

# Impact of restoration in Hanoi's French colonial quarter

**René Parenteau, François Charbonneau, Pham Khanh Toan, Nguyen Ba Dang, Tran Hung, Hoang Manh Nguyen and Vu Thuy Hang with the assistance of Hoang Ngoc Hung, Qui An Thanh Binh and Nghiem Hong Hanh**

*Planning Institute, University of Montreal and Centre for Architectural Research, Hanoi Architectural Institute*

**Hanoi is now being rediscovered by foreigners as a South-east Asian city that has much character. Its French colonial quarter, one of the best of the French colonial *urbanisme*, gives to the city a landscape unique in Asia and great opportunities for attracting tourism and administrative business. At the same time as Vietnam is opening to the world, it is also moving towards a market economy. Privatization and private entrepreneurs are key words associated with restoration of the French colonial quarter. The impact of privatization in the quarter's restoration has been discussed. It will most probably destroy the residential functions and the folk industries and make this central district an open air museum from the outside, and international business ghetto from the inside.**

In 1985, the Vietnamese government adopted a new housing policy which came into effect in Hanoi in 1989 (see Trinh and Parenteau, 1991). The new policy and the specific conditions of its implementation favour the private market by allowing the sale of public housing units to individuals. In Hanoi, policies and conditions are geared to new housing starts by the private sector, but particularly the renovation of existing units and revitalization of Hanoi's older districts by supervision and support for private sector initiatives.

The impact of the new policy has not been fully assessed and may well have been underestimated. In some districts of HoChiMinh City, for instance, the policy created such enormous problems that its implementation was temporarily suspended. Similarly, city authorities in Hanoi decided to halt the privatization of public housing in the central districts, particularly in the French colonial quarter.

Foreign observers and Vietnamese experts predict that the most dramatic effects of the new policy will occur in Hanoi's older historical districts such as the 36 Streets district and French colonial quarter (see Trinh and Parenteau, 1991). A study by Hoang Huu Phe and Yukio Nishimura (1990) points to problems which have yet to be analysed. Among the factors which will attract private developers to the area are

its location, the architectural and heritage quality of the built environment, the tourism potential and commercial and administrative activities.

Private developers will affect the district in different ways, with impacts on the architectural, environmental, economic, social and other dimensions. Our research focused on analysing social impacts such as factors giving rise to secondary impacts on preservation of the traditional housing stock and the commercial and artisanal activities. The assumption is that if the resident populations are moved or isolated as a result of private initiatives on the housing stock, then new functions will shape the preservation and use of the heritage stock, and also radically transform commercial and handicraft activities. The present community structure in the central districts is seen as conducive to tourism and the maintenance of economic activity is essential to the development of other economic activities in the central area.

## Privatization

In Vietnam, the shift from a centrally planned economy towards a market economy entails the privatization of economic activities traditionally controlled by the central administration, including pub-

lic housing. At issue is the shift from stateowned housing to private ownership.

Much of Vietnam's urban housing stock had been built and managed by the state (see Trinh and Parenteau, 1991). This stock was allocated to households (occupancy rights) according to complex regulations (eg priority and queuing) and was often free or at very low cost. According to the new policy, privatizing a portion of the public housing stock will entail the sale of units to occupants or to other private companies or individuals.

There are questions regarding the terms and conditions of sale to residents and private interests, as well as the price setting mechanisms. They are part of the strategic development problem: the public housing stock represents an enormous asset and its sale stands to help the transition to a market economy. If the housing stock is sold off below market value, this liquidation raises the difficult question of profit sharing between the state and occupant buyers. The privatization of public housing stock also includes the privatization of rental units for which the state has been virtually the sole supplier. Privatization will mean the disappearance of a portion of the rental housing with all the concomitant problems such as difficulty of housing access for young households, residential mobility, and geographic constraints.

Privatization has first of all served to reduce the national expenditure used to manage and maintain public housing stock. Savings in this area can be redirected towards building low cost public housing units, or allocated to the state's general revenues to reduce the deficit or carry out projects in other sectors. Privatization may help curb inflation by absorbing some of the peak housing demand and inducing households to save towards a purchase on the private market.

But it could also mean net losses for the state if units are sold at too low a price or sales are encouraged by subsidized interest rates. Moreover, the state may be subject to additional losses if the infrastructure and restoration work demanded by the new owners or occupants proves too expensive and costs are not shared.

### **Social impact**

The sale of public housing will have a major impact on the economic situation of households and on the community structure. With the traditionally low rents paid by these households representing a minor part of their budget, public housing has been an enormous economic and social benefit, which in turn kept workers' salaries very low.

Considering the country's general economic situation and the fact that public sector workers are the main beneficiaries, it is unlikely that wages will be adjusted in the short term to compensate for the loss

of these benefits. The situation will be especially dramatic for retired public sector workers whose pensions will not be readjusted accordingly.

While the government does not wish to withdraw from the housing market, its strategy is to obtain revenues for its new housing policy by selling the best of its public housing units at a good price. However, the resident households will generally not be able to buy their units. Although the new policy appears to favour public sector workers, party members and uniformed personnel, the conditions of the programme basically define candidates in terms of their buying capacity. Sales will generally go to those with regular incomes or sufficient savings. With the market rebounding to some extent, this will tend to favour Vietnamese living abroad, small business operations and entrepreneurs. We can therefore predict that this new policy will not only have an impact on government finances, but also on the economic situation of households, and the social and community structures in the programme's target districts.

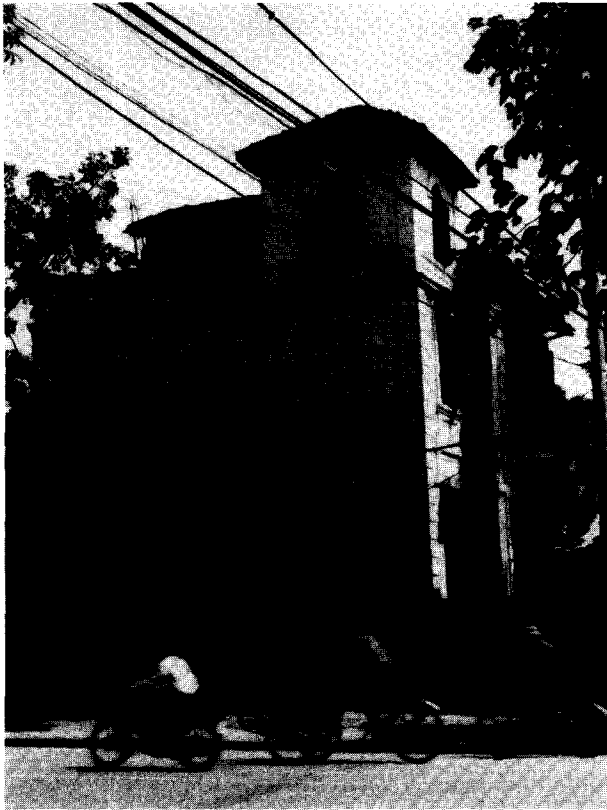
### **Hanoi**

Hanoi's old historical districts (36 Streets and the French colonial quarter) are renowned. The built environment is in relatively good condition, its character recalling the major phases in the city's history; the district has a particularly lively and hospitable ambiance. The richly textured urban landscape is punctuated by the city's principal religious and administrative symbols. Most of Hanoi's tourist activity is drawn to these two districts, yet they also have a strong historical significance for local inhabitants. They are the main centres of Hanoi's commercial and handicraft activities.

Few recent studies have been done on these two districts. We will refer mainly to the excellent one by Hoang Huu Phe and Yukio Nishimura (1990), and to several inventories carried out by the Hanoi Architectural Institute. In terms of social impact, we refer to the study by Phe and Nishimura (1990) since it is the most complete. Without too much risk of error, we can apply its conclusions (which are confined to 36 Streets) to the French colonial quarter because of the similarity of the Vietnamese households living in the two districts.

The main economic activity of these districts is small commercial and cottage industry. The relationship between the two activities has not been analysed, but it can be safely assumed that handicraft products are sold on the local markets in both districts. These activities are primarily carried out by local merchants represented by small family businesses, but are also practised as a secondary activity by government employees and pensioners.

The population in these two districts is older than in other neighbourhoods. Even though the birth rate



**Figure 1** French colonial villa in Hanoi, restored a few years ago

is low, residential density is high. This is explained by the general overlap of residential, commercial and handicraft activities, and the fact that several generations often share the same dwelling. Residents are mainly current and retired civil servants, along with a rapidly increasing number of shopkeepers. Commerce is the main occupation of the general populace with many current and retired civil servants also pursuing such activities. Most residents have either been allocated or else rent state owned housing. The merchants represent the wealthier class, with current and retired civil servants enjoying less income.

More than half the dwellings are jointly owned by the state, followed, in order, by private ownership, mixed ownership and work-unit ownership. Private ownership increases directly as public ownership declines. Residents strongly favour private ownership even if their tenant-recipient occupancy rights might ultimately be sold or exchanged.

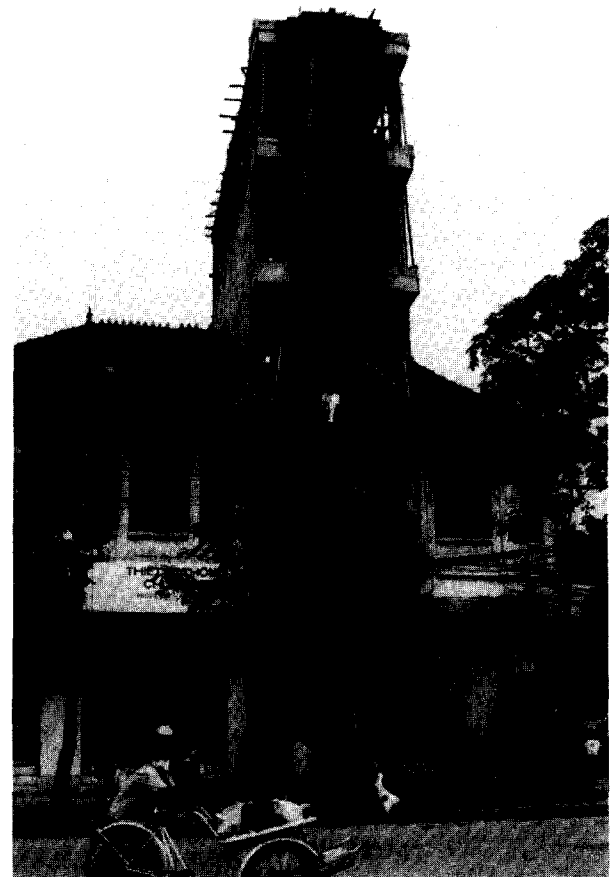
The units are badly maintained and the heritage stock is threatened. This applies more for the 36 Streets district than the French colonial quarter. State owned housing is even more run down since tenants rarely lodge complaints, funds and materials are lacking, and there are administrative and tech-

nical delays in responding to complaints. Private owners stall on doing repairs since their ownership rights are uncertain. They are also reticent about displaying their new found wealth, although this attitude is fast changing.

The state currently views privatization as the sole solution for ensuring the renewal of housing stock in these older districts, but does not appear to have developed strategies in this regard such as tax incentives, investment bank loans or public assistance for infrastructure programmes. Phe and Nishimura (1990) provided no information concerning the social impact resulting from this general situation or on privatization in particular. Their study did not deal with this aspect. We therefore focus our research on this subject, and assume that the preservation and improvement of housing stock must take into account the tenant occupants, and the protection and development of the social structures in the districts concerned.

### Specific issues

A series of working hypotheses can be formulated



**Figure 2** French colonial villa, in Hanoi, being divided to insert a new building (although it is illegal, owners and renters sometimes sell part of the building)



**Figure 3** French colonial villa in Hanoi, restored by Air France for its head office

concerning the situation created by Vietnam's new housing policy and its actual implementation in Hanoi's French colonial quarter. It is highly probable that the low income households forming the majority in this district will not be able to participate with the state in renovation of the units they occupy, and will not be able to become home owners. The present policy will be implemented in a certain number of limited spaces, probably on the main shopping streets, with a few instances of foreign investment. It favours private individuals, small and large businesses as well as national and international corporations that will either occupy or lease the units acquired. In either case, many current residents will likely be displaced since they will lose their occupancy rights and will not be able to afford the new rents asked by the owners following renovation.

#### *Impact on the community structure*

What will be the impact of these anticipated results on the community structure and on the district itself? We must first look at the quality of the replacement population in the units affected. And just how precarious will the situation be for those who do manage to keep their dwellings? Will they integrate into the new reality or will they become more or less isolated? The extent to which the spaces can accommodate new low income households will also have to be assessed, as well as the situation of small merchants and craftspeople.

On another level, we must clearly identify the new

residents and owners and identify their various strategies. It should be relatively easy to distinguish the resident households, resident shopkeepers and craftspeople, small-scale commercial and handicraft tenants, and the small, medium and large businesses, as well as individual and collective businesses.

#### *Impact on the built and urban environment*

We anticipate a variety of interventions in the built and urban environment, depending on the types and strategies of various participants. Since the new policy gears public input to the degree of private action, we can also expect a range of public interventions on the built and urban environments directly corresponding to the private interests and strategies.

These actions may affect building structure and its uses, as well as adjacent structures and interior and exterior spaces, either public, semi-public or private. The building style, such as the façades, may also be affected, as well as the models of space occupancy (opening onto the street of long tube-like housing such as seen in the 36 Streets district). Ultimately, these actions could result in transformation of the web of streets and blocks either directly or indirectly through accompanying public intervention.

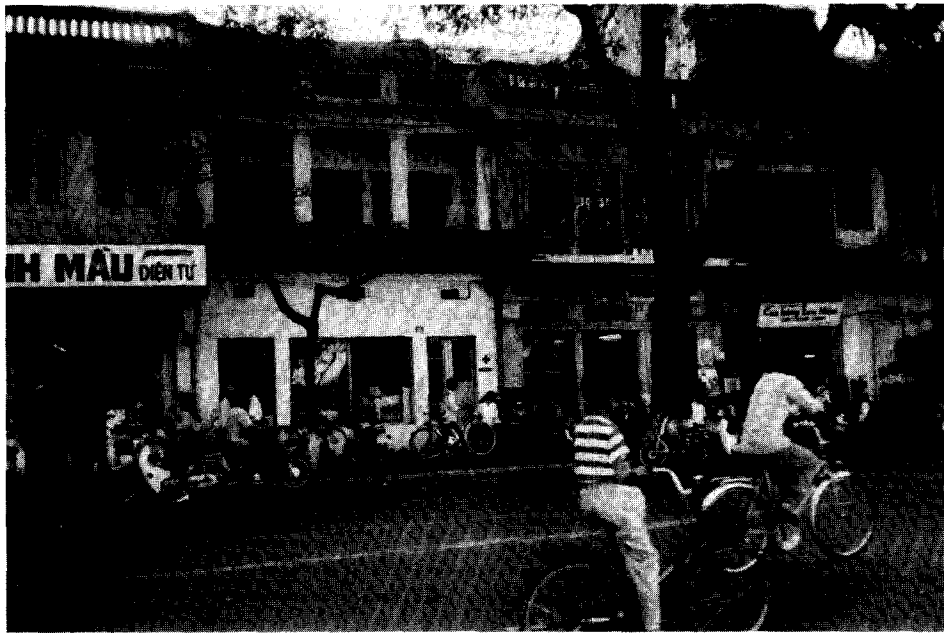
#### *Impact on commercial and artisanal activity*

The analysis of impacts on the community already makes it possible to identify the impact on the business and craftspeople of the area.

This portion of the study will deal with the activities rather than individuals. Private intervention has almost certainly helped increase the pace of commercial activity, due to increased volume per establishment, or an increase in the number of establishments. We will try to evaluate the qualitative changes (nature of the commercial activity), the impact on the handicraft activity (replacement or isolation, ie breaking of the link between production and distribution in a common space). We should be able to anticipate the effects of new commercial activity on the built and urban environment by considering its impact on the buildings and use of space.

### **Specific situation: Hanoi's French colonial quarter**

The urban development policy and in particular, the master plan of the City of Hanoi place considerable importance on protecting the old central district. This concern is the focus of a scientific and technical program (project KC 11.04) aimed at reconstruction and restoration of the historic districts. This state programme administered by the Ministry of Construction gives priority to the historical buildings of Hanoi's French colonial quarter which were constructed at the end of the 19th century. These



**Figure 4** Shop houses in the French colonial quarter in Hanoi, restored by local merchants

include villas, palaces, and public buildings such as schools and hospitals.

The renovation policy which includes privatization, and the urban development policy which includes the protection and development of the central historic districts, both apply to our chosen area of study.

#### *Current practices*

The main actor in implementing these policies in the district is the City of Hanoi's Land and Housing Office, which oversees the public management of buildings and housing stock in the City of Hanoi, including those of the French colonial quarter. It can exercise this function because most of the buildings are either owned or are under the jurisdiction of the state. Let us look briefly at the ownership status of these buildings and housing units. The old housing and buildings examined in this study are both privately and publicly owned. Sources in Hanoi indicate that most are privately owned buildings which have been abandoned by the owners.

The publicly owned property is either publicly managed by the Land and Housing Office (LHO) which grants occupancy rights, or else privately managed by tenants who have obtained an LHO lease. These tenants are mainly foreign (companies, embassies, international agencies or individuals working for them). An increasing number of Vietnamese are now obtaining formal leases, replacing occupancy rights.

The LHO does not sell the buildings in the French colonial quarter. First of all, it cannot sell the

privately owned buildings that it manages. Moreover, it prefers to lease in order to maintain control of restoration in the district. Finally, many of the buildings are partially or entirely occupied by government departments. In practice, the recipients or tenants may, with proper authorization, enter into agreements to exchange, sell, rent, sublet, or bequeath their usage rights or their lease.

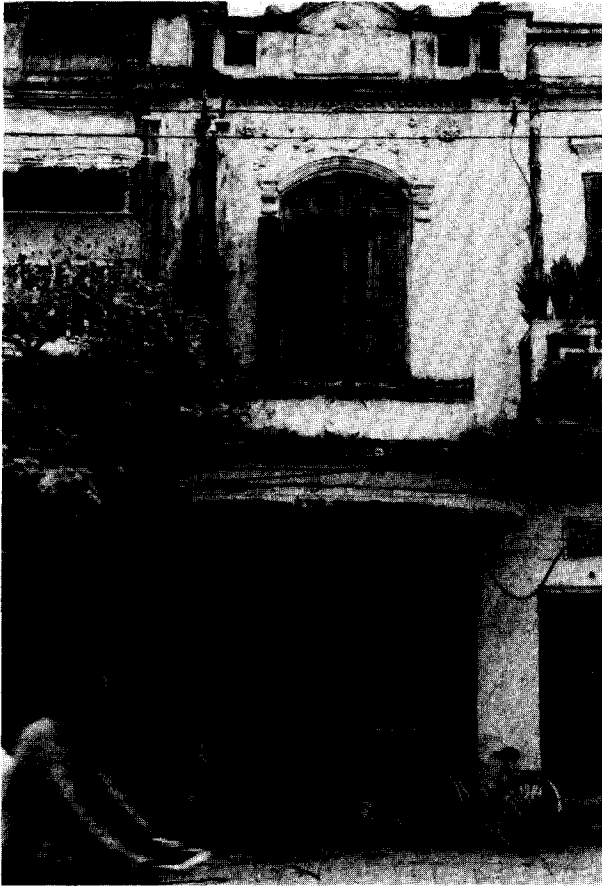
Most of the private properties are managed publicly by the state. These are housing units and buildings whose owners left the country (the French around 1954, the North Vietnamese before and during the 'American' War, the Chinese around 1978). The Vietnamese government did not nationalize these units. It manages them since they are considered to be abandoned by their owners. In this case, the government can also lease the units to national or foreign citizens in the same categories as the preceding case.

Table 1 gives a model of occupancy status in the district suggested by Professor Hung of the Hanoi Architectural Institute.

When we refer to privatization in the district, we

**Table 1** Property management

	Management public	Private
Property		
Public	Public buildings	Privatized buildings
Private buildings abandoned by owners	Public buildings	Privatized buildings



**Figure 5** French colonial villa in Hanoi, present condition without restoration

are in fact referring to public or private buildings and housing units managed privately, referred to above as privatized buildings. When doing inventory of these privatized buildings, the transformation criteria is the most useful. An agreement between the LHO and the tenant had to be concluded for the buildings which were partly or entirely transformed, transferring them from the public domain to private management. The LHO readily identified 167 buildings in the French colonial quarter which had been transformed since 1985. We will focus our research on this group of buildings which are easily recognizable due to the physical changes they have undergone as well as in their use and function.

#### *LHO strategy*

The main objective of the LHO is restoration of the historic area and buildings, more precisely the traditional French villas dating from the 19th century. In practice, the LHO has no means to undertake this restoration and must rely on national and international investors. First of all, the LHO favours the restoration of buildings in good condition and situated in the best locations in terms of infrastructure, a

strategy that allows them to lower costs of renovation. The Office has attempted to concentrate its efforts on Ly Thuong Kiet and Tran Hung Boulevards. In both cases, these arteries are large and important, the villas lining them are well maintained, the traffic works well and the infrastructures are in good condition.

The LHO devised three intervention alternatives:

- (1) complete renovation of the entire district;
- (2) complete renovation of buildings of architectural and heritage character;
- (3) overall preservation by controlling the interventions on the façades and not interfering with the interior renovations (building interiors, private interior spaces and outbuildings).

The LHO chose the third alternative without defining any specific regulations or zoning. The eventual use of the renovated buildings has not yet been considered. The LHO is aware that foreign parties interested in participating in the restoration will use the buildings to house their offices and employees, or will rent premises to small service and business operations or restaurants. Clearly, the primary residential function of the districts will be profoundly restructured, thereby decreasing the residential occupancy density.

Included in the LHO strategy is the control over building height by prohibiting the addition of extra levels. The LHO intends to preserve the overall built environment by controlling new construction on vacant lots left by the demolition of buildings which were in dilapidated condition. In some instances, the LHO undertakes to restore buildings itself. This is limited to certain large institutional complexes which undergo full restoration. The LHO has also undertaken infrastructure upgrading on Ba Trieu and Ngo Quyen Boulevards.

#### *Actions in practice*

Thus far the LHO has undertaken or permitted the restoration of 277 buildings in Hanoi. In the district selected for this study, 167 buildings have been, or are being, transformed. All are located on the major arteries south of Lake Hoan Kiem and include Tran Hung Dao, Li Thuong Kiet, Hai Ba Trung and Trang Thi-Trang Tien Boulevards. They are bounded on the east by Le Thanh Tong Boulevard and on the west by Le Duan Boulevard.

There is no administrative guide or fixed norms for these operations. Each proceeds in its own way. This is illustrated with reference to several specific cases:

- (1) an individual gets in touch with the LHO, asks for information on a specific building or asks the LHO to find a suitable building for transformation;
- (2) negotiations take place, but the nature and



**Figure 6** French colonial villa in Hanoi, being restored by the Australian government for its local embassy.

content are not disclosed. Some information is deemed confidential by the LHO, while other data have simply not been recorded;

- (3) the LHO makes the premises available by offering current residents the chance to relocate in housing units in the city suburbs where units are generally of higher quality but are also more expensive since rent is geared to quality. Residents evidently find the new dwellings too expensive and prefer to relocate on their own. Relocation costs are sometimes assumed by the new tenants;
- (4) tenants may do the restoration work themselves, generally using their own labor, with local and imported materials. For major alterations such as façade work, plans must in principle be submitted to the LHO for approval;
- (5) tenants can also do work on public spaces to improve the infrastructures and landscaping around their buildings. Such efforts may include sidewalk rebuilding, planting of shrubs, flowers, trees, and so on;
- (6) tenants may either occupy the entire building, or rent part or all of it.

National and international interests must follow the same procedure. In many cases, these are newly created private or mixed enterprises that work in cooperation with public institutions.

The LHO now wants to undertake the restoration of the buildings but has neither the means nor a land-use plan. It would at least like to be associated with the restoration work but apparently has not yet

proven to local and international interests that it can do the work quickly and efficiently, according to the required norms and conditions. The LHO admits it has encountered some major problems in terms of making premises available and relocating occupants. People generally do not wish to leave since they have business operations or activities in the central area. They also anticipate higher costs in relocating.

### Transformations

When the factors of privatization, restoration of buildings and housing, and general renovation of the district are considered together, the lack of policies, administrative procedures and norms is obvious. In resolving this situation, a voluntary and normative approach would be premature without such basic mechanisms as clearly defined property rights and, more especially, without financial means. A pragmatic approach based on experience seems more realistic.

We have adopted an analytical approach which has allowed us to document the situation and identify the main problems created by the current practices. Our analysis proceeded with the following steps:

- (1) a complete and comprehensive inventory of the main transformations in the area with the cooperation of LHO;
- (2) identification of smaller areas for in-depth study;
- (3) a survey of the socioeconomic characteristics of

**Table 2 Transformed buildings (by street) (%)**

T H Dao	12.5
L T Kiet	16.0
Trang Thi	7.4
Ngo Nguyen	7.4
Ba Trieu	18.5
H B Trung	13.6
Hang Bai	9.8
Kang Khay	14.8
Total	100.0

population groups in the selected areas, as well as an evaluation of the changes in socioeconomic characteristics in these areas;

- (4) evaluation of changes in the commercial and artisanal activity associated with transformations in the study areas. A distinction was made between activities at street level and those occurring inside the buildings and housing units.

The analysis focused on two types of impact, that affecting the social structure, and that affecting commercial and handicraft activity. The study included operations both underway or completed. Thus far only the inventory of transformed buildings has been completed. The studies on the people and economic activities are underway and will be presented in a later paper.

#### *Inventory of the entire district*

If we understand privatization as the sale of public property to private interests, there is no privatization in the French colonial quarter. In light of the first privatization experience in HoChiMinh City, it was decided not to privatize the stock in the central area of Hanoi. Where privatization occurs, it is concentrated in the suburban areas. In the case of the French colonial quarter, the LHO administrators rely on the model proposed by Professor Hung, and refer to 'transformed' buildings, meaning changes in use which directly entail changes in type of management.

An inventory of transformed buildings was carried out for the colonial quarter which was built at the beginning of the century to the south of Lake Hoan Kiem. Most of the area was covered in the survey with particular focus on the four large arteries, Tran Hung Dao, Li Thuong Kiet, Hai Ba Trung and Trang Thi-Trang Tien Boulevards, which in turn are bordered on the east by Le Thanh Tong Boulevard and on the west by Le Duan Boulevard.

The 167 buildings surveyed were classified as having undergone complete transformation, or partial transformation. A more detailed inventory was carried out for the area just south of Lake Hoan Kiem, which is bordered by the Hai Ba Trung, Trang Thi-Trang Tien, Ba Trieu and Hang Bai Boulevards. The same classification was used.

Obviously, a more detailed inventory of a specific area makes it possible to record cases which were overlooked in the broader inventory of transformations in the district. The observation of actual transformations, recent or in progress, allows the LHO to update its inventory. Some transformations were done by residents who may not have notified the LHO.

Large-scale transformations have only been carried out on buildings which face onto the large arteries. Secondary impacts are noticeable inside the blocks due to the upgrading of the infrastructure and new facilities introduced to the boulevards with the transformation work. More indirectly, changes in the area are related to a better economic situation for residents due to commercial activity in the transformed buildings. Table 2 shows the percentages of transformed buildings.

The transformations are distributed throughout the district with concentration beginning on Ba Trieu Boulevard. The built environment of the district is so well-defined and relatively homogeneous that transformations may be carried out on the entire area. Public institutions, which are directly or indirectly associated with the state, also initiate some transformations, usually for upgrading purposes. These efforts have the spill-over effect of encouraging other transformations in the area.

The City of Hanoi has undertaken infrastructure rebuilding on the Ba Trieu and Ngo Nguyen Boulevards. This will indirectly favor an axis in the direction of these two arteries, which is logical since the greatest number of transformations took place on Ba Trieu Boulevard.

#### **Analysis of the inventory results**

By applying some general parameters to the survey of 167 buildings which have been or are being transformed, we should be able to describe the nature and purpose of the transformations. However, certain data on these buildings are missing from the information compiled by the LHO. Of the 167 buildings surveyed, we were able to create relatively complete records for only 81 buildings.

Even though the LHO cooperated with us in principle, various difficulties stood in the way of any full documentation of the 167 buildings surveyed. First, the LHO refused to divulge certain information such as the length of the lease and the rent paid. Second, the LHO does not have complete records on all the buildings. In fact, each case is unique, with lease negotiations conducted by different intermediaries, some of whom cannot be located. Finally, some cases were processed by other administrative levels including the Ministry of Construction, which is the ultimate authority, as well as the District Committees which were given considerable powers of initiative by the housing policy.



**Table 3 Transformed buildings (status) (%)**

Rented	69.1
Sold	1.2
Unknown	29.6

*Property status*

The information we obtained indicated that only one building was actually sold in the real sense of the word. Most of the other buildings were leased (see Table 3).

The large proportion of unknowns is generally explained by the fact that:

- (1) the property status is not known, since records are often incomplete;
- (2) the status is known, but LHO personnel were unable to provide us with information, probably because many of these transformed buildings were handled on a per case basis, by different administrative levels;
- (3) the status is uncertain and LHO personnel preferred not to give out data which might prove inaccurate. The LHO considers these buildings to be private property, although they were abandoned by their owners around 1954, and subsequently have been state managed. This last hypothesis is more probable when we consider how the LHO identifies the owners and tenants before the transformations. For virtually the same percentage of transformed buildings, the previous owners were identified as foreign.

*Owner tenants before transformation*

Before transformation, the owner tenants of these buildings were foreigners, Vietnamese individuals, international and Vietnamese private companies, and others mainly represented by public institutions, including government agencies and departments, as well as public companies and labour cooperatives (see Table 4). Foreign individuals are clearly those owners who abandoned their buildings around 1954. Prior to the transformations, virtually all of the remaining buildings were directly controlled by the state through the Ministry of Construction and the LHO. Vietnamese individuals did in fact have usage rights and sometimes paid a minimal rent.

*Uses and functions before transformation*

The main functions of these buildings before trans-

**Table 4 Owners/tenants before transformation (%)**

Vietnamese individuals	59.7
Foreign individuals	27.3
Private Vietnamese companies	0.0
Private foreign companies	1.3
Others (mainly public institutions)	11.7
Total	100.0

**Table 5 Principal functions prior to transformations (%)**

Residential	63.3
Commercial	20.3
Administration	16.4
Industrial	0.0
Services	0.0

formation were residential, commercial and administrative (Table 5). There were no service and industry functions at that time.

Before transformation, the area and housing stock formed a stable equilibrium dominated largely by the residential function. Some buildings were occupied by relatively large commercial enterprises, and were managed by the state, public companies and labour cooperatives. The state mainly exercised the administrative functions, using a significant amount of the stock for this purpose.

*Resident status after transformation*

After transformation, the residents are individual tenants, owners (there is only one), undesignated occupants (sub-tenants) or agencies including companies, international organizations, and government departments: see Table 6.

The individual tenants are those who rent and occupy the building while the owners own and occupy the premises. The undesignated occupants rarely obtain usage rights. In principle, if a building has been transformed, then a rental situation, rather than simple allocation of usage rights, is established. We feel these are in fact subtenants, a term not commonly used in Vietnam. These subtenants rent from the agencies, themselves possessing tenant status, that transform the buildings and sublet them to individuals or groups. There are different types of agencies, including the public institutions defined above, and also private companies acting on their own behalf (international agencies, private companies etc) or for others (national or international real estate agents). The new occupants are either individuals, public institutions, international organizations, private Vietnamese and foreign companies (Table 7).

Most occupants are individuals, the majority of them shopkeepers. A small percentage undertook the transformation work themselves. Many are subletting their premises. Private companies are now present, the majority being national. There are either new enterprises, such as import-export busi-

**Table 6 Resident status after transformation (%)**

Individual tenants	33.3
Owners	1.2
Undesignated occupants	16.0
Agencies	49.5
Total	100.0

**Table 7 Residents after transformation (%)**

Individuals	51.9
Foreign private companies	3.7
Vietnamese private companies	7.4
International organizations	11.1
Public institutions	25.9
Total	100.0

ness, created by local entrepreneurs (civil servants are encouraged to do business through easy access to space), or mixed enterprises often started by Vietnamese living abroad. A number of cooperatives or labour associations who act like the new Vietnamese entrepreneurs (restaurants and hotels) can be found in the public institutions category. The state has no direct presence in these transformations. It has undertaken few restorations except for large institutional buildings.

The transformations are in fact very closely linked to business (private, semiprivate, national and foreign) and to the administration of international agencies. Residential buildings have also been restored for residential activities, but this has been done either by international agencies to house their own employees, or by local or foreign real estate agencies to accommodate their personnel working in Hanoi.

## Uses and functions after building transformation

The main functions of the buildings after transformation are residential, commercial, industrial, service or administrative (Table 8). The greatest impact was on the residential functions which had existed prior to the transformations (Table 9). Nearly 90% of the transformations involving a change of function were those where the residential function was replaced by commercial, service and administrative functions (Table 10).

The residential functions seem to be readily displaced by other functions in the urban centre. The current changes appear to be largely due to the new Vietnamese entrepreneurs who are mainly shopkeepers. With a positive economic environment and the arrival of foreign investors, the administrative function will become increasingly important. Commercial use could in turn be replaced and will have only served as a transition in the neighbourhood's transformation.

**Table 8 Building functions after transformation (%)**

Residential	16.5
Commercial	39.2
Service	13.9
Administrative	29.1
Industrial	1.3
Total	100.0

**Table 9 Building functions before-after transformation (%)**

	Before	After
Residential	63.3	16.5
Commercial	20.3	39.2
Service	0.0	13.9
Administrative	16.4	29.1
Industrial	0.0	1.3
Total	100.0	100.0

## Legal aspects of the transformations

The LHO considers virtually all these transformations to be legal. Apart from the 8 out of 81 cases where information is missing, 95% of the transformations are legal. The LHO is informed and gives approval to these transformations without knowing what the impact on the residential functions will be. In fact, the state itself is responsible for much of the impact as a result of transformations it carries out or initiates. Vietnamese researchers pointed out to us that besides the transformations, the state's interventions in the form of demolitions and urban renewal of spaces around historic and public buildings has very probably increased the impact on residential functions. In this sense, the state can be viewed as having a negative impact on residential use in the area.

## Functional area consolidation

Certain tendencies towards consolidation of activities in the district can be perceived regardless of the location strategies of different actors. Three boulevards stand out since they show a high concentration of the same type of activity after transformation.

Ba Trieu Boulevard has 24% of the private individuals, who represents 59% of the people on this boulevard. It also has 66% of the foreign private companies, and 50% of national private companies. The state gave priority to restoring the infrastructure on this boulevard, an effort clearly in keeping with its objective of making the boulevard a prestigious commercial and administrative artery. The efforts are probably more significant than they appear at first glance. In fact, the private individuals involved in the transformation of buildings on this boulevard have developed or will certainly develop commercial and real estate activities including leasing to national and international enterprises.

Tran Hung Dao Boulevard concentrates 85.7% of the international organizations, representing 60% of all those involved on this boulevard. Also important are the public institutions, which are directly or

**Table 10 Changes in functions (from residential to . . .) (%)**

Commercial	37.9
Service	27.0
Administrative	35.1

indirectly connected to the state. Finally, Hang Khay boulevard concentrates 29% of private individuals, representing 100% of all actors involved here.

Ba Trieu and Hang Khay Boulevards are becoming the main commercial arteries in the district. Their transformation is far from complete and the next step will likely be marked by an increasing presence of prestigious commercial activities such as banks and agencies, which in turn will displace the small-scale commercial activities run by private individuals. Tran Hung Dao Boulevard may undergo a slower and more homogeneous transformation since international headquarters and a number of embassies are located here.

### Conclusion and research perspectives

Despite the difficulties encountered in doing this first inventory of transformed buildings in the district, we were able to compile sufficient information to support a hypothesis for the next stages of this research. The residential functions are directly threatened by the transformation of buildings in the district. The impact on the residential functions will go far beyond a one-time reduction in residential density, as the LHO initially hoped. The district will in fact display a new function.

The new commercial activities which benefit from the transformations are only beginning to have an effect which will spill over when foreign investors outcompete the small Vietnamese enterprises. The state, which is directly involved through the restoration of public buildings, is participating in the transformation of the area. The improvements in the infrastructure on the principal arteries aim not at consolidating the axis and channelling the changes, but simply at supporting the initiative of private national and foreign interests. Priority was initially given to work on the Ly Thuong Kiet and Tran Hung Dao Boulevards, but in fact Ba Trieu Boulevard has recorded the most building transformations.

The next stages will document the main hypotheses supported in the first part of the study. Research will focus on the resident population as well as residential and commercial functions. We will first try to verify that reduced residential densities in fact correlate with a replacement of the resident population by others of higher socioeconomic status. We will also try to verify the extent to which commercial activities restore existing activities or are replaced by new activities. Finally, we will extrapolate our data to assess the impact of these

replacements on the district as a whole, and also do specific surveys of commercial activities, such as street level operations. The results will be reported in a later article.

### References

- Ball, M (1986) 'Housing analysis: time for a theoretical refocus?' *Housing Studies* 1 147-165
- Comité Populaire de Hanoi (1985) *Réglementation sur la coopération entre l'État et le peuple pour construire et rénover les immeubles d'habitation à Hanoi* Hanoi
- Dam Trung Phuong (1986) 'Planification de la famille et développement de la ville de HoChiMinh' *Conférence internationale sur la population et l'avenir des villes* Barcelona
- Donahue, J (1989) *The Privatization Decision: Public Ends, Private Means* Basic Books, New York
- France, Ministères de la Culture et des Affaires Étrangères (1990) *Premiers contacts visant à évaluer les possibilités de conserver le patrimoine architectural et urbain du Centre de Hanoi* unpublished report, Paris
- Halls-French, L (1977) 'Organisation sociale des quartiers et de l'habitat à Hanoi: une ville en transition' *Asie du Sud-Est et Monde Insulindien* 8 (2) 163-175
- Hoang, Huu Phe and Nishimura, Yukio (1990) *The Historical Environment and Housing Conditions in the '36 Old Streets' Quarter of Hanoi* HSD Research Report No 23, Asian Institute of Technology, Bangkok
- Katsura, H M and Struyk, R J (1991) 'Selling Eastern Europe's social housing stock: proceed with caution' *Housing Policy Debate* 2 (4) 1251-1275
- Langumier, J F (1989) *Mission en République Socialiste du Vietnam* ESCAP, Paris
- Logan, W (1990) *Planning for the Protection of the Old Sector of Hanoi City, Socialist Republic of Vietnam* Report to UNESCO and the National Institute for Urban and Rural Planning, Ministry of Construction, unpublished report, Melbourne
- Logan, W (1991) 'Planning for the protection of the old sector of Hanoi, Vietnam' *Journal of Vietnamese Studies* 1 (4) 78-81
- Ministry of Construction (Vietnam) (1991) *Statute of the Vietnam Urban Development Company* Hanoi
- Parenteau, R and Van Trinh, Pham (1991) 'Housing and urban development policies in Vietnam' *Habitat International* 15 (4) 153-169
- Pham Khanh Toan (1991) *Land Management for Housing Development in Hanoi* Thesis, Asian Institute of Technology, Bangkok
- Prouzet, M and Nguyen, Trong Nam Tran (1990) 'Vietnam 90: regards sur la politique actuelle de l'habitat en milieu urbain' *Colloque. Les enjeux urbains de l'habitat* Paris
- Reichen and Robert (1991) *Proposition pour la protection du patrimoine architectural autour du Lac Hoan Kiem à Hanoi* unpublished report, Paris
- Thien Than (1984) 'Vietnam: vivre en ville aujourd'hui' *Revue de l'habitat social* 97, 75-85
- Truong Tung (1985) 'Research and development for house-building in Vietnam' *Habitat International* 9 (2) 79-84
- Van Trinh, Pham and Parenteau, R (1991) *Population et logement urbain au Vietnam* Translation and interpretation of a document produced by the Ministry of Construction (Hanoi, Vietnam), Institut d'Urbanisme, Université de Montréal
- Vo Nhan Tri (1990) *Vietnam's Economic Policy Since 1975* Institute of Southeast Asian Studies, Singapore