

## Urban growth in Ho Chi Minh City

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### ABSTRACT

This study outlines the history of development and its impact on current conditions and the physical structure of the city. It argues that the rapid growth of the city and decisions with regard to the land market taken in the transition period have led to largely unplanned, unsustainable, and inefficient urban development. To solve this undesired situation, the paper makes a proposal to introduce Transit-Oriented Developments (TOD) a new way for urban development in Ho Chi Minh City. Long-time experiences with this model both in other Asian and European countries may serve as examples of ‘good practices’ for the city.

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### 1. Introduction

This study outlines the history of development, the physical form of the city, and the main challenges that Ho Chi Minh City (HCMC) will face in future development.

Urban transition in Vietnam is happening in a way as in China (Dell’Anno & Villa, 2013). The city is “rural-urban”. Urban people are trying to maintain the farmer lifestyle while slowly adopting “Western modern”. So-called farmers love the land, even a small piece of land. Therefore, this city has become fragile with individual small tube houses. The people there are hard to satisfy with a modern luxury apartment. They prefer owning a house with land. It is a status symbol. This also explains why the land price of this city is so high compared with the average income.

Ho Chi Minh City is currently a mega city in Vietnam. Before 1976 Saigon had a very important role in the socio-economic progress of South Vietnam. In recent years, following the reforming policy, Ho Chi Minh City has made remarkable progress in economic development. However, with this rapid economic growth, the city also has had to face many urban problems such as population increase, inadequate infrastructure, degradation of the environment, and unaffordable housing system (Ho, Clappier, & François, 2011; Huynh, 2012).

HCMC, as well as Hanoi, are a special type of Vietnamese city. They have, in the past century, transformed from isolated agricultural towns to the center of the country’s major industrial zone. Growing service sectors, export enterprises, and urban migration have created a diverse community in this urban area.



**Figure 1.** Ho Chi Minh City

Source: Google (2022)



**Figure 2.** Ho Chi Minh City

Source: HCMCSO (2021)

## 2. History and the urban spatial transformation

Saigon, the former name of Ho Chi Minh City, was officially established by Nguyen Phuc Chu, a Vietnamese noble, in 1698. The Vietnamese administrative structure was formed in the area named Prey Nokor, thus detaching this area from Cambodia, which was not strong enough to intervene (Vu, 2006).

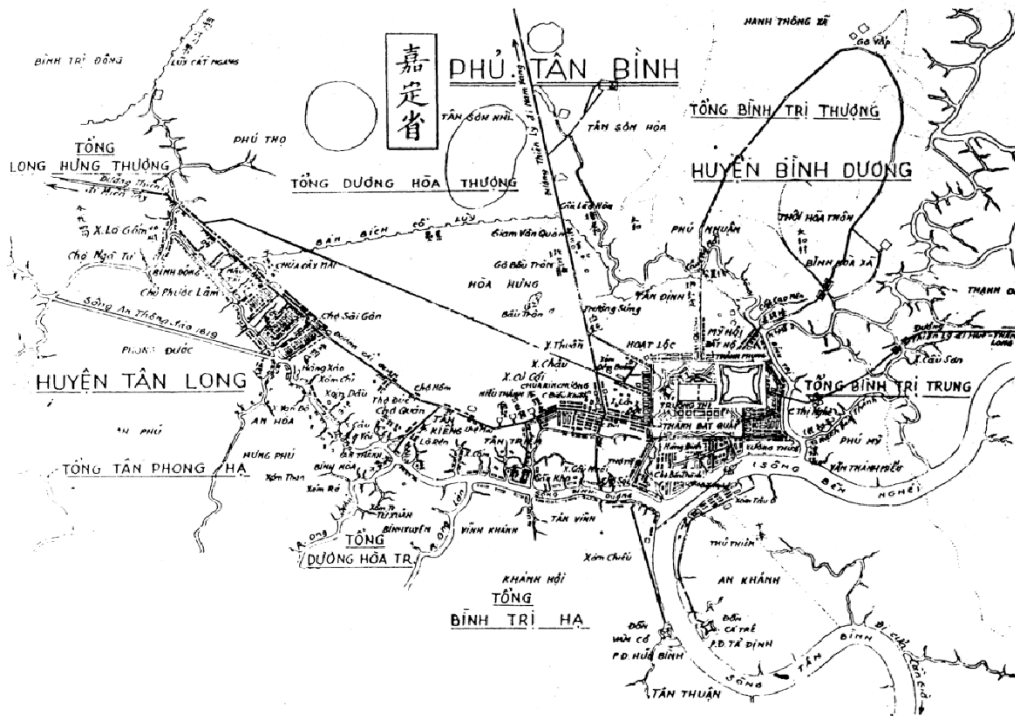


Figure 3. Saigon 1815

Source: Tran (1815)

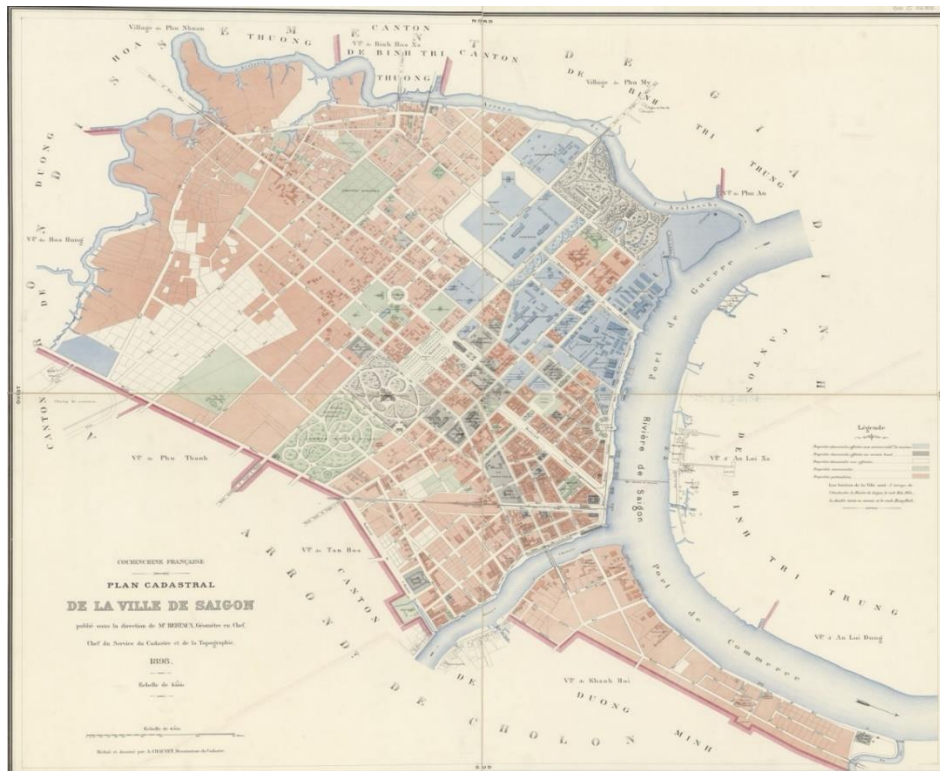


Figure 4. Saigon 1898

Source: Gallica (2022)



**Figure 5.** Saigon-Cholon 1956 in Chinese version

Source: Saigon-Cholon 1956 in Chinese version (n.d.)

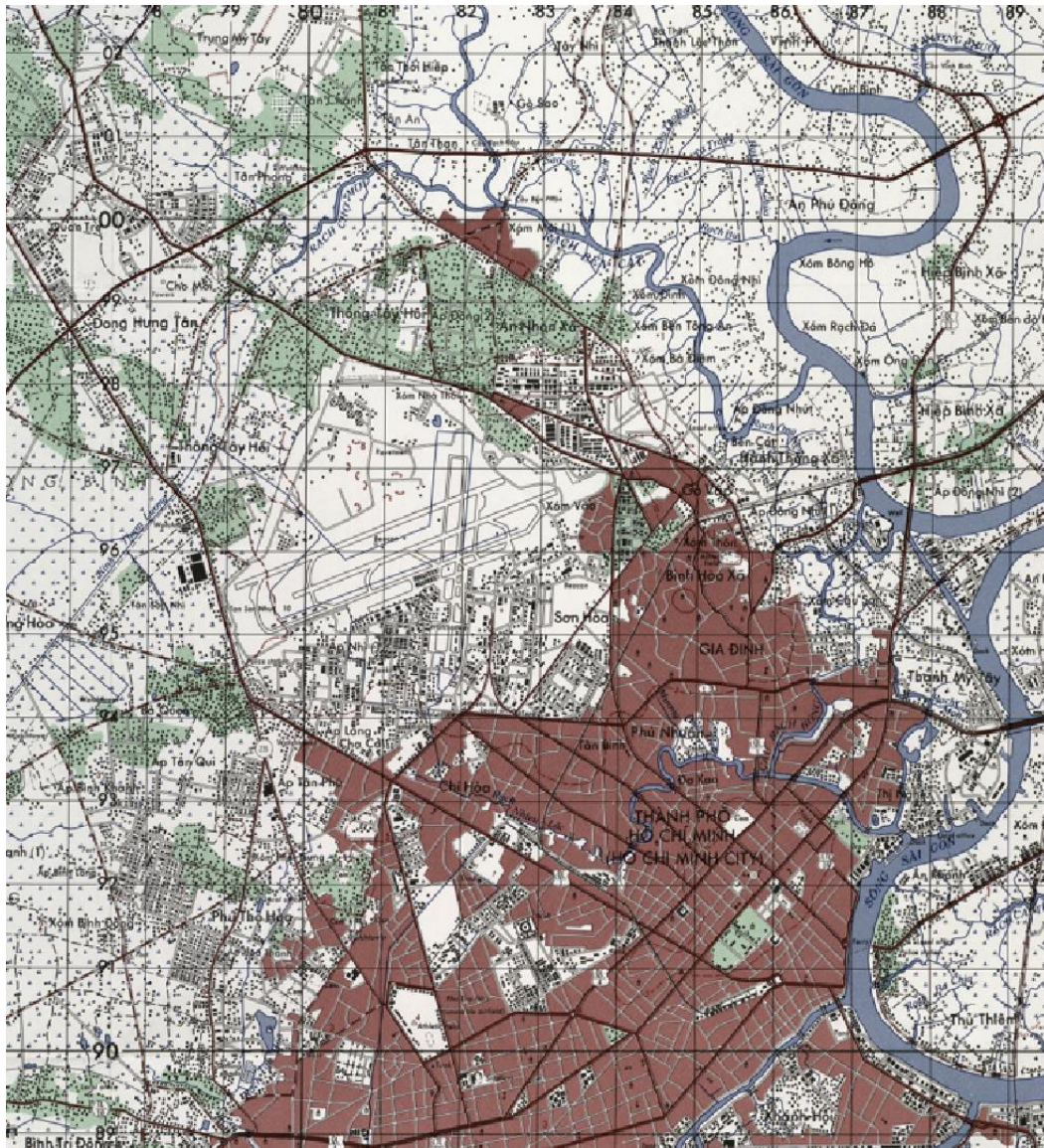
Conquered by France in 1859, the French destroyed all the Vietnamese towns (*tabula rasa*) to build a totally new city for 500,000 residents under the master plans of Coffyn, 1862; Ernest Hébrard 1923 and Cerutti 1942 (T. H. Nguyen, 1998). The city transformed from a small village with a population of only 50,000 people at the time of the French conquest (*Sécrétaire-Général-de-la-Mairie-de-Saigon*, 1917) became a modern city under French rule (Wright, 1991). It was laid out in a straight style with wide, tree-lined avenues and parks, and soon developed a reputation for its beauty and cosmopolitan atmosphere. It was the capital of Cochin China and from 1887 to 1902 was the capital of the Union of Indochina. Since then, Saigon was extended and rebuilt in a French style, with broad boulevards and elegant architecture. At this time, it was the so-called “Pearls of the Far East” (*Hon Ngoc Vien Dong*) for its elegance, diversity, and prosperity (D. D. Nguyen, 1998).

At the same time, a large number of Chinese from the provinces of Guangdong migrated to another site close to the existing Saigon called Cholon. For administrative purposes, Saigon and Cholon were merged in 1932. Later, in 1956 the two cities were included in the new region of Saigon.

After the Geneva Conference in 1954, Saigon became the capital of South Vietnam (the Republic of Vietnam). In the Vietnam War, it served as the military headquarters for U.S. and South Vietnamese forces. There were a few high-rise buildings in Saigon center during this period.

Throughout the 1960s and early 70s, at least a million immigrants from rural areas poured into the city, creating serious housing problems and overcrowding. The South Vietnam government conceptualized many new master plans for Saigon’s development such as Hoàng Hùng 1958, Ngô Việt Thụ 1960, Doxiadis 1962, and WBE 1972 but none of them could be implemented because of war (T. H. Nguyen, 1998). Most developments in this period still relied on old master plans made by the French. International Tan Son Nhut airport and some strategic bridges, highways, and hospitals were built to serve military purposes. These are still operating until now.

In 1976, after Vietnam was reunited, Saigon was renamed after the late North Vietnamese president, Ho Chi Minh. The city lost its status as capital, and urban areas were concentrated within a radius of less than 5km from the center. The airport, located northwest of Saigon, was still outside of the urban area (Figure 2-3). The population of the city was around 3.5 million at that time.



**Figure 6.** Topography of Ho Chi Minh City in 1974

Source: The Defense Mapping Agency Hydrographic/Topographic Center (1984)

The city had little developments in restructuring over the next ten years after the war in the new system of socialist government (T. H. Nguyen, 1998). From 1986, rapid urban development proceeded in the context of an open-market economy. However, the state’s urban management experience and capability were extremely limited and unprepared for this transformation.

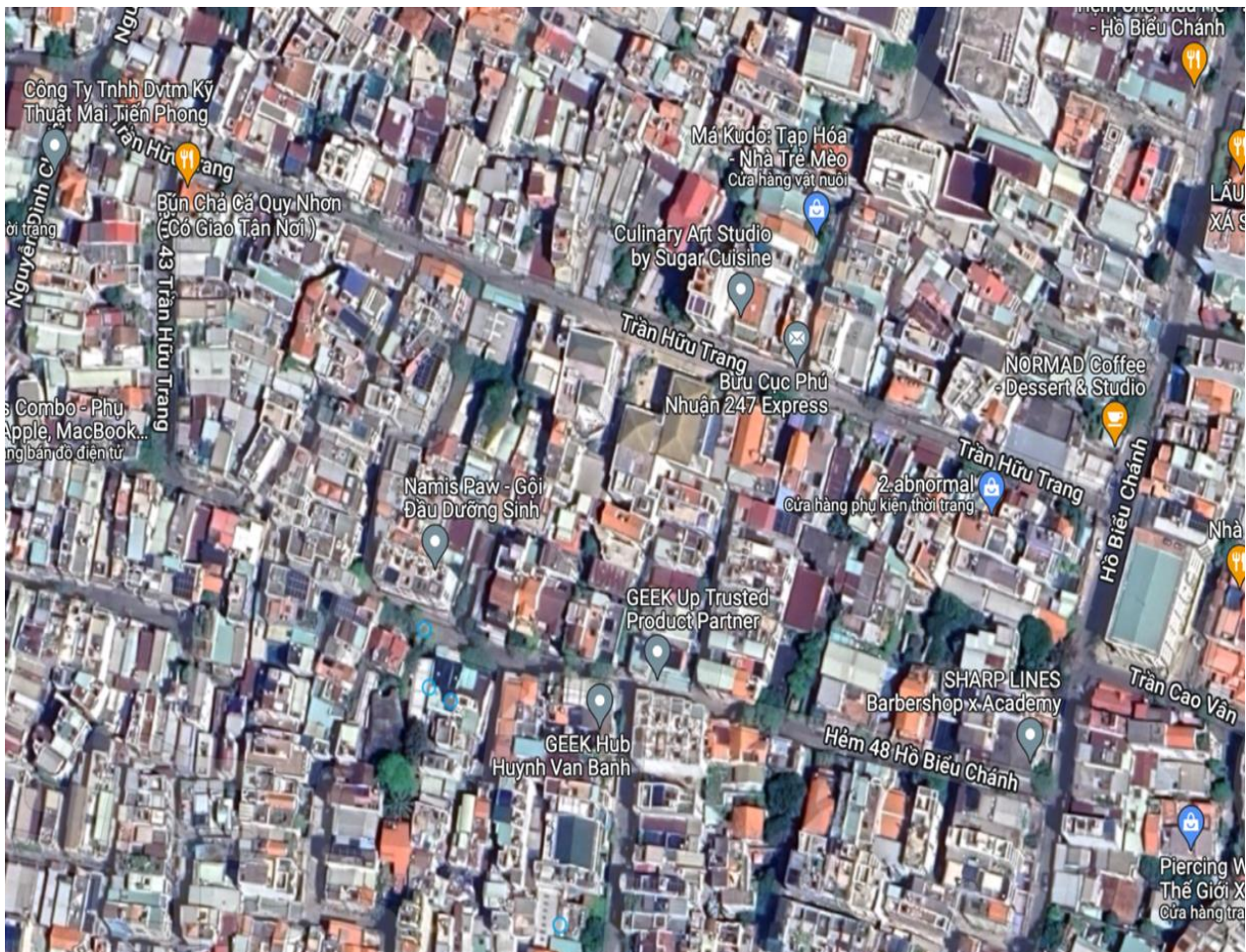
Like the rest of the country, one of Ho Chi Minh City’s main obstacles to economic growth in the 1990s was its underdeveloped infrastructure. During the colonial era, the French built an extensive road and rail network, and during the Vietnam War, the United States helped further develop rail, air, and port facilities. But conditions deteriorated after the war’s end in 1975. The Tan Son Nhut airport was insufficient for serving a mega city, surrounded by urban residential. The port facilities on the Sai Gon River were badly overcrowded. Approved 2006 Long Thanh International airport in Dong Nai Province was still under a call for investment to build up in 2015. The city in the mid-2010s was still behind other economic competitors in the region.

In the 2000s, HCMC pioneered applying the policy of Renovation with macroeconomic and judicial rules favoring the development of the market economy. Potential resources are released onto the market for possession and possibly industrial use and services. The economy of HCMC is the driving force for the Southern region, quite possibly for the whole nation.

### 3. Current situation

#### *Geography*

The Ho Chi Minh City (HCMC) metropolitan area covers an area of 494,01 of 2,095km<sup>2</sup> in which the urban seizes 6.7%, which includes 16 districts and 01 city. The rural area is 1,601km<sup>2</sup>, comprising 05 sub-districts with 98 communes (HCMCSO, 2021). The population is 9.077.158, and the city's average density is 4.293 persons per km<sup>2</sup> (2021). In the central districts, the population density is quite high with 9,786 persons per km<sup>2</sup>. Because of the history of highly dense development, the city is facing the problem with a lack of open space (Figure 7).



**Figure 7.** Typical blocks in Ho Chi Minh City (Residential mix with commercial)

Source: Google (2022)

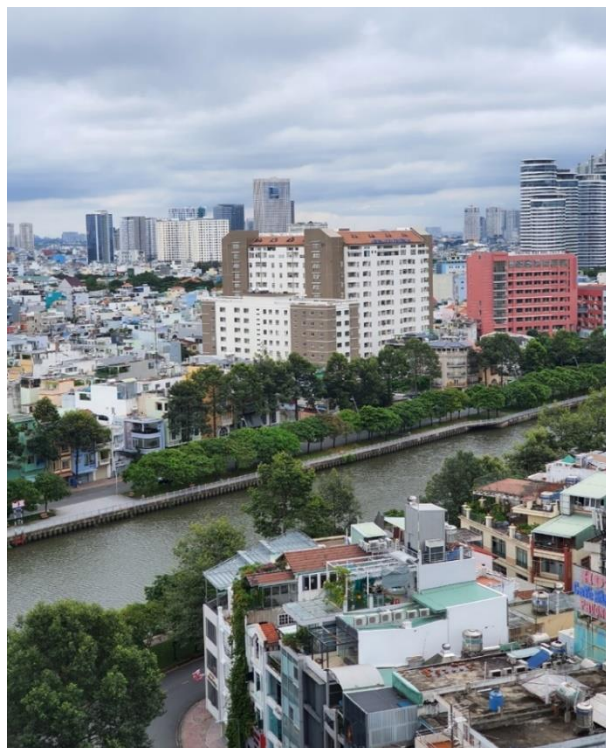
The tube house makes the retailing sector of HCMC different from anywhere else in the world. Besides the large supermarkets, almost houses along a busy street support the place for some kind of shop on the first floor. There may have a machine shop, next to a tailor shop, next to a restaurant, and next to a crowded house. Separate residential and commercial zones in the city like in the West do not exist in HCMC. There are no zoning systems applied to HCMC land use. Automatically, all front street houses are considered business areas (Figure 8). Most of the other houses in the alleys serve as residential area. Therefore, there is a large difference in price among houses located on Front Street and in an alley location (Huynh, 2012).



**Figure 8.** Tube-houses on the Le Thanh Ton Street, District 1

Source: Field survey (2022)

Most governments, embassies and retail buildings as well as high-rise offices are located in center area, District 1 and District 3 (Figure 8). The nearby districts are Binh Thanh, Phu Nhuan, District 5, District 10, District 2, and 7. The first 4 districts present greater investment opportunities if there are available plots of land for residential development. The demand for land in these locations is high. However, these districts are densely populated, and it is difficult to find big enough land for a high-end development (Figure 9).



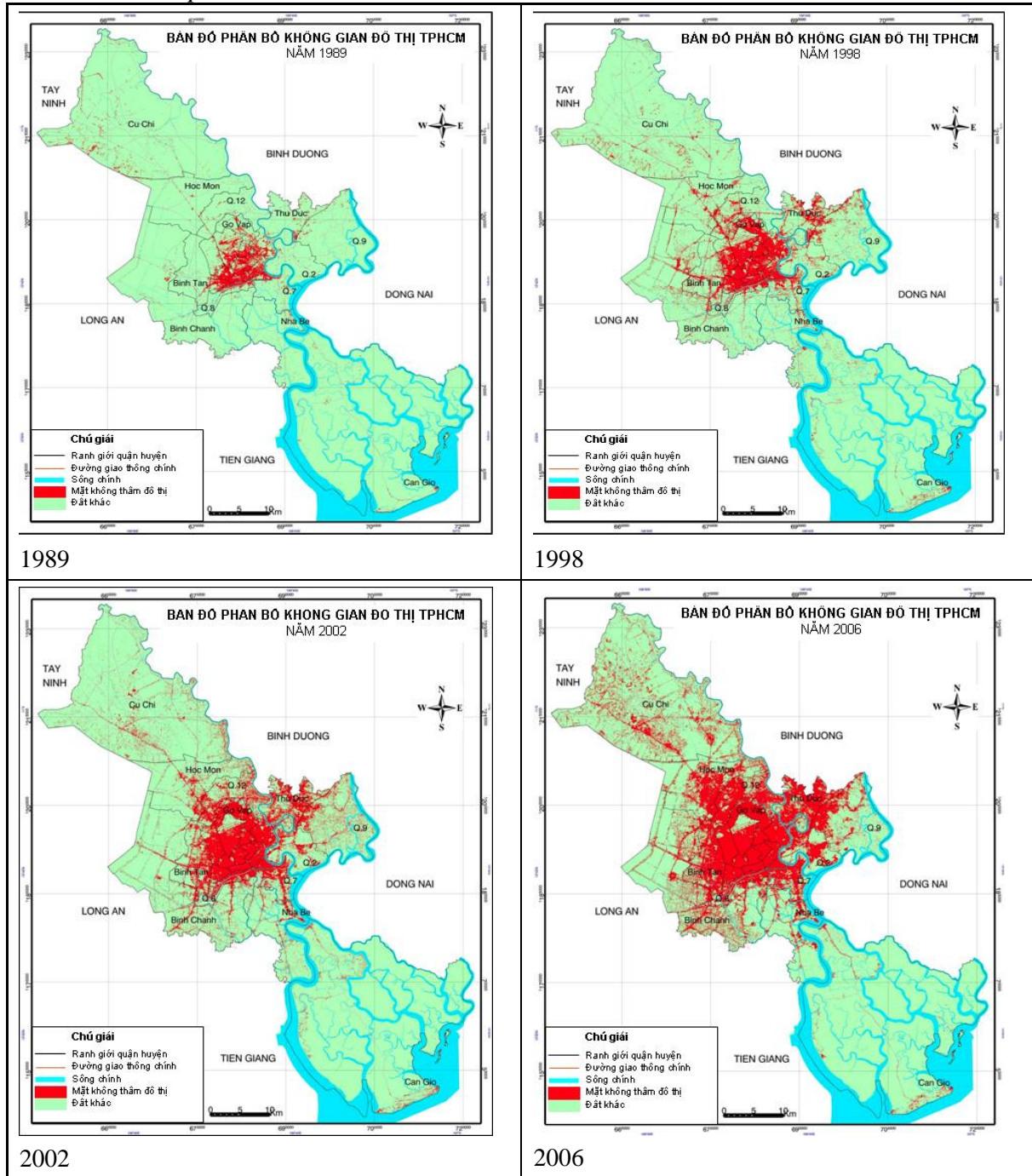
**Figure 9.** Center area: District 1 and 3

Source: Author (2022)

In Thu Thiem City and District 7, vacant lands are still available for development. According to the Master plan, the 02 key projects of the city will be the Thu Thiem - a new city center and the South Saigon residential development in District 7. These are the 02 newly developed areas with a lot of opportunities for foreigners.

Thu Thiem City will be considered the heart of the city with its functions of a new modern urban area. It will be a financial, commercial and service center of the city in the 21st century and has been selected as one of the five major projects of Ho Chi Minh City in the 9th Party Congress (2010- 2015). Saigon South of District 7 is a combined residential and commercial urban development covering 3,300 hectares (8,154 acres) in the south of HCMC. Saigon South is an urban vision for Vietnam in the future, an answer to the need for the development of HCMC with international standard planning and realization.

*Urban expansion*



**Figure 10.** Urban expansion in the Northern part of Ho Chi Minh City in 1989, 1998, 2002 and 2006 from remotely sensed data

Source: Tran and Ha (2010)

Appearing through the map of land use changing in Ho Chi Minh City showed that city

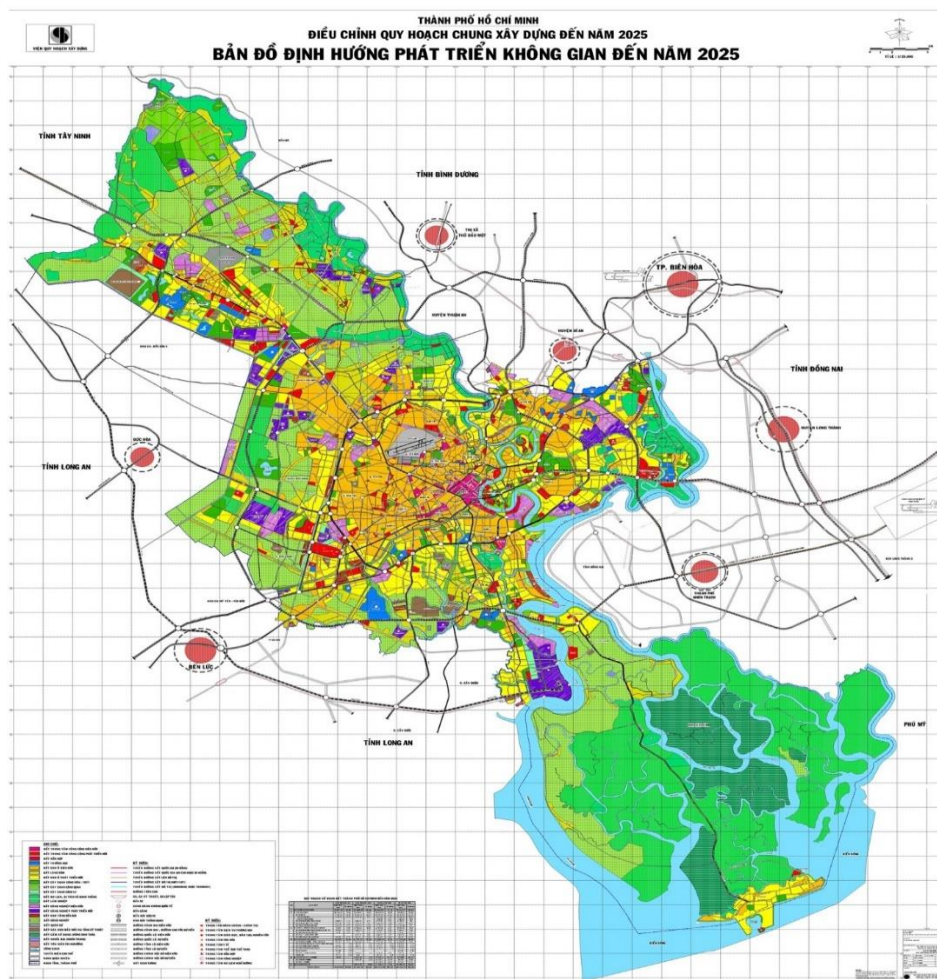
had been increasing the industrial and residential land at the suburban level during 1988 - 2006 to the North-West of the city. Figure 6-1 show that the urban area increased 6.5 times (Tran & Ha, 2010). Most areas in suburban developed without control, lack of basic urban infrastructure compared with old urban areas. It is observed that change in the built-up area has a significant effect on the groundwater recharge in HCMC (Adhikari, Mohanasundaram, & Shrestha, 2020).

In 2022, the Ho Chi Minh City Metro Line 1 is almost done along National Highway No. 1. Many real estate projects are being formed surrounding the metro station. If these projects are integrated with the public transit system, so-call TOD (Transit-oriented Development) the collaboration of development can be greater (Nguyen, 2020). Creating efficient living in the areas nearby the stations is important. Because the prospective development of lands close to the stations will be enhanced, high-density urban development projects may be feasible. Planning criteria contain high-density and with mixed land use to exploit the impact of station development.

#### 4. Urban land use planning, land policy

##### *Urban land use planning*

According to the Regional Plan, Ho Chi Minh City has been defined as the role of Regional Center of the region including the entire city and the administrative boundaries of the provinces of Binh Phuoc, Long An, Tay Ninh, Binh Duong, Dong Nai, Ba Ria-Vung Tau and Tien Giang Province with an area of 30,404km<sup>2</sup> in totally, within a radius of 150 - 200km. The estimated population of the region will be 28 to 30 million in 2050 (25 to 27 million in urban areas), with urban land use expected to cover 25 to 27 thousand hectares in 2050.



**Figure 11.** Adjusted HCMC Master Plan through 2025

Source: HCMC Department of Planning and Architectural (DPA), 2012

In the past two decades, urban planners in Ho Chi Minh City created many master plans (1993, 1996, 1998, 2005, 2011, 2022), to control urban expansion. However, ‘the market’ often does not want to follow the plan, making the master plans every time again ineffective (Huynh, 2012). One of the key challenges for urban planners in HCMC lies in understanding and addressing the fundamental gaps between plan and reality.

#### *Land policy and land market reform*

Since the introduction of the Doi Moi policy, the land and housing system in Vietnam has been reformed with an orientation to market principles. By 1988, the State enacted a land law, affirming that citizens and the State function as administrators, yet permitting the grant of land use rights to organizations and individual landholders. Under the 1988 Land Law, however, still many types of land transaction, encroachment, and land lease were prohibited. Since 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 was 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 in the formulation of a legal framework for land administration, which was similar to those in the market economies but with continued state ownership of land.

The Land Law and update version 2003 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. The updated version in 2023 could recognize private land ownership and delete the dual-price system of land in Vietnam.

### **5. Conclusions**

In the present study, the authors provided a concise literature review on Ho Chi Minh City Urban Planning. The difficulties of insufficient urban planning are the outcomes of:

- Insufficient compact development in the central city areas;
- Insufficient investment in suburban areas;
- Lack of Transit-oriented development.

The lack of properly coordinated transport and urban development made problems, which can be reduced by promoting an integrated approach to transport and urban planning. Transit-Oriented Development (TOD) will be the new model for the redevelopment of the city.

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