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## WHAT ARE THE IMPACTS OF NEW LAND LAW 2024 ON PROPERTY/ REAL ESTATE DEVELOPERS IN LAND PRICE EVALUATION?



**Viet Nguyen Dang**  
Partner

We take a snapshot on amendments and supplements under the new Land Law 2024 related to land pricing and evaluation, a very important issue concerned by all real estate developing investors to find out whether there are significant impacts on land costs leading to changes in real estate selling prices or not.

### I – Principles of land pricing

Decree 44/2014/ND-CP guiding the Land Law 2013	Land Law 2024	Comparison
<p>1. Land price evaluation shall be pursuant to the following principles:</p> <p>...</p> <p>c) <b>Compatibility with the prevailing market price</b> of the same designated using purpose land that had been transferred, winning auction price of land use rights at location where land use rights are auctioned, or income from using the land use</p> <p>d) At the same point in time, adjacent plots with the same designated use, similar productivity, and similar income from land use should be priced.</p>	<p>1. Land price evaluation shall be pursuant to the following principles:</p> <p>a) Land pricing methods based on market principles;</p> <p>...</p> <p>đ) Assure the harmony of interest amongst the State, land users, and investors.</p>	No fundamental change

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## II- Land Price Evaluation Approaches

Decree 44/2014/ND-CP guiding the Land Law 2013	Land Law 2024	Comparison
Direct comparison method is a land pricing approach that involves analyzing the prices of vacant land lots with similar land use purposes, locations, productivity, infrastructure conditions, area, shape, and legal aspects related to land use rights (hereinafter referred to as comparison land lots) that have been transferred in the market or successfully auctioned for land use rights for comparison, in order to determine the price of the target land lot.	The comparison method is implemented by adjusting the prices of land lots with the same land use purpose, similarity in factors influencing land prices that have been transferred in the market or successfully auctioned for land use rights, where the winning bidder has fulfilled financial obligations according to the auction decision, through analysis and comparison of factors affecting land prices after excluding the value of assets attached to the land (if any) to determine the price of the targeted land lot.	More comprehensive but without significant change
Discount method is a land pricing approach for land lots with assets attached to the land, by subtraction the portion of the value of assets attached to the land from the total real estate value (including the land value and the value of assets attached to the land).	Not available	Exclude this method without significant changes
Income method is a land pricing approach calculated by dividing the average net income per unit of land area per year to the average annual interest rate on a 12-month term VND savings deposit at the state commercial bank with the highest savings deposit interest rate in the provincial area at the time of land	The income method is implemented by dividing the average annual net income per unit of land area to the average interest rate of a 12-month term VND savings deposit at the commercial banks where the State holds more than 50% of the	More clarification and reasonable, compatible to market interest rate

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valuation.	charter capital or the total shares with voting rights in the provincial area for the three consecutive years leading up to the most recent quarter with available data before the valuation date.	
Surplus method is an approach to price land lots potential for development according to land use planning, construction planning, or allowed to change using purpose for optimization, by excluding the total estimated costs from the projected total revenue of the hypothetical development of the real estate.	Surplus method is implemented by substrating total estimated development costs for the land lot or area from total estimated development revenue, based on the most effective land use (land use coefficient, building density, maximum number of floors) according to the approved land use planning and detailed construction planning by the authorized authorities.	More specifically without significant changes.
Coefficient method is a land pricing approach that involves determining the land price by multiplying the land price in the land price schedule issued by the People's Committee of the province, centrally-run city (provincial People's Committee).	Coefficient method is a land pricing approach by multiplying the land price from the land price schedule and by the land price adjustment coefficient. The adjustment coefficient is determined through comparing the land price in the land price schedule with the market land price	No fundamental change
	The government promulgates other land pricing methods after obtaining the approval from the Standing Committee of the National Assembly	Left open for flexible supplementing other pricing methods later.

## Partners / Luật Sư Thành Viên



**Nguyen Anh Tuan**  
M: +84 903404242  
[tuanna@bizconsult.vn](mailto:tuanna@bizconsult.vn)



**Nguyen Dang Viet**  
M: +84 913028222  
[vietnd@bizconsult.vn](mailto:vietnd@bizconsult.vn)



**Le Hong Phong**  
M: +84 968 695 468  
[phonglh@bizconsult.vn](mailto:phonglh@bizconsult.vn)



**Nguyen Trong Nghia**  
M: +84 936334499  
[nghiant@bizconsult.vn](mailto:nghiant@bizconsult.vn)



**Nguyen Bich Van**  
M: +84 913231019  
[vannb@bizconsult.vn](mailto:vannb@bizconsult.vn)



**Trinh Hoang Lien**  
M: +84 904242684  
[lienth@bizconsult.vn](mailto:lienth@bizconsult.vn)



**Nguyen Thu Huyen**  
M: +84 912908579  
[huyennt@bizconsult.vn](mailto:huyennt@bizconsult.vn)



**Ha Thi Hai**  
M: +84 963718558  
[haiht@bizconsult.vn](mailto:haiht@bizconsult.vn)



**Tran Cong Quoc**  
M: +84 934778119  
[quoctc@bizconsult.vn](mailto:quoctc@bizconsult.vn)

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Chúng tôi giữ quyền sửa đổi, tạm ngừng hoặc ngừng vĩnh viễn hoạt động của bản tin này hoặc bất kỳ phần nào của bản tin mà không thông báo trước. Chúng tôi không chịu bất kỳ trách nhiệm nào về các sửa đổi, tạm ngừng hoặc ngừng vĩnh viễn hoạt động của bản tin này.

Nếu bạn có vấn đề nào cần tư vấn, hãy liên hệ với chúng tôi hoặc yêu cầu luật sư của bạn tư vấn về vấn đề đó cho bạn.

Tất cả các quyền, bao gồm cả quyền sở hữu, quyền tác giả, quyền liên quan và các quyền sở hữu công nghiệp đối với nội dung thông tin, thiết kế, trình bày mỹ thuật của bản tin này thuộc

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For receiving our LegalNews, kindly contact us / Để nhận các Bản tin Pháp lý, vui lòng liên hệ với chúng tôi:



**Trang Vu**

Mobile: +84 934551191

[trangvm@bizconsult.vn](mailto:trangvm@bizconsult.vn)

**bizconsult**  
LAW FIRM

No. 20, Tran Hung Dao St.

Hoan Kiem district

Hanoi

Vietnam

E-mail: [info-hn@bizconsult.vn](mailto:info-hn@bizconsult.vn)

8th Floor, Sailing Tower

111A Pasteur, District 1

Ho Chi Minh City

Vietnam

E-mail: [info-hcm@bizconsult.vn](mailto:info-hcm@bizconsult.vn)

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