

**A Study on Upgrading Projects of Public Housing in Hanoi:
From View Point of Residential Conditions & Dweller's Characteristics**

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Abstract: Twenty three public housing quarters (PHQ) built during the 1960s to 1980s in Hanoi provide a total living area of one million square meters for a population of about 140 thousands people. These quarters are now under very poor and unsafe conditions due to poor management and maintenance. According to the redevelopment plan of the city, they are subjected for upgrading and redevelopment. However, the upgrading activities are reportedly implemented in very low pace and are facing with many difficulties and problems. Via findings from interviews with relevant government agencies and a survey with total 120 households in Kim Lien and Giang Vo PHQ in Hanoi, this paper analyses some pending problems from the point of view of residential conditions and dweller's characteristics. It is expected by the authority that most residents will gain from upgrading plan because upgraded flats in central areas would gain higher market value and therefore yield the residents high returns for their investments. However, the benefits of upgrading projects are distributed differently according to the conditions of residential quarters as well as the characteristics of dwellers living in the PHQs subject to these projects. This study is expected to give some implications for policy markers in formulating upgrading policies, as well as for the developers when they consider upgrading plans and designs. This study also aims at contributing a discussion based on upgrading of public housing issue in Vietnam and to place it in the broader academic discourse.

Keywords: Upgrading project; public housing quarters (PHQs), housing policy

1. Introduction

Public housing areas are popular in many countries. In Europe, the majority of public houses were built after the World War Two to meet huge housing demand at the time. In many countries in Asia and Africa, a larger number of housing areas were built during the 60s and 70s. In the late 1980s and the 1990s, many of them started to decline and manifest problems and are now subject to upgrading.

It can be seen in the literature of housing upgrading that benefits and impacts of upgrading of houses under poor conditions are of the most concerns, particularly the upgrading of housing slums in developing countries. On the economic perspective, Gilbert and Varley (1991) recognize that property values may increase significantly as a result of slum upgrading. Similarly, Crooke (1982) suggests that as a result of slum upgrading, the increased attractiveness of legal plots to non-residents may encourage occupiers to sell at a profit. However, this positive impact may change the household income composition of the area such that the upgrading benefits the higher income families than the original intended beneficiaries. Concerning the importance of careful planning and implementation of upgrading program, both Ha (2001) and Keating (2000) show similar problems and implications of housing upgrading in Korea and USA respectively. Some of Ha's findings on the impact of the housing renewal program in low-income residential communities in Korea are that homeowners and renters have a conflict of interests and become enemies as a result of the upgrading which destroyed many poor communities in the process. On the other hand, Keating (2000) comments that in the case of US public housing redevelopment, the programs frequently and forcibly displaced the poor minority people without allowing their participation in redevelopment planning, without allowing their adequate compensation, without sufficient replacement housing, and without the possibility of returning to the redeveloped area. These projects in the process have destroyed indigenous social communities as they replaced the area with much higher income households. Although these studies are of a different context to that of the PHQ in Vietnam, the kind and level of impact of upgrading are nevertheless similar and are therefore worth noting. These overseas experiences have shown that there are both positive and negative impacts on residents brought about by the various forms of housing upgrading. Lessons from these experiences, particularly, in the planning and implementation of housing upgrading can be applied universally, including Vietnam.

Hanoi, situated in the Red River Delta, is the second largest province and the capital of Vietnam. It is the political, economic and cultural center of the country. It spreads over a total area of over 900 km² with population of nearly 3.4 million in 2007. This situation raises a problem of too high density of population (3,690 persons/ km²),

especially in urban area (nearly 23.7 thousands/km²), as compared to that in sub-urban area (1,680 persons/km²). More than 4 percent of the population in Hanoi is now living in 23 public housing quarters which are reportedly under very poor conditions. With an effort to improve living conditions of the city, together with the development of new urban areas, Hanoi is now taking care of upgrading dilapidated PHQs. Hanoi is one of first cities in Vietnam that is implementing housing development program for the period of 2000-2010. In the five-year implementation (2000-2005), more than 6 million squared meters of new houses were constructed, achieving a level higher than the planned target. However, the target on upgrading and reconstruction of old, dilapidated PHQs was not achieved as it was expected. At present, PHQ upgrading activities in this city are being implemented under three pilot upgrading paradigms as follows: extension upgrading (enlarging flats via newly built extension part connected to the existing apartment); partial upgrading (demolishing apartment blocks within a PHQ that are at risk and replacing by modern high-rise apartments); and whole upgrading (demolishing the whole PHQ and building the new civilized urban areas with comprehensive technical infrastructure and social facilities).

The problem faced by Hanoi is to upgrade these PHQs with recent limited budget. The government has no longer subsidized the housing, and most of residents living in the PHQs are those of low income. Most of the PHQs locate in the inner of Hanoi city where the residential development is limited in accordance with the master plan of the city up to year 2020 approved by the Prime Minister. To implement the upgrading paradigms, the city government tends to attract the involvement of investors via setting the framework of upgrading models, investment mechanism and policies in the orientation of investment socialization. However, there are still many pending problems in implementation approaches, investment funding, architectural planning, policy framework, especially stakeholders' benefits in upgrading projects. Therefore, it is needed a proper study to address more precisely these problems to set the backgrounds for policy implications in upgrading process. This paper is a contribution to this effort via approaching these pending issues from the point of view of residential conditions and dweller's characteristics.

To do that, this study presents the findings from interviews with relevant government agencies and a survey carried out in two of the PHQs in Hanoi, Kim Lien and Giang Vo, on November 2007. Both Kim Lien and Giang VO PHQ are now subject to upgrading according to the city's plan. With these findings, the paper highlights the residents' opinions concerning upgrading as compared to those of the city government and sheds light to the reasons behind these pending issues, especially behind the reported fact of opposition of residents. The paper also raises some supporting points for the need of paying more attention to the benefit of low-income, elderly and single-women-headed households, as well as that of some other vulnerable social groups whose voice might not easily be heard.

This paper is organized into four sections as follows. After the introduction in Section 1, Section 2 describes in detail current PHQ upgrading projects in Hanoi and spots out some main pending problems. Section 3 uses results from a survey of dwellers to find the residential conditions and characteristics of dwellers in PHQ under upgrading that are possibly related to the pending problems stated in Section 2. Some concluding remarks and discussions will be specified in the final section, Section 4.

2. Current PHQ upgrading projects in Hanoi and pending problems.

The upgrading of PHQs in Hanoi was raised long time ago but the implementation of this policy has confronted with many difficulties hindering the implementation progress. Main reasons are attributed to various views, opinions about the planning solutions and policies applicable to various stakeholders. In this section, some key issues that should be scrutinized in the captioned contents are summarized.

2-1 Recent guidelines and programs in PHQ upgrading in Hanoi

According to the city's development plan, the upgrading of dilapidated PHQs are implemented in 3 phases: phase I (between 2000 and 2006) is a preparatory phase for the plan implementation; phase II (2006–2010) is to implement pilot upgrading projects; and phase III (2010–2015) is substantially to complete the pilot projects and to starting upgrading all these 23 PHQs.

The importance of PHQ upgrading in Hanoi is originally emphasized in the Program No. 12/Ctr-TU regulating the housing development in Hanoi in 2000–2010 phases and the Resolution No. 15/NQ-TW of the Politics Bureau regarding the socioeconomic development. The city has also recognized the demand for the balance and harmonization between the rehabilitation, upgrading and new development in the urban development process. Since 1990, the city has improved and reconstructed old apartment buildings in various approaches such as: (i) using state budget to finance the improvement, anti-depression in some apartment buildings by piling and strengthening joints in some buildings in Nghia Do, Thanh Cong, Giang Vo, Van Chuong, Quynh Mai PHQ; (ii) co-financing with the state budget and financial contribution of the people to build against the existing structures in order to upgrade and increase more space for some buildings in Trung Tu PHQ; or demolishing endangered buildings to rebuild new ones in some PHQ: Kim Lien, Giang Vo, Thanh Cong. Significantly, these upgrading solutions only deal with individual works other than improve substantially the living conditions or the technical and social infrastructures. Besides, the implementation progress is

very slow. In confrontation with the situation, on August 5th 2005, the People's Council of the City promulgated the Resolution No. 07/2005/NQ-HD regulating the improvement and reconstruction of old, degraded PHQs in Hanoi. This resolution confirms the guideline on undertaking the improvement and/or reconstruction of old PHQs and considers this as "a mission that should be given special attention to in 2006 – 2015". It also identifies clearly that the objectives are to "improve living conditions of the inhabitants", "contribute in improving the urban landscape, rearrange the population, increase land-use efficiency, and build up a modernization, civilization based urban model". Three main viewpoints implied in this resolution are: (i) This is a major, difficult issue and directly relates to the life of a majority of the city inhabitants so it is essential to have a focal, active instruction, systematic, firm and sound approach, and appropriate procedures. Priority should be given to upgrading endangered buildings, degraded apartment buildings that are no longer in the safe mode. (ii) It is essential to confirm that these are urban upgrading and highly sociality projects. The upgrading/reconstruction of old PHQs should be consistent with the overall planning, combined with the rearrangement of population in the locality and the construction of new urban areas, and it is not necessary to be enclosed in individual areas, etc. In the mean time, the upgrading, the new construction should integrate with the renovation of management models in the PHQ in order to match with modern conditions. (iii) This task is the responsibility of the city, of all government levels and of the people living in the PHQs, when implementing the task, it should be harmonized with the benefits of the society, of the government, of the residents and of the investors in which the benefits of the social community, of the majority of inhabitants should govern.

With these viewpoints, the resolution also defines 4 basic principles: (i) This project should be undertaken on the base of a master plan in accordance with the approved planning of the entire region; the implementation plan must be publicly disseminated and approved by at least 2/3 inhabitants living in the area; (ii) This project is specific that is carried out by both the government and the people, in the 'socialization' investment trend; the state budget only finances the planning, investment preparation, investment in essential social and technical infrastructure items; (iii) The upgrading, reconstruction of the PHQ must be attached to the planning, upgrading systematically the technical and social infrastructures in the locality in the modern and civilized trend, the structure and apartments must be qualified and comply with the prevailing construction standards and norms. The planning, arrangement and rearrangement of inhabitants must be secured by the principle that 'not attracting people to live in the inner city', not using the ground floor of the apartment buildings for living but for public purpose or service. The upgrading area of the house is mainly for the local resettlement. The surplus area is prioritized for the resettlement of people from other projects in the inner city. It is necessary to reserve a necessary area for the public needs, to build up a commercial center and office for lease, etc; and (iv) In case of endangered PHQ, special solution should be applied that reveals social policies and welfares to ensure the life of people.

Acknowledging that this is a very important and complex task which should be carried out in the long-term perspective with appropriate procedures and steps, the solution assigned the Hanoi city People's Committee to set up a special mechanism and select one or two PHQs to do the pilot in the phase 2006 – 2010. The policy of Hanoi People's Council permits the application of special mechanism in selecting qualified bidders to study the planning and construction of the upgrading project.

2- 2 Difficulties and Pending problems in current upgrading activities

The city's guideline is transparent but the problems are attributed to implementation policies, mechanisms and organization. In fact, when the guideline was passed by the city, many investors wanted to register or already registered to participate in building and implementing upgrading projects. However, when the investors participated in and the projects were permitted to implement, the implementation was slow, while the city authority was puzzled in selecting the project owners. The upgrading project of Nguyen Cong Tru PHQ is still in the paper after 3 years since the start of the feasibility study of the project. The typical characteristic of the projects for upgrading and reconstruction of PHQ in the spirit of the Resolution of the City People's Council (*the projects that have to be implemented in line with an overall plan and in accordance with the approved planning for the entire region*) is that they are in a comprehensive, multi-purposed and intensively socialized project. This is either an investment project in housing construction but also a social and technical infrastructures development project, or urban upgrading, and the investment funds can be mobilized from various sources, related to the responsibilities and benefits of various stakeholders, therefore it should be carried out harmoniously. Hereafter are some main difficulties and pending problems.

2-2-1 Difficulties in planning

The orientation of urban development of Vietnam such as the master plan of Hanoi city up to the year 2020 is one precondition to control urban development which related close with approval of the upgrading project of public housing. In some case the master plan become biggest obstacle when implementing the upgrading project because most of public housing quarters in Hanoi located in the city centre where the high rise building and population development will be limited.

In order to achieve the objective of the urban redevelopment, each PHQ upgrading and reconstruction project should be placed in the master plan of Hanoi urban city in general, and each project must be consistent with the approved planning of the entire region. So it should not deal with single projects or single structures or buildings patchily. However, so far, the planning only pauses upon individual areas other than in a comprehensive picture. This is a ‘socialization’ investment project. The main motivation of investors is that after implementing the requirements of the city such as resettlement of original households with better apartments, improvement and upgrading the infrastructures and urban redevelopment, the investors will gain profits. However, as an administrator it is impossible for us not to care of their profit-seeking demand. In order to balance the cost and profit, the profits of such projects mainly rely on the increase of land-use efficiency, i.e. the revenue derives from the effective exploitation of land-use to compensate the cost of upgrading of the PHQ.

It can be said that the most and first difficulty that the upgrading and reconstruction of old PHQ projects confront with is the conflict between the compliance with the urban planning requirements in accordance with the modern norms in terms of construction density, land-use ratio (related to number of storey) and the guideline “**not to attract inhabitants to the city centre**” with the need to increase the height of buildings (increasing the land-use ratio) and increase of construction density of the investors in order to seek the profits and to balance the economic benefits.

In this point, the Council’s resolution already took into account and even though it did not stipulate specifically but clearly stated the overall instruction as “*the upgrading, reconstruction of dilapidated PHQ must be consistent with the master plan, in combination with the arrangement and restructure of population in the locality and the construction of new urban areas; it is not necessary to be enclosed in each region*” (Article 3) and “*the approval for the master plan and population arrangement of each region must be ensured the principle of not attract inhabitants to the city centre*”, accordingly, “*the housing construction area is mainly for the local resettlement, and the surplus housing area is prioritized for the resettlement of households in other projects in the city centre. Necessary area is reserved for the public services, building commercial centers, office for lease...*” However, to deal with specific projects is very difficult, especially when is a must to execute the guideline “**mainly for the local resettlement**” and “**not attract inhabitants to the city centre**”.

In order to find out the solutions, the Resolution No. 03/2006/NQ-HD passed by the City People’s Council permits to implement some specific mechanisms in the pilot projects (for pilot projects only) in order to learn lessons (for example, it is acceptable to adjust the planning more flexible in the framework defined in the Design standard for high-storey buildings in Vietnam in 2004). In the process of finding solutions for the aforementioned conflict, there is a proposal that the investors are permitted to implement the projects for upgrading and reconstruction of PHQ in the inner city (more difficult projects) and other projects that are more favored in order to compromise the profits of investors via projects. The City People’s Committee already took into account this option but in fact so far, none of projects for upgrading of old PHQ has ever been applied.

2-2-2 Difficulties in policies and mechanisms

In order to upgrade PHQs, it is necessary to be financially supported by the government, firstly in the essential technical infrastructures. The Resolution No. 07 stated clearly: “*The state budget is only for supporting the planning, investment preparation, and investment in essential social and technical infrastructures*”. “*The support from the state budget is determined for each project based on the overall support mechanism*”. However, the scope, quality, status and characteristics of the social and technical infrastructures vary from each PHQ, and so far, no general stipulation has been made for the support of state budget in such type of projects, and no definition on essential technical infrastructures and social infrastructures has been made. Therefore, individual projects are still reviewed, processed on the base of ‘bargaining’, agreement between the project investors and the managers.

2-2-3 Land acquisition and resettlement problems

The land acquisition and resettlement also encounter with numerous problems. The Resolution of the city People’s Council has a requirement in the principles that the implementation upgrading PHQ must be publicly disseminated, consulted with the local people in the project area and the project can only be carried out when 2/3 population living in the project area agree. The most difficulty that the project investor faces is to get the consensus of the households who live in the ground floor when the guideline of the city is that after the upgrading, the entire ground floor is reserved for the public services and business in order to create an income source to compensate the cost of the investor. Most of households in the ground floor (as stipulated they are prioritized to hire the area for business purpose in the ground floor) want to be clear and secured with the time to lease in the ground floor, in how many year, binding conditions about the rent price, time to adjust the rental price, etc. in order to ensure their benefits. Most of households living in the ground floor of the PHQ have encroached and extended their apartment almost equal to the actual area allocated to them originally. Most of households have lived for a long time, before 1993, so it is very difficult to do the land acquisition and clearance.

3. An approach to the pending problems from the analysis of residential conditions and dweller's characteristics via a dweller's survey.

In the preceding sections, we have illustrated the various efforts carried out by the city government in helping the residents to improve their housing condition. However, the outcome of upgrading and redevelopment program still limited and standstill due to many obstacles in implementation process. The main purpose of the survey is to collect concrete and realistic information about the PHQs: population structure, living standard, actual use of the apartment and blocks, as well as and aspiration of the residents about upgrading projects of the PHQs. In order to find out the residential conditions and characteristics of dwellers in PHQ under upgrading that are possibly related to the pending problems.

3-1 The dweller's survey

The survey conducted in this study covers two PHQs in Kim Lien and Giang VO, which comprises of flats, built mainly in the late 70s and early 80s. The two PHQ in Kim Lien and Giang Vo are in the differences neighborhood to control for differences in resident profile. Stratified random sampling is adopted to ensure representation. A total of 120 households were interviewed using a structured questionnaire. The targeted numbers of total 120 families are achieved, as many of the respondents are pensioners who stay at home all day. However, in some cases where the head of households are unavailable during the day, the interview is conducted with their convenience time in the evening. The questionnaire has three main sections, covering the physical conditions, economic-social conditions of households and opinion's of the dwellers to the upgrading project. In most questions, the selected households are asked to rank their responses to the statements given.

Number of families	Kim Lien			Giang Vo			Total of targeted response
	B20 (5storey)	C4 (4storey)	C10 (4storey)	A2 (4storey)	C5 (5storey)	D6 (5storey)	
Existing	107	96	96	109	40	84	532
Subject	20	20	20	20	20	20	120
%	18.7%	20.8%	20.8%	18.3%	50%	23.8%	100%

Table 1: The targeted number responses from each respective PHQs

3-2 Residential conditions

As mentioned above, most of PHQ were built in 1960s, 1970s, 1980s with simple design, construction materials were of low quality, the foundation were not carefully treated in order to meet the complex geological of Hanoi. On the other hand, there had not been any provision on investment to maintain buildings of public housing. They only use but not pay attention to maintain and upgrade the apartment blocks along time. Many people squeeze walls, links to put steel beams in order to expand their apartments, carve out windows, built cisterns. That damages to the structure of buildings.

3-2-1 Living space standard

The results show that 37% of residents in Kim Lien and 42% of residents in Giang Vo have a living space per capita of 6-10 m² on average. Then, 33% of the residents in Kim Lien and 27% of residents in Giang Vo have a living space per capita of 10-15 m² on average. In particular, 18% of the residents in Kim Lien and 22% of residents in Giang Vo have a living space per capita of over 15 m² on average. Therefore, this standard is much higher than the averaged living space per capita of the Hanoi city (9.4m²/capita on average in 2005). The survey also indicated that the rate of the residents having averaged living space less than 6 m² per capital in Kim Lien and in Giang Vo is 12% and 10% of the surveyed households respectively. On the other word, the current, this caused by spontaneous occupy common space by residents.

3-2-2 Ownership status

From 1994, Vietnam' Government have been implementing privatization State's owned housing fund. Therefore, most households are living in PHQ in Hanoi were became the owners of their apartments. The survey in Kim Lien and Giang Vo PHQ indicated that a high percentage of owners in the area; more than 78% for Kim Lien and 85% for Giang Vo respectively. The rate of inheritor apartments (from parents) among investigated households only 8% and 13% for Kim Lien and Giang Vo respectively. Current in Kim Lien exist about 13% of the bought use-right apartment ownership from private owner; did not found this type of homeownership in Giang Vo housing quarter. The survey found that a small rate of households in Giang Vo still is renting apartment from the city. It can be said that the ownership in the PHQ is very complicate. It made more difficult to negotiate upgrading with residents.

3-3 Dweller's characteristics

3-3-1 Gender group of the respondents

Among the 60 respondents of the questionnaire survey for Kim Lien public housing quarter, 60% household heads are of female gender and the remaining was of the male. For Giang Vo public housing quarter, out of 60 respondents, 53% are females and 47% are males. The main reason is due to the subsidized allocation of houses from the government was mainly taken place during the war so the main labor forces in the government agencies, factories and enterprises were dominated with female laborers.

3-3-2 Age group of the respondents

The survey shows that the respondents in Kim Lien and Giang Vo comprises two main groups: middle-age respondents (33% and 45% respectively) and senior respondents older than 60 years old; for Kim Lien 30% and Giang Vo 17% is between 60 and 70; and both Kim Lien and Giang Vo share 22% is above 70. Younger adults between 30 and 40 only make up 7% and 12% for Kim Lien and Giang Vo respectively. Few younger adults below 30 only make up 8% and 5% such kind of “student households” for Kim Lien and Giang VO respectively.

3-3-3 Household Size

With regard to the household size, the survey indicated that most of households have 3-4 persons. The rate of 3 person households in Kim Lien is 30% and in Giang Vo is 38%. The rate of 4-personed households in Kim Lien and Giang Vo is 35% and 47% respectively. The rate of 5-6 person households in Kim Lien and Giang Vo is 17% and 5% respectively. Some households with 7-8 persons make up 12% of the total surveyed households in Kim Lien and 3% in Giang Vo. Very small rate of households with more than 8 persons in Kim Lien and Giang Vo is counted, 5% and 3% respectively. Therefore, the apartment design for households with 3-4 persons make up the largest proportion in the upgrading and reconstruction of public housing quarters in Hanoi.

3-3-4 Household's income level

The results show that households with low income (below 3 million VND per month) make up a quite large rate, 27% and 18% in Kim Lien and Giang Vo respectively. The survey also indicated that there is not a large difference between the households with below-averaged income level (3-5 million VND/month) in Kim Lien and Giang Vo, they make up 28% and 27% respectively. The rates of households with average income level (5-7 million VND per month) accounted in Kim Lien and in Giang Vo are 20% and 30% respectively. The rate of households with above average income level (7-10 million VND per month) in Giang Vo is higher than the rate accounted in Kim Lien, or 17% and 12% respectively. However, the survey also indicated that some households with high income level (over 10 million VND per month) in Kim Lien and Giang VO make up 13% and 8% respectively.

The results indicated that the savings capacity of households in Kim Lien and Giang VO is very limited. Most of incomes gained of households are spent on daily lives such as buying rice, foods, fuels (gas, coal, firewood), clothes, transportation costs (fuel for motorbike, bus ticket, etc.).

3-3-5 Affordability house price

As the results, 32% of households living in Kim Lien PHQ and 52% of households living in Giang Vo PHQ said that they could only buy the upgraded apartments with the price not higher than 5 million VND per square meter; 13% of households living in Kim Lien PHQ and 12% of households living in Giang Vo PHQ said that they could only buy the upgraded apartments with the price not higher than 7 million VND per square meter; 25% of households living in Kim Lien PHQ and 13% of households living in Giang Vo PHQ could only buy the upgraded apartments with the price not higher than 10 million VND per square meter; and 17% of households living in Kim Lien PHQ and 2% of households living in Giang Vo PHQ could only buy the upgraded apartments with the price not higher than 15 million VND per square meter; Only 5% of households living in Kim Lien PHQ, in exception, could buy apartments with the price higher than 15 million VND per square meter. But the current housing price on the market of the medium quality apartment is around 12 million to 15 million per meter square.

3.4 Resident's opinions and consensus to upgrading project plan

3-4-1 Resident's perception about upgrading plan

Rate of interviewed households knows the information on the upgrading plans for Kim Lien and Giang Vo varies. Though the upgrading public housing plans in Hanoi have been disseminated publicly in mass media and newspapers but some of people did not know about specific information such plans. The survey indicated that 18% of households in Kim Lien PHQ and 40% of households in Giang Vo PHQ answered that they did not know about specific information about the upgrading of PHQ where they have lived. Some households said that they had not received any information from the local government about the upgrading or redevelopment plans for the PHQ.

3-4-2 Consensus to support for upgrading project

The survey data indicated that residents expressed a desire to have the upgrading project implemented as soon as possible in order to improve their houses.

The rate of households supporting the Kim Lien PHQ upgrading project makes up more than 67% of the respondents, and 55% of interviewed households in Giang VO PHQ agreed with the upgrading project. Some households protested to the upgrading project, they made up a rate of 15% and 7% in Kim Lien and Giang Vo PHQ respectively. Remaining households did not express their opinion because they did not know the detailed information about the upgrading projects and also had not received any announcement or information from the local government (ward level). Though, among these households who agreed with the upgrading project, some were still concerned with temporary houses when the project was being upgraded; with the compensation and resettlement when the project completed; as well as with the quality and selling prices of the upgraded houses. So far, the city government still has not yet issued specific mechanism and policies about these issues.

3.6 Some findings related to the pending problems

3-6-1 Identifying stakeholders in the upgrading process

There are three groups have been identified to successful of upgrading projects. They are the residents, the management authorities and the investors.

- Residents' interest: legal and illegal.

Directly bearing bad living conditions, most of the residents want to upgrade their living environment and conditions. However, every resident consider the value of real estate that belong to them. They want to make sure that improvement equal to their investment. If living conditions are comprehensive upgraded, their flats valuate will be increase. Therefore, many people support upgrading projects. Especially, almost resident do not want to move to other area. Some people worry about loss their income from small services. In the other side, others worry about their illegal occupied areas, some of those people do not want to change current situation. In general, most of the people hope to improve their current living condition, but they have some doubts about successful of investors' promises.

- Urban Managers: responsibility belongs to managers

Managers consider about uncontrollable condition of the PHQ very much. They want, by the comprehensive investing, the PHQ have a new face and change the current state. They think, after the implementation of the projects, they have a new effective management system to maintain the PHQ. Managers also worry about feasibility of the projects. To take the blame, they care about facilities and infrastructure system or relation to around areas.

- Investors: can not do any thing if without profit

Appearances of investors are keys of the impasse condition. Upgrading projects are not the best in financial profit, but they can not do only for social benefit. Through upgrading, investors increase amount of real estate, thus get income from adding value. From the adding real estate they can take investment in upgrading back. Similar to managers, investors want to build new effective control system to ensure their long term investment.

3-6-2 Expectations and suggestions of the dwellers to the city government

With a question, "Do you have any suggestion to the city government when they implement the upgrading project for your living quarter?" This is an open question so the feedback from the dwellers is very diversified and abundant with various concerns. However, after having classified, the suggestions, opinions of the dwellers to the city government, subject to the priority order and level of desire, can be consolidated in five groups of issues as below:

- (i) Housing quality issue: suggestions of the dwellers about the quality of construction works;
- (ii) Planning and design issue: suggestions of the dwellers about the upgrading design and planning;
- (iii) Resettlement and compensation issue: suggestions about the resettlement and compensation policy;
- (iv) House price issue: selling prices of houses and apartments when the upgrading project is completed;
- (v) Implementation progress issue: suggestions about the implementation progress, and deployment of the upgrading project.

The first concern of the dwellers to the role of the municipal government is the compensation and resettlement policy that should be designed in what way to ensure the rights of the dwellers. The survey indicated that 45% of households in Kim Lien and 47% of households in Giang Vo suggested that the city government must take into account to protect the eligible rights and entitlements of the dwellers when they develop the resettlement and compensation policy. Most of them desired to be relocated in the pre-project living place and they did not want to relocate in other places when the upgrading and reconstruction project would be completed.

One problem that related to the resettlement and compensation is the resettlement for households who used to live in the ground floor and had to remove to higher floors in order to reserve space of ground floor for public services such as market, trade center, shops, etc. for the entire living quarter. The households living in ground floor requested to be arranged with one kiosk for business when the upgrading project completed but they still worried about the rent and the term of rental.

The second concern of the dwellers that they wished to deliver to the city government is the implementation progress of the upgrading projects. The survey indicated that up to 45% of households in Kim Lien and 35% of households (among households support for the upgrading project) in Giang Vo expected that the upgrading project should be implemented as soon as possible so they could be facilitated to improve their living conditions and also to stabilize their life. The dwellers also wished the city government to issue policies and mechanisms in order to expedite the progress and supervise the implementation of upgrading projects what the city government worked out with the investors. This is considered as one advantage and a challenging to the government in selecting the very qualified investors, in both financial capacity and the technical capacity, who could apply appropriate technologies in upgrading and reconstructing PHQ in Hanoi city.

The third concern of the dwellers is the upgrading design and planning for apartments and houses in the living quarters. The survey indicated that up to 30% of households in Kim Lien and 25% of households (among households support for the upgrading project) The dwellers also recommended that the city government should approve any upgrading design and planning options that create a modern and civilized architectural space, systematic basic infrastructures (water supply and sewage, electric supply, waste collection, basement for parking, etc.), systematic social infrastructures also such as kindergarten, schools, super-markets, space for community activities, playing grounds for children, green park for relaxation and recreation, and space for the old community, etc.

The fourth concern is the selling price of upgrades apartments. 20% of households in Kim Lien and 25% of households in Giang Vo expressed their concern about this to the city government. The dwellers expected that the city should have a policy to support them to buy resettlement houses for poor households, social-welfare beneficiaries (households scarified for the Revolution); single headed households, households of retired persons with low incomes, etc so they could buy apartments with preferential prices or could have access to low-interest loans, or buy apartments in installment, etc.

The fifth concern that some dwellers suggested to the city government is that they should have a mechanism of close supervision and inspection of the construction, upgrading process of the investors so the project could be carried out on time with the schedule agreed with the dwellers. The investors should be obligated for the quality and strength of the works, construct the works in accordance with the design that was approved by the City, and take warranty for the works at least 5 years after handing over the works to the dwellers.

4. Discussion and Concluding remarks

4.1 Discussion

4-1-1 Compensation for illegal land occupation

It is the “ground floor issue” that held up upgrading of public housing so far in Hanoi. If the city does not give enough compensation, the ground people would protest. The authority is very concerned about this issue and wants to reach a compromise. Despite that the ground floor extensions are built, often illegally, in public are belonging to the city, there are many local government who consider that ground floor residents have the right to ask for “market price” compensation. However, to compensate ground floor space market prices would push up upgrading cost, and its make more difficult to find investors.

The fact that privatization was carried out before the upgrading plans were developed for PHQ. It made more difficult to negotiate upgrading with ground floor residents. On the majority of buildings in survey area, more than two thirds of residents bought their flat. Ground floor residents had to pay a larger part of the land price compare to residents on other floors and they should be compensated. Others also want to be compensated for the loss of income from not living on the ground after upgrading. Some even said that as owners they should have parts of the share of the upgrading profit that the city (or construction company) would get from the sell of commercial floor space on their sites. This situation is quite different than that of many cities in China. In Guang Zhou for example, no compensation can be received for illegal construction on public space. In Hong Kong, upgrading has a social goal to improve living condition. Therefore, residential space gets better terms of compensation than commercial space. (Source: Hong Kong Housing Authority)

4-1-2 Social justice

At present, discussion about upgrading public housing in Hanoi very often centers on the issue of how to compensate ground floor dwellers. Due to there many protested from ground floor dwellers that do not support upgrading projects. While this is true matter of concern, it is unjust to narrow down the upgrading discussion to focus on ground floor dwellers leaving many other issues in the shadow. For examples, there has been very little discussion about the low income and poor people who can not pay for increased living space and who might not be able to stay in the areas after upgrading and thus will be excluded form upgrading benefits.

The investigation shows that the vulnerable groups of residents would be among the households with one income earner; especially single woman households with several dependants; households composed of only pensioners;

as well as those who unemployed. If social justice should be achieved, special attention must be given to find suitable policies and support measure to these groups.

4-1-2 Does upgrading mean improvement in housing standard?

In the discussion about upgrading of public housing in Hanoi, little or no space at all is given for discussion about the standards of the upgraded housing. The focus of the discussion has been the size and number of floors. From what we can see in the two upgrading projects that have been done experimentally in Hanoi, the design of the new flats have been made with very little consideration concerning the layout and function of the rooms. The upgraded flats are larger, but that is also only improvement. This is an important issue to be discussed if upgrading should lead to improve, and not just a change of building shape, as some dwellers rightly pointed out. The interviews show that the dwellers expect modern living standards, and many can pay for good standards.

So far, upgrading work has been done by state housing companies, as a special assignment on special terms. There has been little attention paid to the quality of upgrading works. If this situation is to be changed, a policy framework needs to be work out by the local authority, to make upgrading work attractive for developers and at the same time emphasize housing quality and dwellers satisfaction as important terms of the work. It should also be possible for planners and designers to work together with the dwellers on layout solutions that are suitable to their specific needs and economy. If direct participation can not be achieved, several alternatives should be given to the dwellers for choice.

4-1-3 High rise and population density

Another issue in upgrading policy is the height for upgraded buildings and the population density of the area. In present planning development framework for Hanoi city, the population in the city centre is controlled, and new construction should not contribute to enhance density in the city centre. This creates an impasse for upgrading projects. If developers can only build less than ten floors and at the same time have to provide on-site replacement housing for all original residents, they have little incentive in carrying out upgrading projects. They expect to build higher so that, after compensation for the original residents, they can sell the rest of the flats at the market to earn profit. At present, the Ministry of Construction is working out the guide lines in which there will be some special consideration paid to upgrading projects.

The resident's wish of to return to the same floor or only one floor higher could be a factor affecting population density. So far, upgrading projects propose to build higher blocks on the same spots, and relocate original residents from one block to upgrading one on the same site, even the same floor level or only one floor higher. This will impose more burdens to the existing infrastructure as well as contribute an increased population density. This means also that there is very little space left for play ground and recreation area. If the area is to be upgraded with a fewer number of high-rise blocks, the impact on population density will be less, but residents will need to be persuaded to move other floors.

Residents should be informed about all the pros and cons of the high-rise development and dense residential area so that they know the consequences of different solutions. Upgrading discussion, measure and solution need to be made transparent to the public and residents should be informed about the process and the changes. Successful upgrading measures would need to have in high level of involvement and participant of the residents. At present, the communication with the residents has been very much neglected. On the one hand, the authority wants support from residents; on the other hand it withholds important information from the residents. This has lead to questioning and doubts from even the most supportive residents. In the first place, the authority should have clear vision of what kind of living standards and social and physical environment they wish to achieve by upgrading. At present, a clear vision seems to be lacking.

4.2 Concluding remarks

The majority of residents are positive to support upgrading projects as they see it as a chance to improve their living condition. However, this is also a population that knows what they want and require higher living standards in exchange for all the troubles they have to undergo when the area will be upgraded.

A big majority (over 80%) of the residents want replacement flats in the same location (instead of compensation money or housing alternative elsewhere).

The majority of the Kim Lien and Giang Vo residents want to have a much larger living space after upgrading than what they have at present. They prefer to buy (92% and 78% for Kim Lien and Giang Vo respectively) other than to rent the flats, and if they could not have enough money, they wished to buy flats by installment.

If low-income and poorer households also should the benefit from upgrading we consider it necessary to have upgrading proposals in which a range of flats from small to big sizes is provided. This would require a careful investigation of the needs and wished of the households of different categories before making an upgrading plan proposal.

The surveys also indicate that there are considerable differences among the blocks in terms of population, employment and income structure as well as a housing condition, the time living in the area, the housing situation and the level of satisfaction with the PHQ. These differences need to be analyzed and taken into account when making upgrading proposals. It would be desirable that more detailed survey in carried out for each block.

The survey also indicated that if the local government at all levels in Hanoi city carry out properly the propaganda and persuaded, provided people with sufficient information about the upgrading projects, it would be fully feasible to achieve a rate of two third households in the PHQ to support and consensus with the upgrading projects.

Upgrading discussion, measure and solution need to be made transparent to the public and residents should be informed about the process and the changes. Successful upgrading measures would need to have in high level of involvement and participant of the residents.

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