

Apartment buildings to be classified into three categories

In the coming time, apartment buildings put into use from July 1, 2015, would be classified into categories A, B and C.

Such is highlighted in a circular drafted by the Ministry of Construction (MOC) which will serve as a basis for determination of values of condominiums and application of rates of condominium management services.



Under the draft, apartment buildings might be ranked by scoring based on four groups of criteria, including planning and architecture, technical and social infrastructure, quality of apartments, and quality of condominium management services.

High-grade apartment buildings with a score of 90-100 points, condominiums scored from 80 points to below 90 points, and apartment buildings that score below 80 points, would be classified into categories A, B and C, respectively.

The MOC would decide on recognition of category-A condominiums being grade-1 works in Hanoi and Ho Chi Minh City, while Construction Departments of other provinces and cities would do so for other apartment buildings. The recognition would be reviewed every five years.

The draft has received divergent opinions from real estate businesses.

Tran Duc Phuong, Director General of Nam Tien Real Estate Company, said the classification of apartment buildings was necessary as it would help prevent investors from exaggerating the quality of their projects.

Nguyen Xuan Quang, Chairman of the Management Board of Nam Long Real Estate Company, said the criteria for classification of apartment buildings were in line with international practices and would contribute to make the real estate market healthy.

Quang suggested the issuance of a set of criteria and formation of independent organizations to verify such criteria so as to prevent negative practices during the classification of apartment buildings.

Nguyen Tien Dung, Director General of Saigon Vista Corporation, proposed regulations requiring project owners to announce the ranks of apartment buildings before offering them for sale so that customers could make proper decisions.

Meanwhile, other businesses said that the classification is unnecessary. They supported the option of

setting sale prices and management service charges of condominiums as agreed by project owners and customers. Some expressed their worry that such classification would create “sub-licenses” and more cumbersome administrative procedures during investment in apartment buildings.

According to the MOC, the draft would be considered for issuance at the beginning of the second quarter of this year.

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