

# Can Tho Urban Development & Resilience

## *Land Sale and Development Rights*

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# City of Can Tho

- Can Tho City, the home of 1.25 million population, is a regional hub and an economic engine for the entire Mekong Delta. The city has been developing and urbanizing rapidly however it is also facing challenges of balancing its demand for infrastructure, environmental (climate change) and social issues.
- Flooding, drought and salinity intrusion are imminent threats for the region. Flooding in Can Tho urban core is becoming an increasing problem, impacting on the public health as the emerging of water borne diseases and on economic growth due to the interruptions in business and transport continuity.
- Urban poor are the most vulnerable to flooding



The development  
of the city in the  
river front areas

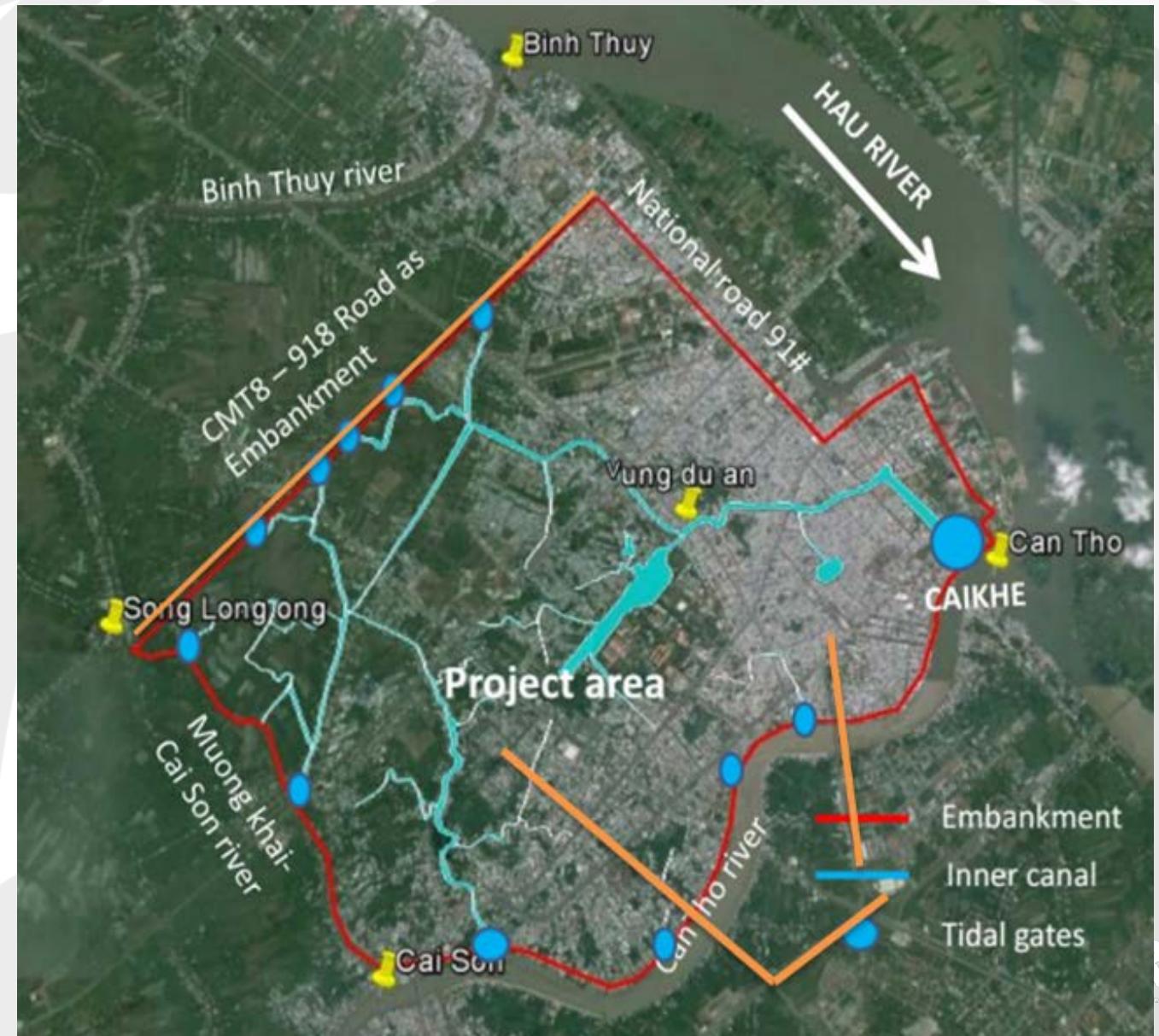
Flooding impacts



*Poor households are vulnerable to flooding*

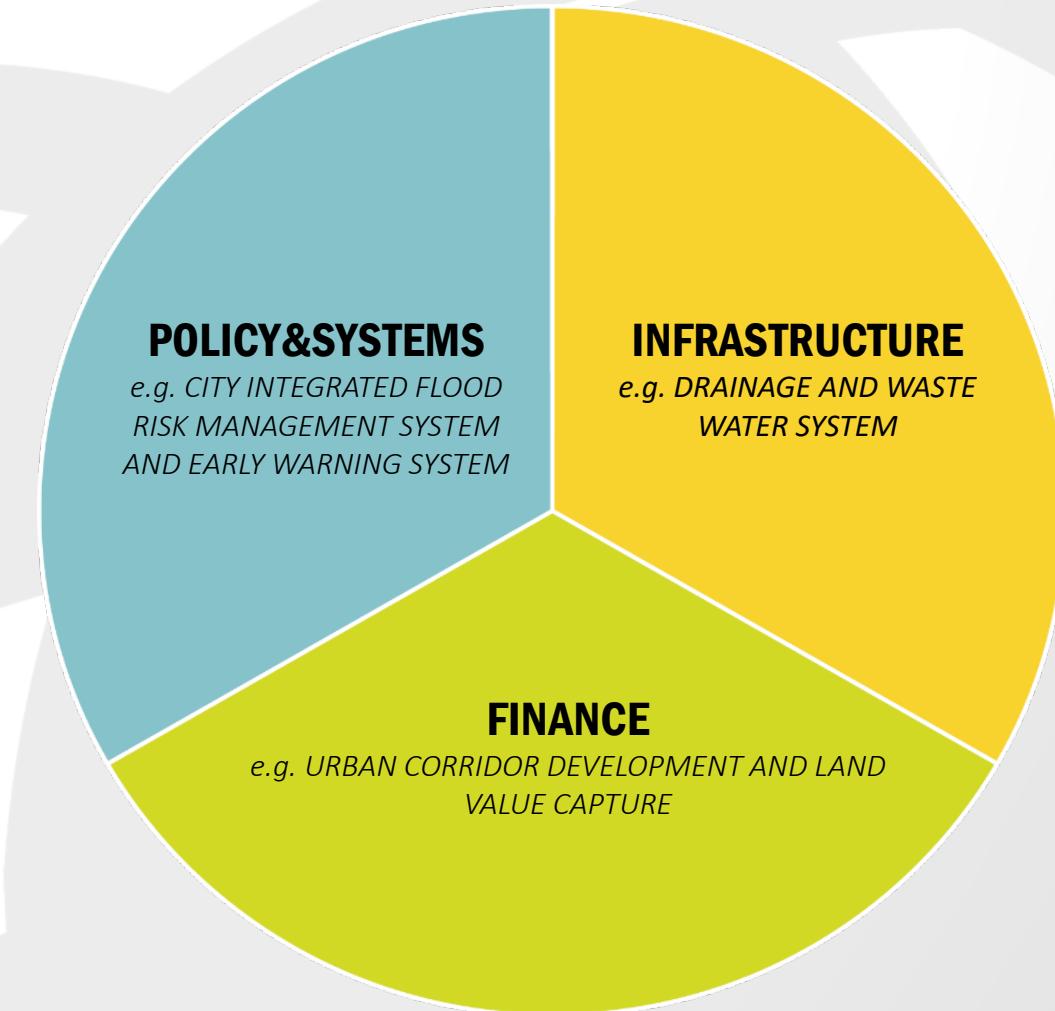
# CAN THO PROJECT - OVERVIEW

The project is designed to increase the City's physical, financial and social resilience to adverse hydro-meteorological events by financing infrastructure to protect the urban core from flooding and guiding the city development on higher terrain.



# HOLISTIC APPROACH

- *INVESTMENTS IN CITY RESILIENCE REQUIRE AN APPROACH THAT GOES BEYOND THE SCOPE OF SECTOR-WISE ENGAGEMENTS*



# CAN THO VIETNAM

\$250M 2016-22



- DATA AND ICT ASSESSMENT
- FLOOD MANAGEMENT INFORMATION SYSTEM
- CAN THO SOCIAL PROTECTION ASSESSMENT
- ANALYSIS OF CITY INVESTMENT PROPOSALS AND OF REGULATORY ENVIRONMENT FOR LAND TENDERING APPROACH
- GEO-REFERENCED HOUSEHOLD SURVEY



- SUPPORT INSTITUTIONAL ARRANGEMENTS FOR COORDINATED PLANNING AND INFRASTRUCTURE DEVELOPMENT OFFICE
- RISK INFORMED SPATIAL PLANNING PLATFORM
- DISASTER RESPONSIVE SOCIAL ASSISTANCE SYSTEM
- EFFECTIVE TRANSPORT SYSTEMS MANAGEMENT AND EQUIPMENT
- IMPLEMENT SPATIAL DATA INFRASTRUCTURE MANAGEMENT PROCESSES, GUIDELINES, AND TRAININGS



- CITY INTEGRATED FLOOD RISK MANAGEMENT SYSTEM AND EARLY WARNING SYSTEM
- PRIORITY FLOOD CONTROL INVESTMENTS IN URBAN CORE
- DRAINAGE AND WASTE WATER SYSTEM
- URBAN CORRIDOR DEVELOPMENT AND LAND VALUE CAPTURE



# Supporting Institutions, Policies, Systems & Applications



# Land Tendering Component – rationale

- The public sector's investment in infrastructure upgrades, flood risk management and resettlement of informal dwellers will facilitate creation of private, economic value
- Alienating publicly-owned sites and selling additional development rights that would enable denser development on existing private parcels would enable the city to 'capture' and leverage the some of the private value created by the public sector's investments

# Land Tendering Component – outputs

To unlock this additional economic value, the city, together with World Bank and technical consultants worked to identify:

- Strategy and related policy for developing and densifying riverfront areas where are naturally higher elevation areas
- Options for additional private sector participation
- A market-viable framework, based on an assessment of real estate market conditions and project feasibility
- A range of infrastructure financing options for the areas to be developed
- A suggested management model that corresponds to the planned development approach

# Legal and Regulatory environment

- The sale of government land, at times to support public infrastructure development is a fairly common practice in Vietnam, although the legal and regulatory framework is somewhat opaque
- First assess the legal and authorizing environment for land sales and the use of various land value capture approaches such as the sale of development rights at local/national levels
- Next review existing policies such as zoning processes and regulations and the ability of different levels of government to enforce those policies

# Real estate market conditions

An executive-level real estate market assessment relevant to the sites and neighborhoods adjacent to flood mitigation infrastructure upgrades, including:

- ***Macroeconomic overview of Can Tho***, identifying relevant economic and real estate market trends that may affect market take-up of riverfront sites
- ***Market assessment across product types*** and analyzing impacts of proposed development on local real estate market (office/retail/housing/hotel/entertainment)
- ***Comparative assessment of the riverfront***, the economic health and viability compared to the broader market
- ***Test the market*** with potential bidders, requesting expressions of interest

# Physical conditions of Riverfront Area

Reconnaissance and analysis of existing site conditions, including:

- ***Assessment of land use patterns*** based on product types identified in the market assessment and in relation to the urban masterplan
- ***Evaluation of transportation network*** to determine the general performance of the transportation network internal to the study area
- ***Evaluation of connections to surrounding neighborhoods, major economic nodes*** to ensure that residents, workers and tourists can easily access the area
- ***Identification of potentially catalytic urban redevelopment sites*** along the riverfront that unlock follow-on development in surrounding parcels

# Setting the public vision for development

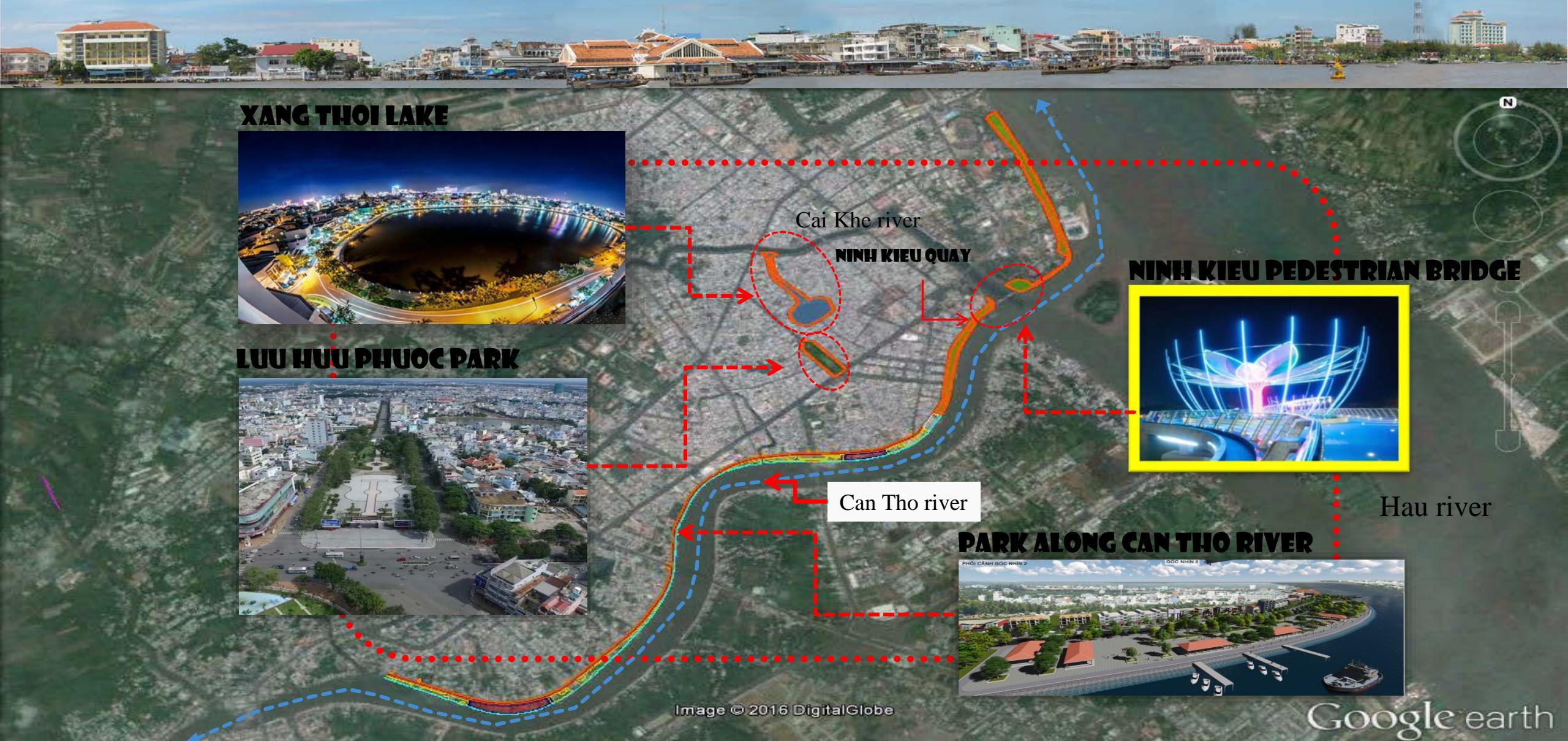
- Can Tho may opt to provide a development vision and/or specify a spatial envelope of future development (e.g. parcel-specific height/density limitations)
- Basic development vision established in town-planning regulations including the city master plan, land ordinances or zoning
- Project may trigger changes that, once made, would extend validation and entitlement of future development and affect transaction timing accordingly
- A solicited interest approach may be employed as well to inform the development vision

# Identification of land parcels for sale & development

- Prepare a development plan for the targeted development area with land use, urban design guidelines, development massing and timing considerations
- Carry out feasibility study for the entire development plan to understand its value generation potential and limitations
- Distinguish development areas/parcels by priority level for development (development phasing)
- Specify procedures, timing and indemnities for acquisition of titles in marketed parcels

# Evaluation and Development Agreement

- Preparation of project feasibility analysis, taking into account potential on-site and off-site infrastructure requirements
- Important to engage a qualified real estate consultant with in-house real estate brokerage expertise in Vietnam
- Essential to make sure a development agreement secures public interest and avoids market failures and land speculations such as avoiding a “land idling” situation, where a developer acquires land, never develops it and ultimately re-sells with profit after completion of WB-funded investments



Thank you for your attention!