Regulations moving in the right direction
But there is work to be done

Foreign direct investment has been coming to Vietnam for 30 years now, with a total of more than $318 billion pouring into the country in the last ten years only. This included more than $53 billion in the real estate sector. **Peter Ryder**, CEO of Indochina Capital, one of the leading real estate advisory, investment and developers which has roughly 20 years of experience and an astounding track record in Vietnam, shared his views on market developments and expectations for the time ahead.

Foreign direct investment (FDI) in the real estate sector has transformed Vietnam's urban landscapes, with the vistas now sporting spectacular developments from the very first big names, like Phu My Hung, Ciputra, and of course Indochina Land. What role has FDI played in the Vietnamese real estate market?

FDI has helped introduce international standards for real estate development in Vietnam. With The Nam Hai and Six Senses Con Dao, Indochina Land raised the bar for resorts in Vietnam, thus firmly planting Vietnam in the arena of global luxury tourism. Our other developments, including Indochina Plaza Hanoi and Hyatt Regency Danang, have made high-end properties accessible to Vietnamese people, owners and tenants alike. We also inspired the property market in Vietnam to adopt and embrace world-class standards in terms of design, services, and operations.

Furthermore, a portion of FDI has been devoted to improving infrastructure in Vietnam. Accessibility is a key driver for success in any real estate market, and the improvements in airport capacity and road networks have enhanced the attractiveness of Vietnam's real estate developments.

Recent statistics show that Asian investors, such as South Korea, Singapore, Japan, Malaysia, and Hong Kong, remain the largest foreign investors in the Vietnamese real estate market. Does this mean that Vietnam is not attractive enough for European and US investors due to geographic distance and the regulatory system?

Due to cultural familiarity, Asian investors tend to be more aggressive compared to their European and North American counterparts in the Vietnamese real estate market. European and North American investors are mostly unfamiliar with the market dynamics and regulatory environment in Vietnam, therefore, they are more risk averse and less likely to enter the market. In many cases, you will find that European and North American investors are more inclined to partner up with a local group who has the experience and relationships required to succeed in this sector.

Asian investors are more comfortable working on their own, because they tend to better understand the challenges of working in the region. You will find many more parallels developing real estate in Jakarta and Hanoi than in New York and Ho Chi Minh City. Additionally, these Asian companies may also have previous relationships that facilitate their entry to the market, allowing them to feel more at ease when conducting business in Vietnam.

On the other hand, Indochina Land, despite its North American roots, has been operating in Vietnam for 20 years. During this time, we have developed great relations with Vietnamese coun-