Entry points to buying both projects and land



For foreign investors in Vietnam, buying a project or a land means choosing where to enter the development process. **Dr. Sven David**, general director of VIET Transformation Advisors, offers an insight on the potential options.

Vietnam's real estate restructuring is widening the role of acquisitions and partnerships in foreign investment.

Savills' September assessment highlighted the time mergers and acquisitions can save in securing land and preparing projects. These observations indicate two parallel strategies: acquiring an existing project to shorten preparation and securing land for development over a longer horizon. They do not establish a market-wide preference for projects with advanced approvals over land.

For investors prioritising speed, buying a project with key approvals can be preferable to starting from scratch. Land banks remain relevant for patient developers seeking control over design and phasing. That flexibility depends on permitted use, payment obligations, development schedules and agreements with partners.

Two hypothetical residential opportunities illustrate the choice. One has key approvals, but its large apartments are too expensive for the target buyers. The other requires further preparation but may allow smaller units and phased construction. Redesigning the first could consume its time advantage.

The second could offer better economics if the proposed use is permitted and the investor can finance the wait. The comparison turns on saleable homes, development costs and timing.

Financial restructuring can unlock value where a commercially viable development faces a funding mismatch. Revised debt maturities and fresh equity can preserve completed work and finance construction. Repayments aligned with realistic completion and collection dates can leave more cash available for delivery.

Lender agreement and customer commitments shape the solution. Extending maturities alone cannot remedy a shortfall in the project's underlying cash generation.

The categories overlap. Land can contain approved projects, and an advanced project may need refinancing. The choice turns on which development risks the investor has the capital and capability to manage.

Comparing needs

Legal feasibility comes first. Demand and delivery costs establish the commercial case. The financing plan then tests whether the investor can fund completion. The timing and amount of capital recovered determine what price the investment can support. Expected land appreciation provides potential upside, but cannot replace a viable development case.

In Vietnam, the land component concerns land use rights. A site described as clean may still need approvals for the intended development. Permitted use, remaining term, site clearance, land payments, encumbrances and existing approvals establish the starting position. A credible timetable distinguishes confirmed permissions from assumptions about outstanding approvals. Distinct legal conditions govern construction and customer collections.

In the residential example, achievable prices, sales rates and competing supply test demand. Transport, power and utilities affect industrial and logistics demand. Technical review assesses building condition, environmental exposure and completion costs. Together, these findings inform the budget and the timing and amount of expected receipts.

The acquisition price is only part of the capital required. Seller payments, debt, land obligations, construction, infrastructure and taxes fall due at different times. Reconciling the share price with debt retained or repaid helps avoid double counting. A funded contingency provides a buffer against cost overruns.

The price comparison uses after-tax equity cash flows, discounted at a required return reflecting risk. Financing terms and currency exposure also matter. Comparable transactions help anchor land value where location, permitted use, development capacity and remaining term are similar.

Earlier receipts can justify a premium for an advanced project; holding costs and delayed income can erode a cheaper site's advantage. Conservative appreciation assumptions test dependence on rising land values.

An attractive return still needs a workable funding plan. Similar percentage returns can conceal different equity requirements, absolute gains and holding periods. Investors also need sufficient capital to fund a slower recovery. Combining delayed launch, slower sales or leasing and higher completion costs tests peak equity needs.

Customer receipts needed for construction are unavailable for distribution. Distribution, exit and lawful remittance assumptions model when capital may return. Resale assumptions are tested against a credible buyer pool and lower exit prices.

Together, the valuation and cash forecast support a price ceiling and a funding plan through completion. An approval arriving after committed financing expires exposes a gap between the programme and available capital. Agreed deadlines, closing conditions and, where lawful, staged payments can address that dependency. Mandatory transfer conditions still apply. A projected return cannot close a funding gap that depends on uncommitted refinancing.

Structuring acquisitions

Share purchases are a common acquisition route, according to LNT & Partners. Savills reported increasing use of joint ventures and minority stakes in its review of Q3 2025, and highlighted development partnerships again in September 2026.

The distinction matters: a share purchase or project transfer determines what is acquired; a partnership determines how investors work together and may itself involve a share purchase. Outright project transfers remain an option where transfer conditions are met. Investor eligibility required approvals and merger review depend on the proposed transaction.

A share purchase preserves the company and can retain operating relationships. It also leaves debt, tax exposures, related-company guarantees, customer commitments, contractor claims, and litigation within that company. Reconciling accounts with contracts and bank confirmations helps identify their financial consequences. Change-of-control provisions may require lender consent.

A project transfer can focus the acquisition on a defined development and limit exposure to liabilities elsewhere in the seller's group.

Land payments, customer commitments, and other project obligations may pass to the buyer. Approvals, mortgage releases, replacement financing, taxes, and essential contracts affect the closing sequence. If a mortgage release requires repayment, available funds, and the release mechanism become part of the same closing plan.

Partnership can combine local teams' customer knowledge, contractor relationships and execution capacity with the incoming investor's capital and expertise. A minority stake can provide a staged entry, although further investment and greater control depend on agreed rights and applicable approvals.

In any partnership, decision rights affect the development plan. If redesign creates the expected value, delays in approving design, budgets or sales strategy can erode it. Agreed operating authority can keep routine decisions moving while shareholder approvals protect major commitments. Related-party contracts, distributions and the consequences of unmet funding commitments are further matters for agreement. Deadlock provisions address unresolved disagreement; exit terms define how a partner can leave.

Over the next two or three years, legally advanced projects with demonstrated demand and realistic funding plans are likely to be the main focus of sustained foreign development dealmaking. Fewer preparatory steps and a clearer route to revenue suit more investors. Actual capital volumes will also depend on individual deal sizes, particularly large land-bank acquisitions.

Land banks appeal to investors able to fund a longer horizon. Distressed projects attract those able to resolve financing problems and, where necessary, restore execution. These requirements can narrow the buyer pool. Housing aligned with purchasing power and industrial or logistics development supported by occupier demand offer a sounder commercial basis than anticipated land appreciation alone.

Vietnamese developers can strengthen their negotiating position by showing how their project reaches completion and generates cash. A consistent data room linking approvals, land payments, debt and security, customer commitments and a technically validated budget makes that case verifiable. For open issues, a responsible person, realistic timing and a clear definition of resolution make the remaining work easier to price.

Separating payments to shareholders and creditors from capital retained for development shows how much of the completion budget the transaction funds. Developers can also assess the incoming investor's funding certainty and delivery record. Agreement on who leads delivery and how cash availability, milestones and cost changes trigger decisions provide a practical basis for the handover.

A financed acquisition or construction start is an intermediate milestone. The investment case depends on a credible route to completion and capital recovery, supported by the necessary permissions, funding, and authority to act. If that route cannot be established, an attractive purchase price is insufficient grounds to commit capital.■



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Land banks appeal to investors able to fund a longer-term strategy