry out international cooperation in the housing field.

17. To perform other tasks in the housing field provided in this Law or as assigned by the Government and Prime Minister.

#### **Article 192.** Housing inspection

1. The Construction Inspectorate under the Ministry of Construction and provincial-level housing management agencies shall perform the function of specialized inspection of housing in accordance with the law on inspection.

3. The Ministry of Construction shall direct and organize the specialized inspection of housing nationwide. Provincial-level housing management agencies shall organize specialized inspection of housing in their localities.

**Article 193.** Training and further training in housing development and management

1. Civil servants and public employees engaged in housing management and development at different levels and in different sectors shall participate in training and further training courses on housing development and management.

2. The Minister of Construction shall promulgate training and further training programs and contents on housing development and management for civil servants and public employees engaged in the housing field nationwide.

## Chapter XII

### SETTLEMENT OF HOUSING-RELATED DISPUTES AND HANDLING OF HOUSING-RELATED VIOLATIONS

#### **Article 194.** Settlement of housing-related disputes

1. The State shall encourage disputing parties to settle their housing-related disputes through conciliation.

2. Disputes over ownership of, or rights to use, houses between organizations and individuals, and disputes related to house transactions or condominium operation management shall be settled by courts or commercial arbitrations in accordance with law.

3. Disputes over management and use of houses classified as public assets shall be settled as follows:

a/ Provincial-level People's Committees shall settle disputes over management and use of houses assigned to localities for management;

b/ The Ministry of Construction shall settle disputes over management and use of houses assigned to central agencies for management, except those assigned to the Ministry of National Defense and Ministry Public Security for management;

c/ The Ministry of National Defense and Ministry of Public Security shall settle disputes over management and use of houses under their management;

d/ Courts shall settle disputes in accordance with the administrative procedure law.

4. Disputes over expenses for condominium operation management and over management and use of condominium maintenance funds shall be settled by district-level People's Committees of localities where such condominiums are located, or settled by courts or commercial arbitrations in accordance with law.

5. The Government shall detail Clause 3 of this Article.

#### **Article 195.** Handling of housing-related violations

Organizations and individuals that commit housing-related violations shall, depending on the nature and severity of their violations, be disciplined, administratively handled or examined for penal liability, and compensate for any damage caused in accordance with law.

### Chapter XIII

#### IMPLEMENTATION PROVISIONS

**Article 196.** Amending and supplementing a number of articles of relevant laws

1. To amend and supplement Clause 1, Article 19 of Law No. 61/2020/QH14 on Investment, which has a number of articles amended and supplemented under Law No. 72/2020/QH14, Law No. 03/2022/QH15, Law No. 05/2022/QH15, Law No. 08/2022/QH15, Law No. 09/2022/QH15, Law No. 20/2023/QH15 and Law No. 26/2023/QH15, as follows:

“1. Based on master plans already decided or approved in accordance with the planning law, ministries, ministerial-level agencies and provincial-level People’s Committees shall formulate plans on investment in, and organize the construction of, technical and social infrastructure systems outside the fences of industrial parks, export processing zones, hi-tech parks and functional sub-zones of economic zones; industrial parks having lodging houses for industrial park workers must also comply with the Housing Law.”.

2. To amend and supplement Clause 4, Article 3 of Law No. 39/2019/QH14 on Public Investment, which has a number of articles amended and supplemented under Law No. 64/2020/QH14, Law No. 72/2020/QH14 and Law No. 03/2022/QH15, as follows:

“4. The management and use of state investment funds at enterprises must comply with the law on management and use of state capital invested in production and business at enterprises. The making of decision on investment policy of, and investment in, projects on construction of official residences and purchase of commercial houses for use as official residences must comply with the Housing Law.”.

**Article 197.** Effect

1. This Law takes effect on January 1, 2025.

2. Housing Law No. 65/2014/QH13 which has a number of articles amended and supplemented under Law No. 40/2019/QH14, Law No. 61/2020/QH14, Law

No. 62/2020/QH14, Law No. 64/2020/QH14, and Law No. 03/2022/QH15 ceases to be effective on the effective date of this Law, except the cases specified at Point b, Clause 1; Points a, c, dd, e and g, Clause 2; Clause 3; and Points a, b, c, d, dd and e, Clause 5, Article 198 of this Law.

3. State-owned houses specified in legal documents on housing promulgated before the effective date of this Law shall be considered houses classified as public assets.

#### **Article 198.** Transitional provisions

1. Transitional provisions regarding provincial-level housing development programs and plans approved before the effective date of this Law:

a/ To continue to implement approved provincial-level housing development programs and plans; all adjustments, if needed, must comply with this Law, except the case specified at Point b of this Clause.

In case a provincial-level housing development program has been approved by the provincial-level People's Council before the effective date of this Law but, by the effective date of this Law, yet to be approved by the provincial-level People's Committee, the provincial-level People's Committee shall approve the program with the contents approved by the provincial-level People's Council. In case the provincial-level People's Committee has approved the provincial-level housing development program but yet to approve the provincial-level housing development plan, it shall formulate and approve the provincial-level housing development plan in accordance with this Law; in case the content of the provincial-level housing development plan is inconsistent with the approved provincial housing development program, the program's content shall be adjusted in accordance with this Law;

b/ In case the provincial-level housing development program and plan have been approved before the effective date of this Law but there is a change in the contents of such program and plan as the housing demand to serve the subjects specified in Clause 7, Article 76 of this Law increases at the request of the Ministry of National Defense and Ministry of Public Security, such program and plan shall be adjusted once in accordance with the housing law in effect before this Law comes into force.

2. Transitional provisions regarding housing development:

a/ For a housing or urban area investment project for which the provincial-level People's Committee has issued a document identifying the land area and location where land-use rights may be transferred to people for self-construction of houses in accordance with law, such document shall further apply;

b/ For a housing or urban area investment project in the phase of project owner selection, by the effective date of this Law, if the competent agency has yet to issue a document on project owner selection, the project owner selection must comply with this Law, except the cases specified at Point a, Clause 3 and Point d, Clause 5, of this Article;

c/ For a social housing investment project or an investment project on renovation or reconstruction of a condominium for which investment policy has been decided or approved, or which is approved, by a competent agency before the effective date of this Law, the project owner shall still enjoy the incentives stated in the document on investment policy decision or approval or the document approving the project; in case this Law or new legal documents provide new investment incentives or higher investment incentives, the project owner shall be eligible for the investment incentives according to the new regulations for the remaining incentive period of the project;

d/ In case there are more than one investor having investment policy approved concurrently with approval of the investor that is carrying out procedures for being recognized as the project owner but the competent agency has yet to issue a document recognizing the project owner in accordance with the housing law in effect before this Law takes effect, this Law shall apply;

dd/ For an official residence investment project for which the investment decision has been issued before the effective date of this Law, such decision shall further apply;

e/ For an investment project to build houses for resettlement which has obtained investment policy decision or approval document or for which investment approval decision or project approval decision has been issued by a competent agency before the effective date of this Law, such document shall apply;

g/ For an independent house of a household or an individual as specified in Clause 2, Article 46 of Housing Law No. 65/2014/QH13, which has a number of articles amended and supplemented under Law No. 40/2019/QH14, Law No. 61/2020/QH14, Law No. 62/2020/QH14, Law No. 64/2020/QH14 and Law No. 03/2022/QH15, in case each apartment of the house has been granted a Certificate, apartment owners shall continue to exercise the rights and perform the obligations of apartment owners in accordance with the housing law in effect before this Law comes into force.

In case the house specified in this Clause meets the requirements provided in the housing law and other relevant laws in effect before this Law takes effect but

by the time this Law takes effect, has not yet been granted a Certificate, the house owner, if so wishes, may request a competent state agency to issue a Certificate in accordance with the housing law in effect before this Law takes effect and the land law.

In case the house specified in this Clause does not meet the requirements provided in the housing law and other relevant laws in effect before this Law takes effect, violations shall be handled in accordance with the laws on housing, construction, and fire prevention and fighting and other relevant laws effective at the time such violations occur; authorities shall not issue a separate Certificate for each apartment in such house; the handling of housing transactions must comply with the Civil Code.

3. Transitional provisions regarding renovation and reconstruction of condominiums:

a/ For a condominium renovation and reconstruction project in the phase of project owner selection, if by the effective date of this Law, competent agencies have yet to issue a document on project owner selection, the project owner shall be further selected in accordance with the housing law in effect before this Law comes into force. The project implementation must comply with this Law and other relevant laws;

b/ A valid dossier of request for approval of investment policy and approval of an investor as project owner of a condominium renovation and reconstruction project; or a valid dossier of request for approval of investment policy for a condominium renovation and reconstruction project, which has been received by a competent state agency before the effective date of this Law but yet to be processed, shall be further processed in accordance with the housing law in effect before this Law comes into force;

c/ In case the owner of a condominium renovation and reconstruction project made compensation according to the compensation, support and resettlement plan before July 1, 2015, or according to the compensation, support and resettlement plan approved in accordance with Housing Law No. 65/2014/QH13, which has a number of articles amended and supplemented under Law No. 40/2019/QH14, Law No. 61/2020/QH14, Law No. 62/2020/QH14, Law No. 64/2020/QH14 and Law No. 03/2022/QH15, and detailing and guiding documents, it shall further comply with the approved compensation, support and resettlement plan, unless there exist houses, land or construction works not yet included in the compensation, support and resettlement plan. The compensation for houses, land

or construction works not yet included in the compensation, support and resettlement plan must comply with this Law;

d/ For an old condominium for which the provincial-level People's Committee has issued coefficient K for use for compensation for usable areas of apartments under condominium renovation and reconstruction investment projects in accordance with the housing law in effect before this Law takes effect, this coefficient K shall continue to be used to determine the compensation, support and resettlement for condominium owners.

#### 4. Transitional provisions regarding management and use of condominiums:

a/ For a condominium that has been tested for acceptance, handed over and put into use before the effective date of this Law, if the investment policy decision or approval document or a document of equivalent legal validity in accordance with law does not require the handover of technical infrastructure facilities, the project owner shall maintain and exploit the facilities, ensuring that they are used for the designed purposes and functions; in case handover of the facilities is required but the project owner has yet to do so, it shall hand over the facilities for management and use in accordance with this Law;

b/ For technical infrastructure facilities in a condominium area that have been tested for acceptance and put into use before the effective date of this Law, if the investment policy decision or approval document or a document of equivalent legal validity in accordance with law does not require the handover of the technical infrastructure facilities, the project owner shall maintain and exploit the facilities, ensuring that they are used for designed purposes and functions; in case the handover of the technical infrastructure facilities is required but the project owner has yet to do so, it shall hand over the facilities for management and use in accordance with this Law.

#### 5. Transitional provisions concerning Chapter VI of this Law:

a/ For a social housing investment project which has obtained investment policy decision or approval document, investment decision, project approval decision or investment approval document or for which the document on selection of the project owner has been issued before the effective date of this Law, such document shall further apply, except cases subject to adjustment of investment policy or project content in accordance with the investment law;

b/ For a commercial housing or urban center investment project which has obtained the investment policy approval document, investment decision, project approval decision or investment approval document before the effective date of this Law, the project owner shall be obliged to reserve part of the project's

residential land area with technical infrastructure systems for construction of social houses according to such document;

c/ For a commercial housing or urban center investment project that has been implemented, if, by the effective date this Law, the project owner has yet to reserve part the project's residential land area with technical infrastructure systems for construction of social houses, it shall continue to perform this obligation in accordance with the housing law in effect before this Law comes into force;

d/ For a social housing investment project in the phase of project owner selection, if the project owner selection document has yet to be issued in accordance with the housing law in effect before this Law takes effect, the housing law in effect before this Law comes into force shall further apply;

dd/ In case of sale of social houses subject to payment of land use levy in accordance with the housing law in effect before the effective date of this Law, if, by the effective date of this Law, the house sellers have yet to pay land use levy, they shall further pay land use levy in accordance with the housing law in effect before the effective date of this Law;

e/ The registration, consideration and approval of dossiers, price appraisal, and signing of contracts concerning the purchase and sale, lease-purchase, lease or resale of social houses, which are carried out in accordance with the housing law in effect before this Law comes into force but have not yet been completed by the effective date of this Law, shall be further carried out in accordance with the housing law in effect before the effective date of this Law;

g/ In case a social housing investment project owner has reserved part of social houses under the project for lease in accordance with Clause 3, Article 54 of Housing Law No. 65/2014/QH13, which has a number of articles amended and supplemented under Law No. 40/2019/QH14, Law No. 61/2020/QH14, Law No. 62/2020/QH14, Law No. 64/2020/QH14 and Law No. 03/2022/QH15, but, by the effective date of this Law, such houses have not been leased yet, such houses may be put for sale or lease-purchase in accordance with this Law.

6. Condominium operation management units of which information has been posted in accordance with the housing law in effect before this Law comes into force are not required to carry out procedures of request for issuance of written notices of eligibility for condominium operation management in accordance with this Law, except the case where there is a change in their information or service provision content or they are no longer eligible for condominium operation management as provided by this Law.

7. For households that have owned houses before the effective date of this Law, from the effective date of this Law, the participation in legal relations on housing shall be carried out by individuals being members of the households who will have the rights and obligations of house owners in accordance with this Law.

*This Law was passed on November 27, 2023, by the 15<sup>th</sup> National Assembly of the Socialist Republic of Vietnam, at its 6<sup>th</sup> session.-*

*Chairman of the National Assembly*  
VUONG DINH HUE

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