Real estate prices in Hanoi pedestrian streets

Lien Thi Ngoc Pham¹,  
Lecturer, Faculty of Urban and Rural Planning, Hanoi Architectural University.

Abstract. Nowadays, the pedestrian streets in Hanoi have been invested and expanded by the city government, not only a place to organize commercial services, shopping, tourism, food, entertainment, recreation but also an important factor contributing to improving living conditions and promoting local economic development. Through the method of surveying, map, and experts, it shows remarkable achievements of the pedestrian streets in Hanoi. The huge economic benefits and the potential to increase the outstanding real estate value that the pedestrian streets bring many small and medium enterprises, especially family businesses to find a suitable way to develop business models. The pedestrian streets’ success is proven by the rise of real estate in the area. The pedestrian streets have really become a level to help increase the value of real estate in Hanoi. This article will clarify the value of real estate when forming pedestrian streets in Hanoi, especially in the historic inner city. From there, make recommendations on the organization of architectural space and landscape of the pedestrian streets to enhance the value of real estate in the future.

Keywords: Pedestrian streets; Real estate; Sustainable economy; Sustainable Development.

1 Introduction

The real estate market is one of the markets with an important position and role in the national economy. Effective development and management of this market will contribute to promoting socio-economic development in general and improving people's living conditions.

There are many factors that increase the value of real estate, such as government policies, location, traffic access, supply, and demand relationships, etc. There are also many other factors, it must be said that the formation and expansion of pedestrian streets in the historic inner city has increased the value of the surrounding real estate exponentially in Hanoi. The article will help clarify the causes affecting the real estate value, thereby proposing solutions to organize the architectural space and landscape of the pedestrian street to improve the value of Hanoi real estate in the future.

¹Corresponding author: lienptn@hau.edu.vn

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2 Methods

2.1 Method of surveying the status, statistics, and comparison

The author conducts a survey of actual land prices and ground rents on some pedestrian streets in the Old Quarter, Sword Lake area and French Quarter in Hanoi, where the first pedestrian street was formed. From there collect information from Hoan Kiem District People's Committee, Old Quarter Management Board, Dong Xuan Market Management Board - these are the units that directly operate, manage, and exploit the pedestrian street to get statistics. Then proceed to tabulate and compare analysis.

2.2 Map method

Use the map method to determine the specific locations of the pedestrian street. From there, compare the difference in real estate value between areas with and without pedestrian streets. And clarify the cause of that price increase to propose appropriate solutions in the future.

2.3 Method of consulting experts

As a leader or expert in the field of Real Estate, consulting experts has helped the author to have a multi-dimensional view of the research issue and refer to the forecasts to make reasonable proposals.

3 Results

3.1 Actual situation of land prices in Hanoi pedestrian streets

Hanoi is the administrative - political centre, economic centre, cultural centre of the capital, with a high population density, where many major political and cultural activities and events often take place of the whole country; It is an indispensable destination for all tourists. To exploit the inherent potential, the city government has deployed pedestrian streets to help improve the efficiency of facilities, increase economic activities, promote cultural values, attract tourists, promoting growth through focusing on developing tourism, culinary, shopping, and entertainment activities synchronously.

With a concentrated urban heritage fund (190 monuments), busy commercial and service activities, and convenient transportation, Hoan Kiem district in the period 2016-2020 has deployed many pedestrian streets and brought new achievements to the city remarkable achievements, affirming the correct policy of the City Party Committee, People's Council and City People's Committee. As follows [1]:

- Create a new cultural space for the city, an attractive destination for residents and visitors.
- Promote the value of cultural heritage, landscape, water surface, trees.
- Attractive and diverse cultural and artistic activities, meeting people's needs.
- Promote trade and tourism development.
- Tourists come to visit and participate in large numbers (average about 3000 -5000 people during the day, about 1.5 to 2 thousand people in the evening).
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- Attractive and diverse cultural and artistic activities, meeting people’s needs.
- Promote trade and tourism development.
- Tourists come to visit and participate in large numbers (average about 3000 - 5000 people during the day, about 1.5 to 2 thousand people in the evening).
- The number of visitors staying in Hoan Kiem district alone increased rapidly (1,361,000 arrivals in 2016, 1,950,000 arrivals in 2017, 2,185,000 arrivals in 2018 and 2,239,000 arrivals in 2019).
- The number of business shops switching to serving services and tourism increased by 594 establishments. Up to now, the district has more than 176 travel agencies, more than 600 hotels and accommodation establishments.
- State budget revenue in Hoan Kiem district next year is higher than the previous year (in 2016 reached 5,387 billion VND, in 2017 reached 7,020 billion VND, in 2018 reached 8,840 billion VND, in 2019 reached 9,749 billion VND, estimated in 2020 by 2020) reached 10,000 billion VND).

Fig. 1. Map of the pedestrian street network in Hanoi [Source: Author]

Thereby, creating more job opportunities, promoting local economic development, and improving the quality of living environment for everyone. This has created a strong attraction for the regional real estate market.

According to Mr. Nguyen Dang Thang - Director of Hanh Phuc Real Estate Floor, the area near Sword Lake is the highest price of real estate being sold and traded in Hanoi. In some streets recently, the price is about 1.2 billion VND/m², the level of successful transactions is only slightly lower, about 1.1 to 1,150 billion VND/m². In other streets, the price is a bit 'softer' but not less than 1 billion VND/m². The price also depends on the area of the land lot, the width of the facade and the value of the construction works on the land. Compared to the same period last year, the price of the Old Quarter has increased by about
10-15%. Compared to about 3 years ago, the price in some places has increased up to 30%. Customers buying these properties are mostly for personal use. Sometimes the price offered by the seller is ridiculously high, but the buyer still accepts, and the transaction happens quite quickly.

Table. 1. Land price list of streets around the pedestrian area around Hoan Kiem Lake and its vicinity [Source: 2,3,4]

<table>
<thead>
<tr>
<th>TT</th>
<th>Streets</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Hang Trong, Hang Trong Ward, Hoan Kiem District</td>
<td>1.25 billion VND/m²</td>
</tr>
<tr>
<td>2</td>
<td>Hang Haanh, Hang Trong Ward, Hoan Kiem District</td>
<td>1.08 billion VND/m² - 1.41 billion VND/m²</td>
</tr>
<tr>
<td>3</td>
<td>Dinh Tien Hoang, Hang Bac Ward, Hoan Kiem District</td>
<td>1 billion VND/m² - 1.31 billion VND/m²</td>
</tr>
<tr>
<td>4</td>
<td>Le Thai To, Hang Trong Ward, Hoan Kiem District</td>
<td>753.700.000 million VND/m² to 1.15 billion VND/m²</td>
</tr>
<tr>
<td>5</td>
<td>Hang Khay, Trang Tien Ward, Hoan Kiem District</td>
<td>741.600.000 million VND/m²</td>
</tr>
<tr>
<td>6</td>
<td>Phan Chu Trinh, Trang Tien Ward, Hoan Kiem District</td>
<td>663.300.000 million VND/m²</td>
</tr>
<tr>
<td>7</td>
<td>Bao Khanh, Hang Trong Ward, Hoan Kiem District</td>
<td>634.400.000 million VND/m²</td>
</tr>
<tr>
<td>8</td>
<td>Hang Can, Hang Dao Ward, Hoan Kiem District</td>
<td>582.300.000 million VND/m²</td>
</tr>
</tbody>
</table>

According to a report published by the Golden Brick Company (a land pricing data provider), the updated land price list as of November 10, 2016, is the most expensive street in Hoan Kiem district. This study showed that, the highest negotiated price was recorded up to 1.25 billion VND/m², successful transactions were common at the threshold of 1 billion VND/m², the average level reached 750,000,000 million VND/m² and the lowest is about 635,000,000 million VND/m² depending on location and area. This price is on par with land in famous cities in the world such as New York, Paris, or Tokyo.

There are streets around Ta Hien pedestrian street (grade I conservation area of Hanoi Old Quarter). In the first 6 months of 2017, this area has an average land price of VND 500 million/m², busy and vibrant streets are approaching the threshold of VND 700 million/m². At the top is Hang Can street, trading at 660 million VND/m², this price is almost unchanged in the first half of the year; Hang Dao ranked second, reaching 650 million VND/m²; In third place is Dinh Liet street with 582 million VND/m²; The most prominent is Dao Duy Tu Street, which recorded a sudden increase compared to January 2017, from 360 million VND/m² skyrocketing to 547 million VND/m² (an increase of over 50% compared to the beginning of the year); The rest are Nguyen Sieu, Ma May, Hang Giay, Lan Ong, Hang Ngang, Hang Buom, Luong Ngoc Quyen, Luong Van Can streets with prices ranging from 340 to 492 million VND/m².

In 2019, a survey of the website baidongsan.com.vn recorded that the price of real estate for sale in Hanoi increased by 6%. Hoan Kiem district continues to have the highest average increase of 17% compared to the price from about 400 million VND/m² in 2015, increasing to 500-800 million VND/m² in 2019 among other districts in Hanoi. The remaining districts have an increase of 7-15%. [6]

Because of its easy-to-access location, beautiful scenery and many potential customers, small and medium-sized businesses often choose the downtown area to rent business premises, the closer to the centre, the higher the price. A small merchant selling clothes on Hang Dao Street said that owners of houses in the Old Quarter often give priority to renting houses for business and trade rather than selling. Depending on the location, the rent will
vary, on average ranging from 30 million VND/month and houses with beautiful facades are usually rented for from 180 million to 220 million VND/month.

**Table. 2. Land price list of streets around Ta Hien pedestrian street in 2017 [Source: 5]**

<table>
<thead>
<tr>
<th>2017:</th>
<th>The average increase in land price is over 6% - 8% and the highest increase is over 50% in the first 6 months</th>
</tr>
</thead>
<tbody>
<tr>
<td>TT</td>
<td>Tuyến phố</td>
</tr>
<tr>
<td>1</td>
<td>Hang Can, Hang Dao Ward, Hoan Kiem District</td>
</tr>
<tr>
<td>2</td>
<td>Hang Dao, Hang Dao Ward, Hoan Kiem District</td>
</tr>
<tr>
<td>3</td>
<td>Dinh Liet, Hang Bac Ward, Hoan Kiem District</td>
</tr>
<tr>
<td>4</td>
<td>Dao Duy Tu, Hang Buom Ward, Hoan Kiem District</td>
</tr>
<tr>
<td>5</td>
<td>Ta Hien, Hang Buom Ward, Hoan Kiem District</td>
</tr>
<tr>
<td>6</td>
<td>Nguyen Sieu, Hang Buom Ward, Hoan Kiem District</td>
</tr>
<tr>
<td>7</td>
<td>Ma May, Hang Buom Ward, Hoan Kiem District</td>
</tr>
<tr>
<td>8</td>
<td>Hang Giay, Hang Buom Ward, Hoan Kiem District</td>
</tr>
<tr>
<td>9</td>
<td>Lan Ong Hang Bo Ward, Hoan Kiem District</td>
</tr>
<tr>
<td>10</td>
<td>Hang Ngang, Hang Dao Ward, Hoan Kiem District</td>
</tr>
<tr>
<td>11</td>
<td>Hang Buom, Hang Buom Ward, Hoan Kiem District</td>
</tr>
<tr>
<td>12</td>
<td>Luong Ngoc Quyen, Hang Buom Ward, Hoan Kiem District</td>
</tr>
<tr>
<td>13</td>
<td>Luong Van Can, Hang Buom Ward, Hoan Kiem District</td>
</tr>
</tbody>
</table>

According to Mrs. Hoang Nguyen Minh, Senior Director, Commercial Leasing Division, Savills Hanoi commented: “Luxury retailers are actively searching for space in Hoan Kiem district, causing ground floor rents in Hoan Kiem district to increase. This area has grown significantly”. Despite being affected by the Covid-19 pandemic, the real estate market is currently witnessing a strong recovery. According to CBRE experts: “The Hanoi retail market is welcoming new entry from many other retail brands. "That shows the constant interest that foreign retailers have for the Vietnamese market, especially the prime retail space on the main street, which is always a priority". [7]

Grasping this trend, Hoan Kiem District People's Committee and authorities at all levels have implemented Project No. 16-DA/QU on "Continuing to improve the quality and expand the walking space in Hoan Kiem district"; Announcement No. 953/VP-DT of the Office of the Hanoi People's Committee on "Project on building pedestrian space Hang Khay - Trang Tien - August Revolution Square combined with commercial centres"; and Notice No. 2582-TB/TU on “Conclusion of Comrade Vuong Dinh Hue, Politburo member, Secretary of the City Party Committee at the meeting with Hoan Kiem District Party Committee”; In it, there is a directing content: "Research, renovate, embellish and upgrade the streets of Hang Khay, Trang Tien to the Opera House to develop into a pedestrian street combined with a commercial centre to promote tourism and stimulate shopping demand, increase revenue from tourism for the District and City".

Through this, we see that the value of real estate and the rental price of premises on the pedestrian street has increased due to various types of services, commerce, tourism, entertainment, shopping, cuisine, etc. Effective operation attracts many domestic and foreign tourists. All human activities on these pedestrian streets generate huge profits for investors or owners. Therefore, in to maintain and improve the value of real estate and the rental price of premises in Hanoi, it is necessary to create a perfect pedestrian street landscape space, convenient for business households, and easy to connect many people. the area and ensure rich human dynamics to retain pedestrians longer through a synchronous
urban facilities and equipment system; Select trees suitable for hot and humid tropical climate; and diverse human activities.

3.2 Improve the value of Hanoi real estate

3.2.1 Choose trees

Choose trees suitable for tropical climate conditions, grow well without too much pruning care, wide canopy, brightly coloured flowers, and leaves create shade and create a beautiful landscape for the whole route pedestrian street.

Trees not only improve microclimate, shade, reduce absorption of solar radiation, but also create streetscapes, attracting pedestrians. According to research, trees can reduce the intensity of solar radiation by 40% to 50% and absorb 70% to 75% of the sun's energy. Therefore, with the "double benefits" from trees, it will be one of the effective solutions for pedestrian streets in tropical climates.

Choosing plants for Hanoi pedestrian street should choose plants that are able to grow well in harsh climates of sunshine and wind, without needing too much pruning care like Cassia fistula; Giant Crape-myrtle; Pterocarpus macrocarpas; Hopei odorata; Buicida molinetii. The tree has a straight trunk, a wide canopy that creates shade but has a large branching height so as not to obstruct the view as well as not to obscure signs and billboards. The plant has no fruit, or the fruit is non-toxic, does not attract flies, insects, and has no unpleasant odor. Trees are green all year round, less deciduous for environmental sanitation.

![Fig. 2. Picture of some types of green plants suitable for tropical climate conditions][Source: Author]

Depending on the cross-section of the pedestrian street to choose and arrange reasonable trees, promoting effective use. The layout can be single or parallel, that is suitable the width of the sidewalk, the direction of the sun and the function of the building on both sides of the pedestrian street.
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3.2.2 Paving and pavement materials

To increase the pedestrian area and create favourable conditions for the disabled, the elderly and young children, the roadbed and sidewalk should be raised equally. Using finishing materials combined with interweaving flower beds or grasses reduces the road surface area and carpet reduces heat absorption on hot days. Diverse materials create flexibility and appeal to pedestrians through small architectural works such as columns, statues, reliefs, graffiti paintings, ceramic paintings, etc. Using a variety of environmentally friendly tiles, reducing radiation, good load capacity, easy to clean, anti-slip, safe for pedestrians and can allow motor vehicles to serve as ambulance, firefighter on duty in case of emergency.

It is possible to combine more fountains at the intersections between pedestrian streets or in the square, both creating a highlight and cooling down in the hot summer.

Tiles should choose a type that is firm enough, withstands the impact of rain, sun, corrosive substances, good friction, anti-slip, anti-weed and has high durability such as: Block bricks; Terrazzo Tiles; Natural stone bricks.

3.2.3 Organization of human activities

In addition to landscape design solutions, activities on the pedestrian street also need to be researched and reorganized according to time frames that are suitable for the temperature chart of the day. Various events such as night markets, tourism-cultural fairs, entertainment experiences arranged in the evening will attract and retain pedestrians to stay longer on the street.

In the summer, increase the organization of activities before 9 am and after 6 pm. In contrast, in winter, activities focus on the hours from 9 AM to 6 PM. These are the ideal times when the temperature is right for outdoor human activities.

4 Discussion

In fact, at present, the land price traded in the real estate market of Vietnam exists a two-price mechanism: a land price according to the framework issued by the State and a land price called the market price. The larger the gap between the two land prices, the more inadequacies there are, and it is said that there is no harmonization of interests between the State, people, and businesses. The organization of architectural space and landscape of the pedestrian street to increase the value of real estate in Hanoi is necessary and proves the
attractiveness of activities on the street. However, it is necessary to adjust and shorten the
gap between the two land prices by changing the time of promulgation of the land price
bracket (currently every 5 years) to suit each locality and ensure the interests of different
groups; or build channels to share basic real estate knowledge fully and synchronously with
the land value map of each street that has been surveyed and collected market prices.

Fig. 4. Illustrated solution of planting trees to create shade and cover on Hang Bai and Hang Dao
pedestrian streets [Source: Author]

Fig. 5. Diversity of activities for people at the right time frame [Source: Author]
5 Conclusions

Hanoi is the centre of the country which has always brought many opportunities for investment and business, the pedestrian street formed has opened more economic development opportunities for small and medium enterprises, or households here. With strong potential, pedestrian streets in Hanoi are likened to "magnets" attracting individual business activities, any square meter on the pedestrian street can create livelihoods for people, “A piece of land is a piece of gold” - which is considered a mecca that generates huge profits from commercial services, tourism, and food, etc. Therefore, the value of real estate in Hanoi today is very difficult to value depending mainly on negotiations between homeowners and buyers based on location, area, and accessibility. Although the city government has published a List of Land Prices for 2020-2024, the actual value is quite large, and the relevant departments have not yet controlled this process.

Streetscape space also contributes greatly to the valuation of real estate or the rental price of the premises. With the growing demand for enjoyment and entertainment of all classes of people, choosing quality services in prime locations, enjoying space, and living slowly is also a new trend after the pandemic, and they are willing to pay higher prices for these experiences. From the great demand to boost the supply, the retail systems are also engaged in the race to provide worthy and value-for-money services to the gods. This has pushed up the rental price in the central streets, especially on the pedestrian streets, which are always crowded on weekends and holidays.

Thus, improving the value of real estate on the pedestrian street in Hanoi should focus on creating a lively, appropriate, and diverse landscape space environment.

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