Urban social structure: a focus on the development industry

Author

Coiacetto, Eddo

Published

2006

Conference Title

Refereed Proceedings of the 2nd Bi-Annual National Conference on The State of Australian Cities

Copyright Statement

Copyright remains with the author 2006 Griffith University. The attached file is reproduced here with permission of the copyright owner for your personal use only. No further distribution permitted. For information about this conference please refer to the publisher's website or contact the author.

Downloaded from

http://hdl.handle.net/10072/13163

Link to published version

Urban social structure: a focus on the development industry

Eddo Coiacetto
Urban Research Program
Griffith University.
Email: e.coiacetto@griffith.edu.au

ABSTRACT

Urban social structure or the spatial arrangement of social groups in cities has long been the subject of scholarly attention in urban studies from a variety of perspectives. Such attention has focused primarily on understanding the process and forces that give rise to structure, to some extent on the adverse consequences of socially differentiated or even polarised cities, and on policy to address these consequences or to socially engineer urban structure.

Development firms are the key entrepreneurs who build the new urban fabric on which socio-spatial differentiation takes place. Through the processes of targeting specific market segments they play a pivotal role in shaping urban social structure by providing groups of specific types of residential development tailored to specific market groups in specific locations. Yet despite the long history of study of urban social structure, existing approaches have afforded little and insufficient attention to the role of the development industry in shaping urban social space. This paper makes the case that an approach that focuses on the development industry role is needed to complement existing perspectives and because it is highly relevant if not necessary for effective policy making. Moreover, this focus is increasingly important and relevant in a contemporary context where the nature of urban development is changing and in which the decisions of private sector players play an increasing role in shaping structure. This paper outlines the desirable qualities of such an approach including the need to address both structure and agency.

INTRODUCTION

The spatial distribution of social groups in the city has been a central theoretical issue of urban studies and planning since the 1920s. Although the terminology varies and has changed over time, a term which has often been used to describe both the process and pattern of distribution of social groups in the city is ‘socio-spatial differentiation’. The social structure of the city is a variegated pattern of social groupings that tend to be characterised by common features such as socio-economic status, age, lifestage (e.g. child rearing), ethnicity, lifestyle and sexuality.

Socio-spatial differentiation is not a new area of study but has been studied extensively and from numerous perspectives including:

- Human ecology (e.g. Burgess, 1967 Originally published 1925);
- Neo-classical location theory (e.g. Alonso, 1964);
- Factorial ecology (e.g. Parkes, 1971);
- Political economy (e.g. Badcock, 1984; Harvey, 1975);
- Behavioural (e.g. Short, 1978); and

1 For example, Gleeson & Low (2000) refer to social polarisation and others like Harvey (1975) write of residential differentiation.

2 Tend to deal with urban land uses generally.
Relatively recently, observers have focused on the relationship between globalization and urban social structure.

More than just a challenging theoretical problem, socio-spatial differentiation has been argued to have serious consequences for individual and social well-being as well as for the efficient use of scarce resources. Socio-spatially differentiated cities are ‘unfairly structured cities’ (Badcock, 1984). They create concentrations of underprivileged and disadvantaged individuals lacking the community leaders necessary to lead their citizens towards improved conditions. Such concentrations may prevent individuals from achieving their potential and from achieving social mobility via means such as finding a better job. They may create locational disadvantage (Gleeson & Low, 2000), that is, poor access to resources such as education, health, open space, recreation, commercial facilities, and particularly employment – thereby exacerbating social injustice, inequality and limiting life-opportunities. They can also create other social costs such as limiting opportunities for aged persons to live alongside family because the environment in which they live does not provide the type of housing they need. Thus socio-spatial differentiation does not just reflect inequality in the city, it intensifies it. Harvey (1975) in fact, defines socio-spatial differentiation in terms of unequal access to resources such as educational opportunity. The neighbourhoods which are created shape peoples identities like their relationships with class, gender, and ethnic groupings (Jacobs & Fincher, 1998) which Marxists argue is deliberate so as to reproduce the social order, class relations, consumption classes and to restrict mobility chances, at least until such time as the built environment needs to be reconstructed for a new phase in capitalism (Harvey, 1975).

Arguably, socio-spatially differentiated cities can also be said to be inefficient cities and therefore environmentally unsustainable. This is because they are wasteful of scarce resources and services such as schools, child care, and engineering infrastructure. For example, the concentration of child-rearing families in one area creates a demand for educational facilities (e.g. primary schools) that needs to be provided for therein. However, in time, as the children mature, the resource (a school in this case) becomes under-utilised resulting possibly in closure. In time, ageing of the population in the area generates a demand for new resources like aged care. Meanwhile, demand for resources like schools may be experienced elsewhere in new areas being settled by child rearing families.

Implicit in the literature is the assumption that, in contrast to the above situation, a socially integrated city, that is one that is less differentiated socio-spatially, would be more equitable and more efficient and desirable. These cities would be more likely to use infrastructure more efficiently and provide more equitable access to resources. Now, in response to much of the past research documenting the negative implications of socio-spatially differentiated cities, planners and public policy makers have sought ways to move towards more socially integrated cities. This desire has been heightened recently with the emphasis on social equity in the principles of sustainability that are being supported at all levels of government in Australia.

Some literature and policy is more explicitly, pro-integration. Social mix has long been part of housing policy, especially in public housing estates and particularly in Europe (Uitermark, 2003). As early as 1976, Sarkissian was drawing out the history of the connection between urban planning and social mix as policy. Spatial differences and the contribution of these to exacerbation of problems also point to spatially based policy interventions targeting the worst affected areas (Ellaway, MacIntyre, & Kearns, 2001).

It is important to note that, despite the longevity of study in this field, or perhaps reflected in the longevity of it, debate concerning socio-spatial differentiation processes, impacts and policy
continues. Not all would agree that spatial social difference worsens inequality and there is considerable empirical work to be done. However, relatively recent work in this vein (Atkinson & Kintera, 2001 p. 2277) concluded that "with certain caveats, living in areas of geographically concentrated poverty creates additional problems for residents." Ellaway et al. (2001) uncovered a relationship between, on the one hand, neighbourhood quality and perceptions of neighbourhood quality and, on the other, perceptions of self assessed health, mental health and recent symptoms. Housing tenure and employment status also predicted perceptions of the neighbourhood. These results support the importance of tackling anti-social problems in worst-off areas and of neighbourhood management across a range of areas.

Empirically testing the benefits of socially mixed development is problematic (Wood, 2003) while the extent (but not the existence) of the purported benefits has been questioned (Arthurson, 2002). Moreover, debate also continues over the merits of intervention though some more recent accounts have returned to an interventionist position. For example, postmodern accounts challenged the modernist project but sometimes now recognise that celebrating difference does not preclude action to redress disadvantage. As Jacobs and Fincher put it (1998 p. 15) producing equity does not require that difference be obliterated in the name of justice while Fraser point to a way of achieving this (Fraser, 1995). While planning may have elevated and privileged the physical over the processes that give rise to urban problems - even Marxists like Harvey (1996) acknowledge that any radical transformation in social relations in urbanizing areas must await some sort of political revolution is a myth that requires undermining, and that that the forces of globalization are so strong as to preclude and relative autonomy for local of particular initiatives to shift the process of urbanization onto a different trajectory is also a myth. Local initiatives and remedies are possible.

Leaving aside such important but unresolved issues, this paper argues for studies that build on current understanding of the process of socio-spatial differentiation by focusing on the role of the city builders. These city builders are, primarily, the real estate developers and, secondarily, their agents and/or advisors (e.g. bankers, real estate agents and planners), who are responsible for carrying out development in cities. It is vital both to an understanding of the processes of structuring urban space and to the formulation of effective policy. The paper concludes by setting out the desirable qualities of such an approach.

DEVELOPERS AND URBAN SOCIAL STRUCTURE

Introduction
This section sets out a three sided case for a focus on the development industry and how it shapes development. First, the limitations of existing approaches and of the extent to which they have focused on development are briefly examined. The paper then focuses on reasons to do with the nature of development and of changes in its nature. Thirdly, it focuses on reasons to do with the changing nature of cities.

Existing Approaches to Analysis of Differentiation and the Role of Development
Early attempts to understand urban social structure, that is concentric and sector models, were historically and geographically bound, relating to specific cities at particular points in history. Harvey (1975) has argued, moreover, that they focused exclusively on the demand side of the process assuming differentiation is the result of the expression of users’ wants and desires unmediated by producers. Differentiation was seen merely as the expression of people’s preferences to live next to similar people. Few take account of the realities of contemporary urban development and of the important role development (supply) plays. Yet two analytical streams have indicated a need to focus on development. The first is from a Marxist perspective and the second is urban managerialism. These are respectively structural and agency approaches.
Harvey has been the key proponent of the Marxist perspective. In the 70s, Harvey (1975) linked socio-spatial differentiation to broader social theory. Socio-spatial differentiation is connected to broader social differentiation that arises out of three forces of capitalism. The primary one is the power relations between capital and labour. Then there are various secondary relations arising out of the contradictory and evolutionary character of capitalism. These lead to social differentiation by means such as labour specialization; by consumption patterns and 'lifestyle' groups generated as capitalism needs to boost consumption; and by authority relations, that is, special groups created that are seen as neutral but required to maintain smooth functioning (e.g. administrators, legal apparatus). He also includes manipulated (differential) projections of ideological and political consciousness and barriers to mobility chances. Then there are the tertiary residual forces that reflect the social relations in preceding or geographically separate modes of production. The link to socio-spatial differentiation, he proposes, is that residential differentiation is to be interpreted in terms of the reproduction of the social relations within capitalist society. Residential areas ('neighbourhoods', 'communities') provide distinctive milieus for social interaction from which individuals to a considerable degree derive their values, expectations, consumption habits, market capacities and states of consciousness. This fragments 'class consciousness' and inhibits the transformation from capitalism to socialism through class struggle (Harvey, 1975 p. 362-3).

He goes some of the way to translating this into an explanation of how differentiation actually happens on the ground. It is significant that to do this, he claims "we still have to turn to the examination of the activities of speculator-developers, speculator-landlords and real estate brokers, backed by the power of financial and governmental institutions for an explanation of how the built environment and residential neighbourhoods are actually produced." (Harvey, 1975 p. 366).

Summarizing his contribution in understanding this (Harvey, 1975), socio-spatial differentiation is created by the forces from capitalist mode of production rather than the autonomous spontaneous preferences of people. Within this peoples’ aspirations, search for self expression in community, work and home produce micro-scale variation. Financial and government institutions regulate the dynamics of urbanisation and their influence yields broad patterns in residential differentiation. By creating distinctive submarkets, differentiation 'improves efficiency within which institutions can manage the urbanisation process' (1975, p. 366) but limits the ability of individuals to make choices because it "creates a structure which individuals can potentially choose from, but which individuals cannot influence the production of" (1975, p. 366). So individuals have to adapt their preferences to what is offered, though poorer ones have little choice while the preferences of the more affluent are shaped by promotion and ads.

In this framework Harvey sees the specific case of suburbanisation is a creation of a capitalist mode of production at a given point in its evolution. It sustains effective demand and facilitates the accumulation of capital. It also is the domain of white collar group that is competitive and possessively individualistic and ideally suited to suburban consumption that is supported by promotion and advertising. Once created, 'communities' also create a contradiction internally for capitalism since they have to be destroyed at some future stage for redevelopment or some new phase of capitalism as might occur through gentrification. Central to his view is that the role of socio-spatial differentiation is firstly to reproduce the social relations of capitalism and secondly to fragment class consciousness that might otherwise lead to socialism.

Several criticisms can be leveled at this. First, it is highly deterministic perception of the process of differentiation wherein individuals are seen to have little or no choice and cannot influence outcomes. Second, and related to this is the overly conspiratorial view – the deliberative, inevitable and intentional nature of socio-spatial differentiation where everything is forced into a Marxist template. An example of this is how social areas are seen to exist to reproduce social relations and fragment class consciousness. As a result of the first two issues this approach does not provide any
scope for policy interventions (though much more recently he does allow for local intervention (Harvey, 1996)) Third, and of greatest interest in this paper, is that it does not really go very far towards its stated need of explaining how the activities of developers (and others) actually shape differentiation. It is still somewhat broad and abstract. To go beyond this and answer some interesting ‘how’ questions, one needs to get inside this in detail. What decisions are made, in what circumstances and why? There is a need to really understand what happens, how, and who does what? How are discourses framed and created? Such approaches are particularly important because it is through regulation of the private sector, development and individual developers’ proposals in particular, that planners and policy makers seek to shape urban form and structure, and so the neglect of this is a glaring omission both for theory and practice. Nevertheless, Harvey’s structural approach is insightful, and highlights the importance of a broad structural backdrop against which the actions of developers can be studied.

A second stream that has drawn attention to the need for analysis of the development industry is in the urban managerialist tradition of Ray Pahl. This includes many empirical studies, particularly in the 1970s, that analysed the role of ‘social gatekeepers’, key players with a job at the interface between available resources and a client. 'It is in terms of their day-to-day decision-making that sociospatial differentiation takes place … they not only shape peoples' actual opportunities but also their sense of possibilities' (Knox, 1995 p. 130). These key players are from:

- Finance capital including lending for house purchase,
- Housing development and improvement,
- Industrial capital including builders and developers,
- Commercial capital, that is, exchange professions such as real estate agents,
- Landed capital, that is, landowners and rentiers,
- State agencies such as social security, and
- Agencies of the local state such as planners.

Such studies focused on the agency of individual actors providing opportunities for a fine-grained perception of who does what and why. Such an approach admits opportunities for policy interventions to redress social injustice but without a context of decision-making within the political-economic structures that confine it, these studies did not acknowledge the bounds of this agency nor the influence of the structures on this agency. Moreover, most studies emphasized the public sector and little or no work has focused on the development industry and so while the industry has been identified as important gatekeepers, this approach has never really fulfilled its potential.

Contemporary and postmodern accounts may focus more on issues like the processes by which difference is socially (discursively) constituted and how the construction of these identities – gendered, racialized or classed – are embedded within frameworks of power (Jacobs & Fincher, 1998). Difference is seen to have numerous dimensions. Interest is on how disadvantage is made or discursively created by empowered institutions – how internally diverse groups like the poor, ‘blacks’ come to be known and perhaps chosen for victimization -and who creates these representations. This framework does not preclude - and perhaps points to a need for - a focus on how space and difference is constructed by promoters of development, particularly developers and the agents charged with facilitating development in cases such as the redevelopment of inner urban areas. Opportunities exist in Brisbane, for instance, for studies into how developers may see their role in ‘cleaning up’ areas like the West End.

**Nature of the Development Industry**
The creation of urban space not a neutral activity and supply is important. The development industry has an active role in shaping urban development. The case of residential development (the most relevant kind of development for social structure) illustrates this.
In the supply of residential development, the developer produces either the land component of housing (serviced allotments) or both the land and building components. Because housing is a multi-attribute commodity, it can be inferred that the roles and product choices of the residential developer in the provision of housing are potentially very diverse. Developers can create a very large diversity of ‘products’ to meet a whole range of potential residential market segments. To create a product for a particular sub-market a residential developer chooses the location of development and supplies the land (allotments) and can influence its quality. The location is critical as this determines the set of externalities which affect the residential product (allotment or house and allotment). Central to the developer’s activity is the land’s location component because it is by capturing its betterment that the developer makes money (Ball, 1983). However, location, while critical, is not the only factor the developer can influence. A developer can influence the quality of the building on the land they develop by:

- Undertaking the building themselves,
- Working with preferred builders, or
- Using instruments to regulate the quality of building (and sometimes aspects of the land and surrounds). These include covenants, codes, management codes linked to group subdivision (i.e. strata title, community title, group titles which are then administered by the body corporate) or they may influence or even prepare local government development control plans that regulate future use and development of the development site.

Large-scale developers can go much further. They can shape the set of externalities which affect a house by choosing the layout of their estates, its appearance, and the pattern of infrastructure including parks, retail centres and schools (thereby capturing the betterment this generates for their own developments). In other words, they can create their own location (Coiacetto, under review).

The point here is then that developers have broad scope to influence urban social structure and have a potentially huge variety of differentiated products they can potentially produce.

Focusing on development is also important because, sitting at the locus of a range of forces that shape urban outcomes, the developer’s role is pivotal in the production of the built environment. The developer makes decision that take on board information about markets, finance, perceptions, planning, risks and opportunities. The developer finds and combines the various elements of a development: the site, appropriate finance, a workable design, planning consent, a building contractor and marketing in order maximise return (Ambrose, 1994 p. 67). A research focus on developers, sitting at the intersection of many factors and forces also represents a convenient and efficient means of studying the supply of urban space.

A focus on development is important also because it produces new urban space. New development has a high impact relative to its small proportion of the total built environment and of the supply of housing and built products traded on the market at any point in time and it is also highly reflective of current market conditions (Ball, 1983). New product, or new residential development is particularly relevant to urban social structure because it is easier to segment by income (Ball, 1983) and other dimensions such as lifestyle and lifestage than is existing housing. As we have seen, there is the potential for a potentially very large variety of products to meet the market segments that exist or can be created and are created. This has the potential to generate ‘designer’ differentiation.

This suggests some research questions. What are the sub-market dimensions that developers target? How do they do this? How do the submarket dimensions correspond to the attributes of the

---

3 One impact of this is that development is highly volatile in response to small changes in demand since new supply is effectively the only supply of land and buildings that can respond to new demand (Ball, 1983; Coiacetto, under review).
product? What is the relationship between the social dimensions of the target market and their sub-market dimensions? To what extent is the whole process production led by the exigencies of the industry as opposed to demand led?

Some developers deliberately target market segments and so, in a sense, help to tailor make neighbourhoods socially. These developers shape people's opportunities by targeting particular segments and building what they perceive the market wants and what they think they can sell. Some tentative empirical inroads have been made into understanding why developers target particular segments, in Australia for example (Coiacetto, under review). The dominant segmentation dimension of markets, that study found, is by home buying stage, that is, first- second or subsequent home buyers. This dimension reflects the buyer’s accumulated equity in property and is thus related to wealth. The first home buyers market is potentially very large but risky being sensitive to market downturns and it being hard for buyers to borrow money. The key strategic focus of developers specialising in this market is on facilitating buyer borrowing. The second home buyers market and subsequent home buyers markets are more desired because of the accumulated capital of buyers in their existing home ownership and so is less risky in this regard. But the market is more competitive and the buyers are more fastidious. Accordingly, developers adopt a strategy of keeping out competitors and of careful control over building quality to meet this discerning market’s tastes. Some developers specialise in investor submarkets of which there may be several further segments. The key here is tailoring a product to the investment capacity and return expectations of potential investors. Developers of master planned communities develop large sites in large volumes and so target several submarkets along various dimensions to obtain the necessary volume of sales and also to manage the development process so as to accelerate sales to fund investment in design and in physical and social infrastructure to attract buyers. They also pay careful attention to design in order to separate different markets. Some developers are opportunistic in terms of the markets they target.

The development industry is characterised by many players. As well as the developers who target specific markets or groups thereof, there are others who are less into marketing, possibly less professional and whose market targeting is haphazard, perhaps even non existent. These producers also have implications for differentiation. Do such producers get the lower ends of markets and do they subconscious target markets anyway? Are these perhaps simply producers who have not caught up with most recent evolution in the capitalist mode of housing production?

The Changing Nature of Development
The nature of development has changed increasing its influence on the shaping of the built environmental and structure of cities. Contemporary developers have more power to influence people's choices because they are larger and more powerful and the industry is more concentrated. In addition, developers are increasingly focused on marketing and so more able to shape what consumers want and their products are also more 'finalized'.

For a variety of reasons real estate appears to be an increasingly concentrated industry characterised by larger and more powerful players (Coiacetto, 2005). Several factors in combination suggest a trend to rising concentration: more sophisticated and demanding customers; greater segmentation of and therefore capacity to dominate markets; more complex and extensive regulation; and greater ‘professionalisation’ of the industry. Larger firms can influence planning regimes and politics in ways detrimental to the continued existence or entry of small firms. Incumbent large firms have advantages in terms of long planning horizons, excess capacity, finance, advertising, land acquisition strategies and so on. Development requires ever higher skill levels due to a range of factors. Spates of takeovers amongst public companies concentrate power and influence and concentrate control over the key strategic land resources.
Rising concentration may be a consequence of globalization, a new phase in capitalism where capitalism is under an impulsion to eliminate spatial barriers to accelerate turnover times, boost consumption and profits and avoid crisis (Harvey, 1996). An outcome is an industry that has more power to influence markets, greater power to influence supply and marketing and has greater influences on policy. Globalization, however, occurs within limits because of risks and the important role local factors play in development (Logan, 1993; Wood, 2004).

There is also a growing professionalisation of the industry or what Ambrose refers to as the end of the buccaneer type developers (Ambrose, 1994 p. 67) who may have been dominant up to 1960s early (in UK). Developers are now more sophisticated and activities like formal research and risk evaluation play an increasingly important role. While personal observations suggest there are still plenty of buccaneer types in operation in Australia, growing professionalisation through professional degree programs and short courses appear to be a general trend (Coiacetto, 2005).

There are also development market changes which influence differentiation. First, there has been a move up-market in residential development (Coiacetto, under review; Galster, 1996). Partly this may be both a result, and a reflection, of a polarising trend in society. It also reflects an aversion to the risks associated with lower end markets and the desire to capture some of the land value increment (thus the profitability) that existing home owners have gained. This trend to the more luxurious ends of the market seems to exist both as a general trend in housing (Galster, 1996) probably connected to widening income differentials, and also as a specific tendency linked to land value increments and accumulated equity in housing (Ball, 1983; Coiacetto, under review).

Second, development also seems to be creating more very narrow segments. Examples include golf course residential developments, coastal developments targeted at childhood coastal holiday memories or young women buying a home as a rite of passage.

Third, there is also a trend for well off retreating to newly built environments comprising isolated gated communities and lifestyle precincts at the urban periphery, centre and elsewhere. These are actively produced and marketed by developers and are being facilitated by new methods of creating new types of property involving common interest titles. These are more common in the USA than in Australia. There are many communities in the USA in which tens of millions of people live. These usually require membership of community associations (community plan / body corporate) that constitute "a web of servitude regimes that regulate land use and mediate community affairs in what often amounts to a form of contracted fascism (Knox, 1994 p. 170).

Fourth, the market has also changed in that it appears, possibly due to consumer time constraints, that producers are making a more complete, landscaped, pre-determined products with consumers having less direct involvement in the production of the product (such as by owner building) except indirectly via marketing techniques such as focus groups. This means that developers have a greater role in the overall production of the built environment.

Many of the changes described are taking place in a context of growing liberalisation and market deregulation since the 1970s which elevates the role of private sector (e.g. Ambrose, 1994): the developer in the case of the production of the built environment.

Owner occupied housing produced by private sector has been a trend in housing through the 20th century. Combined with new means to make property transferable, common property, securities and property trusts, this may have also assisted to boost the production and sale of property via the private sector and thus elevate its role in shaping urban space. Thus there has also been a boost in consumption in property as in many industries. "Modern production systems offer increasingly complex goods and services matched by ever more sophisticated means of persuading people to
aspire to things they did not know they needed, and increasingly diverse ways of enabling them to borrow money in order to buy them" (Ambrose 1994, p. 153). Underpinning this is the boost of credit availability and willingness to lend to underpin that consumption.

Linked to the above changes has been an elevated role for marketing in development (Coiacetto, under review). This means a more systematic and organised approach to identifying potential consumer wants and tastes and producing and promoting products to those markets. Individual developers are more into marketing while marketing and marketing research firms have flourished. The consequences are a heightened ability to shape consumer preferences and thus urban outcomes.

In combination, these changes point to a growing role of the developer is shaping the built environment generally and its social structure more specifically.

The Changing Nature of Cities
The changes in the nature of cities in the developed world heighten the need for a development focus in studies of social space. These changes overlap with some of the changes in the nature of development already described above partly due to the intertwined natures of development and of urban processes. This reinforces the need for a development focus in urban studies as well as in the study of the processes of creating urban social structure.

One important change is the role shift of cities from production sites to cities of consumption. Concomitant with this is an elevation of the role of city marketing (e.g Harvey 1989; Soja, 1989). "This is reflected in globalisation and the move to produce services, in the redevelopment of brownfield sites, as the space of the spectacle, in gentrification and lifestyle apartments, and in the concept of the twenty-four-hour city. The city is a commodity to be sold to consumers. In the battle between cities to attract industries and their senior personnel and to retain the population of professionals, the image of the city is all-important. The image has become so important that the planning departments of cities are turning from planning to marketing. Never mind what you have to offer; make sure they think you have it to offer." (Bounds, 2004, pp. 134-5).

In this context marketing becomes more importance as does the commodity to be marketed and sold. This shifts the developers’ role further away from simply meeting needs and wants towards a more pro-active role of actively marketing products to consumers thus producing a shift in the nature of urban development processes and urban development products. While development has probably always had a speculative nature, the current shift from cities being places of production to places of consumption invokes a corresponding shift in the production of housing from one which is providing (partly) for the ‘needs’ of the households involved in production processes in the city towards one which is increasingly directed towards the ‘wants’ of households as consumers and what they can be made to want. This shift from ‘needs’ to ‘wants’ elevates the role of developers and is to their benefit since needs can be circumscribed but wants are unlimited.

The results are several. Residential development is increasingly now about making 'products' to be marketed with an elevated role for developers in this functional change. Developers are increasingly focused on marketing and on higher end markets (Coiacetto, under review) and society (the market) seems to have a generally greater obsession with property as demonstrated by the proliferation of 'property' shows on television and of newspaper liftouts on property.

This raises some questions. For whom are these more market-attuned and consumption city oriented developers developing? What is the relationship between their marketing and the product? Who

---

4 For example, the weekend “Courier Mail” in Brisbane has its own separate full colour magazine and there is also a property lift-out in the “Sunday Mail” in the same city.
produces what, where and for whom? How are the lower ends of the market catered for? How do these factors shape the social character of places?

Cities are also characterized by new forms of urbanization that are largely private sector led and marketed. These include, coastal urbanization, ‘seachange’ communities, whole new private sector communities including master planned communities. Some commentators have suggested that as the built environment becomes more 'privately' driven, that differentiation and inequality is deepening (Harvey, 1996)

Cities have also changed in that their social structure seems to have become more complex and that spatial inequality is more intense and polarized. The traditional view of new housing (in Australia) has been that low socio economic groups move to the transport disadvantaged outer suburbs but it is now recognized that much of the new housing on the urban periphery is targeted at and consumed by second and subsequent home buyers, which is more similar to the American model. More intensely polarized cities have been linked to neo-liberal policies (Ambrose, 1994) and economic restructuring. However, the increasing complexity, and to a lesser extent perhaps, the greater intensity of spatial inequality, can also partly be seen as the result of larger-scale developers producing new products, in desirable locations, which they target and market to specific ‘desirable’ market groups such as the more affluent ones. In the United States Harvey writes of the bourgeoisie sealing itself off in gated communities (Harvey, 1996, p. 407) but surely these too are the marketed products of sizeable developers. To the extent that such urban forms are being adopted in Australia, it raises some questions about their producers. Where do developers get their ideas from? Are their ideas a home-grown reaction to emerging social inequality or are they simply importing an American model that they think they can market here?

Finally, rapid urbanization still characterizes some cities in developed countries. Partly this is through migration (national and international) and partly through greater household formation, both factors that may be partly the result of marketing of cities and of development. Rapid urbanization increases the amount of ‘new’ development as a proportion of the residential property sold and thus increases the importance of developers in the process of socio-spatial differentiation through reasons outlined earlier.

APPROACHES AND CONCLUSION

A focus on the role of the development industry in shaping urban social structure is lacking in current studies. It is important that this omission be addressed because development plays an important role in shaping that structure. With changes in the nature of development and in the nature of urbanization, that role is becoming more important. Because it is through regulation of the private sector, development in particular, that planners and policy makers seek to shape urban form and structure, the neglect of attention on development is all the more glaring.

Development is a complex, detailed, variable and changing process. This suggests that approaches to the analysis of how developers contribute to the fabrication of urban social space will need to consider both agency and structural matters.

The approach needs to examine the ‘nitty gritty’ of what actually happens, when and why. This implies an approach that takes some detailed account of agency – the decision making processes that key actors in the development process undertake. In part, this involves a continuation of the challenge posed, but never taken up, by the urban managerialist approach.

Studies will also need to be contextualised within the structures that confine actor agency. This involves, in part, extending the work of the Marxist analyses by Harvey. Moreover, the development process is inherently complex and varies sectorally, geographically and according to
the financial and political contexts within which it takes place. Analyses of the development processes, therefore, need to be undertaken in a variety of contexts, identifying those contexts and taking them into account (Ball 1986 in Gore & Nicholson, 1991; Knox, 1993 pp. 9-10). Studies will also need to be contextualised within the *industrial structure* of the development industry that exists in the geographical area under examination. Areas contain a variety of firms of varying sizes and internal organisational structure: some areas will be dominated by a few large firms while others will have many small ones (Coiacetto, 2005). This is important because different firms of different sizes have different strategies with respect to development and market targeting.

Not only does the development process vary from place to place but so too can the types of developers and their thinking -- and this also can influence the outcomes of development. Development is a local industry (Logan, 1993) and Coiacetto shows (2000) that the whole mind set of developers in two adjoining LGAs can differ and that this has implications for the physical built environment.

In combination, these factors points to an approach that focuses on both structure and agency but with some detail that gets close to reality and asks ‘how’ questions (Flyvbjerg, 2001). Relevant elements of that structure that may be interesting for comparative analysis include areas with different planning regimes; different planning policies; or that are the products of different era of accumulation or different stages in the evolution of capitalism (e.g. gentrifying areas compared with suburban areas). Another option is to examine areas with different existing socio-economic contexts (e.g. income polarized places) or world cities versus regional cities. Studies will also need to recognise the evolutionary nature of capitalism and that structures may be left over from other era (Harvey, 1975).

The suggested approach, however, is not intended to preclude studies outside this framework. For example, one interesting avenue of investigation already mentioned would be a focus on how space and difference is constructed by promoters of development, particularly developers and the agents charged with facilitating development in cases such as the redevelopment of inner urban areas.

Both urban theory and policy would benefit form investigation of the role of development in shaping urban social space.

---

5 – Though Flyvbjerg notes that planning studies that purport to do both usually focus on one at the expense of the other.
REFERENCES


