

INFORMATION PAGE ABOUT THE DISSERTATION

Doctoral Dissertation Title: Factors affecting housing expenditure and housing tenure choice: A case study in Ho Chi Minh City

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1. SUMMARY OF THE DOCTORAL DISSERTATION

The right to housing has always been recognized as a human right under international law and the Constitution of Vietnam. With its economic development and increasing population, Ho Chi Minh City (HCMC) is facing significant challenges in socio-economic management, including the housing sector. High housing prices, which far exceed people's incomes, combined with the shrinking urban land fund amidst increasing migration to HCMC, make homeownership and affordability increasingly difficult for residents.

The doctoral dissertation "**Factors affecting housing expenditure and housing tenure choices: A case study in Ho Chi Minh City**" focuses on analyzing the impact of various factors on housing expenditure and housing tenure choices, with the main explanatory variable being income. It also examines the development of the housing market and fluctuations in expenditure and transitions in housing ownership types in HCMC from 2009 to 2022. Additionally, the dissertation explores and analyzes the gap and inequality in accessing housing goods from the perspective of expenditure and housing tenure choice. The research findings help identify the relationship between income and socio-economic

factors related to housing decisions while highlighting the gaps and inequalities in accessing housing (housing gap/housing inequality). Based on these findings, the dissertation proposes solutions for developing the urban housing market towards sustainable development, ensuring quality of life, and promoting equal housing rights.

2. NEW FINDINGS OF THE DISSERTATION

- Firstly, from the survey of related studies, the author realizes that the relationship between income, especially permanent income, and housing spending as well as the choice of housing tenure has always been a hot topic, attracting much attention from researchers worldwide (Kim (1992); Phipps and Burton (1998), Fan and associates (2002), Huang (2003), Li and associates (2009), Perks and Han (2010), Zhou (2011), Ahmad (2012), Hui and associates (2014), Tao and associates (2015), Aladangady and associates (2017), Ben-Shahar and associates (2018); Dustmann and associates (2022)). However, for different studies conducted at different times and in different housing markets, the research results are inconsistent, and to date, according to the author's understanding and verification, there have not been any formal studies directly related to the topic in Vietnam. Therefore, based on the research of fundamental theories and empirical models related to spending behavior and the choice of housing tenure types, the doctoral dissertation will build, verify, and analyze this relationship in the practical context of the housing market in HCMC; quantify, analyze, and determine the models of factors affecting the spending model and the choice of housing tenure; analyze housing inequality and the housing gap in housing access from survey data in Ho Chi Minh City with the main explanatory variable being permanent income. From there, the dissertation proposes several policy implications for urban housing development towards sustainable development, aiming to reduce housing access inequality in the economy. Based on the inheritance of previous research theories, the topic has been selected, analyzed, synthesized, and clarified the concepts and some contents related to the overview of housing expenditure and types of housing tenure; synthesizing theoretical models related to the research problem, especially clarifying the concept of permanent income, a concept not widely used and discussed in studies in Vietnam.
- Secondly, regarding the components of housing spending, there are still many debates: Some studies suggest that rent, mortgage interest, property tax, maintenance and repair costs, insurance fees, house purchase fees, utility operation costs such as gas, electricity,

water, and other costs are identified as components of housing spending (Lino, 1990; Combs and Park, 1994; Moon and Juong, 1997; Fontes and Fan, 2006; Bui and associates (2015), Tian and associates (2017)). According to the above authors, rent is considered a crucial component of household housing spending. However, considering homeowners' benefits through housing-related spending, although families living in their own homes receive higher utilities, their housing spending may be lower than renters. Ulker (2008) argued that excluding imputed rent (the amount a homeowner would charge for renting their home) does not accurately reflect the household's spending level. Therefore, rent for homeowners should be mentioned and calculated through imputed rent because it helps reflect the opportunity cost of living in their own home, similar to the rent that renters have to pay. Some studies suggest that including imputed rent in housing-related spending will provide a more accurate measure of the opportunity cost of owning a living space for households (Moon and Juong, 1997; Fontes and Fan, 2006; Ulker (2008)). The thesis will analyze housing spending, considering the value of imputed rent. This is also a new scientific aspect of the research topic.

- Thirdly, in most studies worldwide, the classification of housing types generally includes two basic forms: renting and owning (Cho (1997), Boehm (1982), Zhou (2011), Frenkel & Kaplan (2015), Fu and associates (2015)). It can be seen that families in Vietnam often have many generations living together, so the issue of housing ownership is also quite different, requiring the determination of housing types to be considered from the perspective of the nuclear family of the respondent (i.e., only including spouses, children, and dependents) to ensure the objectivity of the research problem. According to research data in Vietnam, housing tenure is considered from the collective ownership perspective of the entire household without considering the nuclear family aspect. Therefore, the thesis will deeply analyze the factors affecting the choice of housing tenure from the nuclear family ownership perspective and even individual adults. This also helps clarify the picture related to housing ownership in urban areas and contributes closely to the practical development of housing in HCMy from the housing tenure choice aspect.

- Fourthly, during the survey of research data, the author found that many households in HCMC organize small trade activities at their living places. The survey results show that 206 out of 663 observed households (accounting for 31,07%) organize small business

activities at their living places. Therefore, the author believes that these households' spending and choice of housing tenure are also significantly different from the others. Based on this, the dissertation introduces a new variable for households with production and business activities into the observation model in the thesis's objectives, expecting to find differences in the research models. If the new variable is significant in the quantitative model, it is expected to contribute significantly to urban housing development.

- Finally, the issue of unfair distribution of social resources, including physical assets such as housing, leads to housing inequality and threatens the sustainable development of countries. This is an issue that attracts the attention of many researchers worldwide. Generally, studies focus on analyzing housing inequality from the perspective of access to housing spending, living space area, or housing quality among different groups or living areas in society (Ahmad (2012), Bian & Lu (2014), Liu & Meng (2019)). Through the analysis results of the thesis, the author also evaluates the gap in housing access and housing inequality in HCMC, expecting the analysis results to provide additional information related to the general picture of the housing situation in HCMC. Ensuring housing and living space needs is a legitimate demand and important for human life. Researching issues related to spending and the choice of housing tenure in the direction of better meeting human needs associated with sustainable development and reducing the gap in housing access in HCMC is not only economically meaningful but also socially meaningful, helping ensure the basic rights and interests of humans, towards building a civilized and sustainable developing society. This is the new scientific-practical aspect of the research topic.

3. APPLICATIONS/ PRACTICAL APPLICATIONS OR UNRESOLVED ISSUES THAT REQUIRE FURTHER RESEARCH

3.1 Practical Applications of the Dissertation

Based on the theoretical model of factors influencing housing expenditure and housing tenure choice, as well as analyses of the practical situation in HCMC, the author identifies models related to the dissertation's research topic based on three main factors: income or permanent income, family characteristics (age, education level, gender, occupation, marital status of the primary earner, household size, child ratio, elderly ratio, business households), and residential area. In both models, variables like household

income, age, elderly ratio, business households, and residential area have the most significant impact. Additionally, the analysis of housing development in HCMC shows that housing expenditure is a separate expense, occupying a large proportion of family expenditures, and households in HCMC face pressures and burdens in accessing housing commodities when housing expenditure accounts for more than 50% of disposable income. Although the homeownership rate is high, the trend of renting houses has increased over the years. From 2009 to the present, HCMC authorities have had many housing development programs, but generally, the results of these programs have not met expectations. There is still a part of the population facing difficulties in accessing housing. The housing market currently lacks rental housing, shophouses, low-cost commercial housing, and social housing for low-income people.

In the future, HCMC needs policies to ensure people's livelihood and improve income, enhance the quality of life according to housing conditions, create a legal corridor, encourage businesses to participate in affordable and low-cost housing suitable for household income and payment ability, mobilize resources, encourage economic sectors to invest in housing programs; support the improvement of the efficiency of the labor market, housing market, and financial market towards international integration; develop rental housing products, especially shop house apartments; at the same time, provide financial support, policies for renting and rent-to-own low-cost housing for households facing housing difficulties. Furthermore, the city should effectively carry out urban renovation, compensation, clearance, upgrade, and improvement of old degraded apartments; upgrade infrastructure, synchronously connect infrastructure in suburban and outlying areas to develop affordable housing projects for middle- to low-income people; plan and develop urban spaces with priority for urban areas in suburban areas. Implementing the above solutions will help improve living standards according to housing conditions, better meet the housing needs of city residents in the context of urbanization and modernization, and reduce the gaps in housing access among households.

Despite some limitations, the dissertation has contributed to researching, summarizing the situation, and quantifying factors affecting housing expenditure and the choice of housing tenure in HCMC. From there, it provides information and proposes housing development policies in HCMC in the future, ensuring improved quality of life,

sustainable urban space development, maintaining and ensuring legal housing rights for urban residents, and reducing inequalities in housing access in HCMC. Through the dissertation, the author hopes that the researched contents will be used as a support tool for decisions related to local government housing policies to promote the sustainable development of the urban housing market. Additionally, the author also hopes that the doctoral dissertation will contribute to encouraging further research, especially those that help overcome the limitations in the dissertation, thereby completing the overall picture of urban housing.

3.2 Limitations of the Dissertation and Future Research Directions

Despite the author's efforts to focus on studying and analyzing the impact of factors on housing expenditure behavior and the choice of housing tenure, analyzing the current state of the housing market in HCMC from 2009-2022, verifying changes in spending trends and housing ownership in the city, and understanding the gap in housing commodity access from the perspectives of expenditure, income, and ownership, the dissertation cannot avoid some limitations:

Firstly, regarding data, the dissertation's results may significantly depend on the quality and representativeness of the data used. The sample size is 700 observations, and after data filtering, about 663 observations remain. Although the number meets the minimum requirement for sample size, it is only acceptable. Therefore, future research can be conducted with a larger sample size to ensure more reliable and accurate research results. Secondly, the dissertation lacks a multidimensional perspective on the research problem due to subjective and objective limitations. Specifically, due to certain resource constraints, the dissertation can only focus on socio-economic factors without fully considering other aspects such as culture, politics, or specific geographical factors that may affect the research results. Moreover, the research only focuses on the HCMC area, making it less convenient to compare research results with other provinces and cities nationwide. Therefore, future research can expand the scope to other provinces in Vietnam or other countries in the region and worldwide to approach a more comprehensive and multidimensional view of the research problem.

Thirdly, measuring the housing inequality is an extended objective within the dissertation's research scope. Due to limitations in the repeatability and continuity of survey data, the dissertation only focuses on assessing the housing access gap in HCMC

from the perspectives of expenditure, income, and ownership, possibly overlooking other aspects. Future research can focus on analyzing other aspects of housing inequality related to criteria such as housing quality, institutional differences, or macroeconomic approaches to broaden the research scope and propose more multidimensional solutions for urban housing management policies.

Finally, the dissertation primarily uses cross-sectional data through direct interview methods, lacking the comparison and analysis of inequality fluctuations over different periods to generalize a comprehensive picture of housing inequality in the context of time variability in the research. To minimize this limitation, the author has tried to analyze the research problem based on information from available secondary research datasets related to the topic to provide more useful information related to housing expenditure, housing development status, and the transformation of housing tenure choice over time. Future research can consider and overcome this limitation by using and exploiting various data sources.

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