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**Article**

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# Various Factors Influencing the Development of the Vietnamese Real Estate Market: A Case Study

Le Trung Dao , Quang Minh Nguyen 

## ABSTRACT

The outbreak of the Covid-19 epidemic has caused some disruption to the real estate market in Vietnam. To survive the Covid-19 pandemic, real estate businesses have rushed to find alternative solutions, proactively approach support packages, and change business strategies. Moreover, the real estate market is critical and linked to many manufacturing industries and the development of the real estate market attracting resources, creating significant fixed assets for the economy, and contributing to the country's industrialization and modernization. Thus, the paper's main objective is to study various factors influencing the real estate market development in Vietnam. This research conducted a survey using data from 700 investors employed in real estate firms. The survey utilized structural equation modeling and SPSS 20.0, Amos software for data analysis. The study identifies five elements that significantly influence the development of the real estate market and five hypotheses accepted with a significance of 1.0 percent. The article's innovation is in identifying the credit policy component that exerts the greatest influence on the development of the real estate market. Ultimately, the research put forward policy suggestions aimed at fostering a secure, thriving, and environmentally responsible real estate market in Vietnam after the Covid-19 pandemic.

**KEY WORDS:** credit policy, market developing, real estate, COVID-19, Vietnam.

**JEL Classification:** G00, O23, R10, R30.

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## 1. Introduction

Real estate is estimated to contribute nearly 8% of GDP annually in Vietnam. At the same time, this field is likely to spread to over 40 other critical economic sectors. The reality shows that the development of real estate in Vietnam has not been commensurate with the needs and size of the economy. A recent analysis by the Vietnam Real Estate Association's report revealed that the real estate market's contribution to the country's GDP from 2019 to 2021 is around 14% and the potential to extend its influence on more than 40 other crucial areas of the economy, serving as a link between various require-

ments and facilitating the simultaneous growth of all market types. When the ultimate demand for the real estate industry grows by VND 1,000 billion, it will result in a production value increase of VND 772 billion in other sectors and generate an additional value of VND 191 billion. The expansion of the real estate sector not only enhances its own prosperity but also generates positive externalities for the overall national economy.

Three problems need to be solved in the real estate market: (a) the legal difficulties must be removed because if not, the project must be halted. In the past, from 2020, the National Assembly, Government, and ministries and branches have issued

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many policies and laws, removing many difficulties with real estate, such as Construction Laws, Investment Laws, etc. A series of Government Decrees but removed at the right time when Covid-19 was taking place, the impact of the Law has not been on specific activities, and it is still tricky; (b) the supply is increasingly lacking in all segments. In 2019, we talked a lot about industrial real estate and tourism real estate, but now the project cannot come out while the actual demand for and investment is still increasing.

After the pandemic, investors think real estate is still a safe haven, gold, and securities. As a result, strategies to promote supply and demand and eliminate legal procedures for projects, particularly social housing projects, are required. Capital is one of the most important aspects of the real estate industry. In recent years, many businesses, even those with significant resources, have relied on loans. If the capital market tightens, the real estate market cannot develop. The Covid-19 pandemic has impacted many industries, but in the real estate industry, the impact can be said to be the heaviest. Up to now, although there are still many difficulties, real estate businesses have tried to overcome them to deploy production and business, contributing to early recovery of the country's economic development. However, currently real estate is still quiet, the root cause is that the demand of the whole economy is still weak, affecting the development of the real estate market.

## 2. Literature Review and Hypothesis Development

### 2.1. *The Real Estate Market Development (RMD)*

The real estate market is where buying, selling, transferring, and exchanging real estate and rights are made. Real estate is one of the critical markets in the national economy because real estate is not only an asset of great economic value and a type of property with profound social significance (Abdul-Razak & Adafula, 2013; Balemi et al., 2021). Thus, the real estate market is the process of real estate transactions between related parties. It is the place where the activities of buying, selling, transferring,

leasing, mortgage, and associated services such as intermediaries, brokerage, and consulting related to real estate such as intermediaries, and brokers, consultants among actors in the market where the role of state management has a decisive impact on promoting development or inhibiting business activities in the real estate market (Assaf et al., 2010; Balemi et al., 2021). The real estate market is considered one of the pillars of the economy, helping to concentrate resources and create fixed assets for the country. The development of the real estate market creates growth momentum for related industries such as financial market, construction, production of construction materials, furniture, labor meeting the needs demand for accommodation, urban development, and tourism.

### 2.2. *Land Policy (LP)*

Land policy contributes to better promoting land resources for socio-economic development, ensuring national defense, security, and environmental protection. Land use planning and plans are implemented according to an integrated, interdisciplinary approach and have become an essential tool for the State to unify the management, allocation, and use of land to help socio-economic development achieve high, stable growth over a long period (Blasko & Sinkey, 2006; Favara & Imbs, 2015). Expand the subjects of land allocation and land leases by auctioning land use rights. Using market tools to accumulate land, exchange plots, and get land. Amend and supplement regulations to create favorable conditions for land users to change land use purposes according to planning and following Law (Balemi et al., 2021; Hott, 2011; Zhang et al., 2018).

Regarding rural land use planning for direct producers to flexibly change the structure of crops on the rice land fund according to the market but without changing the topography and soil structure, degrade and pollute the soil so that it can be converted back to rice cultivation when necessary (Cooper, 2004; Heo & Lee, 2018; Hu et al., 2021; Xie & Lu, 2013). To prescribe criteria for assessing economic, social, and environmental efficiency and response to climate change in investment projects using land, projects that change the purpose of

using rice land, protection forest land, special-use forests, projects using land currently being used by state agencies and units, and projects on sea encroachment. As a result, the authors presented hypothesis H1 as follows:

H1: Land policy influencing the real estate market development.

### 2.3. The Real Estate Tax Policy (RTP)

Tax policy, in general, is a tool to regulate income distribution, on the one hand, to increase State budget revenue, and on the other hand, to ensure social justice. Tax policy for real estate is no exception to that general purpose. The real estate tax is a periodic or non-recurring levy relating to the use, ownership, and transfer of real estate (Huang et al., 2015; Jayantha & Oladinrin, 2020). Accordingly, real estate tax may include the tax on real estate and taxes associated with the change of real estate ownership through inheritance or donation. Common property taxable objects are houses and land, but each country, depending on its policy goals, will apply a different system of real estate tax policies. Therefore, individuals and businesses operating in the real estate business have a division that complies with the provisions of the Law on business investment and healthy competition, promoting the sustainable development of the real estate market (Chan, 2012; Eng et al., 2003; Filotto et al., 2018; Zhe et al., 2022). As a result, the authors presented hypothesis H2 as follows:

H2: The real estate tax policy influencing the real estate market development.

### 2.4. The Real Estate Credit Policy (RCP)

The real estate credit policy is seen as a mechanism for regulating the real estate market. Hence, we can see that the fluctuations in the real estate market are a direct consequence of the implementation of policies aimed at tightening or loosening credit. Due to its inherent worth, real estate often exceeds the financial means of investors or construction owners at any one moment (Landvoigt, 2017; Wong et al., 2003). Investors depend on the anticipated future value of new real estate due to its immobility and extended lifespan. A mortgage is a type of loan that is secured by the future value of a real estate property. This loan can be obtained from several sources such

as banks, potential consumers, and the issuance of construction securities with medium and long-term durations (Rahadi et al., 2015; Su et al., 2020). As a result, the authors presented hypothesis H3 as follows:

H3: The real estate credit policy influencing the real estate market development.

### 2.5. Macro-economic Factors (MF)

The health of the economy has a huge impact on the value of real estate in particular and the real estate market in general. Basic economic indicators include GDP growth, data on employment, production activities, and commodity prices. If the economy grows well, the real estate market will be vibrant and real estate prices will increase; On the contrary, when the economy stagnates, real estate market activities are also quiet, even frozen. Moreover, the robust economic growth, as shown by the high GDP, drives the demand for real estate investment. This investment avenue offers substantial returns and is deeply ingrained in the Vietnamese culture as a means of securing long-term settlement. Monetary policy and system: When monetary policy is relaxed and interest rates are reduced, individuals, investors, and enterprises increase their borrowing activities (Liang & Cao, 2007; El-Haram & Horner, 2002). This indicates an increase in the influx of funds into the real estate sector, resulting in a rise in market activity. Conversely, when the government implemented a more restrictive policy, the bank's cash flow improved, and individuals were less inclined to borrow money for real estate investments. As a result, real estate values were also impacted. Regions with advantageous tax rates have the potential to attract investment money and stimulate growth in the real estate sector (Jayantha & Oladinrin, 2020; Liu, 2022; Ndegwa, 2018; Miller et al., 2011). In Vietnam, the model of a Special Economic Zone (SEZ) can be mentioned with great incentives and privileges regarding the tax rate environment. There are also several other factors, such as the general level of inflation, stock market situation, credit market, and unemployment rate in the region. As a result, the authors presented hypothesis H4 as follows:

H4: Macroeconomic factors influencing the real estate market development.

2.6. Technological Factors (TF)

The real estate market, especially in the buying and leasing process, has entered a new era today with the emergence of virtual reality (VR) technology. VR is not only a useful tool, but also an immersive experience, allowing buyers and renters to “set foot” in a home without having to physically move. Moreover, technology is exerting a profound influence on the future of real estate and all other domains. The real estate industry has been greatly influenced by technological advancements, which have had a substantial impact on business operations, transactions, and rental processes. A multitude of real estate trading floors emerged, stimulating the market’s demand, altering consumption patterns and behaviors, and establishing advantageous circumstances for the exchange of information and commodities (Aliyev et al., 2019; Barrell et al., 2010; Liu, 2022). The narrative around the elements that influence the real estate market is multifaceted and warrants thorough examination. Acquire further expertise on the market, cash flow, investment, and real estate brokers from prominent authorities. Ultimately, real estate technology is not simply a tool, but also a powerful

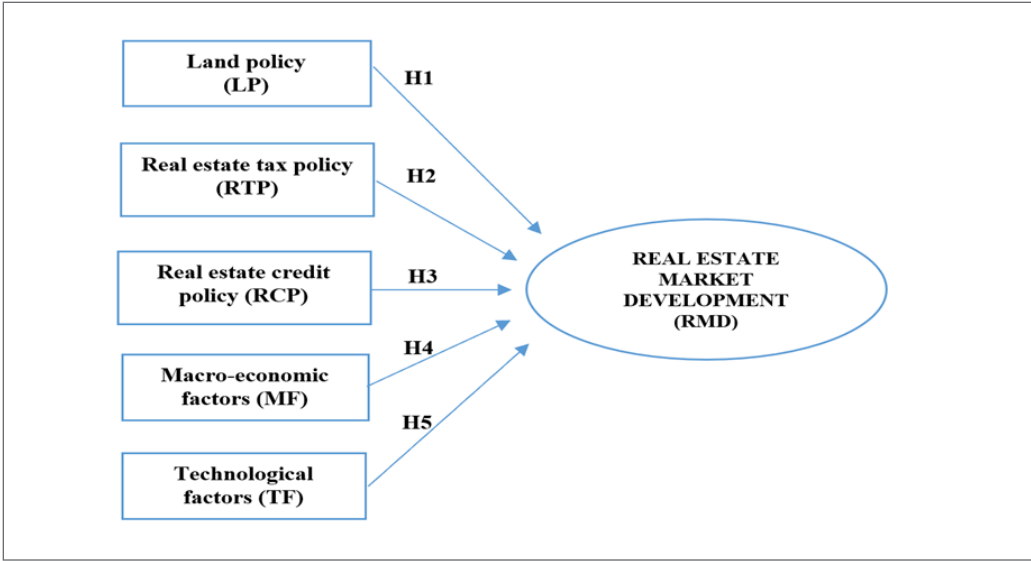
assistant, making it easy for everyone to access and use without much training. The convenience and advancement of wireless technology is making the adoption process simpler and more attractive than ever in the real estate sector. Awareness and thinking will be critical in the development strategy (Andrews & Sánchez, 2011; Defusco, 2018). As a result, the authors presented hypothesis H1 as follows:

H5: Technological factors influencing the real estate market development.

The real estate market is developing in a volatile economy and socio-political situation. However, some fundamental factors that investors and buyers need to keep in mind will continue to influence this market. Real estate is a market prone to fluctuations, even with a slight change. Real estate investors need to understand the factors affecting the real estate market. The authors have found the research below.

Figure 1 showed that five independent components: (1) land policy (LP), (2) real estate tax policy (RTP), (3) real estate credit policy (RCP), (4) macroeconomic factors (MF), and (5) technological factors (TF). Furthermore, one dependent component depicts the real estate market development (RMD).

Figure 1  
A Research Model for Various Factors Influencing the Real Estate Market Development



### 3. Methodology and Data

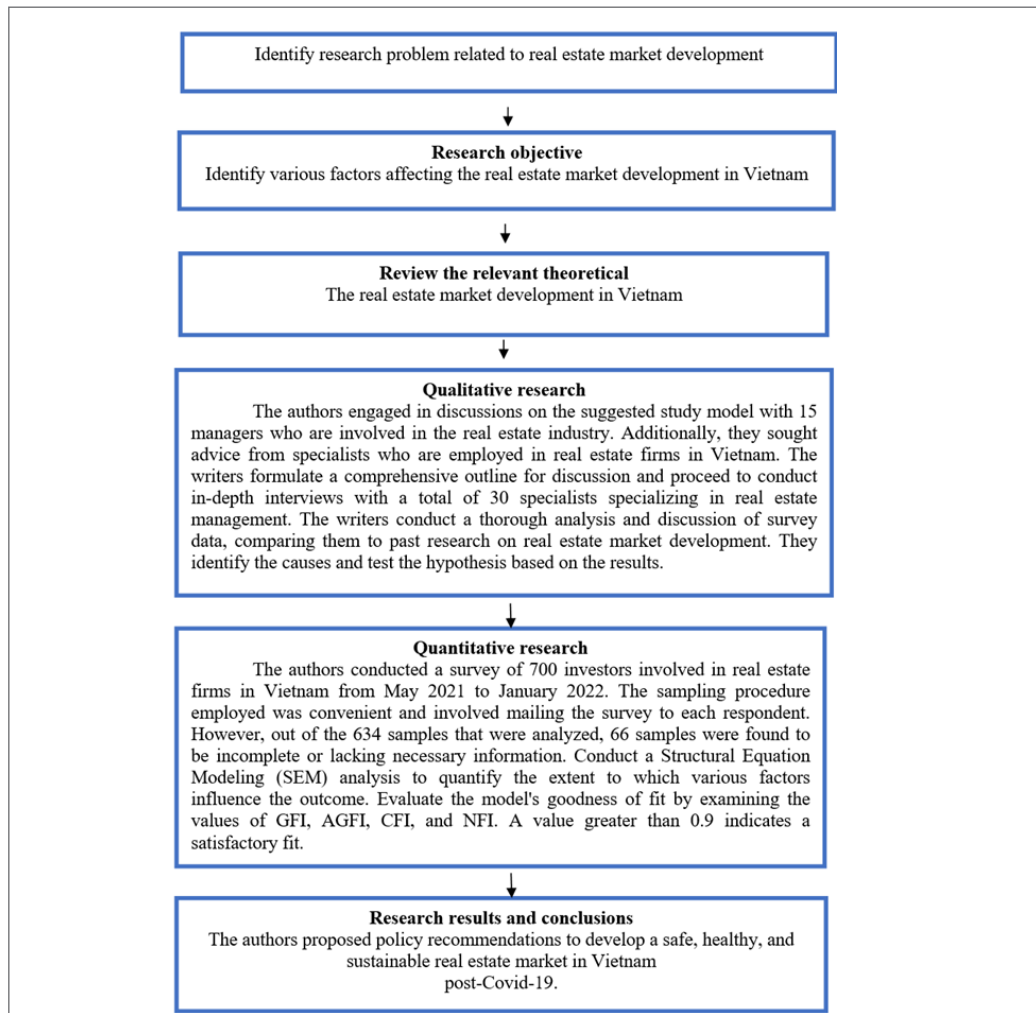
This study employs a blend of qualitative and quantitative research methods, namely, see Figure 2 below.

Qualitative research is a form of exploratory research and conducted with a small group of research subjects. Therefore, the selected sample was not chosen according to the probability sampling method. The sample elements are selected to satisfy a number of research market characteristics. The

characteristic of the qualitative research method is to explore and find new rules and concepts about a particular problem. This is also one of the advantages of the qualitative research method. However, the researcher's subjective assessment is the limitation in the process of evaluating and processing data. After the sampling process, the qualitative research method also uses methods and tools to collect data, some common data collection tools such as discussion, group discussion, interpretation. In

**Figure 2**

*A Research Model for Various Factors Influencing the Real Estate Market Development*



this study: qualitative research was conducted by in-depth interviews with real estate business managers (directors, deputy directors, and sales managers). Data were coded and processed by SPSS 20.0 software to deeply analyze the research contents that the quantitative method could not perform, performed in parallel with formal quantitative research (Hair et al., 2018). Qualitative research was carried out twice: preliminary qualitative research with a sample of 15 real estate managers to explore, adjust and supplement scales for research concepts and formal qualitative study with a sample size of 30 people. The questionnaire using a 5-point Likert scale, which represents varying degrees of agreement from the respondents on the author's business interview. The precise definitions are as follows: (1) Strongly Disagree ... (5) Strongly Agree (Hair et al., 2018).

There are two types of study sampling methods: random and non-random, with non-random being the more prevalent. For their study, the authors adopted a handy non-random sampling strategy. The research sample size is 700 people. The topics are mid-level and above managers in charge of investing in Vietnamese real estate enterprises. Data on an observed variable was collected with a sample size of at least five models. A sampling approach in which all members of a population have the same chance (probability) of being chosen for the sample.

The individuals targeted are mid-level managers and higher who have the responsibility of making investments in real estate enterprises located in Vietnam. A quantitative research study was conducted using a direct survey approach including the distribution of questionnaires. The sample was chosen via convenient sampling, with a total of 700 respondents included in the sample. Subsequently, the data was gathered in order to assess the reliability of the scale, employing techniques such as Cronbach's alpha and exploratory factor analysis, with the aim of reducing the number of observed variables inside the factor. Analyze the compatibility between factors and market data. Confirmatory factor analysis and structural equation modeling were used to assess the measurement model's adequacy and determine its acceptability and outlined in the technique described in Figure 2.

## 4. Empirical Results

### 4.1. Testing Cronbach's Alpha for Factors Influencing the Real Estate Market Development

Table 1 reveals that Cronbach's alpha for numerous factors influencing the growth of the Vietnamese real estate market is more than 0.6. The scale's dependability was tested using five independent components: (1) land policy (LP), (2) real estate tax policy (RTP), (3) real estate credit policy (RCP), (4) macroeconomic factors (MF), and (5) technological factors (TF). Furthermore, one dependent component depicts the real estate market development (RMD).

Regarding procedures and policies: In general, many new policies have been published quickly in the past, becoming useful instruments for land management, administration, exploitation, and usage, hence boosting the growth of the real estate market throughout the country. Outstanding policies have been modified and updated to boost efficacy, reflecting the State's preferred and encouraging policies for subjects desiring to utilize land for exploitation and investment. The legal pathway for converting, transferring, and leasing land use rights is becoming more refined and clearer. In the market mechanism, state administration of the real estate industry is becoming more professional and structured.

Tax policies have helped to overcome the condition of fragmented land use by providing a foundation for successful land use, contributing to budget revenue, and allocating resources to better satisfy people's housing requirements. The land use rights auction mechanism is regularly reviewed and issued on time, the information is public and transparent, the land allocation mechanism, financial obligations for project land allocation are gradually approaching reality, gradually reducing negative situations, land valuation, rental price, land use fees, and the collection of reasonable fees and charges. Many synchronized remedies have been applied by the government, dramatically controlling macropolitics, financial policy indicators (monetary policy, capital market, derivatives market), fiscal, foreign trade, and revenue. The import runs smoothly and steadily, closely matching the potential production



**Table 1***Testing Cronbach's Alpha for Factors Influencing the Real Estate Market Development*

<b>Code</b>	<b>Items</b>	<b>Cronbach's alpha</b>	<b>Mean</b>	<b>Std. Deviation</b>
	Land policy (LP)	0.959	-	-
LP1	Planning policy on land use	0.946	3.0268	0.99171
LP2	Housing investment and business policy	0.959	3.0126	1.00700
LP3	State management policies related to the level of transparency in the real estate market	0.944	3.0820	0.96522
LP4	Real estate pricing policy	0.936	3.0662	0.99383
	The real estate tax policy (RTP)	0.849	-	-
RTP1	Housing tax policy	0.795	3.3833	0.87249
RTP2	Income tax on real estate transfer	0.806	3.4937	0.96583
RTP3	Collection of land use fees	0.841	3.2776	0.97289
RTP4	Value-added tax for houses and properties above land and registration fee	0.790	3.3628	0.89103
	The real estate credit policy (RCP)	0.953	-	-
RCP1	The bank always offers preferential policies in real estate loan	0.946	3.0331	0.99470
RCP2	The bank always gives priority to receiving collateral real estate	0.953	3.0347	1.02206
RCP3	Real estate loans always account for a large proportion of the total outstanding loans of commercial banks	0.929	3.1136	0.96529
RCP4	Safety is emphasized in the credit policy of commercial banks	0.923	3.1009	0.97807
	Macro-economic factors (MF)	0.945	-	-
MF1	Per capita income, GDP growth	0.920	3.0047	0.99841
MF2	Stable inflation and economy	0.934	3.0032	1.00865
MF3	Real estate market prices and urbanization	0.932	3.0804	0.96944
MF4	The impact of economic capital flows such as FDI, investment funds...	0.925	3.0032	1.03646
	Technological factors (TF)	0.880	-	-
TF1	Exploiting customer data effectively for digital marketing activities	0.842	2.3565	0.65000
TF2	Easily reach potential customers through digital technology	0.821	2.4022	0.62141
TF3	Real estate business process automation	0.879	2.3912	0.66389
TF4	Help secure customer information effectively and increase customer experience through the application of management technology	0.843	2.4243	0.68019
	The real estate market development (RMD)	0.932	-	-
RMD1	Measures to stabilize real estate prices are necessary to increase the ability to make investment/consumption decisions use real estate	0.913	3.4054	0.96774
RMD2	The decision to invest in Vietnam's real estate market now has a lot of potential for development	0.871	3.3123	0.98821
RMD3	The decision to invest in Vietnam's real estate market now has the high and safe profit rate	0.921	3.2650	0.99880

*Source: Data processed from SPSS 20.0*



based on the GDP growth plan. However, there are several constraints and possible dangers in the legal corridor for land, operation, and real estate market operations that must be addressed.

4.2. Testing Critical Factors Influencing the Real Estate Market Development

Table 2 illustrates five elements influencing the development of the Vietnamese real estate market, with a significance level of 0.01. The article's innovation is determining the credit policy component that has the greatest influence on the development of the real estate market, with a standardized estimate of 0.561. The following five elements influence the growth of the Vietnamese real estate market: (1) land policy (LP), (2) real estate tax policy (RTP), (3) real estate credit policy (RCP), (4) macroeconomic factors (MF), and (5) technical factors (TF).

Figure 3 showed that the assessment of the various factors influencing the real estate market development in Vietnam: CMIN/DF = 2.755 (<5.0), GFI = 0.931 (>0.800), TLI = 0.967 (>0.900), CFI = 0.974 (> 0.900) and RMSEA = 0.053 (<0.08). The article had five factors affecting and find out the new credit policy factor that has the most substantial impact on the real estate market development with the standardized estimate is 0.561. The results showed that promoting sustainable real estate development is the key to attracting significant investment capital sources for growth, contributing to sustainable urban and rural development towards industrialization and modernization of the country. Finally, beginning in the fourth quarter of 2022 and continuing to the present, firms and individuals are experiencing difficulties

with practically no transactions, sellers lethargic and buyers wary. When compared to the same time in 2022, the number of real estate enterprises declaring closure or dissolution climbed dramatically. To optimize operational expenses, most organizations had to lower the scale of investment from buildings, project scale, and restructure debt, as well as maximize human resource streamlining. According to analysts, the reason for this calm is a succession of tightening credit and corporate bond laws. Legal issues have not been properly handled, leading market liquidity to plummet and the entire economy to suffer.

Table 3 shows that five factors accepted with a significance level of 0.01. In summary, the above factors influencing the real estate market also led to an increase or decrease in real estate value as well as have positive or negative impacts.

4.3. Result Discussion

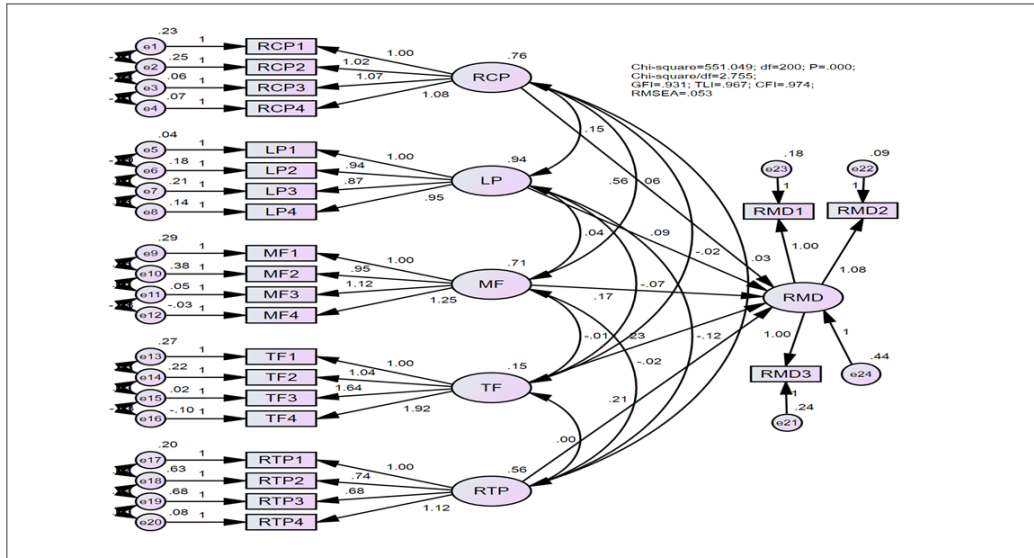
The real estate market has a crucial impact on upholding macroeconomic stability, managing inflation, assuring substantial reserves, and fostering growth. Despite the favorable outcomes, the progress of real estate development has also exposed certain drawbacks, constraints, and deficiencies that are not yet truly sustainable and have various potential hazards, such as the lack of a rational real estate framework. In addition, the cost of real estate goods, particularly house prices, remains relatively elevated in comparison to individuals' earnings. Furthermore, there is a lack of a comprehensive, synchronized, and trustworthy database of information on the real estate market, leading to a lack of transparency.

Some deficiencies that require attention and rec-

Table 2  
Testing Factors Influencing the Real Estate Market Development in Vietnam

Relationships			Standardized Estimate	S.E	C.R	P	Result
RMD	<---	RCP	0.561	0.037	15.103	***	Accepted H3
RMD	<---	LP	0.100	0.031	2.938	0.003	Accepted H1
RMD	<---	MF	0.167	0.032	5.384	***	Accepted H4
RMD	<---	TF	0.104	0.059	3.925	***	Accepted H5
RMD	<---	RTP	0.177	0.040	5.149	***	Accepted H2

Source: Data processed from SPSS 20.0, Amos

**Figure 3***Testing Research Model for Various Factors Influencing the Real Estate Market Development***Table 3***Testing Bootstrap for the Real Estate Market Development with 10.000 Samples*

Parameter	SE	SE-SE	Mean	Bias	SE-Bias
RMD <--- RCP	0.041	0.001	0.551	-0.002	0.003
RMD <--- LP	0.031	0.000	0.077	0.002	0.002
RMD <--- MF	0.036	0.001	0.160	0.001	0.003
RMD <--- TF	0.059	0.001	0.092	0.002	0.004
RMD <--- RTP	0.047	0.001	0.194	-0.001	0.002

Source: Data processed from SPSS 20.0, Amos

tification include: The legal framework pertaining to the real estate market still contains provisions that do not adequately address practical requirements and have not been timely supplemented and amended; the execution of real estate projects in certain areas deviates from master plans and schemes, failing to align with market demands; investment procedures are governed by numerous legal documents, involving multiple stages, resulting in prolonged processing times. The regulations governing voluntary real estate transactions through the floor have laid the groundwork for the emergence of fraudulent enterprises and examples of consumer deception. Addi-

tionally, the government is also encountering several challenges in managing these transactions. Oversee data pertaining to the real estate market, while also experiencing a decline in tax revenue and state budget income; the state's regulatory measures are not sufficiently stringent.

The above study shows five factors that affect Vietnam's real estate market development. The authors make the following discussions: For the real estate market to develop stably, healthily, efficiently, and sustainably, the authors had conversations and proposed robust solutions. In addition to the positive contributions to economic development and ensur-

ing social security, the article showed the limitations and inadequacies of Vietnam's real estate market.

Firstly, the legal system related to real estate investment, construction, and business is still inadequate and needs to be revised (Eng et al., 2003; Aliyev et al., 2019). Thus, the government urgently study and perfect the legal system related to the real estate sector. Simultaneously, enhance the governance of the real estate market by augmenting the availability of properties, particularly by establishing favorable circumstances to foster the growth of social housing, housing for industrial park employees, and housing for those with low incomes. The State Bank of Vietnam diligently monitors and oversees credit activities pertaining to the real estate industry. Instruct credit institutions to rigorously monitor the credit and lending standards for the real estate sector, ensuring adherence to the regulations stipulated by the Law. Promptly prioritize lending to projects focused on social housing, worker housing, and affordable commercial housing that demonstrate strong performance and the ability to repay debts.

Secondly, the supply of commercial housing decreased in most of the localities. Many projects that were about to be implemented faced many difficulties in legal procedures, especially in choosing investors and calculating land use fees (Huang et al., 2015; Ndegwa, 2018). Thus, the government closely monitors developments of the real estate market to promptly have solutions to stabilize and healthy the market when necessary, inspect and review housing projects and real estate business. The Ministry of Planning and Investment provides guidance and instructions to localities, proposes solutions to address challenges and barriers, decisively reduces unnecessary administrative procedures in investment processes, approves investment promotion and decisions, and issues investment registration certificates for housing and real estate projects to support and enhance market supply. Efficiently eliminate barriers in investment procedures, land acquisition, urban planning, and construction to facilitate market development.

Thirdly, social housing is minimal, not meeting the housing needs of low-income subjects and industrial park workers (Jayantha & Oladimirin, 2020; Landvoigt, 2017). Thus, the government review and

supplement the planning, allocate enough land fund to develop social housing, and housing for workers following regulations, and promote renovating old apartment buildings. Oversee and entice foreign investment funds into the real estate industry. The Ministry of Natural Resources and Environment will work together with the Ministry of Finance and the Ministry of Justice to examine, assess, and revise current regulations regarding the auction of land use rights including the law on auction, the legal law on land, and the law on tax administration to ensure consistency and suitability with the particular conditions in the region.

Fourthly, real estate prices are higher than people's incomes (Liang & Cao, 2007; Rahadi et al., 2015). Thus, the government control and restructure real estate credit to ensure proper use and avoid risks; studies and propose tax regulations for the benefit of real estate, real estate trading, and trading activities to limit speculation; research, review and amend rules related to auction of land use rights, land price determination. The Ministry of Finance will collaborate with the State Bank of Vietnam to conduct inspections and oversight to ensure compliance with the Law on issuance, investment, and provision of services on corporate bonds, with a particular focus on private bond issuance by firms. Real estate companies, financial institutions associated with real estate companies, companies with significant issuance amounts, companies with high interest rates, companies with negative business performance, and companies offering loans without requiring security.

Direct and guide the implementation and activities of capital mobilization (including bond issuance) of real estate businesses on the stock market following Law; creating conditions, not hindering enterprises (with sufficient capacity, excellent and healthy business results...) can mobilize capital to support recovery and development. Researching and perfecting tax policies in line with real estate reality to encourage the effective use of houses and land, limiting home and land speculation, and ensuring a good source of income.

Fifthly, In certain instances, the process of determining precise land pricing remains sluggish, resulting in delays in calculating land usage levy, land rent, and compensation when the government reclaims

land (Xie & Lu, 2013; Zhang et al., 2018) To promote the real estate market's healthy and sustainable development, it is necessary to implement comprehensive solutions with the coordination of many ministries, branches, and localities to continue handling the problem, resolve issues with legal procedures in the real estate sector, develop medium and long-term capital markets; At the same time, continue to carry out assigned tasks in Government documents and resolutions.

In addition, the government must promptly coordinate the creation, evaluation, and endorsement of urban and rural construction blueprints; design land usage plans and establish housing development strategies in local areas; ensure the dissemination and openness of information regarding infrastructure development projects, including lists and updates to finalize and promote the information system on the housing and real estate sector. Ultimately, it is crucial to thoroughly scrutinize, assess, and rigorously address any breaches of the Law in real estate company operations. This includes regulating instances of misleading information that may lead to disruptions and adverse effects on financial, credit, and real estate market endeavors. In order to address the aforementioned deficiencies and further advance the secure, wholesome, and sustainable growth of the real estate sector in the future, the Prime Minister has made the following request: Analysis of the stipulations outlined in the legislation. The objective is to establish legislation that effectively addresses both current and long-term challenges in developing a robust, suitable, and effective legislative framework that guarantees the interdependence, security, and predictability of the capital markets and the real estate market. Enhancing the diversification of capital sources in the real estate market by implementing decentralization and distributing powers at all levels. Conducting comprehensive research and suggesting pilot systems and policies to generate new driving forces and momentum for market development.

The market's challenging moment will undoubtedly provide numerous hurdles for enterprises to overcome in order to thrive. To get through this phase, firms must first adapt and revise their company plans in a sustainable direction: It is apparent that enterprises who have quit participating in the

market lack a sustainable orientation and, when faced with protracted market dangers, cannot afford to stay. Second, improve your operations and finances: Examine operating procedures and expenditures to develop an ideal strategy for eliminating needless costs during this challenging time. Improve financial management and capital structure. Third, research and evaluate the market, and find new customers: This is a good time for businesses to focus on product research, finding differences to increase product competitiveness, and focusing on quality and value to meet customer needs so that when the market revives, customers will pour money into purchasing the business's products. Furthermore, acquiring new clients and caring for them till the market recovers allows for transactions. Fourth, retain trust and patience: market downturns can endure for a long time, therefore firms must be patient and trusting. Maintain faith that the market will soon rebound in order to continue attempts to build the business. Furthermore, rather than waiting for the real estate market to recover, firms should focus on processing previously sold items, carefully studying products that are ready to be published when the market recovers, and preparing to debut new products to the market.

According to survey results from managers, experts, and investors predict that the real estate market will improve in the second half of 2024 thanks to policy factors such as 03 primary Real Estate Laws being passed. Interest rate policies have decreased, and expectations remain low, leaving room to reduce lending rates. Confidence and liquidity gradually improved, focusing on the apartment segment; Infrastructure development supports real estate market recovery. Specifically, in terms of capital sources, lending interest rates are expected to continue to decline to low levels, and preferential lending policies of commercial banks for home buyers can help improve demand and increase liquidity market accounts. Besides, reducing loan interest is also expected to reduce financial pressure, thereby restoring the business activities of real estate investors.

Furthermore, legal policies are expected to minimize difficulties, and the government has issued many legal documents and policies such as certificates for resort real estate and condotel, as well as a project to develop 1 million social housing units.

Experts and investors expect liquidity to improve in 2024 in the mid-range and affordable apartment segments of social housing in the center and suburban provinces due to the lack of new supply, but actual housing demand increased, and investors started trading again when lending rates decreased.

For the real estate market to develop healthily and sustainably in the coming time, it is necessary to synchronously implement the following credit policy with more specific recommendations on the roles: banks, businesses, buyers:

1. Banks: Banks should flexibly and synchronously operate monetary policy tools, open up credit capital flows to serve socio-economic development, and complete mechanisms and policies to exploit and mobilize maximum domestic and foreign financial resources for housing development and the real estate market. Banks should continue to implement solutions to stabilize the monetary market... In the long term, it is necessary to form forms of credit for housing development, such as savings funds to support workers with conditions to buy houses or funds for housing development and investments in real estate trusts to create additional market capital sources. Banks should build mechanisms and policies to attract and diversify social resources to clear capital sources among the people and generate capital channels from idle money sources, such as capital for trading gold bars and foreign currencies currency, to the real estate market, thereby forming a long-term financial source to replace short-term bank credit capital.

2. Businesses: It is imperative to reconfigure their corporate structure, with a heavy emphasis on targeting inexpensive market segments, particularly the budget apartment sector, as it will effectively attract the market. In order to diversify their funding sources beyond bank credit, real estate enterprises should additionally prioritize the following strategies: (i) Enhance the collaboration in executing real estate projects through joint ventures; (ii) Sustain the effort to raise funds from home buyers by utilizing capital contribution contracts; (iii) Utilize the strategy of subdividing apartments for sale to provide more options for prospective home purchasers. (iv) Engaging in the issuance of bonds and stocks. Moreover, businesses need to be transparent in financial informa-

tion and business performance, stabilize psychology, and reassure investors to regain confidence in the bond market. Businesses need to strengthen communication work to stabilize psychology, build investor confidence, help investors feel secure in mobilizing and investing in the capital market, and increase the participation of investors institutions professional investors, prioritize the development of long-term investors, such as investment funds, voluntary pension funds, and insurance enterprises. Enterprises should quickly review and improve policy mechanisms to develop professional investors and long-term investors to create sustainable investment demand for the real estate market.

3. Buyers: Customers with financial capacity and ability to repay debt fully and on time; prioritize lending for practical social housing projects and product segments with good sales potential, meeting the real needs of people. Postpone the deadline to tighten the use of short-term capital for medium and long-term loans closely follow the credit granting situation for the real estate sector and have timely solutions to ensure safe, effective, and sustainable credit growth. Accordingly, continue to grant credit to the real estate sector, focusing on feasible projects and loan plans. Banks continue to direct credit customers with the financial capacity to implement housing support programs. Banks should coordinate with relevant ministries and branches in implementing the housing law, real estate business law, and decree on social housing development. Assembly on handling bad debts through promoting the handling of collateral assets such as real estate, transferring projects, and supporting businesses to speed up progress and completion of unfinished real estate projects.

## 5. Conclusions

The real estate sector is extremely important to the national economy. This form of market has two effects on the economy: if the government administers it correctly, the market will expand steadily. This stability will have a positive influence on the economy, fostering a steady growing economy; on the other hand, if real estate market management is weak and cannot regulate the market, the economy will be dragged into a state of crisis and recession. This paper gathered data from 700 real estate inves-

tors and employed structural equation modeling (SEM), although only 634 samples were analyzed. The study revealed several elements influencing the growth of Vietnam's real estate sector. With a significance threshold of 0.01, the article discovers five elements influencing real estate market development. As a result of the government's role in the development of the real estate market, real estate investors require other solutions to mobilize capital sources other than credit from banks, such as (a) strengthening joint ventures in the implementation of real estate projects; (b) continuing to mobilize capital from home buyers through capital contribution contracts; and (c) subdividing apartments for sale, which increases opportunities for homebuyers; (d) issuance of bonds, shares and (e) To boost the segment, the government should implement a credit policy for individuals with a high average income, and low-income people should transfer to renting - there may be local incentives.

In summary, this study aims to identify five critical factors affecting the development of the real estate market, which are analyzed above. However, there are also many other factors affecting real estate market development. Therefore, further research needs to consider, evaluate, and add more green building elements that are environmentally friendly, fuel-efficient, and sustainable. In the context that real estate is an industry that plays a significant role in the green economy, green design is a trend that provides policies for positive factors in the development of the real estate market, and products are oriented towards sustainable development.

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