

# Chapter 1

## Introduction

Nowadays, Vietnam is striving to become a developed country, and one of the government strategies to achieve this is the opening to globalization. Therefore, the government has modified its policy to adapt to integration of the globalization.

However, the policy modification has created new problems, which are the products of the old policy in a new context. In the scope of urban management, the redevelopment of old buildings in a new built environment is an important objective of the governmental project. However, by the shortcoming from the old policy, the inexperienced building managements have not appreciated the users' opinion of their building environment, which is a rich source of information to be analyzed for the free housing market in Vietnam. Consequently, conflicts between users and the project manager and planners of the redeveloping of old apartments have occurred. In

an attempt to stop this feeling of dissatisfaction the government's 35<sup>th</sup> Resolution (April 2007) should guide local governments to a more constructive attitude in the

matter where users of buildings became participants in the process. By a case study, this research adopted the Post-occupancy Evaluation (POE) method to investigate information of the users' evaluation on functional quality of the Dong Da apartment

complex in Hue, Vietnam. In more detail, this chapter introduces:

- Firstly, the two main policy backgrounds of land and housing in Vietnam are introduced. In addition, three types of Subsidized Apartments, which were a product of the old policy, are also shown.
- Secondly, an introduction of the 35<sup>th</sup> Resolution of the Government mentions redevelopment projects of Old Apartments/Subsidized Apartment, which are decayed after three decades of use
- Thirdly, the research problem is the lack of information from users in old apartments in Vietnam and specifically the lack of users' evaluation on the functional quality of Dong Da apartment complex
- Fourth, aim to solve the research problem, the two main objectives of this research are established by the gained information of Post-occupancy Evaluation (POE). Then, as the significances of this research, achieved results, which could be useful for architects, the project planner of the Dong Da project and the local government, are formed
- Fifth, for a better understanding of the research's content, the organization of this thesis book will be introduced briefly at the end of this chapter.

### **1.1 A Review of Housing Development Policy of Socialist Vietnam from 1954 to the Present (2008)**

Among policies of the government, the policy of land and housing is an important instrument to manage the built environment. As mentioned by Golland & Balack (2004), the present problems of housing are always related to the past policy; therefore, reviewing differences of the real estate policies in two typical periods is necessary for the background of problems of built environment in Vietnam nowadays.

### 1.1.1 Subsidized Housing Policy in the Concentrated Management Period (1954-1986)

Before the August 1945 Revolution, private ownership of land was normal practice in Vietnam. Since the socialist reform of private production and trade in 1958–1960, private properties and land were gradually converted to state ownership in North Vietnam. During the 1960–1971 period, almost all the land privately owned by peasants was progressively brought under collective ownership and allocated to cooperative farming units and state enterprises despite the theoretical recognition of individual property ownership by the 1960 Constitution.

After Vietnam's reunification, the 1980 Constitution stipulated that the state had the land ownership for the whole country. Thus, no private rights in land were allowed, not even in theory. As all land belonged to the state, any private land transaction was considered unconstitutional and unlawful. Land allocation was done through the central administrative mechanism rather than the market. Land users, mostly the state organizations, did not have to pay for the land allocated, except for small formal amounts as land-use fees (Quang, & Kammeier, 2002). As the

implement for this concentrated policy, the government had to build a large number of apartment buildings for the people in this period, and these apartment buildings were called 'subsidized apartments'. However, the distribution of subsidized housing was

based on the objectives of the industrialization. Following that way, the private sector of users was not involved as participant in this model. The management model of building environment in concentrated period is as the monopoly of the government from the project establishment to the project implement.

As an evaluation for the model of concentrated/subsidized management, after the unsuccessful economy in 1986, the government conceded that the weak point of the urban housing management of the government in the concentrated period is the absolute lack of user demand and the inflexibility of the concentrated management in the built environment. This is a reason to open the new period of Doi Moi (since 1986) that is striving to become a free market and the opened policies.

### **1.1.2 The Housing Development of the Doi Moi Period (1986 - Present)**

Since the introduction of *Doi Moi* policies by the government in 1986, the land and housing system has been reformed with an orientation to market principles. By 1988, the State enacted a land law affirming that all land is owned by the people and the State functioned as an administrator, but permitting the grant of land use rights to organizations. Under the 1988 Land Law, nevertheless, all kinds of land transaction, encroachment, or land lease were prohibited. The land and housing reform policy introduced since 1988 has stimulated the formation of a nascent real estate market in Vietnamese cities in which properties with attached land use rights can be transferred freely among state and private owners.

In 1992, the newly adopted constitution recognized that the rights to use land could be transferred to households and individuals even though it was restated that all land is owned by the State as the representative of the people. Based on such principles, a new version of the Land Law was promulgated in 1993 making a significant advance toward the formulation of a legal framework for land administration, which is similar to those in the market economies but with continued

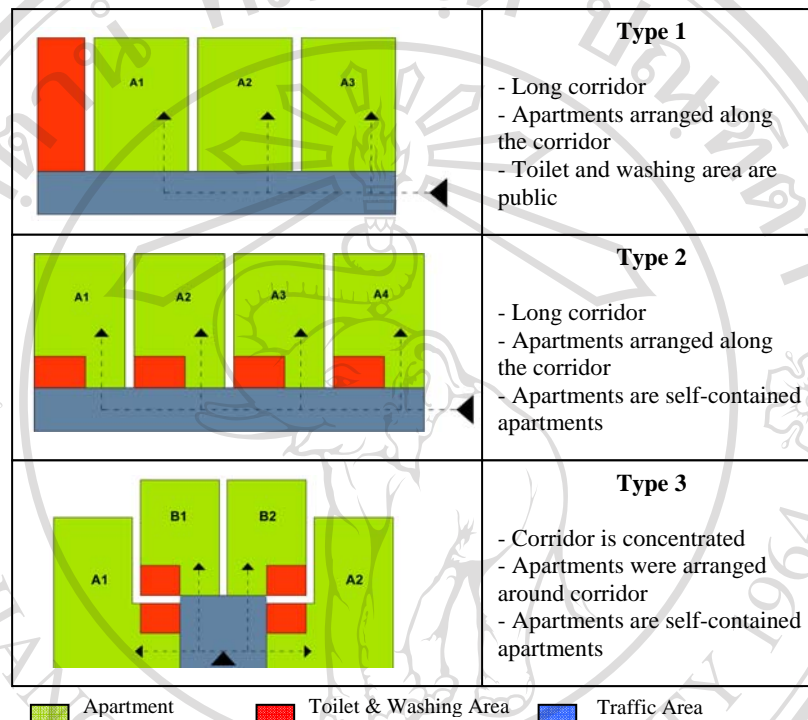
state ownership of land. The new Land Law established a legal basis for land allocation and lease, securing land use rights of landholders including the rights for long-term use, transfer, inheritance, lease, mortgage, and compensation for expropriation. This has encouraged to develop three components of the built environment, which are individual households, private sector and the foreign sector

However, since the property right could belong to the private sector, the government showed inexperience in urban planning and management. Quang, & Kammeier, (2002) pointed that a lack of information of the private sector was the reason of low reaction of the government. In particular, when the subsidized apartments of the state became apartments owned by the private sector through the new policy, the government neglected the management of the subsidized apartments. Thus, the lack of responsibilities of the local government's management has created a situation where there was little or no information for the government of the housing market.

### **1.1.3 Subsidized Apartments**

As mentioned earlier, in the old policy period, Subsidized Apartments are products of the concentrated period. The common subsidized apartment block has 3 to 5 stories, which were produced in mass production with the support of other socialist countries, (Luan, Vinh, Wiesman & Leaf, 2000). Many apartments have the same type of design such as: same floor plans, same façade and same construction methods. The functions of many apartments are similar. Based on type of corridor, arrangement of apartment, and the self-contained ability of apartment, Hai (1996) synthesized that

the old subsidized apartments could be classified to three main typical apartments, which are Type 1, Type 2 and Type 3. Below figure1-3 is illustration for the three typical subsidized apartments.



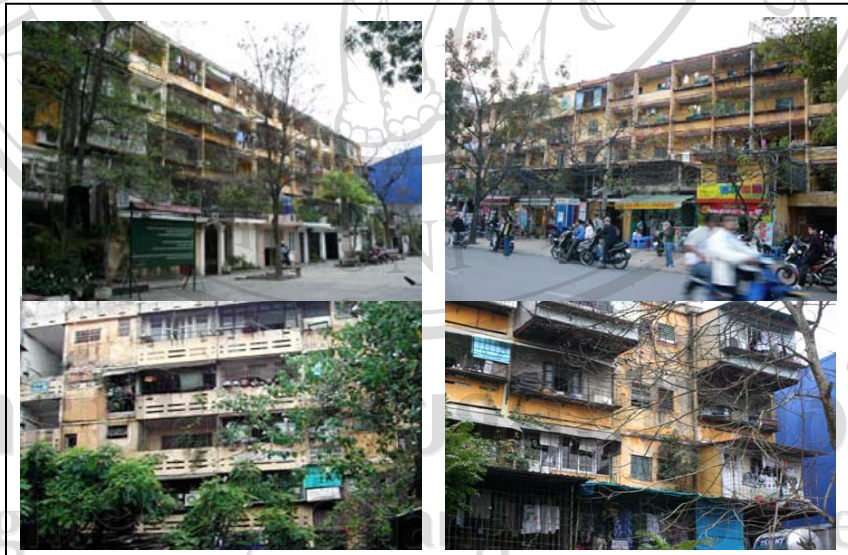
**Figure 1-1:** Three typical plans of subsidized apartment

## 1.2 The 35<sup>th</sup> Resolution for Redevelopment Project of Old Apartments

After many years of usage, the subsidized apartments became old and their concrete frames needed repairing. It threatened the safety of the users. Besides, along with the social-economic development of Vietnam, the user's demands of living conditions increased; several existing functions of the subsidized apartments turned out to be inappropriate with the new needs for housing, such as small floor plans, low ceilings, and the lack of common spaces.



The Government was well aware of the problems, which are safety of building and complains of the officials toward responsibility of welfare of the local government. In April 2007, the Government enforced the 35<sup>th</sup> Resolution for local governments to solve the situation of the old apartments. In particular, local governments have to report the building evaluation of the old apartments to the central government, and then the government will encourage the suitable investments of estate to redevelop the old subsidized apartment. According to this resolution, many redevelopment projects for old subsidized apartment were ready to be established to improve or rebuild these old apartments. This Resolution is a governmental manner to appreciate the situation of old apartments before promulgating the encouragement of the redeveloping of these apartment projects.



**Figure 1-2:** Illustrating old subsidized apartment in 2007 (Source [www.vietnamnet.vn](http://www.vietnamnet.vn))

Thus, after 20 years of the changed policy that subsidized housing had been abolished, the government needed an evaluation and learning from the practice of the housing system.

### **1.3 Research Problem**

According to 35<sup>th</sup> Resolution, many old subsidized apartment projects were ready to redevelop. However, the problem of the lack of user's evaluation on their building has occurred and it has delayed the establishment of the project. For detail contents, this section is divided into two main parts. The first part presents a countrywide problem in the establishment of redevelopment project in a comparison between the housing development of Vietnam and an international approach. The second part is the specific problem on a case of Dong Da apartment complex that had a similar problem as the other projects of subsidized apartments in Vietnam.

#### **1.3.1 The Lack of Information from User Evaluation in Old Apartments in Vietnam**

In the first step of evaluating quality of the buildings, the project planners of redeveloping building projects in Vietnam did not have the specific legal tools for the users' evaluation in the guidelines of the Ministry of Construction. Therefore, many project planners evaluated the situation of old apartment on their expert view rather than on the occupants' evaluation; this is the repeating mistake of the bureaucrats in the subsidized period that only depended on expert-evaluation (Quang & Kammeier, 2002). Consequently, many of the redevelopment projects are delayed in Vietnam because of the disregarded users' evaluation. The project planners are hasty when presenting the proposal of a project without the evaluation of users on their building.



This hasty action increased doubts of users on the seriousness of the project procedure. Immediately, the users used their property right of 1993 Land Law to protest against the project establishment, such as: B4, B14 Kim Lien, Trung Chinh, Giang Vo, Van Chuong, Thanh Xuan Bac, Dong Da. Thus, the local government and project planners need researches on the users' evaluation of the subsidized apartment because the delaying redevelopment projects of subsidized apartments, which has lead to protests of governmental officials against the low reaction of the government with their welfare, could decrease the trust in the government and the way of governmental working.

To point out problems in the project establishment in Vietnam, the researcher should review a formal process of the housing redevelopment projects in the international practice and theory. Normally, a redevelopment-project establishment could be separated into three main phases.

- Firstly, project planners should evaluate the quality of the buildings. This first step aimed to get an understanding of the problems of the buildings to establish redevelopment projects including the evaluation of experts (engineer, architect, and economist) and non-experts (the user or occupant) (Brown & Gifford, 2001). Normally, the expert evaluation based on criteria of designing/construction standards which are promulgated by a Ministry of Construction; while the non-expert evaluation is on the functional quality of the building, which are the values of the building in use, (Voordt, 2004). As an international method,

Post-occupancy Evaluation (POE) is the best building evaluation with the non-expert or users (Presier & Nasar, 2008).

- Secondly, based on the results of the evaluation of the expert and the users/non-expert on the functional quality of building, the government and project planners will have evidence to support a final decision of the project establishment (Hau, 2001). Therefore, both the expert and non-expert evaluation are necessary for a sufficient project establishment.
- Finally, the detail planning of a project, which is a balance between users' demands and an acceptable profit for the investor, will be chosen for the project implementation. However, the government can use the policies to support or restrict this development project, such as governmental finance to support disadvantaged groups of users and/or investors or the high estate tax to restrict speculation of estate (Golland & Blake, 2004).

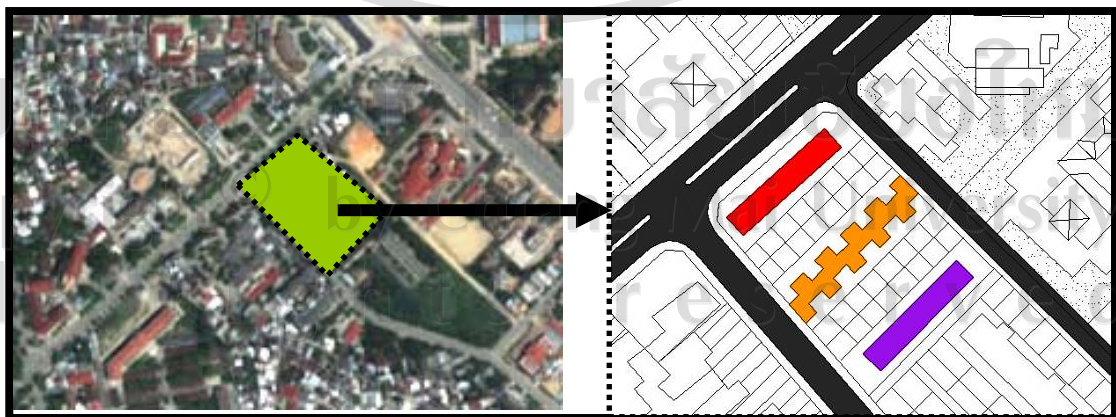
However, a problem of housing project redevelopment in Vietnam is that the planner did not consider information of the users' evaluation on their building to the first step of the project establishment, while the users of redevelopment project are as clients and customers in a free housing market (Joseph, 2000; Scottish Consumer Council, 2002; Golland & Blake, 2004). Besides the expert evaluation on the building that needs to be redeveloped, the project planner should do a building evaluation with users or Post-occupancy evaluation in the first step of the project establishment.

### 1.3.2 The Lack of User Evaluation on Building Function in the Redevelopment Project of Dong Da Apartment Complex, Hue, Vietnam

According to 35<sup>th</sup> resolution of the central government, the Hue's government planned the Dong Da apartment complex to be a preferential redevelopment project. However, an occurred problem made the establishment incomplete because of the lack of users' evaluation. This again showed that the main problem of redevelopment projects in Vietnam is the lack of information of the users' evaluation. This part has two main contents. The first sub-part introduces a situation of the Dong Da apartment complex, which includes typical subsidized apartments in Vietnam. The second sub-part presents the repeated problem of the lack of users' evaluation in the Dong Da redevelopment project.

#### 1.3.2.1 Dong Da Apartments Complex

By central location of Hue city, the Dong Da complex is the largest subsidized apartment for Hue governmental official in the subsidized period.



**Figure 1-3:** Location of the Dong Da apartment complex

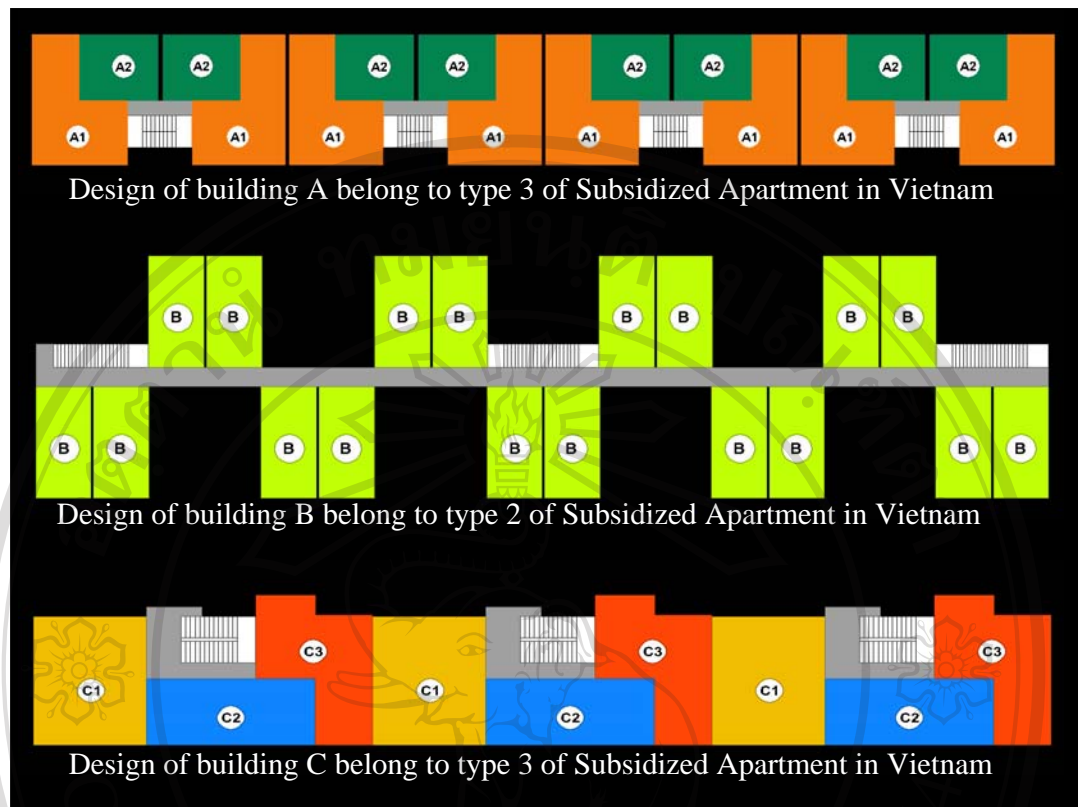
According to the information of the Hue Housing Management, Dong Da apartment have 154 households that are distributed on three building A, B and C with 5258.4 sq.m of living area. Among them, the largest apartment is building A with 80 households and smallest apartment is the C building with 27 households; besides B apartment has 47 households (Appendix 1). These apartments are the repeating apartment designs of the Soviet Union and were constructed with the support from Cuba in the Subsidized or Concentrated period. Therefore, we can find a similar design of the Dong Da and the other apartments in Hanoi, Vinh, Haiphong, Thai Binh, Ho Chi Minh in the Subsidized period.



**Figure 1-4:** Three Buildings of Dong Da apartment Complex in Hue, Vietnam (2007)

According to Hai (1994), the three apartments of the Dong Da complex belong to two typical groups of the subsidized apartment design. In particular, the building A and C belong to the type 3 and the building B belong to the type 2 of the subsidized apartments. Thus, that is the evidences that the apartments in the Dong Da complex are the typical designs for the subsidized apartment in Vietnam.





**Figure 1-5:** The typical floor plans of three type buildings in Dong Da complex

In short, the Dong Da complex is the typical subsidized apartment of Vietnam in Hue. Besides, the status of the Dong Da households are similar because the government distributed the apartments to users (the government officials) that had the same status, such as the number of children of a household (not more than two) and the salary standard.

### 1.3.2.2 The Lack of Evaluation of Users on the Functional Quality in the Dong Da Apartment Complex in Hue, Vietnam

The Hue Construction Office surveyed the quality of the Dong Da apartment's complex in cooperation with the Hue Construction Company, the Hue Urban Planning Department and the People's committee of Phu Nhuan district in 2004. Only from the



expert's viewpoint, they evaluated that the functional qualities of the Dong Da apartment buildings are inappropriate to the new standards of spatial area, volume, ventilation and the electrical and water supply system (Hue Construction Office, 2004). This is the mistake of the project planners that the functional quality of the building evaluated without the participations of the users.

In the report of the project establishment, the project planner showed a new luxurious Dong Da complex and claimed that the functions would be suitable for the Dong Da users, while many old users thought that the new Dong Da complex was unsuitable. A tensed argument that how does the planner knows the users' satisfaction on the new function of the building without asking. The users ostracized the project planner and accused the project planners of being only interested in the profit and not in the well-being of the occupants because the planner did not know the real situation and functional quality of the old Dong Da apartment complex before establishing the project. Thus, the no information of the users' evaluation led to the unsuccessful establishment of the initial project in the first meeting. In fact, the project planner had to re-establish the Dong Da project.

In short, the main problem in the case of the Dong Da apartments in Hue, Vietnam was the absence of user evaluation on the functional quality of the Dong Da apartment. This problem is still happening in redevelopment projects of Vietnam, where the main problem is: the complete lack of a tool for such a building evaluation.

In other words, the Post-occupancy Evaluation (POE) has not been appreciated for the non-expert evaluation in process of the Dong Da project.

#### 1.4 Research Objectives

Due to the international dissemination of Post-occupancy Evaluation (POE) that it could gain information from the evaluation of users on the building and the research's aim is to get sufficient user information for the Dong Da project procedure, this research has two main objectives:

1. To evaluate aspects of building function of Dong Da apartments complex with users' evaluations by the POE method
2. To propose suggestions from POE results to the project planner to enable the planning of an efficient project strategy for the Dong Da redevelopment project

As the significances of the research, firstly, this research is the evaluation of the non-expert or users' evaluation to complete the information of Dong Da project reestablishment, which are under the enforcement of 35<sup>th</sup> Resolution of the government. Secondly, the investigated and inferred research results, which aim to fulfill the objective, can help the project planner of the Dong Da project to have more understandings about differences between groups of users and the most correlated building aspects with user satisfaction. Then, the planner and management could have a suitable project strategy for different groups of users and develop correlated building aspects in the new building to increase the satisfaction of the user. Thirdly, the results of this research could help designer and architect to avoid the mistakes and develop advantages of the designing that are found by the user's evaluation in functional quality of apartments in the Dong Da complex. Finally, POE could become

a legal evaluation of buildings for Vietnam redevelopment projects, where we are lacking the building evaluation tools for the user response between the government and private sector.

### **1.5 Organization of Thesis Book**

For next contents of research proceeding to fulfill research objectives, the organization of this thesis book will be introduced below.

Chapter 2 is Literature review. To approach research methodology, this chapter is separated into three main sections. First section introduces a framework of building performance evaluation of Presier (1998); then, to redevelopment the building, the users' evaluation of the Dong Da apartment complex need the Post-occupancy Evaluation (POE) when it connects to the redevelopment phase of a building performance. The second section is the review of the types of POE and ten-step guideline of POE procedure of Wener (1994) is selected to review because of it clarifies procedures. Based on the ten steps of the POE procedures, the third section reviews more relevant POE researches and researchers' suggestion to shows the detailed procedure of a POE for the research approach.

Chapter 3 is Methodology. This chapter describes research methodology in two main sections. First section mentions the research objectives and how the POE fulfills the research objectives. Second section is the ten steps of POE, which was adopted as research procedure, including the respondents and sampling, instrument, data collection, data analysis. However, step 9 (Result presentation and Discussion) and step 10 (Suggestion) are presented in more details of chapter 4 and 5 of this thesis book.

Chapter 4 is Results. This chapter is Results presentation and Discussion. This chapter is separated into four main sections. The first, second and third section presents the three main results of POE, which are 1) the advantages and disadvantages of the design the in Dong Da apartment complex; 2) the differences in satisfaction between groups of Dong Da users on the aspects of functional quality of the Dong Da building; 3) the relationship between the overall satisfaction of the users and the satisfaction with aspects of building function in the Dong Da apartment complex. Finally, the last section is the summary of the POE results that are seventeen implications were found for the POE suggestions.

Chapter 5 is recommendations. This chapter has three main sections. First section is the suggestions in three terms of implementation of the Dong Da project to the project planner. Second section discusses the advantages and disadvantages of POE method in Dong Da, then, the research suggests improvements for an applicable POE for other POE researchers. Third section includes recommendations for further POE researches.