

GENTRIFICATIONS IN HANOI CITY INNER: CHARACTERISTICS, CAUSES AND SOLUTIONS

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Abstract

Strong urbanization and enormous pressures of urban living and livelihoods have led to different development trends. A portion of urban residents choose to settle in the periphery to enjoy more quality living standard while suffering more mobility cost for work. Meanwhile, the others have decided to redevelop in the city inner to take advantage the available infrastructure, which leads the trend for revitalization. This later transition will be discussed in the paper and identified as “gentrification” process with both physical, economic and social changes. The “purification” of lifestyles and people in the given area during this process is a noteworthy point. The paper analyzes the characteristics, causes and solutions of gentrification in Hanoi historic inner under the local urban development context.

Keywords: gentrification; urban transformation; purification; inner city; Hanoi.

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1. Introduction

Gentrification has been discussed extensively in the world, especially in the Western countries in recent times. There are many kinds of understandings related to gentrification. The common understanding is that gentrification involves urban transformation and revitalization, and creates urban improvement. Most of the gentrification concepts involve (i) the role and presence of middle-class groups which contribute to the changes of the lower income area through their investments (the term refers to the regeneration and redevelopment has been supported by the elite and middle-class consumers seeking improvement in downtown areas and attractive, centrally located housing [1]); ii) the displacement of working-class in the local redeveloped area because they are not able to afford the rent prices and other costs due to the living costs of the area have been pushed up after the revitalization; iii) the improvement of the urban landscape (with the appearance of high-rise buildings, new landscapes, lifestyles, socio-economic relationships). With many in-depth analyses, gentrification is

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considered as a process of urban change that involves two main streams of influences: people influx and capital influx [2].

The origin of “gentrification” term referred to the flow of an “influx of gentry” to lower income neighborhoods in London in 1950s and 1960s [3]. The event involved the rapid change of rental areas, the gradual shift from rent to home ownership, the rise in real estate prices, and the displacement of working-classes by newcomers. Later, this concept was developed and expanded, coupled with urban regeneration and upgrading, overcoming the small-scale upgrading concept that Glass has proposed in the 1960s in London. Clark (2005) describes the definition of gentrification as “a change in the number of owners who are newcomers with higher socio-economic conditions than the previous ones, and they mutually change the built environment through a reinvestment into urban fixed capital” [4]. Thus, the concept embraces the description of “colonization of cheaper residential areas and a reinvestment in housing funds which leads to remake of urban landscapes”.

In Asia, according to Yip and Tran (2016) [5], the phenomena related to gentrification are different and in fact, there are also some variations: (i) The shifts related to the implementation of National Plan as Olympic projects (in case of Seoul and Beijing); (ii) The transformation of working-class housing in the heart of the Asian metropolis is not much related to the transformation into the middle class residences but commercial retail and entertainment areas (for example, Shanghai has transformed Shikumen from an area of degraded villas with sophisticated façades built in the 20th century-into a row of goods and international retail branches); (iii) The redevelopment projects that were built not only to change the residential areas of the workers but also to change brown and greenfield sites. These various kinds of gentrification may result in indirect effects such as an increase in rent or the further replacement process (for example: the gradual reduction of sense of place and place identity as well as the change of demographic characters of the areas).

In the context of city development management, the revitalization purposes is to meet the growing needs and desires of local community and to create a lively urban cultural scene that facilitates tourism economy and preserves sustainable heritage. However, it should be noted that, gentrification is also believed as a cause of negative effects on urban space. Holcomb and Beauregard (1981) look at gentrification from a psychological point of view, seeing that the costs of displacement are not only financial (e.g., moving expenses, security deposits, increased rent, new utilities) but also social aspects (e.g., loss of community ties and reduced proximity to friends, relatives, and medical and other social services), as well as emotional problems (e.g., trauma resulting from displacement from familiar locations) [6].

The concept of gentrification is still being debated, especially in different contexts. In Vietnam and even in Asian countries (typically China), gentrification is still a very new concept and the translation of gentrification has not been really defined. In Vietnam, some scientists refer this concept as “*su truong gia hoa*” (an ancient word referring to the overwhelming physical change of the external object while retaining the inner connotation. So that it is normally used for negative meaning). While the others interpret it as “*tai thiet do thi*” or “*chinh trang do thi*” to talk about the physical redevelopment activities in general without associated social changes. The authors suggest this concept should be translated as “*phat trien thanh loc*” as this process is not only related to physical upgrading of the given area but also it “purify” social components/style/activities to adapt to the new development context. The “*purification*” here may relate to the “attraction” of middle class newcomers or/and “the marginalization” of low-income people, or/and the “voluntary and conscious movement” of a certain community group... The article will further analyze the gentrification characteristics in Hanoi inner to demonstrate this conceptualization.

2. Context of gentrification in Hanoi

In the old center of Hanoi, gentrification has been activated and implemented nationwide since Doi Moi policy (Renovation) in 1986 as a result of the increased investment by the private and foreign sector and their strong engagement in market economy. From a sluggish city driven by subsidized regimes, which is unable to meet the growing needs of housing, infrastructure, etc, Hanoi has “revived” and achieved positive changes in annual GDP growth, the boom in trade, tourism, employment opportunities, the improvement of local residents’ lives and urban landscape. . . However, along with these praiseworthy transformations, many issues have been raised: changes in social and cultural life (the loss of traditional social cohesion as traditional craft business replaced by new economic activities); the degradation of urban architectural heritages and relevant elements (e.g., cultural practices. . .); large and continuous in-immigrant flows that affect the quantity, quality of local population and also management control system; Population overload has resulted in a number of housing pressures and associated infrastructure problems; The rocket increase of real state value is beyond the incomes and capabilities of the local residents, which does not reflect the exact situation of the demand for real estate; The replacement of newcomers and the displacement of local people have caused many cultural concerns.

This article explores the overall picture of gentrification in historic inner city of Hanoi focusing on the characteristics, causes and suggested solutions. The paper uses a comprehensive research approach based on a series of scientific papers on relevant issues and case studies in the inner city of Hanoi.

3. Characteristics of gentrification in Hanoi city inner

The historic inner of Hanoi city (urban core) includes: Ancient Quarter, French Quarter (or French colonial quarter) and construction sites built in the period of 1960–1990. However, this article mainly focuses on the old sectors in the city including the Ancient Quarter and the French Quarter. The Ancient Quarter is the area that combines different traditional trades from the XV century. The population is about 80,000 people living in 100 hectares (in around 1990s). This area was developed from the traditional “craft wards” - which are considered as the “market” part, attached and dependent on the “city” part where imperial court lived. This area is famous for its oriental urban image with organic planning, harmonious natural landscape, low-floor urban landscape. The French Quarter, a colonial quarter built in 1873, located close to the Ancient Quarter to the south and has a part of Ba Dinh District, is a political administrative center with a population of 200,000 people living in 718 hectares (data 2005). The physical features of these streets including their proportion and architectural monuments harmonize well with the traditional urban landscape. The striking feature of this neighborhood is that it is strictly planned according to western planning standards with the clear functional areas, chessboard traffic systems and well-designed urban infrastructure. The typical architecture of this neighborhood is represented by public buildings and villas that reflect various influences of architectural styles such as beaux arts, neoclassicism, and modernism mixed at varying degrees to Asian and Vietnamese local interpretation. The residential structures built during the French colonial period have been classified into three main categories: (1) military houses, (2) terrace or row houses, (3) villas. Row houses (shop house) were constructed exclusively for Vietnamese well-off residents [1]. In recent years, western-style streetscape has been widely recognized as being part of Hanoi’s built heritage [1].

The overview picture of gentrification in the historic inner of Hanoi is reflected in the following aspects:

3.1. *Physical changes*

High population density is a challenge and a cause of spatial change in the central area. A comprehensive research in 2003 shows that in the central area, living space was only 44 m² per household or 10.5 m² per person average. In the Ancient Quarter, this area is even more cramped: average land for each household is 21.4 m²/household, for 1 registered house number is 41.8 m², average housing area for a person is 9.6 m²/person, the number of household living in the same house number is 3.53 (some house numbers can even contain up to 20 households) [7]. This situation is even worse now. Overcrowding of the population has affected the degradation of the public toilets and bathrooms.

In addition, new business operations also lead to significant changes. The large concentrations of economic spaces, particularly home-based business push the living space and infrastructure into overload (In the city inner area, a total of 95% of family retail stores are less than 50 m², indicating economic space densities and large concentrations of commercial activities [8]).

To address the overload living demand, people have to add more vertical floors, expand horizontal space and even divide into smaller spaces for rent and privacy. Self-built housing movement which is spontaneous, fragmented and out of the authority's control can be easily seen in the urban landscape. According to To Thi Toan's report (2003), illegal construction activities in the Ancient Quarter were mostly 100%.

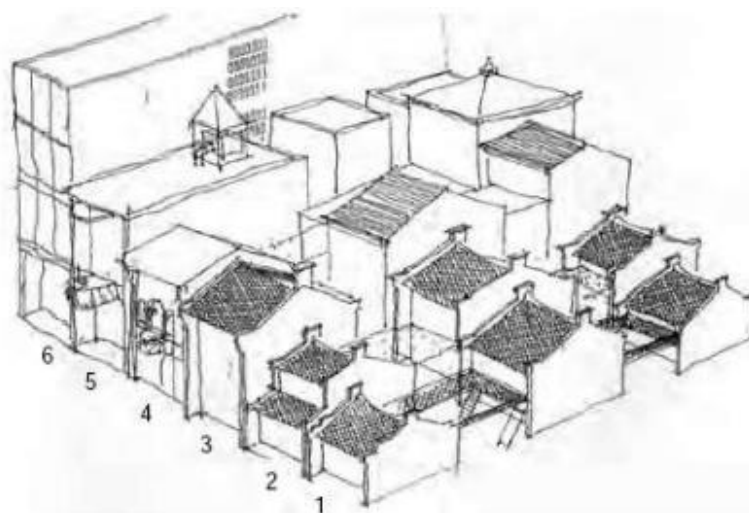
French Quarter has changed into a shopping mall, with high rise buildings, including Hanoi Tower, Vincom City Tower, and Luxury Mall. Between 1988 and 1997, 88 modern buildings of 8 stories or above were erected in Hanoi, 36% of which were located in the French Quarter. The number of villas dropped during the period 1986–1997 from 435 to 358 and the residents of the villas were converted into trading or administrative ones, which was believed to reduce the outstanding architectural values [9]. According to the latest statistics of the City of Hanoi, the number of French-style villas that remain intact accounting for only 15%, villas having been renovated, repaired, deformed by civil use, extended and invaded by nearby construction, etc. make up 80% while those demolished to be rebuilt only 5%.

It can be said that, while the changes in the Ancient Quarter are characterized by small fragmentation which is mainly implemented by local people; In the French Quarter, expatriates are the main factors behind the major changes. Housing improvement or new buildings have alternated in high density, height, scale, architectural style, building materials is gradually replaced the traditional image of the neighborhood landscape characterized by harmony proportion and open spaces. Figs. 1 and 2 depicts a dramatic change of urban landscape in the Ancient Quarter and French Quarter, respectively. Fig. 3 shows the degradation of a typical villa in French Quarter.

3.2. *The change of cultural space*

The replacement of traditional craft business by market-oriented trades has diminished the structure of social (*traditional social cohesion*) and business relations in the city's old center. New economic activities (mainly commerce and service) do not require the “*sense of cooperation*” and “*the sense of attachment*” as before. So that, the associated cultural practices are gradually lost.

The urban construction with the high density of high-rise buildings, new infrastructure and new buildings also contribute to break the traditional urban spatial proportion and even isolated urban architectural heritages.



- 1) Tube house without floor, before 1802
- 2) Tube house with floor, between 1802-1873 (Pre-colonial)
- 3) Tube house with floor (not popular before 1873), popular in colonial period
- 4) Tube house in colonial period, between 1873-1954
- 5) Modern tube house (not popular before 1992, popular after the Renovation)
- 6) Contemporary tube-house (may be 9-10 high level), popular after 1992

Figure 1. Change of tube houses in the Ancient Quarter in different period [10]



Figure 2. Landscape change in the Old Quarter in 1998 and 2014 [11]

However, new commercial activities have been also created for a modern, dynamic and vibrant culture space. Since the local authority opened some pedestrian streets in the Ancient Quarter, “new cultural spaces” have been developed, which has increasingly created dynamic and attractions for the area. Cultural exchanges and sharing between local and external communities contribute to the unique and cozy atmosphere (Fig. 4).

3.3. Population concentration and population diversity (people flow)

There are many reasons for overcrowded population in the central Hanoi: (i) The housing allocation policy (multi-owner housing) created population pressure on the Old sector; (ii) since the introduction of Renovation (1986) with the relaxation of population control, these places become the

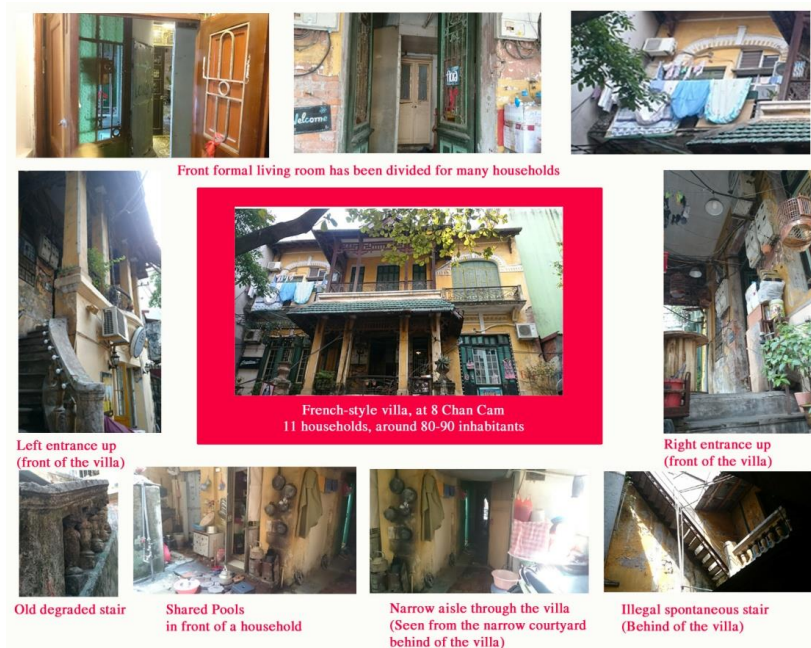


Figure 3. Degrated condition in a French-style villa at Chan Cam street [12]



Figure 4. Transitionally cultural space in Ta Hien, Ancient Quarter [12]

“attractive destination” of migration flows from neighboring areas seeking livelihood opportunities and enjoying the area’s available advantage; (iii) In addition, the growth and boom of business activities also stimulate population densification. According to the data 2005, the inner city has 52.9% of the total population in Hanoi while it covers only 9.15% of the total municipal area [13]. The

number of inhabitants and population density in core districts (calculated to April 2017 by People’s Committee of Hanoi - Table 1) is much lower than this of Ancient Quarter which is 81.4 pop/km².

Table 1. Administrative population of the core urban districts where Ancient Quarter and French Quarter located [14]

District	Area (km ²)	Population (thousands of inhabitants)	Density (pop/km ²)
Ba Dinh	9.25	242.8	26.25
Hoan Kiem	5.29	155.9	29.47
Cau Giay	12.03	251.8	20.93
Dong Da	9.96	401.7	40.33
Hai Ba Trung	10.09	315.9	31.30

(French Quarter zone includes the southern part of Hoan Kiem district, the northern part of Hai Ba Trung district, the eastern part of Ba Dinh district, Ancient Quarter zone belongs to Hoan Kiem district).

The overcrowded population accompanied with a population diversity not only creates high pressure on infrastructure and housing but also on cultural aspect. Coming from different provinces with different cultures, it is difficult for the newcomers to share feelings attached to the area as well as having close relationship together.

3.4. *The explosion of new economic activity and the participation of private economic sectors and foreign capital (capital flow)*

According to statistics, enterprises in the central area have increased significantly. In 1997, the non-state sector (including domestic and foreign sources) accounted for 64% while the state-sector was reduced to only 36%. Both marketization and decentralization have boosted the foreign and private development in the national economy. Regarding foreign investment, the total registered capital amount to over \$31 billion. According to state statistics, foreign investment flows have increased from virtually zero to about 7% of GDP in 1997 [15]. In 2013, Hanoi contributed 12.6% to GDP and attracted 22% of the investment capital of Vietnam, including FDI. Meanwhile, the non-state economic sector is expanding rapidly, with more than 52,000 currently operating businesses, and probably more, as the informal economy is extremely dynamic in Hanoi [16].

The city inner has become a major retail hub with more than 75,000 sales venues which mainly belonged to the private sector. Retail increased from 38.7% of total sales in 1985 to 63.8% in 2000. Services, trade and tourism sector contributed 62% to GDP in 1990. The city’s GDP doubled from 1985 to 2000 [13]. Now, along with cultural and tourism strategy, this area is even more vibrant with bloom commercial activities. [According to administrative statistics of Hoan Kiem District in 2017, the number of households registered to do business is 1,200 households, but the number of households paying business tax up to 12,016; the number of households fixedly paying business tax is 11,048. The number of enterprises registered for business is 600 while the actual number of enterprises paying business tax is 4,978, the total number of private enterprises and non-state enterprises is 6,178. This shows that private retail activities are very crowded and busy in the area].

3.5. *Increasing value of land and housing*

Real estate in the historic areas is very expensive that experienced a rocket rise during this time, even is considered one of the most expensive compared to the other parts of over the world [1], for

a number of reasons: (i) the attractiveness of central location and the boom of private business with big profit-return; (ii) the interest of foreign businesses and investment in Vietnam’s economic market; (iii) the real estate speculation; (iv) limitation of management regulations.

During 1990–2004, land prices in HN increased by a factor of 10. Then in 2007, the real estate market rose so steeply that at selected auction sales, inner city dwelling spaces on Hang Bong, Hang Ngang, Hang Dao streets were sold at incredible prices in the range of VND 100–180 million (\$6,250–12,000) per m². This is surprising, given the low income levels of Vietnam compared to countries at comparable level of per capita gross domestic product. Surprisingly, such high land prices appear to have had little adverse impact on economic growth, they ever seem “normal” in light of the impacts of economic globalization [1]. The price of land in some locations in the Ancient Quarter was up to 250 million/m², while in French Quarter, the prices vary in a wider range from less than 30 million to 150–200 million VND (Fig. 5) [17]. However, the value of actual transaction is much more higher.

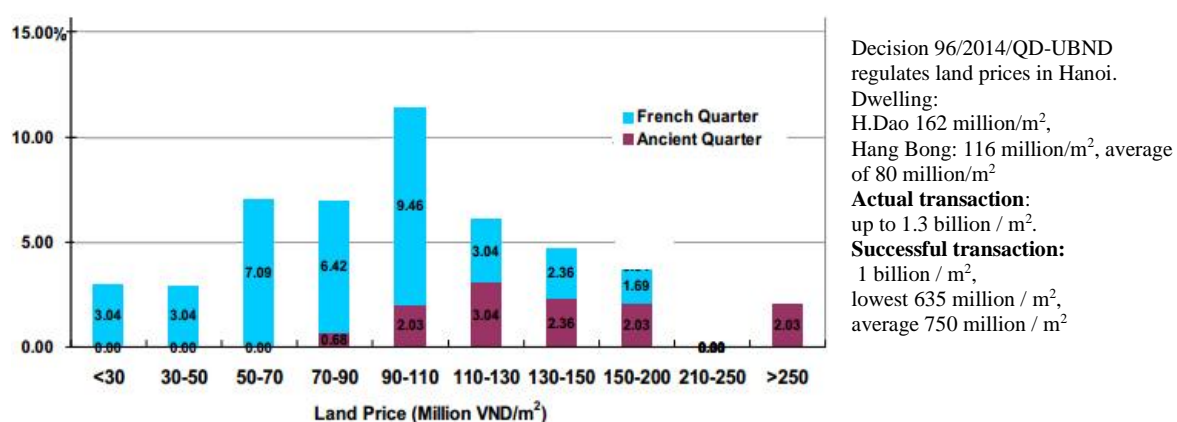


Figure 5. Property price distribution in the Old sectors of Hanoi [17]

The rapid increase in land prices at the old center does not necessarily relate to market demand, but it is largely driven by the tastes and sentiments of the community (Price is totally subjected to the psychological aspects of buying-selling speculation and ignoring the real supply demand aspect of the market. This consequently causes the “fever” and “frozen” of unstable prices [17]). Current real estate prices can be seen as the reflection of a temporary demand-supply imbalance than the cost of materials and manpower used to construct them in construction.

3.6. The vulnerable group

Those who do not have a lot of economic conditions, who are heavily dependent on their living place for their livelihood, who might have limited education and adaptability to urban changes are always vulnerable groups in urban areas (elders, children, the poor, the homeless, the low income. . .). However, they always occupy a certain percentage in crowded business urban areas, particularly in city inner in order to take advantage of urban facilities and reduce transportation costs. The Ancient Quarter and the French Quarter are two ideal areas with a large number of them (As a consequence of war with immigrant flows of refugees, homeless. . .; housing allocation with multi-ownership, new economic policy from 1986 [5] and etc.). Their appearance, on the one hand, causes higher pressures on the infrastructure, affecting the architectural space and quality of the living environment, but on the other hand it gives the area more vitality with busy informal services and lively lifestyles which are considered the most attractive places of the city [8].

4. Causes of Gentrification: The relationship among land, house issues and gentrification

Gentrification was triggered from Renovation policy - *Doi Moi* (from 1986), but the issue of housing and land are the factors that directly influence this transformation as they are involved in the choice of settlement and economic activities of the community (people flow and capital flow). The main characteristic as follows:

4.1. *The land and housing policies after Doi Moi has triggered an unprecedented land and housing market. As a result, they affect economic and construction activities in the city*

After a long period of land nationalisation and housing subsidy, the introduction of Land Law 1993 (allowed various *private rights regarding land*, which include the land transfer and leasing without disturbing the underlying principle of state ownership of land; secured the *land use right* of landholders including the rights of long-term land use, land transfer, inheritance, lease, mortgage, and compensation for expropriation), revised Land Law 2003 (land/ housing are considered as *commodities* in the market), Land Law 2013, Housing Law 2014... opens up a real estate market (although in reality, the “black” market is always more dominant).

Along with the privatization and commercialization of housing and land (to reduce State subsidies), these laws facilitate transaction work (buying, selling, transferring, renting...). As a result, the construction, repair and house improvement, especially housing in the center of Hanoi have boomed rapidly. Consequently, the city core faces with the challenge of the physical architecture transformation, of social relationship and cultural ways of living attached with housing, of investment trends and of related business activities.

4.2. *The new values of land and housing stimulate economic activities, construction work and shaping the local community*

The State regards housing as a social service while residents regard housing as subsidized by the State. Private commercial activities are prohibited, so the advantages of land and house location are not really worth it. People, in general, just dream to have a “self-sufficient house” in the State’s collective housing block [18]. It can be said that, the subsidized real estate does not make any difference in income generation or social status expression.

From 1986, dwellings exposed to the sidewalk have opportunities to make more profit from doing business. Households with advantage location (good accessibility, in good infrastructure and services...) can earn extra income from business or renting. Especially, in the French Quarter, some people here have accumulated a huge amount of money (in local evaluation) from the two to three years prepaid rent. They became real estate businessmen and professional in the field.

It can be said that under the effects of policy reform as new Land Law, housing policy, private and multi-sectors economic development policy, land and housing values have changed [18]. Housing situation has changed considerably, from mono residence function to multi functions, which creates opportunities for income generation, and the way to express social status of the owner.

This change is consistent and at the same time this is the cause of a series of investment, business, economic development, construction and repair activities, which gradually which shaped the types of economy, the need of construction and the choice of settlement in the central areas of Hanoi.

+ *Effect on the economic activities of the area (capital flow):*

The privatization and commercialization of housing and land, along with the perception of the new values of property in the new context have caused the flourished economic and construction

activities. Hoang Huu Phe, 2002 identified three types of economic development in central Hanoi based on trade liberalization of housing and land: 1) utilizing housing as an opportunity for income generation and livelihoods; 2) property speculation; 3) housing improvement as a way to express social status and thereby create a model of architectural aesthetics for others to follow.

In the Ancient Quarter, type (1) is the main private business activities. Local residents transformed their house not only in physical way but also functions of them as a lot of hotels, restaurants, small business agencies have been built. Meanwhile, in the French Quarter area many people are getting rich very fast thanks to house leasing to foreign corporations as office buildings. They took advantage of the prepaid rental money (usually a lot, because they are paid about 2 or 3 years in advance) to reinvest in the real estate speculation market. Therefore, in the French Quarter, the face of the neighborhood is largely determined by offices, head-quarters, high-end restaurants, while the transformation of the Ancient Quarter is demonstrated by fragmented change of traditional heritage houses to serve private business.

+ *Effect on the construction activities of the area:*

The overcrowded population and the price increase of real estate in the historic inner areas have led to the significant increase in illegal construction activities. Local residents tried to break up, split or expand the existing space, break the unified structure of the house for living and business. The limitation of the heritage management mechanism, the lack of knowledge and management experience of local authorities had worsened the situations of regulation violations. As a result, high-rise buildings are rather popular, even up to 12 stories were built in the center of the Ancient Quarter where its regulation only allows for low story buildings. High-rise buildings in French Quarter area also putting much pressure on infrastructure and traffic in the city center.

+ *Effect on the choice of settlement of people (affect on people flow):*

Historically, after the reunification of the country, the city and especially the historic area are an ideal place for many different in-migration flows, including evacuees, refugees, the people from rural to earn a living. The *housing allocation* policy created shared houses among different people (multi ownership). After 1986, thanks to the innovation policy, immigrants from surrounding regions created a huge change of population in the city. Among them (both new and old), there is a part of talented people who are sensitive to market became wealthy people - who continued to reinvest their capital in improving and transforming the local area and creating construction trends there. Some pioneered the new architectural style. Among them, there were also those with a dream of a quality life, decided to move to the periphery while maintaining their own business or working in the city inner because they can afford transportation costs. In this case, their replacement is conscious. In the meantime, other people who are not able to adapt well to socio-economic transformation had to accept a lower quality lives (even slums) to stay in the center to carry out their livelihoods. They are the vulnerable group of urban changes. Their settlement and lifestyle choice seem completely dependent on and linked to urban development and perhaps not detached from informal business activities here. These people are also marginalized as they have not gradually afforded the increasing cost due to upgrading process.

Relocation projects with the goal of reducing the burden of overload population, especially those who have been illegally in heritage buildings first, have been implemented since 1998. However, the choice of settlement of people, especially vulnerable groups, is a fact that slows down the project implementation. There are current comments on anti-displacement as the poor is not the cause of urban problems and the degradation of heritage but the difficulties in identifying the housing and/or property ownership: "The problem of slums in the center, and the preservation requirement and other

inadequacies” are not from the poor culture or perception of the vulnerable people, but inadequacy of law or historical consequences, pushing them into a state of lack of autonomy” [19]. In order to have a good urban area, the needs, aspirations and capacity of each person about a place for themselves should be respected and promoted. Governments can support and advise people to create a better living environment, but cannot replace or impose them. “A luxury villa is imposed from outside, which does not match the demand, is not as good as a house made by himself. The memories and achievements of himself are the most solid foundation for creating human dignity and hence the moral and social stability” [20].

5. Suggested solutions

Apparently, gentrification involves a strong transformation of existing urban area with mutual changes in both quantity and quality, not just a spatial change but also a social change. In the case of revitalization in the historic inner of Hanoi, it is essential to address the following issues: i) How does this change not affect existing heritage spaces - the urban identity of Hanoi? In other words, how to preserve urban architectural heritage in the context of transformation; ii) How to balance the development demand and protection need? iii) What is an appropriate treatment for the vulnerable group (the poor or low-income) in the redeveloped area to ensure social equity and inclusive approach? (as the fact that their attachment in the inner city and development areas is generally a “binding” choice to best take advantage of urban utilities, looking for livelihoods and reducing transportation costs).

How to preserve valuable heritage and culture

The heritage values (include tangible and intangible values) in the Ancient Quarter are originally linked to traditional community cohesion, traditional trading and producing practices which shape the way that people of community connect, cooperate, set up their living environment, define their cultural values and heritages. Although in the economic market context it is quite difficult to revive and maintain this traditional relation. It is necessary to learn from this model as follows: encouraging “traditional trade patterns”; building up a “committed trade community” whose trade activities engage with rights and responsibilities for conservation; stimulating “common commercial community” (e.g. those who share the same market commodities and business strategy can make up a group with the same development strategy committing to preservation) should be encouraged.

Although “parachuted people” (illegal occupiers) are not subjects of heritage preservation, their appearance in the given area (from the difficult times) also affects the local heritage value to some extent. Land uses should be legalized so that the low income, the “parachuted people” can decide by themselves their future and their lives (stay or moving). Land-use legitimization is a difficult task as it is often implemented based on the lack of documentation and can be influenced by social factors, affordability as well as management of the local authority. But this is one of the ways to legalize the rights and responsibility which support management for later.

Commercial activities related to “real estate”, “housing” in the Old Sector should be accompanied by mandatory requirements on preservation.

Relocation project could be implemented to protect outstanding valuable buildings. However, comprehensive social solution, appropriate compensation (about social cohesion/social attachment, job opportunities, settlement) should be in parallel with.

One-ownership unification from multi-ownership housing could help to against fragmented deterioration. This strategy also requires that land use should be legalized and supporting policy for investors should be considered.

What supporting solutions are suitable for vulnerable groups of community?

Indigenous, “parachuted people” and local low-income people should become a part in the “*locally economic-cultural development campaign*” and have a portion of their income in line with the growth value of the protected area.

Supporting policy for the low-income should help them to find and decide their own space and their future: i) Legalizing land-use so that the low-income can make decisions by themselves for their own life; ii) compensation policy (in relocation project) should go along with social, employment and livelihood regimes; iii) Cultural program to “compensate” “sustain” and “strengthen” the sense of attachment/sense of place should be held regularly.

Incremental measures on urban planning, economic development planning should be scheduled so that vulnerable people could gradually adapt and follow.

How to balance and control urban development needs

In order to achieve the “balance” between development and conservation needs, development scenarios, strategies and urban development management are important approaches (rather than just based on only top down plan).

It is important to reduce high pressure in historical centers by developing other secondary centers in the city (as called multi-centralization). Especially when the urbanization process becomes stronger, gentrification in different sites will create a shift of population between areas.

Development size and speed should be controlled to not affect the urban identity. Therefore, identifying restricted areas and permitted areas is necessary to ensure appropriate urban source allocation, efficient urban spaces, rhythms, functions and landmarks.

6. Conclusion

In European countries, gentrification is a phenomenon of area upgrading (often poor or deserted one) by “penetrating” and replacement of the middle class. In Hanoi, gentrification is triggered by *renovation policy* (1986) through land and housing policies and the transition from subsidy to commercialization and privatization. Therefore, the revitalization of the area is made by both local people and newcomers. In other words, the gentrification character of Hanoi is not an “entirely colonization” process by external middle-class but rather a process of “self-transformation” by both local people and newcomers with the support and promotion of policy factors. In the process, however, there are also people those are capable of self-transformation and those are not able to adapt who easily become the subject of “purification”. This “purification” is not only happening to local low-income people but also to new or middle-class ones through marginalization or the conscious choice of replacement.

Unlike in the European countries, the State plays a very important role in activating the gentrification process in Hanoi in particular and Vietnam in general. Appropriate policy, urban development management mechanism will help to effectively activate and control the process. If not, gentrification will create a process of negative “purification” based on economic conditions rather than based on the general cultural and social conditions. This is a risk of redevelopment which creates urban upgrading with social cohesion lacking. Even in a worsening case, “ulcers” could be interior problems in regeneration areas (like an urban slum formed inside...) instead of positive and sustainable development. edevelopment in existing areas will become more and more popular, gentrifendency of rication will not only be a phenomenon occurring in only urban inner but also spreading to other areas in the city and even in metropolitan or region. Further studying th Gentrification is not just an urban regeneration process with mutual change, from physical changes (urban architectural space) but also

economic-social change (citizens and urban lifestyle) in the given area. In the increasing urbanization process, the process of gentrification for different urban areas will be essential to reach sustainable urban development.

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