

## COMPARATIVE ANALYSIS OF LAND VALUATION METHODS FOR COMPENSATION: VIETNAM AND UK LAW

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### Abstract

The valuation of land for compensation when the State recovers land is a critical and often contentious issue, with significant implications for the rights and livelihoods of affected citizens. This paper examines the current status of land valuation methods in Vietnam, focusing on the legal framework and practical implementation challenges that hinder fairness and transparency. Despite ongoing reforms, including provisions under the new Land Law 2024, the system continues to face inconsistencies in applying valuation principles, often resulting in compensation levels that do not reflect market realities. The study identifies key weaknesses, including limited public participation, a lack of independent oversight, and an outdated land price database. It proposes a multi-dimensional valuation approach combining comparative, cost, and income methods to enhance objectivity and precision in assessments. The establishment of an independent valuation body is recommended to mitigate conflicts of interest and strengthen institutional accountability. By advancing these reforms, Vietnam can move toward a more equitable and reliable land valuation system that not only upholds landowners' rights but also contributes to social stability and sustainable development. The findings underscore the urgency of continued legal and procedural refinement to build public trust in the land recovery process.

**Keywords:** compensation, land price database, land law, market-oriented approach, transparency

### 1. INTRODUCTION

From a theoretical perspective, land valuation encompasses determining both the price of land and the value of land. The fundamental difference between price and value is reflected in the fact that market price indicates how much an asset can be sold for at a specific time. In contrast, value means the actual worth of an asset compared to other assets (Ewert, 1979). Thus, the market value of land is the price determined based on factors constituting land value, such as profitability potential, location, size, land use purpose, and supply-demand relationships for that type of land in the market (Cuong, 2022). However, in Vietnam, land price - meaning the price of land - is determined based on the value of land use rights and is primarily conducted by state agencies according to the concept in Clause 19, Article 3 of the Land Law 2013, and currently Clause 19, Article 3 of the Land Law 2024.

According to Verheye (2007) land prices differ significantly from those of ordinary commodities due to the influence of natural, legal, economic, and social factors. Unlike standard goods, land prices are not determined solely by immediate supply and demand dynamics; instead, they reflect complex, long-term structural constraints. Although market forces influence land prices, this influence is moderated by the intrinsic scarcity and immobility of land. Specifically, land supply is fixed and cannot be expanded at will, while demand continues to rise due to factors such as population growth, urbanization, and increasing land use needs (Hai,

2023). In addition, spatial attributes, such as location, topography, and the socio-economic context of surrounding areas, significantly affect the market value of land parcels. A unique aspect of Vietnam's land valuation system is the issuance of state-determined land price tables. While market trends partially inform these prices, they remain subject to regulatory frameworks established by state management authorities. As a result, land use correct prices in Vietnam are a comprehensive expression of multiple interrelated factors. First, natural factors entail location, fertility, and terrain. Second, legal factors entail land classification and valuation methods—third, socio-economic factors intersect with human behavioral aspects, including buyer and seller perceptions. Within Vietnam's socialist-oriented market economy, land pricing operates under a dual mechanism; it responds to market principles while simultaneously being shaped and regulated by state-led land and economic management policies.

According to Clause 11, Article 4 of the Price Law 2023, the definition states: *“Pricing is the process by which competent state agencies or organizations and individuals engaged in goods and services business determine the price of goods and services.”*

In addition to complying with legal regulations on principles, methods, procedures, and valuation processes, land valuation for compensation calculation when the State recovers land must ensure adherence to market principles, demonstrated through reliance on market law foundations. This is because the main factor forming land prices consists of state regulations and the operation of market laws (Chinh, 2014). Accordingly, the method of determination according to market principles in land valuation was first introduced by our Party as an objective in Resolution No. 18/NQ-TW dated June 16, 2022. It was institutionalized in the Land Law 2024. Specifically, Point A, Clause 1, Article 158 of the Land Law 2024 stipulates that one of the principles of land valuation is: land valuation methods according to market principles.

Thus, land valuation is understood as the estimation of land plot value in monetary form for determined land use purposes at a specific time (Ngu, 2017, p.38). This activity requires a comprehensive collection and analysis of market data, based on the natural and economic characteristics of land plots, while considering the impact of all related factors, methods, and principles to establish appropriate price levels for one or multiple land plots at the same time. Besides technical aspects, the human factor plays a crucial role in determining land prices. That is, valuation implementers must have professional qualifications and expertise for methods and principles to be optimized. Because land valuation is one of the fields requiring high expertise, training, and developing human resources for land price management work is very necessary (Than, 2022, p.83). On the other hand, to ensure objectivity, these subjects participate in independent positions and roles without being influenced by state agencies.

From the above arguments, we can propose the concept: Land valuation for compensation calculation when the State recovers land is the activity of appraising land price determination results by independent valuation organizations based on market laws and according to objective, honest principles to determine specific price

levels for each type of recovered land as a basis for calculating compensation, support, and resettlement money.

Land valuation for compensation calculation when the State recovers land is an important and sensitive issue with far-reaching impacts on people's rights and socio-economic development. According to regulations in the Land Law 2024, particularly Article 92, compensation land prices must be determined based on market land prices, ensuring publicity and transparency principles. However, reality shows that this process still contains many inadequacies and shortcomings. Specifically, for cases where land price proposals by natural resources and environment agencies have been submitted to competent People's Committees (provincial level or district level authorized by provincial People's Committees) to decide specific land prices before Decree No. 12/2024/ND-CP takes effect, competent People's Committees decide specific land prices according to submitted proposals, not applying new regulations (effective from February 5, 2024).

Accordingly, this study aims to evaluate the current status of land valuation methods used in Vietnam for calculating compensation when the State recovers land, with particular attention to the gaps between legal provisions and practical implementation. The objectives are threefold: first, to analyze the extent to which existing valuation practices reflect market values and adhere to the principles outlined in the Land Law 2013 and the newly promulgated Land Law 2024; second, to identify the legal, institutional, and methodological limitations that contribute to inadequate or inconsistent compensation; and third, to propose theoretically grounded and context-specific recommendations to improve fairness, transparency, and public trust in the land recovery process. To achieve these objectives, the study adopts a qualitative research design based on legal and policy analysis. It involves a doctrinal review of relevant Vietnamese legislation, official valuation frameworks, and administrative guidelines, supported by secondary data from academic studies, government publications, and expert commentaries. This approach allows for a comprehensive and critical examination of the institutional and legal context surrounding land valuation for compensation in Vietnam. It provides a basis for evidence-informed reform proposals.

### ***1.1.Theoretical Framework***

#### ***1.1.1. Land as a Unique Economic Asset***

Land differs fundamentally from other commodities in both its physical and economic characteristics. It is immobile, finite, and heterogeneous, making its valuation a complex and often contested process. Traditional market pricing mechanisms, which may work well for standardized goods, fail to capture the full dimensions of land's value (Choi, 2020). As Verheye points out, the value of land is influenced by a variety of interrelated factors, including location, fertility, accessibility, and legal constraints. In contexts like Vietnam, where land is publicly owned and only land use rights are transacted, valuation takes on added complexity. It must reconcile economic utility with legal entitlements and social expectations, making any compensation framework for state land recovery inherently multidimensional (Verheye, 2007).

### *1.1.2. The Compensation Dilemma in Transitional Economies*

Fan (2019) avers that in transitional economies, the question of compensation for land expropriation is particularly challenging. Vietnam's system, shaped by its socialist legacy and ongoing market-oriented reforms, illustrates the tension between administrative control and market responsiveness. Compensation often becomes a measure of the state's commitment to justice and the protection of property rights. The theory of distributive justice, particularly as articulated by Rawls (1968), emphasizes that policies involving the redistribution of resources, such as compulsory land acquisition, must ensure that no individual is unduly disadvantaged. In practice, it is expected that compensation in Vietnam will remain almost at par with actual market values, provided that disputes, public discontent, and questions about the legitimacy of the land recovery process are avoided.

### *1.1.3. Malcolm Adiseshiah's Market Economy Theory*

Malcolm Adiseshiah's theory of the controlled market economy offers an instructive framework for understanding how land valuation might function in a socialist-oriented market system. Adiseshiah advocated for a balanced model in which the market operates within a framework of state regulation aimed at ensuring equity and social welfare (Adiseshiah, 1980, p.7). Applied to land valuation, this theory suggests that while compensation should be informed by market indicators, such as comparable sales or land income potential, it must also be regulated through institutional checks to avoid speculative distortions or elite capture. In Vietnam, where land is publicly owned but market forces increasingly shape its value, a valuation mechanism grounded in this theory would allow for market-reflective pricing without abandoning the principles of state oversight and social justice.

### *1.1.4. Valuation Methodologies and the Challenge of Objectivity*

The methodological basis for land valuation plays a crucial role in determining fairness and accuracy in compensation. Internationally, three main approaches are recognized: the comparative (sales) approach, the cost approach, and the income approach (Kolankov, 2018). Each captures different aspects of value. The comparative approach relies on actual transaction data to estimate current market prices, offering strong alignment with observable market behavior. The cost approach estimates the replacement value of land and improvements, deducting depreciation. The income approach is based on the present value of expected future income from the land, making it especially relevant for income-generating or commercial properties. In Vietnam, valuation practices have tended to rely heavily on administratively set land price tables, which often do not reflect actual market conditions. This limits objectivity and precision, particularly in high-value or rapidly urbanizing areas. Integrating a multi-method approach could provide a more robust and defensible basis for compensation.

### *1.1.5. Institutional and Participatory Gaps*

Land valuation for compensation is not only a technical process but also an institutional one. The credibility of the valuation process depends heavily on the quality and independence of the institutions involved. North's institutional theory emphasizes that economic outcomes are shaped by both formal rules and informal norms (North, 2016). In the Vietnamese context, the centralization of valuation

authority within state agencies has raised concerns about conflicts of interest and lack of transparency. The absence of independent valuation bodies undermines accountability and may contribute to public mistrust. Furthermore, limited opportunities for affected citizens to participate in or contest valuation outcomes weaken procedural legitimacy. Expanding public participation and creating independent oversight mechanisms would help ensure that compensation decisions are seen as fair and consistent with both legal and economic principles.

#### *1.1.6. Toward a Rights-Based and Market-Aligned Valuation System*

The theoretical underpinnings of this study converge on the need for a valuation system that respects both market logic and the rights of affected citizens. According to Nelson (2022), a rights-based approach recognizes that land, beyond its economic value, is tied to identity, livelihood, and long-term social security. Ensuring that compensation adequately reflects market value while also being determined through transparent, inclusive, and independent processes is essential for upholding these rights. Within the framework of a socialist-oriented market economy, such as Vietnam's, this requires a valuation system that operates at the intersection of efficiency, justice, and institutional integrity. By integrating multidimensional valuation methods, establishing autonomous valuation bodies, and improving access to reliable market data, Vietnam can build a compensation system that reinforces public trust and contributes to both social stability and sustainable development.

## **2. METHODS**

This is a library research-based article. The author has analyzed existing publications from reputable sources to come up with the article. Additionally, relevant legislation in Vietnam and England has been incorporated into the article.

## **3. FINDINGS AND DISCUSSION**

### ***3.1. Land acquisition and valuation in the UK***

In the UK, the Acquisition of Land Act 1981, chapter 67, allows the government to effect compulsory land acquisition. This authority is referred to as 'enabling powers'. Enabling powers enable "public bodies on which they are conferred to acquire land compulsorily." (Ministry of Housing, Communities & Local Government, 2025). "*Compulsory purchase is a legal mechanism which enables certain bodies, including local planning authorities, Ministers of State and other public bodies, as well as statutory undertakers (acquiring authorities) to acquire land without first obtaining the consent of the landowner*" (Stewart & Sorrentino, 2022).

The UK's Acquisition of Land Act 1981, chapter 67, deals with the power given to the acquiring authority to require information about the land to be appropriated in section 5A. Section 5A, sub-section 2, gives the acquiring authority the right to serve a notice requiring information in writing regarding (a) the name and address of any person he believes to be an owner, lessee, tenant (whatever the tenancy period), or occupier of the land;



(b)the name and address of any person he believes to have an interest in the land.

Section 5A, subsection 4 lists the persons who can supply the information the acquiring authority requires as per subsection 2. The said persons are

- (a)the occupier of the land;
- (b)any person who has an interest in the land, either as freeholder, mortgagee, or lessee;
- (c)any person who directly or indirectly receives rent for the land;
- (d)any person who, in pursuance of an agreement between himself and a person interested in the land, is authorised to manage the land or to arrange for the letting of it.

Further, subsection 5 stipulates that the notice must specify when the information is required, and the period must not be less than 14 days from the day the notice is served. In addition, Subsection 6 requires that the notice be specific on (a) the land, (b) the compulsory purchase power, and (c) the law that confers the power. According to subsection 7, the notice must also be in writing.

According to the Ministry of Housing, Communities & Local Government (2025) in the UK, there is no single law known as the ‘compensation code’ for determining compensation after compulsory land acquisition. The procedure for valuation and compensation is anchored on a combination of enacted laws, case law, and established practice. According to HS2 (2022),

an information paper developed regarding the compensation of landowners after land acquisition for the High Speed Rail (Crewe-Manchester) construction, the compensation code in the UK is a collective term used for the principles set out in Acts of Parliament, principally “*the Land Compensation Act 1961, the Compulsory Purchase Act 1965, the Land Compensation Act 1973, the Planning & Compulsory Purchase Act 1991 and the Planning & Compulsory Purchase Act 2004*” (HS2, 2022).

The above-named Acts of Parliament are used in tandem with case law related to compensation for compulsory land acquisition. In addition, once a mandatory purchase order has been confirmed, any person with a valid legal interest in the said land can launch a claim for acquisition to the acquiring authority as per section 4 of the Land Compensation Act 19961. Moreover, compensation is based on the principle of ‘equivalence’. This means that the owner of the appropriated land is neither worse off nor better off based on the market value of the appropriated land. However, the acquiring authority may make payments other than the market value of the appropriated land, such as compensation for disturbance or loss emanating from the acquisition (Stewart & Sorrentino, 2022).

### *3.1.1. Rules for assessing compensation*

The UK Land Compensation Act 1961 outlines the rules for compensation after compulsory land acquisition in Section 5 on rules for assessing compensation. Section 5, rule 1 stipulates in rule (1) when compensation is being made, there shall not be consideration for the acquisition being compulsory. This means that land owners cannot make claims for higher payment on the basis that the land acquisition

is not voluntary. This principle prevents landowners from making unfair claims by offering unreasonable compensation or exceeding the prevailing market value.

(2) The valuation of the appropriated land has to be equal to the price it would fetch in an open market, in a willing buyer, willing seller arrangement.

(3) If the land is suitable for the proposed scheme in any special way, it does not qualify for an increase in value. For example, the availability of stones and water to be used in construction does not lead to a valuation above the prevailing market rates. This principle is founded on the assumption that the said value would not be achieved without the acquisition scheme. Corbin (2020) has noted that this has been a bone of contention in the UK, with the Law Commission, House of Lords, and the Supreme Court asking successive governments to review the status quo. Further, Corbin (2020) notes that this rule is founded on the 'Pointe Gourde Principle' from the precedent-setting case of *Pointe Gourde Quarrying Co Limited v Sub Intendant of Crown Lands [1947] PC*. In this case, a quarry had been appropriated to construct a naval base. It had stones that could be used in the construction, hence valuable for the acquiring authority. The argument was that if the acquiring authority had built the naval base elsewhere in Trinidad, the quarry owners could have potentially benefited from selling stones to the authority. However, in a situation where the appropriating authority acquires the entire quarry area, they were the only ones or a similar acquiring authority who could benefit from the resources. Therefore, any possible rise in the land value due to the availability of the stones was outside the definition of the prevailing value (Corbin, 2020).

In addition, Corbin (2020) cites *The Law of Compulsory Purchase*, second edition at [428]

The purpose of this rule is to eliminate from the compensation any increase in value attributable to the special characteristics of land where:

- (a) the land has special suitability or adaptability for a particular purpose; and
- (b) that purpose is either of the following:
  - (i) a purpose which could not be carried out without statutory powers, or
  - (ii) a purpose for which there is no market apart from the special needs of a body having power to purchase land compulsorily.

(4) If the appropriated land was in use for activities that are contrary to law and would potentially lead to the uplifting of the land's value, then the said activities are ignored.

(5) If the appropriated land appreciates or depreciates in any way due to the appropriation, the change will be overlooked. Therefore, this rule holds that compulsory purchase cannot affect the prevailing market value of a compulsorily acquired land.

(6) The provisions of rule (2) shall not affect the assessment of compensation for disturbance or any other matter not directly based on land value.

### 3.1.2. Relevant valuation date

Concerning the land valuation date, the UK Land Compensation Act 1961, Section 5A stipulates that: (1) If the land valuation is to be done according to rule (2) in section 5, the valuation of the land must be done as at the valuation date. This

means that the value given to the appropriated land must be as per the prevailing market value on the valuation date; (2) Once the valuation has been completed, under no circumstances can the given market value be adjusted at a later date; (3) In cases where the land earmarked for appropriation is under a notice to treat, then the relevant valuation date will be the earlier of (a) when the acquiring authority takes possession of the land, and (b) the date when the assessment is made; (4) In situations where the land in question has undergone a vesting declaration, then the valuation date will be either (a) the date vesting was done or (b) when the assessment depending on which occurred earlier.

### *3.1.3.No-scheme principle*

Section 6A of the UK Land Compensation Act 1961 deals with the no-scheme principle. Section 6A subsection (2) stipulates that the no no-scheme principle in land valuation and compensation after acquisition (a) if the land's value increases in any way as a result of the intended acquisition or the projects to be initiated following the acquisition then the increase in value is to be disregarded during compensation; (b) on the flipside any depreciation of the land value as a result if the acquisition or the intended project is also to be disregarded during compensation. The act then outlines the five rules to be observed in the no-scheme principle in subsections 4-9.

### *3.1.4. Lower compensation if other land gains value*

Section 6B of the UK Land Compensation Act 1961 states that even if the land adjacent to the appropriated land gains value due to the intended scheme, the value of the appropriated land will not increase. Its value will remain pegged at the amount determined on its valuation date- Section 6B, subsection 1(b). The lower compensation aspect is further dealt with in sub-sections 2-7.

### *3.1.5.Increased compensation if other land losses value*

Section 6C of the UK Land Compensation Act 1961 states the valuation and compensation procedure if the remaining land diminishes in value due to another land being acquired for a scheme. According to Honey (2020, p.9), “*where a person's land is compulsorily acquired, if certain retained land suffers a diminution in value because of the project, then that diminution in value should be included in the compensation paid for the acquisition.*” In addition, if any amenity is lost due to the depreciation of the land, it should also be compensated.

### *3.1.6. Effect of acquisition on the claimants' retained land*

According to the UK Valuation Office Agency (2018), land owners have a right to claim compensation for severance and injurious affection as section 7 of the Compulsory Purchase Act 1965 (CPA 1965). Section 7 of the UK Compulsory Purchase Act 1965 (CPA 1965) stipulates that the acquiring authority shall take into consideration the damage caused to the retained land due to the severance. The UK Valuation Office Agency (2018) further clarifies that for the retained land to qualify for severance and injurious affection compensation: (i) it must be under the same ownership but not necessarily under the title; (ii) The land in question must be within proximity of the acquired land but not necessarily contiguous; (iii) Consideration of whether there is functional planning connection for the acquired and retained land has to be done. There, however, is a grey area in determining the compensation for



severance and injurious affection. There are schools of thought that opine the value of the land to the owner should be the basis for compensation, while others advocate for the open market value method.

#### *3.1.7. Severance compensation*

The UK Valuation Office Agency (2018) states that severance occurs when land is acquired. There is no requirement for the retained land to be divided so that the owner can claim severance compensation. However, it is noteworthy that in some cases, the division of the retained land could trigger an increase in the amount claimed as severance compensation. Severe damage occurs in two ways. It arises either when the acquired land triggers an increase in the value of the retained land or when the acquired land triggers a depreciation in the value of the retained land. The measure for this compensation is the depreciation of the retained land due to the acquisition.

#### *3.1.8. Injurious affection compensation*

The UK Land Compensation Act 1973, Section 44, Subsection 1 stipulates that in cases where land has been acquired for works and part of the works are situated in the acquired land and remaining part is elsewhere, injurious compensation for the retained land shall be determined about entire works and their intended use not just the part situated on the acquired land.

#### *3.1.9. Compensation assessment*

Citing *Abbey Homesteads Group Limited v Secretary of State for Transport* [1982] 2 EGLR 198, the UK Valuation Office Agency (2018) notes that the Lands Tribunal ruled that compensation for severance and injurious affection must be calculated separately from the acquired land. Therefore, based on rule 2, compensation will be based on the open market value of the acquired land. If only part of the land is acquired, compensation will be determined as a proportion of the whole.

Moreover, in determining injurious and severance affection, the acquiring authority will determine the depreciation of the retained land's market value in relation to the acquired land. This compensation claim arises if the retained land's market value depreciated due to the scheme (The UK Valuation Office Agency, 2018).

### ***3.2. Land Valuation Methodologies in Vietnam***

The valuation of land for compensation purposes is governed by established methodologies that aim to capture the economic, legal, and social dimensions of land as an asset. In the Vietnamese context, current land valuation practices primarily employ three internationally recognized methods: the comparative method, the cost method, and the income method (Cuong, 2023). Each of these approaches is grounded in distinct theoretical frameworks and applied depending on the land type, market activity, and valuation purpose.

The comparative method is the most commonly applied approach and is based on the principle of substitution. It determines land value by referencing prices of comparable real estate that have recently transacted in the market (Phuong et al., (2020)). This method is particularly effective in areas with active land markets where

sufficient transactional data exists to support a reliable analysis. The theoretical strength of this approach lies in its ability to reflect market dynamics and actual buyer-seller interactions. In the Vietnamese legal framework, this method is endorsed for both regular land valuation and compensation calculation, provided that accurate and current data is available. However, as acknowledged in regulatory instruments, the method's reliability is contingent on the quality and transparency of land transaction data, which must be systematically collected and maintained in an official land price database.

The cost method, by contrast, derives land value by estimating the cost of replacing or reproducing land improvements, adjusted for depreciation, and adding this to the estimated value of the land itself. This approach is particularly suitable in cases where market comparables are limited or unavailable, such as for public infrastructure, state-owned facilities, or unique-use properties. It offers a standardized basis for valuation, especially in rural or newly developed areas where formal market activity may be sparse. While theoretically less responsive to real-time market fluctuations, the cost approach ensures that a minimum economic rationale underpins compensation assessments (Cuong, 2023).

The income method estimates land value based on its anticipated income-generating potential. This method capitalizes future net income streams from the property to arrive at a present value, using a discount rate reflective of market risk. In theory, this approach aligns closely with investment logic, making it especially relevant for commercial, rental, or agricultural land where land productivity or rental yield is quantifiable (Ngoc, Dung & Minh, 2025). In Vietnam, while this method is recognized in principle, its practical application has been limited, especially for agricultural or undeveloped land, due to difficulties in accurately projecting future income and determining appropriate capitalization rates.

A significant legal advancement in formalizing these methodologies has been the issuance of Decree No. 71/2024/ND-CP, which provides detailed provisions on land valuation methods, the construction of land price tables, specific land valuation procedures, and the development of a national land price database. The decree underscores the importance of a comprehensive and regularly updated land price database as a foundational tool for supporting the accurate and consistent application of valuation methodologies. Following this regulation, competent authorities are required to continuously collect and publish market transaction data, thereby institutionalizing a more evidence-based approach to land valuation. The creation of such a centralized database is intended to serve as an authoritative reference for comparative valuations and to strengthen the empirical basis for compensation decisions. Furthermore, the decree affirms the state's commitment to enhancing methodological transparency and professional rigor in valuation practices. While the implementation of these provisions is still in its early stages, their inclusion represents a significant step toward harmonizing Vietnamese valuation practices with international standards.

In view of these developments, the evolution of land valuation methodologies in Vietnam reflects a gradual shift from administratively determined land prices toward a more market-responsive, data-driven system. This shift has

profound implications for the determination of compensation during land recovery, as it brings valuation practices closer to the principles of fairness, predictability, and economic rationality. The convergence of legal regulation, methodological clarity, and technical capacity promises to lay the groundwork for a more equitable and transparent land governance framework.

The comparative approach is closely related to the UK land valuation and compensation regime. Specifically, the UK Land Compensation Act 1961 section 5, rule 2 stipulates that the valuation of the appropriated land has to be equal to the price it would fetch in an open market, in a willing buyer, willing seller arrangement. Therefore, it may be inferred that the comparative method used in Vietnam is closely related to the UK valuation method outlined in Rule 2, Section 5 of the UK Land Compensation Act 1961. The result would be the owner of the appropriated land being compensated as per the prevailing market value of the land in a willing buyer, willing seller arrangement.

Essentially, the UK land evaluation and compensation process differs in situations where Vietnam considers the cost of replacing or reproducing land improvements. The backbone of the UK land valuation and compensation is the no-scheme principle. In addition, the income method used in Vietnam differs from that in the UK. The UK's land compensation after compulsory acquisition does not consider possible future income or increase in value. The owner of the acquired land is compensated at the rate of the prevailing market value. However, where necessary, there is severance and injurious damage compensation.

### **3.3. Legal Challenges in Land Valuation for Compensation**

#### **3.3.1. Shortcomings in Applying the Comparison Method**

##### **3.3.1.1. Current Transferred Land Prices Do Not Reflect True Market Value**

Successfully transferred prices do not fully reflect actual transaction prices due to the practice of declaring low prices in transfer contracts to reduce taxes and fees when fulfilling financial obligations to the State. Clause 1, Article 3 of Decree No. 71/2024/ND-CP stipulates: *"1. Market transfer means the transfer of land use rights or the transfer of land use rights and ownership of assets attached to land when tax, fee, and charge procedures have been completed at tax authorities or when changes have been registered at the land registration office or when transfer contracts have been signed between real estate project investors and commercial housing developers with customers per legal regulations."* However, when both parties in the contract declare prices in real estate transfer contracts lower than the actual prices, this leads to tax shortfalls. This constitutes tax evasion as defined in Clause 5, Article 143 of the Tax Administration Law 2019 and is a prohibited act. According to Article 17 of Decree No. 125/2020/ND-CP, the act of declaring prices in land and house transfer contracts lower than actual prices, leading to tax shortfalls, will be subject to administrative penalties: *"Fine of 1.5 times the amount of evaded tax for taxpayers without aggravating or mitigating circumstances."* However, to save a small amount of tax money, many land buyers and sellers have declared purchase and sale prices in notarized contracts lower than what both parties actually agreed upon, without knowing that this violates the law, leading to a huge gap between state land prices and market prices. However, the determination of

prices lacks specific guidance, making it difficult for tax authorities to handle individual cases (Le, 2022).

Additionally, land prices collected through the market will directly regulate relationships between land users. When entities participate in the secondary market, they are primarily concerned with whether the profits from using a “beautiful” plot or land area will be high or low, and whether there will be any profits from investing in that land plot. This means the price of that plot or land area when they participate in the secondary market. In this market, land prices will influence the interests of land users and investors. At the same time, fluctuations in land supply and demand in the market will cause market land prices to change constantly, and this will, in turn, affect state-regulated land prices, which must also change according to market prices as one of the bases used for land valuation. It is evident that in both static and dynamic states, the greater the differential, the more it creates negativity in fairly, reasonably, and harmoniously resolving the interests of the State, investors, and those whose land is recovered. Therefore, choosing successfully transferred land prices to ensure high evidential value becomes a cause affecting valuation results in certificates. Meanwhile, the Price Law 2023 allows appraisers to select comparable assets that have been successfully transacted, are being offered for purchase, or are being offered for sale in the market, ensuring factors such as location, land use purpose, and other influencing factors. This method helps make the selection of comparable assets appropriate for each specific case.

#### *3.3.1.2.Limitations in Selecting Comparable Land Plots*

Land use purposes have many levels of division (broad level includes agricultural land and non-agricultural land; narrower level within agricultural land includes annual crop land, perennial crop land, etc.). Different land use purposes result in different land prices when other factors remain constant. However, the degree of price differential between the same land use purposes differs in various areas. The regulation requiring the same land use purpose for selecting comparable assets is appropriate and guaranteed, but in practice, this does not always produce results close to market prices. In reality, in many cases, to select comparable assets with the same purpose, appraisers must choose from areas quite far from the appraised asset;. However, adjustments are made, there are large margins of error. The Land Law 2024 institutionalizes DecreeNo. 18/NQ-TW on allowing land accumulation and concentration for large-scale production. However, the current situation is characterized by fragmented, small-scale production on agricultural land (Thanh & Le, 2024). The purpose of land plots is not always the same type, as the habit of valuing “residential land” more highly persists (Trang, 2024). Meanwhile, near the appraised asset, comparable assets may have different land use purposes, but market data shows no significant difference between similar land use purposes within a group.

#### *3.3.1.3.Lack of Specific Guidance in the Comparison Method*

In practice, applying land valuation methods requires clarity and transparency regarding the terms and concepts used. However, in the Land Law 2024 and Decree No. 71/2024/ND-CP regulating land prices, some important terms related to land valuation have not been clearly defined, causing difficulties in the

application and enforcement process. Specifically, the term “*market land price*” is used in Point d, Clause 5, Article 158 of the Land Law 2024 and appears 7 times in Decree No. 71/2024/ND-CP regulating land prices, but has not been clearly defined in these documents. The lack of an official definition for the concept of “*market land price*” leads to inconsistency and creates difficulties in understanding and specific application in practice.

To a certain extent, “*market land price*” is the basis for determining the value of land in relation to external factors such as supply and demand conditions, the level of regional development, and other factors affecting land value. However, when there is no clear legal definition of what constitutes “*market land price*,” implementing agencies, organizations, and related individuals may have misunderstandings or apply it inconsistently, leading to inaccurate valuation results that do not correctly reflect the actual value of land.

Additionally, the term “*prevailing land price in the market*” is no longer recorded in Decree No. 71/2024/ND-CP regulating land prices, which reflects changes in the method of determining land value and requires the use of more specific criteria to ensure transparency and conformity with current practice. However, the current ambiguity between “*market land price*” and “*prevailing land price in the market*” can easily lead to misunderstanding or inconsistency regarding these two concepts. Although both terms relate to land value under market conditions, without a clear distinction between them, it may cause inaccuracy when determining land value for different purposes, such as compensation, land recovery, or land transactions.

### 3.3.2. Shortcomings in Applying the Land Price Adjustment Coefficient Method

#### 3.3.2.1. Ambiguities in Determining Authority for Coefficient K

The application of the land price adjustment coefficient, commonly referred to as coefficient K, has historically raised both legal and practical questions within Vietnam’s land compensation framework. Under Clause 2, Article 1 of Decree No. 12/2024/ND-CP, the Provincial People’s Committees and centrally-governed cities are empowered to issue this coefficient by comparing the prices stipulated in the official land price table with prevailing market prices. In theory, this mechanism is designed to bring state-regulated land prices closer to real market conditions, thereby ensuring that compensation more accurately reflects actual land value.

In practice, however, the delegation of authority for determining coefficient K has not always been uniform. Several provinces and cities have enacted their own decisions decentralizing this authority to district-level People’s Committees. For example, Decision No. 15/2020/QĐ-UBND of the Thanh Hoa Provincial People’s Committee explicitly delegated the responsibility for determining specific land prices, including those used for compensation, resettlement, and land auctions, to district-level authorities. Such decentralization was ostensibly intended to streamline administrative processes and localize decision-making, especially in contexts where local governments may possess more immediate knowledge of land market dynamics within their jurisdictions.

This dual structure of authority, however, has generated ambiguity concerning the legal locus of decision-making power. Specifically, questions have



arisen as to whether the right to determine coefficient K, when used to calculate compensation during state land recovery, rests exclusively with provincial-level People's Committees or whether district-level authorities may also exercise this function. The Land Law 2024 and its accompanying implementation decrees have since clarified this matter by explicitly formalizing the decentralized framework previously established in local regulations. These new legal provisions confirm the authority of lower-tier administrative units to participate in the determination of coefficient K, thereby institutionalizing a multi-level governance model for land valuation decisions.

According to Lu and Shan (2017), despite this clarification, the use of coefficient K as a valuation tool continues to present substantive concerns regarding its application. One key issue is the potential inconsistency in how coefficient K is applied across different projects or geographic areas. In the absence of standardized criteria, districts may arrive at divergent adjustment coefficients, leading to unequal compensation outcomes that undermine the principle of equity. Moreover, the lack of transparency in the decision-making process, particularly regarding how coefficient K is calculated and which data sources are used, can erode public trust and impede effective oversight. Stakeholders affected by land recovery may find it difficult to access or challenge the basis on which compensation has been determined, thus exacerbating perceptions of arbitrariness or favoritism.

Furthermore, Lu and Shan (2017) add that the procedural complexity involved in determining coefficient K, especially in localities with limited technical capacity, may delay project implementation. The process requires coordination among multiple administrative departments, access to reliable land transaction data, and the application of technical valuation methods, requirements that may not be uniformly met across districts. As such, while the legal framework now provides clearer institutional authority for the use of coefficient K, the administrative burden and potential disparities in implementation highlight the need for further regulatory refinement, technical capacity building, and enhanced data transparency to ensure that this method serves its intended function of promoting fairness and market alignment in land compensation.

3.3.2.2. *Shortcomings in collecting assets for each land location when determining the land price adjustment coefficient.*

In practice, many provinces/cities apply the rule that if land price determination consulting units cannot find transactions suitable for the assets requiring valuation in the area needing valuation and adjacent areas (no information or insufficient transaction information according to: land type, area, location of land area/plot requiring valuation - positions 2, 3, 4, ...), Provincial People's Committees allow the Department of Natural Resources and Environment, Land Price Appraisal Council, and Land Price Appraisal Consulting Units to perform land price appraisal using the proportional interpolation method. Clause 9, Article 1 of Decree No. 12/2024/ND-CP stipulates: “[...] *Survey and collect land price information for at least 03 land plots as prescribed in Clauses 1 and 2, Article 5b of this Decree for each land location.*” This causes Land Price Appraisal Councils to be confused about whether interpolating position one according to the Land Price Table ratio to

determine land prices for positions 2, 3, 4 ensures compliance with regulations. Therefore, Decree No. 71/2024/ND-CP has amended and supplemented with the provision:

*“2. Survey and collect land price information as prescribed in Points a, b, c of Clause 3 and Clause 4 of Article 158 of the Land Law for each land location and area:*

*3. Determine the market land price for each land location and area:*

*a) Compile collected land price data by land location and area;*

*b) In cases where collected land price data by land location and area shows that many land plots have certain similarities in land prices, if there are cases where land prices are too high or too low compared to the general level, this land price information shall be excluded before determining the market land price;*

*c) The market land price for each land location and area is determined by taking the arithmetic average of land price levels at that land location and area.*

*4. Determine land price adjustment coefficient*

*The land price adjustment coefficient is determined by land type, land location, and area by dividing the market land price by the land price in the land price table at that land location and area.”*

This regulation requires time and future application to test the above conditions. The decision on coefficient K when applying the land price adjustment coefficient method in land valuation for calculating compensation when the State recovers land may encounter many obstacles related to authority, database, transparency, processes, and procedures. To overcome these obstacles, it is necessary to establish clear legal regulations, collect complete data, standardize determination methods, publicize information, and improve approval processes. These solutions will help ensure accuracy, fairness, and efficiency in applying land price adjustment coefficients.

Thus, to overcome the above limitations, it is first necessary to build a database on land transfer prices in the real estate market. Decree No. 71/2024/ND-CP has developed a comparison method based on surveying and collecting information about land plots and land areas requiring valuation, including: Land use purpose, and factors affecting land prices. Survey and collect information for comparable land plots, including: Input information for land valuation is land prices already transferred in the market, land prices that won land use right auctions after completing financial obligations specified in Points a, b, and c, Clause 3, Article 158 of the Land Law; and Information at Point a of this Clause is obtained from sources: national land database, national price database; Land Registration Office; units organizing land use right auctions, asset auction units and organizations; real estate trading floors, real estate investors; information collected through investigation and survey. This information is obtained from various sources, including the national land database, national price database, Land Registration Office, units organizing land use right auctions, asset auction units, and organizations, as well as real estate trading floors and real estate investors. Additionally, it is collected through investigation and a survey.

The land price adjustment coefficient still does not match reality. It can be

seen that despite applying the coefficient K, the problem has not been thoroughly resolved, especially when using it to calculate compensation when recovering land. The application of the coefficient K still has some limitations. It does not truly meet the requirements of fairness and transparency in land valuation and compensation, specifically: *First, there is a large discrepancy with market prices.* Coefficient K only adjusts according to the State land price table, but it still cannot accurately reflect the actual market value in many cases.

Additionally, there is a notable issue of *low uniformity*. Applying a single coefficient K to each area and land type, without considering specific location and topography factors, may result in land values not being accurately represented, leading to inappropriate compensation levels. Furthermore, the lack of flexibility makes it difficult to update these values. Coefficient K is not regularly adjusted according to real estate market fluctuations, leading to an inability to keep up with actual price levels, especially in the context of strong land market volatility. Furthermore, there is *alack of transparency in the determination process*. The process of determining coefficient K is sometimes not public and transparent, making it unclear to people about the calculation basis, and they do not completely trust the valuation results.

For example, Decision No. 70/2019/QD-UBND dated December 23, 2019, of the People's Committee of An Giang Province on issuing the Price Table for various types of land applicable for the period 2020-2024 in An Giang Province (amended and supplemented by Decision No. 45/QD-UBND dated December 15, 2023, and Decision No. 18/2022/QD-UBND dated May 4, 2022, of the People's Committee of An Giang Province), the highest land price in Long Xuyen City (Class 1 urban area) is 54,000,000 VND/m<sup>2</sup>, but according to Decision No. 36/2019/QD-UBND dated December 19, 2019, of the People's Committee of Dong Thap Province issuing regulations on the price table for various types of land in Dong Thap Province for 5 years (2020-2024) (amended and supplemented by Decision 12/2024/QD-UBND dated June 4, 2024, of the People's Committee of Dong Thap Province) this price also differs significantly from neighboring provinces (Dong Thap Class 1 urban area is 30,000,000 VND/m<sup>2</sup>, Can Tho City Class 1 urban area is 50,000,000 VND/m<sup>2</sup>) as per Decision No. 19/2019/QD-UBND dated December 31, 2019, of the People's Committee of Can Tho City regulating the periodic land price table for 5 years (2020-2024) (amended and supplemented by Decision No. 15/2021/QD-UBND dated November 9, 2021, of the People's Committee of Can Tho City). Particularly in some areas, for agricultural and forestry land that has been rezoned for urban development purposes, land prices fluctuate very rapidly and dramatically, potentially increasing by tens of times. According to Professor Dr. Dang Hung Vo - former Deputy Minister of Natural Resources and Environment, during the periods 2003-2013 and 2013 until before the Land Law 2024 was enacted, there existed a dual land price financial mechanism where state-regulated prices were only 20% to 40% of market land prices, and it can be observed that agricultural land prices increased from 50 to 100 times during this period. This disparity stems from weaknesses in the land financial system and land management system, with limited use of tax, economic, and banking instruments to regulate land management. Thus,

these limitations show that the K coefficient is only a temporary solution and cannot completely replace a comprehensive land valuation system. To address this fundamentally, there is a need to research a land valuation mechanism based on market value, with participation of independent experts, regular updates, and ensuring more transparent processes, aimed at bringing fairness and reasonableness to compensation when the State recovers land.

Hien and Thang (2023) note that fundamentally, the land price adjustment coefficient method does not possess the essence of a valuation method, because this method cannot independently determine prevailing market prices but must rely on the foundation of three methods: direct comparison, deduction, and income approaches. This is because, according to Clause 4, Article 7 of Decree No. 71/2024/ND-CP, the land price adjustment coefficient is determined for each land type, land location, and area by dividing the market land price by the land price in the land price table at that land location and area.

It can be observed that by simultaneously stipulating maximum land prices, minimum land prices, and land price adjustment coefficients, the Land Law 2024 allows localities to adjust land prices (amend, supplement) higher or lower and decide on the K coefficient. This addresses the issue of land prices not being close to actual market land prices, aiming to help localities maintain flexibility. However, considering the current socio-economic development and the need to improve legislation, these regulations are scientifically sound and easy to apply. Nevertheless, if state agencies fail to enforce them strictly, they risk creating conditions for localities to deliberately misapply them for local interests deliberately.

### **3.4.Overall Gaps**

The above three significant shortcomings provide valuable insights into the general gaps that Vietnam faces in land valuation methods and compensation. According to Doan (2023), the land valuation process in Vietnam continues to face significant challenges related to transparency, data reliability, institutional coordination, and methodological consistency. These constraints have undermined the credibility and practical effectiveness of compensation valuations when the State recovers land, contributing to disputes, public dissatisfaction, and legal challenges. A central issue is the inadequacy and unreliability of input data. Although the legal framework, particularly through Decree No. 71/2024/ND-CP, has clearly outlined several land valuation methods, such as the comparative approach and the coefficient adjustment method, the effectiveness of these methods is fundamentally dependent on the availability of accurate and updated market data. Reliable land valuation requires detailed information on recent transaction prices, infrastructure and construction costs, anticipated profit margins, land use plans, and income-generating potential. Yet, in practice, these data remain incomplete or unverifiable. The national land database has not been fully developed, and transaction prices are often based on self-declared tax records, which tend to underreport actual values. Many localities have yet to establish systems for periodically transparently updating land price information. Moreover, there is an absence of independent verification mechanisms to ensure the objectivity of collected data. These limitations introduce significant uncertainty into valuation practices and have led to notable discrepancies between

compensation values set by the State and prevailing market prices. As a result, affected land users frequently perceive the compensation process as unfair, which undermines public trust and fuels grievance-based litigation.

A case in point is Judgment No. 256/2023/HC-PT by the High People's Court in Ho Chi Minh City. The plaintiff, Mr. Trieu Xuan T., challenged an administrative decision concerning compensation for a 693 square meter parcel of land located in the Martyrs' Cemetery area of MX District, Soc Trang Province. He sought compensation based on a price of 1,200,000 VND per square meter, in addition to reimbursement for land fill costs dating back to 1987. However, the adjudicating authority ruled against his claim, citing insufficient evidence to substantiate the land filling costs. This dispute illustrates how the absence of reliable data, in this case, documentation of historical land improvements, can compromise the fairness of valuation outcomes and obstruct the resolution of compensation-related complaints.

Another critical problem lies in the inconsistent application of land valuation methods. While the methodologies themselves are legally codified, their practical implementation varies significantly across, and even within, provinces. This variation often stems not from differences in land characteristics but from the uneven technical and institutional capacities of local authorities. Rather than selecting valuation methods based on their suitability for specific land types or market contexts, many localities rely on administratively simple approaches and shield officials from accountability. Consequently, a single parcel of land may be assigned markedly different values depending on whether it is being assessed for compensation, taxation, or land use fee purposes. Such inconsistencies contribute to the widely criticized phenomenon of "*one plot, multiple price levels*," which undermines the integrity and transparency of the land valuation system and generates public skepticism regarding its fairness. In areas with weak capacity, reliance on administratively "safe" methods further exacerbates valuation disparities between and within jurisdictions, reinforcing perceptions of arbitrariness and eroding the legitimacy of land recovery procedures.

The lack of integration with broader land management and financial planning tools further weakens the land valuation system. A robust and equitable valuation process requires synchronization between various datasets and planning instruments, including detailed urban and rural land use plans, real estate market analytics, region- and time-specific land price adjustment coefficients, and comprehensive records of land use rights. Yet, the current land information infrastructure in Vietnam remains fragmented. Data systems are poorly integrated across administrative levels and are not fully linked to spatial planning documents or legal land use records. The absence of an interoperable, multi-level data architecture impedes consistent and evidence-based valuation analyses and diminishes the strategic alignment of valuation with broader development objectives.

Overall, these deficiencies point to the structural and systemic challenges facing land valuation in Vietnam. While the legal framework has evolved in recent years, institutional inertia, technical limitations, and informational asymmetries continue to hinder the realization of a transparent, consistent, and market-aligned



land valuation system. Addressing these challenges is critical to improving the legitimacy of the land recovery process and ensuring that compensation practices meet standards of fairness, equity, and efficiency.

#### **4. RECOMMENDATIONS**

##### ***4.1. Strengthening Real Estate Transaction Data Collection***

In the current context, real estate valuation and the determination of land compensation prices in cases where the State undertakes land recovery have become increasingly complex. These processes demand high levels of accuracy and objectivity, especially in urban and peri-urban areas where land markets are rapidly evolving. As noted by Doan (2023) in his case study on Hanoi, Vietnam, the effectiveness of land valuation depends significantly on the availability and quality of real estate transaction data. To ensure accurate valuations and fair compensation practices, it is imperative to strengthen the collection, management, and dissemination of real estate transaction data in a timely and reliable manner.

An essential step toward achieving this objective is the establishment of a national database platform that consolidates comprehensive information on real estate transactions. Such a platform should include detailed records of completed transactions, property values, geographical locations, land use classifications, and other relevant variables (Hazeem & AlBurshaid, 2024). The responsibility for managing this system should be assigned to competent authorities, such as the Department of Natural Resources and Environment or similarly mandated government agencies, to guarantee the integrity and accuracy of the information collected. Making this data publicly accessible is crucial in promoting transparency and fairness in real estate-related activities. When transaction data is available to the public, valuation experts are better equipped with a robust and reliable evidence base, leading to more precise valuations. Moreover, transparency fosters a competitive environment in the real estate market, empowering citizens and businesses to make informed decisions. By enabling stakeholders to compare land prices and trends, the risk of manipulation or misrepresentation of land values is reduced, and the interests of land users and property owners are better safeguarded, particularly in contexts involving land acquisition and compensation.

To enhance the relevance and analytical power of the data, the collection system must go beyond basic transaction details to include contextual variables such as regional land price trends, temporal price fluctuations, land use planning changes, infrastructure development projects, and broader socio-economic indicators. This multi-dimensional approach to data collection allows for a more nuanced understanding of the factors influencing land values, thereby enabling valuation professionals to make better-informed assessments that reflect the real dynamics of the property market. The integration of information technology into data collection and management processes further amplifies the potential impact of such a system. The use of digital tools, including cloud-based database management systems and geospatial analysis software, can streamline the collection, updating, and dissemination of land-related data. Online platforms can be developed to facilitate public access, reducing the time and costs associated with information retrieval

while enhancing the user experience. These technological solutions also support data analytics and visualization, which are instrumental in identifying patterns and informing evidence-based policy and investment decisions.

However, the success of a real estate transaction data system depends not only on technological infrastructure but also on institutional coordination and community engagement. Effective implementation requires active collaboration among state agencies, academic institutions, consulting firms, and civil society actors. Regular stakeholder consultations, workshops, and feedback mechanisms can serve as valuable channels for incorporating diverse perspectives into system design and governance (Nyoni, Piller & Vigren, 2023). These participatory processes ensure that the database remains responsive to users' needs and adaptable to changing market conditions. Overall, improving the accuracy and transparency of land valuation and compensation practices necessitates a holistic and coordinated approach to real estate data management. By institutionalizing a comprehensive, publicly accessible, and technologically advanced system for collecting and managing transaction data, Vietnam can make significant strides toward ensuring fairness, efficiency, and credibility in land-related decision-making.

#### ***4.2. Developing Legal Regulations on Land Valuation Methods***

Developing clear and coherent regulations on land valuation in Vietnam is a fundamental step toward ensuring fairness, consistency, and transparency in the valuation process, particularly in the context of rapid urbanization and rising land-related disputes. Given the complexity of land markets and the socio-economic implications of land valuation, especially when land is expropriated for public purposes, a practical regulatory framework is essential to uphold equity and public trust. One of the primary needs is for regulations to provide precise definitions and criteria for the factors influencing land prices. These factors include, but are not limited to, geographical location, land use purpose, and broader economic and environmental conditions. In terms of location, the regulatory framework should recognize and classify land such as urban, suburban, and rural zones, acknowledging the significant price differentials between city centers and peripheral or agricultural areas as noted by Loc et al (2018).. Similarly, the purpose of land use must be clearly delineated, distinguishing between residential, commercial, industrial, agricultural, and special-use land types. Each of these land categories requires different valuation approaches, and clarity in classification would allow for the application of appropriate and consistent valuation methodologies.

Loc et al. (2018) posit that, in addition to refining the scope of valuation criteria, Vietnam must establish a national land valuation standard. Such a standard would provide uniform guidelines on valuation procedures, methods of calculation, and the technical tools to be employed by valuers. A standardized approach helps reduce subjectivity, minimize discrepancies across regions, and align valuation practices with international best practices. Moreover, these standards should be adaptable to local market conditions while maintaining a consistent legal and procedural structure nationwide. The implementation of a unified standard will also contribute to increased investor confidence and greater predictability in land-related transactions. To support the effective application of these regulations and standards,

capacity building must be prioritized. Government authorities should regularly organize training and certification programs for valuation officials, particularly those within departments such as Natural Resources and Environment. These programs would equip officials with up-to-date knowledge of valuation techniques, legal frameworks, and ethical standards. Continuous professional development is essential to ensure that the officials tasked with implementing valuation laws do so competently and uniformly across different regions.

Equally important is the establishment of a robust mechanism for oversight and accountability within the valuation process. State agencies must be mandated not only to supervise but also to verify the fairness and accuracy of land valuations conducted under their jurisdiction. This includes the responsibility to audit valuation reports, monitor compliance with legal procedures, and ensure that valuations reflect actual market conditions (Do, Nguyen &Pham, 2025). In cases where valuations are contested, transparent and accessible complaint procedures must be in place. These procedures should enable individuals and communities to raise objections to valuation decisions they believe are unjust or inconsistent with market realities. A transparent dispute resolution mechanism serves to protect citizens' rights and reinforces the credibility of the land administration system. This study notes that Vietnam's progress toward a fair and transparent land valuation system hinges on the development and enforcement of comprehensive legal regulations, the creation of a standardized valuation framework, the professionalization of valuation personnel, and the institutionalization of oversight mechanisms. These reforms will collectively strengthen the legitimacy of land governance and contribute to more equitable outcomes in land acquisition and compensation processes.

#### ***4.3. Publishing Information on Online Platforms***

Enhancing transparency and accessibility in land valuation requires the systematic publication of valuation information through official online platforms. This measure is fundamental in ensuring that citizens, investors, and other stakeholders in the real estate sector have timely and reliable access to data, thereby fostering fairness and trust in land-related transactions. An official digital portal dedicated to land valuation information should be developed and maintained by competent state authorities. This platform should serve as a centralized and authoritative source of data, offering comprehensive and regularly updated information on land prices categorized by region, land type, and intended use. To maximize usability, the portal must be designed with a user-friendly interface that enables intuitive navigation and efficient search functionalities. Such a design would allow individuals, regardless of their technical proficiency, to easily locate and understand relevant land valuation data. Furthermore, integrating interactive analytical tools, such as digital land price maps, would significantly enhance the platform's utility (Hieu et al., 2023). Through these tools, users could explore spatially referenced data, including historical transaction values and the variables influencing price fluctuations, thereby gaining a deeper and more contextualized understanding of market dynamics. Equally important is the regular and systematic updating of the database. Establishing a fixed schedule for updates, whether quarterly or annually, will ensure that the information remains current and reflective

of actual market conditions(Hieu, et al., 2023). Accompanying these updates, the publication of analytical reports detailing trends in land price movements and explanatory commentary on influencing factors will provide valuable context for interpreting the raw data. By institutionalizing these practices, the state can not only improve transparency and reduce information asymmetries in the land market but also contribute to more equitable and evidence-based decision-making in compensation, planning, and investment activities.

## 5.CONCLUSION

Overall, land valuation for compensation calculation when the State recovers land is a complex and sensitive issue that directly affects people's interests. Through the development stages of the Land Law from 1993 to the present, we have witnessed many improvements but also shortcomings in applying land valuation legislation. Limitations in the legal system, particularly the lack of transparency and consensus among related parties, have resulted in numerous complaints, disputes, and delays in development projects. To thoroughly resolve this issue, Resolution No. 18-NQ/TW has pointed out the need for comprehensive reform of land policies, especially regulations related to land compensation prices. The Land Law 2024 has inherited and developed from previous regulations while institutionalizing innovative viewpoints, towards applying market principles in land valuation. Building a complete, transparent, and fair legal system will not only protect people's interests but also contribute to promoting more sustainable and effective development in land management and use. Therefore, continuing to research and improve land valuation regulations is necessary to ensure harmonious interests among the State, investors, and citizens, thereby creating a stable investment environment and socio-economic development.

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