Urban Development and Management Practiced in Saigon South
Urban Development and Phu My Hung New City

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ABSTRACT
In the general construction master plan, the city of Ho Chi Minh City has plans of large-scale suburban core development so that the over-concentrated urban structure causing traffic congestion, deterioration of living environment and other problems can be changed into multi-centered structure. The Saigon South Urban Development which forms part of the planned suburban core development contributes substantially to ordered suburban development of Ho Chi Minh City, in view of the fact that other suburban development areas are making slow progress. In Phu My Hung New City Center, housing development has been progressed in several phases to enhance the quality of living environment step by step since 1998. The image of high quality condominium given through actual development of Phu My Hung New City Center was successfully established in Vietnam. In addition, living environment elaborately provided with compound factors and management system thereof further attracted higher income brackets. The approach taken in the Phu My Hung New City Center is very useful as a model of future urban development and management in Vietnam.

1. Urban Management found through Urbanization of Ho Chi Minh City
1.1 Urbanization and Urban Issues of Ho Chi Minh City
First, the author overviews the process of urbanization of Ho Chi Minh City. In Ho Chi Minh City, the progress of increase in population and urbanization was remarkable after the mid-1990s when the Doi Moi policies revitalized the socio-economic activities in Ho Chi Minh City to a considerable degree. As for population, 4.6-million in 1995 rose to 7.4-million in 2010 at an annual growth rate of 3.4% on average according to the information from General Statics Office of Vietnam. This rapid increase in population caused expansion of built-up area.

Figure 1 Expansion of Built-up Area in Central Part of the City from 2000 to 2005
Figure 2 Soil Conditions overlaid with Current Urbanized Areas
As shown in Figure 1, the built-up area has expanded from the city center to the west or the northwest since 2000. Figure 2 shows the urbanized area overlaid with soil conditions. Figure 2 reveals that most of the area urbanized after 2000 coincides with that with more two meters above sea level* which is soil-mechanically stable and hardly affected by flood.

This sort of rapid increase in population and expansion of built-up area has forced them to confront various kinds of urban issues, such as chronic traffic congestion, water and air pollution, housing shortage, deterioration of living environment or insufficient public green and open space. Particularly, they are apprehensive that the traffic issue due to increase in the number of cars will seriously affect the coming socio-economic activities in Ho Chi Minh City. The reason why the traffic issue of Ho Chi Minh City is made worse resides in the urban structure of Ho Chi Minh City itself as well as the increasing cars, delay in construction of necessary roads and other traffic facilities, etc. That is, Ho Chi Minh City has an extremely high density area exceeding 200 residents per ha solely in CBD (Central Business District) and its surroundings in comparison to other major cities of ASEAN countries (See Figure 3). It is considered difficult for the said over-concentrated urban structure to underpin the socio-economic activities of Ho Chi Minh City of which the population is estimated to reach 10-million in the near future.

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* In Ho Chi Minh City, since the high tide level is about 1.5m above sea level, lower area than that level is flood-prone area. (UPI & Nikken Sekkei, 2007)

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1.2 Urban Management of Ho Chi Minh City

Next, the author reviews the urban management of Ho Chi Minh City under the aforesaid urbanization. The present general construction master plan of Ho Chi Minh City was approved by Prime Minister in 2010. The previous one approved in 1998 had been used as a base of urban management for more than 10 years. Thus, the present review of urban management is made with respect to the general construction master plan approved in 1998.

The 1998 general construction master plan was formulated by adjusting to the target year of 2020 the preceding one approved in 1993. The 1998 general construction master plan for the first time covered the whole city area by incorporating urban center plans of Cu Chi and Can Gio Districts and other suburban areas, and had the planning features as itemized below (See Figure 4).

- Multi-centered structure instead of the existing over-concentrated one
- Arrangement of industrial parks and large-scale new towns to receive suburban sprawl

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particularly in the south and the southeast.
- Decrease in population of the highly dense area of the city center
- Arrangement of masses of green (green belt) on the fringe of the city center

The actually built-up area as shown in Figure 1, however, is substantially different from the directions and land use plans provided by the 1998 general construction master plan. That is, the planned urbanization of the south and the southeast has not been realized and the green belt on the fringe has been almost covered by buildings.

The said difference between the master plan and the actual urbanization reveals that individual building activities could not be administratively controlled in compliance with the formulated plan and that the urban development could not been led as designated by the master plan. As previously stated, the expanded area since 2000 is approximately equal to area with good soil conditions and no danger from floods. This means that no special costs are needed for land preparation and infrastructure construction. Consequently, a phenomenon is observed that illegal construction often occurs at rapidly urbanized areas because of easier development. In addition, an administrative reason cannot be disregarded that no sufficient financial resources are available to provide arterial roads and other infrastructures for promoting and implementing large-scale new town projects in the suburbs.

2. The Saigon South Urban Development as Urban Adjustment Trigger of Ho Chi Minh City
2.2 Positioning of the Saigon South Area in the 2010 General Construction Master Plan

The general construction master plan approved by Prime Minister in 2010 has the same concept as the 1998 one in that multi-centered should be realized. In addition to reflection of the existing built-up area on the land use plan, the 2010 general construction master plan has the following differences from the 1998 one.
- Development was planned depending on land conditions. While development of areas with
poor land conditions is restricted, development is concentrated in areas with better land conditions.

- Suburban development was raised through the Transport Oriented Development (TOD) approach based on public transport, because the planned routes of Mass Rapid Transit (MRT) were finalized.

- Linkage with urban centers of neighboring provinces was clearly oriented because Binh Duong Province, Dong Nai Province, etc. were rapidly on the way to urbanization.

Figure 5 shows conceptual image of arrangement of new urban centers in Ho Chi Minh City provided in the 2010 general construction master plan. As given in Figure 5, while the existing CBD continues to function as the core of administration, commerce and business of Ho Chi Minh City, New Extended CBD has been set up to spatially spread the functions of the existing CBD. Saigon South Area plays an important role in New Extended CBD, together with Thu Thiem New Urban Center. Considering the fact that, at present, development of Thu Thiem Area and other new urban centers is far behind the planned schedule or hardly come out, the author does not hesitate to say that Saigon South Area contributes substantially to establishment of the multi-centered urban structure which is one of the most significant themes in urban policies of Ho Chi Minh City.

Figure 5 Conceptual Image of Composition of New Urban Centers in the 2010 General Construction Master Plan of Ho Chi Minh City

2.2 Evaluation of Saigon South Urban Development and Phu My Hung City Center

(1) Urban Development through Investor’s Construction of Infrastructure

In Vietnam, it is a critical issue in implementing the planned urban development that a sufficient amount of budget cannot be prepared to provide necessary infrastructure. Therefore, in most cases, investors construct infrastructure for themselves or take financial initiatives in construction. As for wide-ranged infrastructure such as arterial roads or utilities, however, it is difficult for investors to bear all the cost of infrastructure in terms of a huge investment.

For Thu Thiem New Urban Center, the East-West Highway (Vo Van Kiet Street) was constructed by ODA (Official Development Assistance) from Japan, and construction of Thu
Thiem Bridge and other bridges was or is made by budget or public-private partnership including BT (Build-Transfer), BOT (Build-Operate-Transfer), etc. Aside from the public financial participation in Thu Thiem, the public resources are not so sufficient in effect to undertake construction of infrastructure for general new urban centers. This results in the frustration of the planned new urban centers as stated in Section 2.1 above.

In Saigon South Urban Development, most of the required infrastructures were constructed by the investor, Phu My Hung Corporation. Major ones are:
- The trunk road, Nguyen Van Linh Parkway (2 to 4 lanes initially in 1998 were widened to 10 to 14 lanes, 120m in width in 2007; now transferred to the state).
- Small-scale local sewage treatment plant
- Power supply from Hiep Phuoc Power Plant developed by Phu My Hung Corporation
- Water supply from water purification plant developed in Tan Thuan EPZ by Phu My Hung Corporation (Changed into supply from a municipal corporation, SAWACO in 2007)

It is an act worth of special mention that, when housing supply was commenced in 1998, an investor had completed at his own cost a sewage treatment plant even now rarely found in new urban development of Vietnam, as well as waterworks, Nguyen Van Linh Parkway and other large-scale infrastructures.

(2) Sustainable Phased Urban Development

In Phu My Hung New City Center, housing development has been progressed in several phases to enhance the living environment step by step since 1998 (See Photos 1 and 2). Housing has been supplied at a rate of 2,000 units per year on average. Even around the mid-2000s when the real estate market boomed in Vietnam including Ho Chi Minh City, this supplying rate was maintained with no marked change. As a result, the collective housing which was generally considered as affordable one for lower income brackets in Vietnam has been successfully image-changed into a high quality condominium. Also, the collective housing in Sky Garden Area includes offerings of such level as can be purchased by younger generation. This housing development strategy promises to provide well-balanced age composition of residents for a long term by supplying various types of housing.

This sort of phased development not supplying a large number of units at early stage, but restraining the supplying rate in consideration of the market and capacity of infrastructure was an appropriate solution for long-term urban management. Now in Japan, large ‘new town’
development intensively conducted from 1960s to 1970s when urban population was on the rapid increase is at one time incurring decrepitude of facilities and aging of residents all over the development area. Viewed from this unfavorable example of Japan, the phased development receiving a variety of residents in Phu My Hung New City Center can be regarded as sustainable urban development which can balance ages of residents and refurbish facilities all the time.

(3) New Model of Urban Development and Management

Phu My Hung New City Center made it possible to heighten the quality of both housing and living environment as a result of the phased development based on long-term planning. This presents a new model of housing and urban development in Vietnam. First, as previously stated, the quality development of Phu My Hung New City Center succeeded in making people recognize collective housing as one for higher income brackets in addition to a detached house like a villa. Next, Phu My Hung New City Center revealed that creation of consistently comfortable living environment could attract demands of higher income brackets including foreigners. The said creation of living environment is a mixture of the following solutions.

- Green and open space managed and operated in a good way
- Infrastructure complete with roads and utilities
- Attractive educational facilities including international school and schools for the Japanese, the Korean and Taiwanese, which were built prior to commencement of housing supply in 1998
- Medical facilities which can provide such high level care as received in advanced countries

More noticeably, Phu My Hung New City Center established a system for managing the living environment thus compounded for a medium or long term. Such managing system is important for residents and workers in residential area or new urban center. In Vietnam, however, this type of system has hardly been seen at new urban development projects to provide and manage high quality living environment for such a wide area as found in Phu My Hung New City Center.

Consequently, the approach taken in Phu My Hung New City Center is very useful for future urban development projects in Vietnam because sustainability with a long span is implied in the solution for urban management as well as the orientation of housing and new urban development.

3. The Next Stage of the Saigon South Urban Development

In the Saigon South Urban Development where urban functions and infrastructures are fulfilled unlike anything else in Vietnam, no public transport by railway has been provided. According to the master plan for railway in Ho Chi Minh City, MRT Line 4 connecting the city center with the southern port area and Monorail Line 2 from Nguyen Van Linh Parkway to Thu Thiem New Urban Center are planned. Although these two lines are very important in promoting the southern new urban centers including the New Extended CBD of Saigon South and Thu Thiem New Urban Center, they have not been materialized yet as expected.

The railway as public transport needs a large amount of construction cost. Also viewed from realization of the municipal suburban development policies, it is inevitable that the public sector is actively involved in the railway construction. In essence, such large-scale or wide-ranged infrastructures as railways or arterial roads require the definite rule for sharing construction and operation costs to be established between the developing investors and the
public sector with due consideration for the anticipated area and depth of effect or influence of infrastructure to be constructed.

In the Saigon South Urban Development, the investor undertook most of the construction of wide-ranged infrastructures, such as Nguyen Van Linh Parkway. It will be required to prioritize appropriation of the public resources and determine the public-private partnership rule including share of expenses, so that the municipal government can conduct the development of the suburbs and new urban centers as provided in the general construction master plan of Ho Chi Minh City. The author firmly believes that the said definite and transparent rule making will strongly attract investment from overseas to deepen the Saigon South Urban Development and produce the second one in Vietnam.

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