



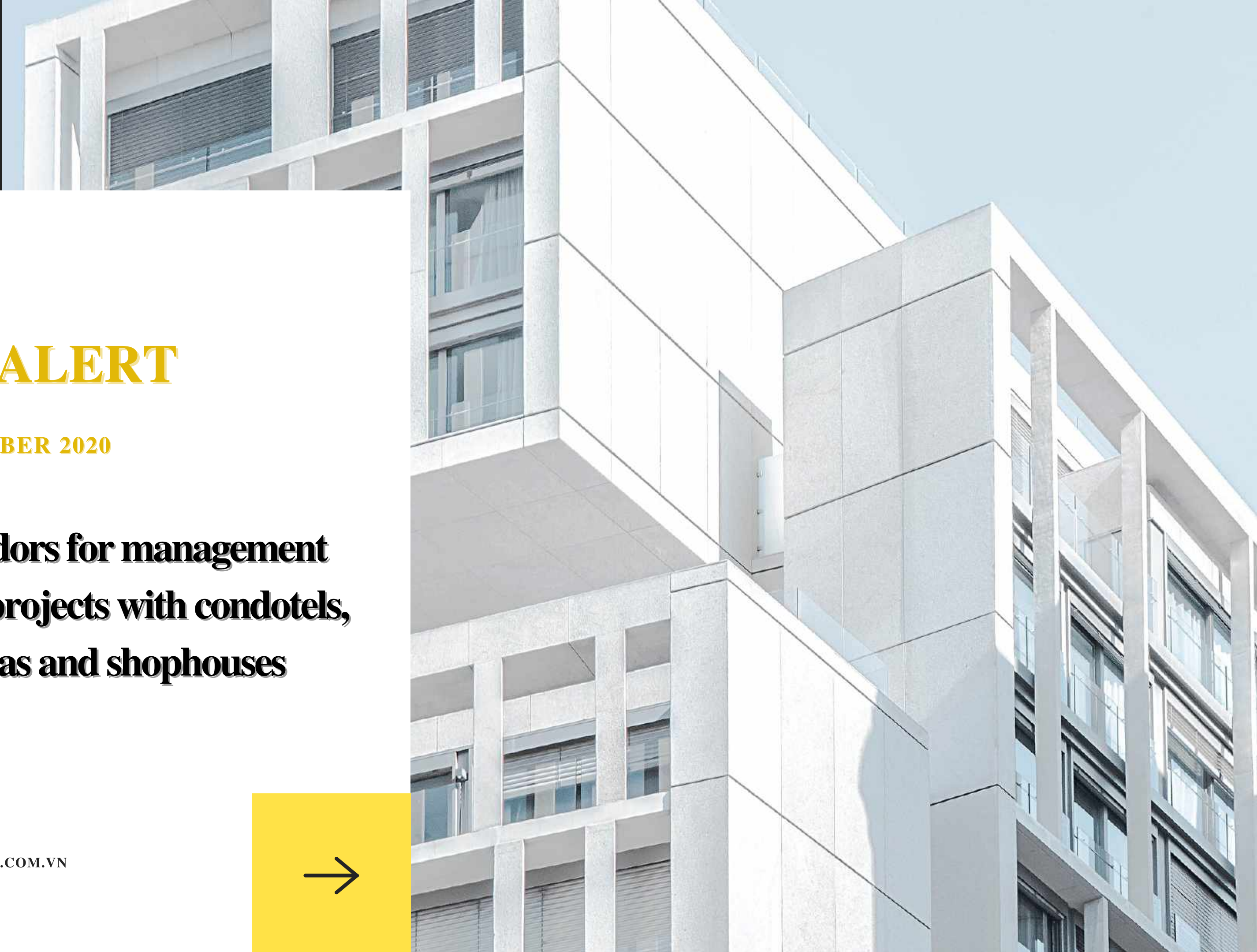
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# LEGAL ALERT

SEPTEMBER 2020

**Additional legal corridors for management and transaction of the projects with condotels, officetels, resort villas and shophouses**

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## Additional legal corridors for management and transaction of the projects with condotels, officetels, resort villas and shophouses



On 03 September 2020, the Ministry of Construction issued Official Letter No. 4308/BXD-HDXD to People's Committees of centralized provinces and cities on the management over the investment and construction of the projects with condotels, officetels, resort villas and shophouses.

Accordingly, Official Letter No. 4308/BXD-HDXD addresses the matters related to condotels, officetels, resort villas and shophouses with the following noteworthy key points:

### Regarding the legal corridor

The Ministry of Construction reiterates and mentions the latest and most important legal corridor related to the management of investment and construction of condotels, officetels, resort villas and shophouses as follows:

- Decision No. 3720/QD-BVHTTDL dated 28 October 2019 of the Ministry of Culture, Sports and Tourism promulgating the Regulations on management and business of tourist apartments and tourist villas.
- Document No. 703/BTNMT-TCQLDD dated 14 February 2020 of General Department of Land Management - Ministry of Natural Resources and Environment guiding the land use regime and certification of ownership of non-residential construction works.
- Document No. 276/BXD-QLN dated 20 January 2020 of the Ministry of Construction to the People's Committees of centralized cities and provinces on the management of investment, construction, and trading of tourist apartments and tourist villas.

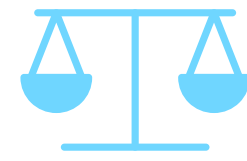
At the same time, the Ministry of Construction issues national technical standards for real estate such as:

- National technical standards on construction planning QCVN 01: 2019/BXD for zone planning and detailed construction planning.
- National technical standards on condominium buildings QCVN 04:2019/BXD for mixed-purpose condominium buildings with condotels and officetels.

In addition, the Ministry of Construction has also drafted national standards for various types of works to submit to the Ministry of Science and Technology, including:

- National standard TCVN 12870:2020 on resort villas - General requirements for design
- National standard TCVN 12871:2020 on officetels - General requirements for design
- National standard TCVN 12872:2020 on shophouses - General requirements for design
- National standard TCVN 12873:2020 on condotels General requirements or design



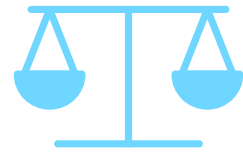


## Some problems in the management of condotels, officetels, resort villas and shophouses



Some outstanding issues in the management of construction, investment and operation of the projects related to condotels, officetels, resort villas and shophouses are referred to by the Ministry of Construction as follows:

- Some construction planning projects have identified the functions of condotels, officetels, and resort villas but have not estimated the specific number of inhabitants of this type.
- Difficulties and shortcomings in the operation, management and use of the buildings with condotels and officetels due to the exploitation by many owners and users.
- Lack of legal regulations in the contractual relationship between initial investors and secondary investors.
- The localities stay still confused in the issuance of ownership papers for condotels, officetels, and resort villas.
- Some investors apply to convert condotels and officetels into condominiums, causing pressure on the technical and social infrastructure system.



## Directions of the Ministry of Construction in the management of condotels, officetels, resort villas and shophouses

To keep enhancing the efficiency of state management over the investment and construction of the projects related to condotels, officetels, resort villas and shophouses, the Ministry of Construction requires the People's Committees of centralized provinces and cities to provide instructions for relevant agencies and units involved in construction & investment management, agencies specialized in construction regarding the application of administrative procedures to the construction projects with condotels, officetels, resort villas and shophouses, the following details should be noted:



- When evaluating and approving zoning plans and detailed construction plans, the applicable system of technical standards and regulations must be complied with, the construction floor area, the numbers of condominiums and inhabitants must be clarified for the arrangement of condotels, officetels, resort villas and shophouses to determine the criteria and requirements on technical and social infrastructure.
- When considering the investment policies for construction investment projects with condotels, officetels, resort villas and shophouses, it is required to ensure that the purposes of investment and land use are consistent with the functions of construction projects; and note that the formation and development of this type of real estate must be suitable to the actual situation in each locality from time to time.
- Depending on the actual situation in each locality, consider issuing new legal procedures allowing to conduct investment and construction (including approval of construction plannings, decision on investment policies for construction investment projects with the aforesaid types of real estate) while managing and operating condotels, officetels, resort villas and shophouses.
- Construction-specialized agencies, when carrying out project appraisal, construction design, construction licensing, and acceptance of construction works, should check and periodically review legal bases on construction planning, investment policy, assessment of compliance with the system of technical standards, especially the technical standards on condotels, officetels, resort villas and shophouses newly issued; if it is unclear about the number of inhabitants of accommodation facilities, and the ability to meet the regional infrastructure, it is necessary to send a document to the local planning management agency for clarification. Notification of the results of appraisal and inspection of the acceptance test should be sent to the local state management agency in charge of construction for management during the project's construction and operation.



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