



CITIES IN THE

PACIFIC RIM

PLANNING SYSTEMS AND PROPERTY MARKETS

EDITED BY
JAMES BERRY AND STANLEY McGREAL

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Planning Systems and
Property Markets

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Preface

The concept of the global economy is being increasingly projected in literature, media and political circles as a dominant image based on the information revolution, the neutralisation of distance through telematics, and the instant transmission of finance and investment flows around the world. For some cities the simultaneous combination of the global dispersal of economic activities and global integration will lead to a strategic role and their transformation into key locations and marketplaces for the most advanced contemporary industries including finance and specialised services. For other cities, globalisation and the growth of information economies will require a more fundamental understanding of the processes, activities and infrastructure necessary to support urbanisation, economic development and sustainable growth. These impacts of change are particularly profound in the Pacific Rim.

With the Asian urban sector expanding at 50 million people per year, the relationship between wealth production and urban growth in the mega-cities of the Pacific Rim will strengthen, although in many cases there is concern for the environmental, cultural and quality of life implications of the urbanisation process. However, with mega-city economies becoming increasingly dominant at both national and international scales and the qualitative factors emerging as critical to the attraction of investment and development, urban management and the promotion of cities are fundamentally important at the strategic policy level. In this regard, urban policies in Pacific Rim cities must acknowledge that management structures operate most effectively where there is local accountability and local involvement in the provision of infrastructure, the promotion of socio-economic strategies and the generation of financial resources. Whilst the physical nature of urban areas (namely land use, buildings, infrastructure and services) in the Pacific Rim region is relatively well documented in the literature, the economic structures (namely the efficiency of city administration and management, the interactions between

businesses, the operation of the land market, the real costs of regulation, the relationships between social and economic impacts, and the performance of property markets) have not been extensively researched.

Given the social, ethnic and cultural differences in the Pacific Rim cities, these issues and relationships are increasing in importance with the transition to global-based economies. Indeed, most Asian cities have grown and diversified beyond the capacity of existing institutions to manage their growth. In extended metropolitan regions evidence exists of poor horizontal co-ordination between government departments, agencies and the private sector in planning, sectoral investment, management of assets, tax and regulatory functions. Impediments to the development process include the imbalances between land supply and demand, inefficiencies in land use regulations and land transfer mechanisms, and the lack of information and transparency on land ownership.

In response to the globalisation process most city regions in the Asian Pacific Rim have or are moving towards market-based reforms such as liberalisation, deregulation and the use of the private sector to take the lead in funding arrangements, assisting in land assembly and in delivering the built product. From a public sector perspective there is an imperative that spatial planning should be co-ordinated with sectoral, financial and economic strategies for urban development. This will necessitate spatial planning policies and programmes acknowledging new relationships between the public and private sectors; recognising the impacts of the global economy on land use allocation; embodying community groups and end users in development plan and development control decision-making processes; and facilitating new forms of urban management in relation to performance standards, demand and supply side inputs and fiscal incentives. In terms of outputs, development plans and land use regulations will be expected to address the externalities arising from the development process and to steer strategic urban policies and programmes towards a new consensus for environmental sustainability.

Various cities in the Pacific Rim have tapped the commercial capital and property markets although the regional financial turmoil that struck Southeast and East Asia in 1997 has reduced economic growth prospects across the region and resulted in falling asset values. While the currency crisis has dealt a severe blow to the Asian economies in general and the property markets in particular, there is a consensus that the recovery horizon will be dependent on the degree of overhang on the supply side, the speed of adjustment to market circumstances and the transparency of the market.

To draw out these relationships this text encapsulates the expertise of both academics and practitioners. The rationale of the book as set by the editors has been to bring together viewpoints that span town planning and real estate disciplines, and to produce a text that seeks to make a substantial contribution towards an understanding of how planning systems and

property markets function under the different administrative regimes in comparative Pacific Rim cities, incorporating both the eastern and western perspectives. Drawing upon research and property market data, this book provides a detailed insight into current practice and future direction, and is tailored to meet the specific needs of property professionals, developers, investors, planning and development consultants, real estate practitioners, academics and students reading in the disciplines of urban planning and real estate.

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The writing and production of a book of this magnitude depends on the goodwill of many people to whom we extend our sincere thanks. As editors we express our gratitude to all the contributors for developing linkages between the planning system and the property market in their respective chapters. The detailed inputs that underpin this book have matured over a number of years and involved innumerable discussions with colleagues working or researching in Pacific Rim cities. We are particularly grateful for the opportunity of working with our contributors and for the discourse generated during the preparation of the book. Finally we would like to thank our publisher, E & FN Spon, for its encouragement and patience. We hope this text will contribute to the emerging debate on globalisation, planning and property-related issues and their spatial effects on the structure and performance of cities in the Pacific Rim region.

James Berry and Stanley McGreal

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