Toward Sustainable Housing in Hanoi, Vietnam

Resolving the Conflicts between Developers and Residents

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1 Introduction

Houses in Hanoi Capital is very diversified and varied in type and quality: traditional box house in ancient quarter/French villas/Private house in urban areas/Private house in rural areas/Old apartments/High-rise apartments/Mix-use apartments. In which the houses in ancient quarters and French villas has the value of urban architect relics.

Over the recent decade, rapidly developed housing stock has contributed to improve living diversity and conditions of residents. While the majority of previous houses in Hanoi used to be governmental, the number of privatized houses and private developers has substantially replaced the prior public housing system. However, criteria of housing area, social infrastructure and technical infrastructure in residential areas nowadays have become low and uneven. Architecture of spontaneous, unconnected, un-united houses creates variegated urban architectural image, low aesthetic effectiveness, especially housing architecture in streets and high-rise apartment blocks.

This paper focuses on the newly developed high-rise apartment blocks that have become trendy for many urban residents in Hanoi. Rapid development of this type of housing has led to many challenges for Hanoi to administer, manage and oversee the new housing and living standards. The system of legal framework appears to be inadequate, especially in regulating the management and operation of these buildings. Over the past several years, conflicts and litigations have risen between developers (often also manage and operate the buildings) and residents at all levels, from the most luxurious apartments to more affordable areas, many of which remain unresolved (Doan, 2013). This paper therefore, aims firstly to highlight the conflicts between developers and residents concerning the very issues that directly affect the living standards of residents in the capital city; then to identify some of the key factors to resolve the conflicts, smoothing out the urbanisation progress of Hanoi, moving toward sustainable urban housing.

2 Literature Review

Similar to approaches taken in other Eastern Asian countries, it is also a popular belief in Vietnam that urban housing must be high-rise and high-density given the Country's limited land area (Jenkins, Smith, & Wang, 2007). However, fast urban housing development without proper long-term planning and policy frameworks has posed serious questions about the sustainability of the urbanisation process.

The urbanisation rate of Hanoi remains lagging behind regional standard and is expected to continue grow at the above average rate (Jenkins, Smith, & Wang, 2007). However, in order to establish a solid foundation for future progress, the government should strive to plan ahead by increasing the involvement of local communities in decision making (Abbott, 2013). The execution of this approach requires a shift in mindset for the policy makers to step back as only one of the actors and put community participation at the "heart of urban development and practice" (Abbott, 2013).

Also according to Abbott (2013), however, there is no "single universal applicable form of community participation" that can be applied to every cities and even every community of the same city. In the case of Hanoi, we should closely

examine to determine how the "community empowerment" and/or "negotiated development" factor should be enhanced to achieve the targeted short-term and long-term goals.

Furthermore, according to the UN-Habitat, properly run and maintained apartments and buildings is also a factor contributing to the sustainability of urban housing (UN-Habitat, 2012). It is the involvement of residents in the decision making process that gives the local community control over "shaping its own living environment and sharing the ownership of new initiatives, thus ensuring their more successful implemenation" and at the same time can "prevent social exclusion and also mitigate possible conflicts" (UN-Habitat, 2012).

Nevertheless, though many researches, along with the mentioned above, have pointed to the importance of community participation and involvement, the implemenation of such approach faces mutiple challenges and barriers. Additionally, a common shortfall of the community inclusion approach is the opportunity for rent-seeking when only the most aggressive members of the community groups enjoy most of the benefits or for inequality when the local elites can capture community programs due to the lack of information transparency (Buckley & Kalarickal, 2005).

3 Discussion

According to data from Hanoi Department of Construction, though the City currently has 478 apartment buildings, only 79 resident boards were established. In fact, the management and operation of resident buildings take one of the following forms:

- Managed and operated by developers. This is a popular model, especially for those with occupation rate below 50% and have been unable to form a resident board.
- Governed by the resident board with the participation of developers
- Managed and operated by the Hanoi Housing Management and Development One Member LLC (overseen by the Department of Construction). This model is applied to re-established and social housings.

3

According to regulations, after the establishment of a resident board, the developer shall gradually hand over the building operation and management activities to the resident board, including the management of maintenance fees (often about 2% of an apartment's value). However, there have been many cases where the developers delay the transfer in order to keep the maintenance fees.

Meanwhile, according to Article 71, Housing Act 2005, resident boards are assigned to represent homeowners' rights and interests in operating and managing apartment buildings. However, such boards are not given any power in order to execute their supposed roles in regulating relationships and interests between residents and developers. In most cases, developers seize the upper hand, from using resident's common areas for commercial purposes to discontinuing of services (elevators, electricity, garbage, etc.) in unsolved conflicts. The framework to form and authorize resident board to represent the voice of high-rise apartment blocks remains unclear and neglected. The lack of social organizations and bonding in these new neighbourhoods also reduce the negotiating power that residents could have enjoyed should they be united.

When referencing to laws and regulations governing the operation of apartment blocks in other countries, those in Vietnam appear to be in adequate. The law enforcement and dispute resolution of the agencies and local governments show significant weakness, leading to prolonged litigation, or just leave the matters for two parties to handle. Though long over-due, the government is finally considering setting management standards and classification of high-rise apartment blocks to serve as the basis for policy management, quality management and management fees respectively, resolving the current chaotic situations.

Additionally, in the current down market, real estate developers have begun to consider the building management and operation to be an important factor to enhance brand reputation in attracting customers for upcoming projects. House-buyers also start to weigh in the importance of having good management as an aspect of quality of life and house value appreciation over time.

4

Furthermore, under the amended Housing Act taking effect from July 2015, resident boards for apartment buildings with multiple owners are allowed to organized and operated in the form of managing board for joint stock company or cooperative, able to obtain legal status, organizational seal and account.

Though facing many challenges, the development and occupation of modern high-rise apartment blocks remain a practical instrument for urban management and a dream for many Hanoians and especially the new urban residents. Undeniably, these high-rise has contributed to changing the face of the Hanoi, solving the high demand for urban housing. However, to ensure the interests of all stakeholders, each participant (government, developers and residents) should employ a more positive approach to resolve the conflicts toward a more sustainable urban living and development.

4 Urban Shelter Design

Three types of high-rise apartments in Hanoi are selected below to illustrate the diverse design, planning and issues faced by each segment of residents.

- **Eco-park Residence:** This is the first neighborhood in Hanoi to truly embark to concept of green living. Residents in this area are expected to be more mindful and supportive of the concept and execution of sustainable housing. The residential area is still in the process of expanding to full completion.

  Though managed and operated by the developers, it is interesting to note that the community bond and presence here are quite strong as the majority of residence share a similar interest in green living and activities such as outdoors and biking. This residential area can be considered an example of informal yet effective community presence and involvement. However, in a longer term, such informal machenism can be fragile and degraded without proper support.
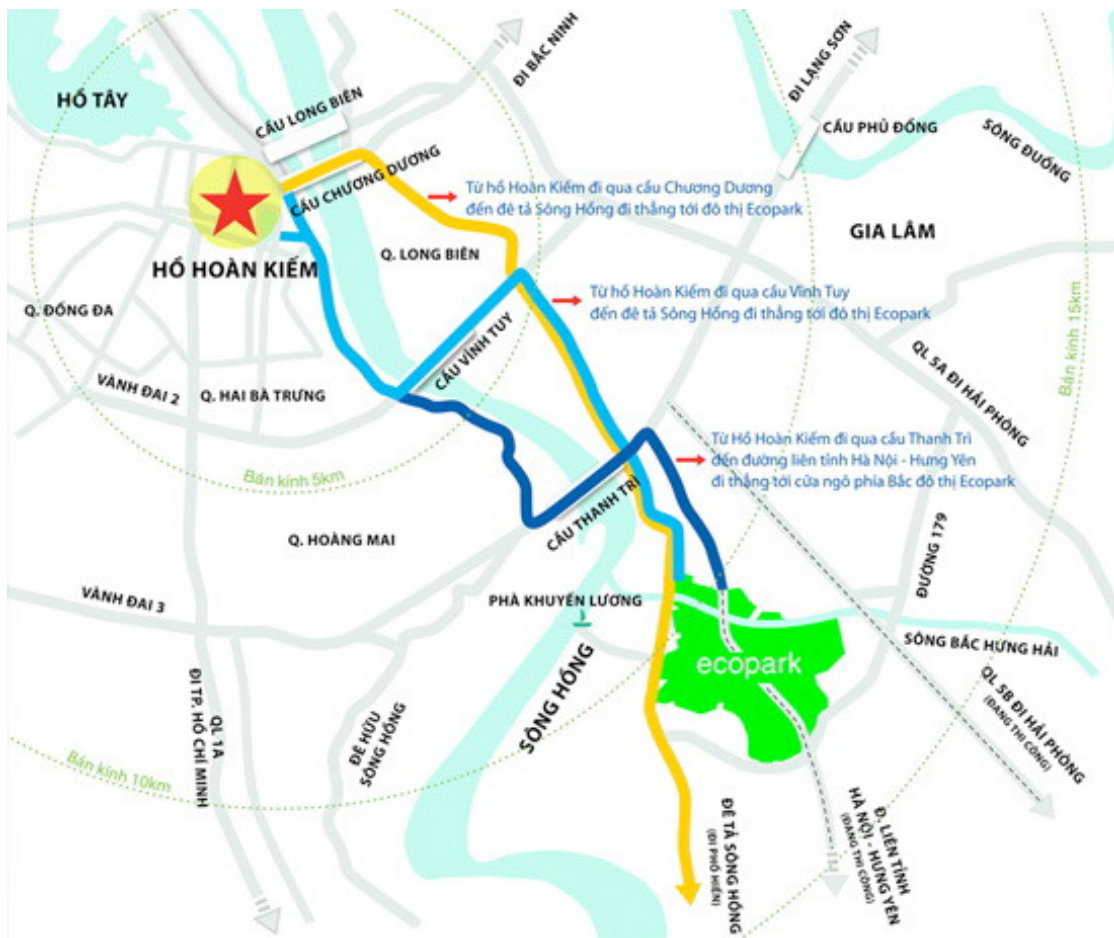
Figure 1: Location of Eco-park in Hanoi

Location: 13 km from Hanoi center   Developing area: 500 hectare

Area: 610 ha (exclud. natural water body)   Expected population: 500,000

Started: 2011, completed 2030   Investment: 8.2 billion USD

Figure 2: Eco-Park Project View

- **Dinh Cong Residence**: The Ministry of Construction considered this neighborhood to be one of the successful emerging resident area , mainly for its well-balanced development. Dinh Cong seems to attract a diverse group of residents which live and grow together in a lively and thriving neighborhood.
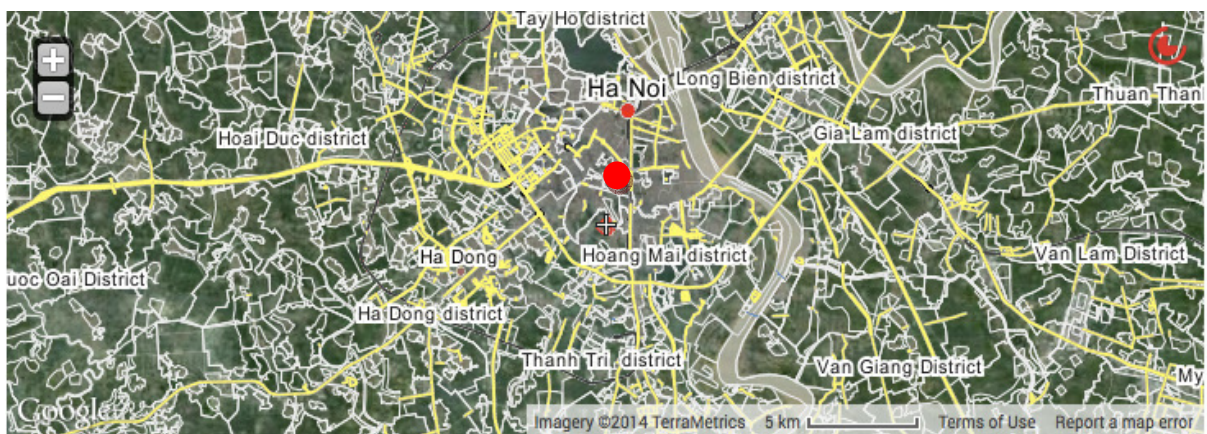

Figure 3: Location of Dinh Cong Residence in Hanoi

Figure 4: Dinh Cong Project View

Location: (Hoàng Mai - Hà Nội)   Floor area: 297,000 m2

Started: 1999   Finished: 2007

Area: 35 hectare   Population: 16,520

A number of re-establishment high-rise apartment buildings are located in Dinh Cong Residential Area. The buildings are managed and operated by the Hanoi Housing Management and Development One Member LLC. Though few disputes have occurred in this type of apartments, the service quality appears to be basic and below that of market standard. In fact, many of the original owners of these re-establishment settlements have sold the properties, often to a group of lower income buyers.

Figure 5: Re-establishment High-rise Apartments in Dinh Cong Residentials

- **Times City**: Follows the all-in-one approach of Singapore, offering multiple services within the neighborhood including shopping, education, healthcare, entertainment; attracts younger population.

Location: 4km from Hanoi center   Expected population: 400,000

Started: 2011   Investment: 1,5 billion USD

Area: 360,500 m^2 Floor area: 2,181,298 m^2

Figure 6: Location of Times City in Hanoi

Figure 7: Times City Project View

Governed and managed by the resident board with the participation of developers, apartments in this residential provide high quality services at compatible cost. Nevertheless, a number of unresolved disputes has arose, especially due to the developer's modification of the model apartment design. Other complaints from residents regarding the use of public space were also dismissed because the resident board plays a negligible role compared to the influential developers.

The three models above show that it is not the formal arrangement that determines the significant and active participation of the community and residents into the decision making process. Rather, informal settings and machenism such as those in the case of Eco-park appear to be more effective sustainable. It can be implied that if given the opportunity, residents in high-rise apartments of Hanoi are capable of forming civil organizations and communities that can be supporting and sustaining.

5 The Role of Urban Management

The role of urban management and housing policy, therefore, become essential not only to resolve and settle the current conflicts but also to set forth a mechanism for self-able and self-managed communities that actively participate in the process to raise the quality and sustainability of urban living (Choguill, 2007). In order to achieve such goal, the following questions should be clearly addressed and defined:

- What roles should civil and community-based organizations play in urban planning and city governance?
- How can we capture and optimize the use of community knowledge to improve the process of urban development?
- How should we develop the competency of governmental agencies to achieve better planning and management?
- How should cooperation and knowledge sharing be carried out among stakeholders at different levels of planning and management

These questions should be periodically reviewed and answered in order to make the needed adjustments to urban planning and housing policies, adapting to changes in the urbanization process.

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