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Place-Remaking under Property Rights Regimes:
A Case Study of Niucheshui, Singapore

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ABSTRACT

From the perspective of institutional analysis, this paper evaluates the place-remaking process of Niucheshui in Singapore. Since the 1960s, redevelopment of Niucheshui has been substantially shaped by the property rights regimes over land and buildings. Because property rights are defined by the state through statutory land use planning, compulsory land acquisition, rent control, land leasing and conservation of historical buildings, the redevelopment land market is reined in tightly by the state. Prior to 1960, Niucheshui's built form was largely the product of many private individuals' and communities' initiatives. Those players have faded from the scene since the 1960s, and redevelopment of Niucheshui has become the result of interactions between the state and market forces, though public participation is practiced in the land use planning process. Because the urban land market behaves and performs within an institutional framework, and because property rights are one of the most important institutions, the authors argue that the rhetoric of public participation does not assure incorporation of stakeholders' preferences in the shaping of locality; pluralism and diversity in the built environment must be protected by a diverse structure of land property rights which should be incorporated into the place-remaking process.

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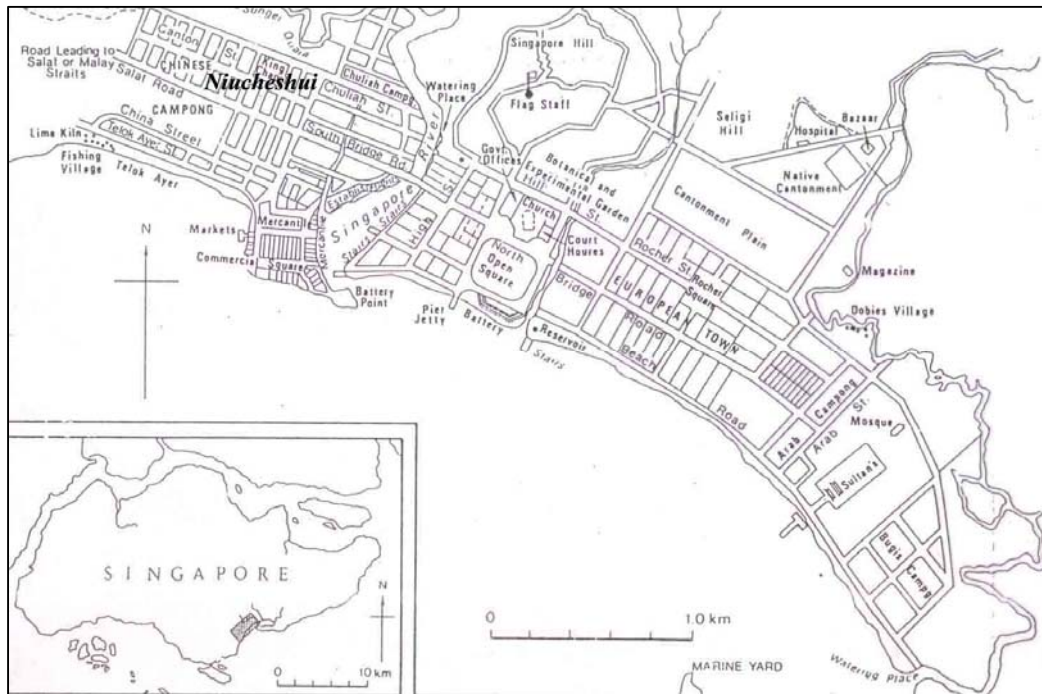
I. Introduction

A city-state on the southern tip of the Malay peninsula, Singapore has a total land area of 699.0 km² (including 58 islets) and a population of 3.49 million (2004). The gross population density stands at 4,993 persons per square kilometer, one of the highest in the world. It has long faced a challenge of limited land supply, for it is a small island with a fixed land resource except for marginal land reclamation. Singapore's modern history began in 1819 when an Englishman, Stamford Raffles, came to Singapore and subsequently made it a small entrepôt providing services to ships plying goods between Europe and Asia. The urban area was merely 1.8 km² in 1840. Facilitated by the opening of the Suez Canal, Singapore's ports expanded and so, in turn, did its urban services. The urban area had been developed to 53.2 km² by 1950 (Fonseca, 1976). Since gaining independence in 1965, Singapore has undergone dramatic development, its economy expanding rapidly and continuously and achieving an average growth rate of 12.8% GDP per annum (current price) from 1965 through 1995 (Department of Statistics, 1966, 1996a). The government-coordinated economic growth, coupled with the deliberate urbanization policy (McGee, 1976), resulted in urbanization of 141.9 km² of the city-state's territory between 1965 and 1995, 176 percent more than in the 110 years between 1840 and 1950. Its supply of undeveloped land has been virtually exhausted because half of the land area on the island has been designated as water catchments due to insufficient fresh water resources in the country (*The Straits Times*, April 4, 1997).

Since Singapore became a strategic international trading port, many traders and immigrants of different ethnic backgrounds have come to the island. In order to avoid racial strife caused through misunderstandings arising from living in proximity, Jackson Plan (1823) designated residential areas to various communities. One area to the southwest of Singapore River was allocated to the Chinese communities, named Chinese Kampung¹ (see Figure 1). Although Chinese Kampung was mainly inhabited by the Chinese, a large number of South Indian migrants, especially Muslims, lived there as well, evidenced by the presence of the Sri Mariamman Temple (built in 1827 and rebuilt in 1844), Nagore Durgha Shrine (1830), Al-Abrar

¹ *Kampung* is a Malay word meaning village. There were also European Towns, Chulia, and Arab and Bugis Kampung designated for those ethnic groups.

FIGURE 1. Jackson Plan (1823)



Mosque (1827), and the Jamae Mosque (1826) (see Figure 2). Because “Chinese Kampung” was an English and Malay term, Chinese-speaking Singaporeans renamed the Chinese Kampung as *Niucheshui*,² and the area has been fondly called that by the Chinese communities ever since (Xu, 2001).

Urban planning is an instrumental tool for local development because planning controls set limitations on land use and development rights. Land use planning is no doubt constructive, but this paper argues that property rights regimes also play a key role in place-(re)making. Since the 1960s, public participation in planning in the West has been a means to involve communities in the shaping of desired human settlements. However, whether the final built-form of places reflects stakeholders’ interests, or the effectiveness of public participation, depends on whether stakeholders’ priorities are embedded in the property rights regime in the land development process. From the perspective of property rights as an institution, the authors use the case of *Niucheshui* to elaborate how it transformed during 1960–2000 into its present state. It demonstrates how property rights, as they relate to land redevelopment, are defined by the state

² *Niucheshui* is a Chinese term literally meaning “bullock-carts carrying water.” In early times before there was tap-water, bullock-drawn carts passed Chinese Kampung daily to fetch water from wells there.

and how such a structured property rights regime impacted the remaking of Niucheshui over four decades. The case shows that the strong state and favorable market conditions account for the great success of Niucheshui's redevelopment. However, the question remains open as to whether Niucheshui's redevelopment has taken into consideration the interests of local communities, though public participation is a visible phase of the plan-making process. In the 1950s, Niucheshui was a distinctive locality built through community initiatives. However, since then, it has been transformed into a "modern" place on the verge of becoming a tourist "theme park." The community-developed physical heritage is in danger of dissipating under a property rights regime where communities are absent. Public participation in the form of right-to-information is procedural, rather than substantive. In view of property rights being a key institution determining the use of land resources—in spite of built-in public participation in land use planning—local community rights over community properties should be incorporated into the land redevelopment process to ensure that pluralism and diversity are protected throughout Niucheshui's transformation.

II. Property Rights and Place-Making: Theoretical Discussion

Stakeholders in a locality are naturally concerned with how the locality is molded. Urbanization has created places which are usually shared by people living disparate lifestyles and holding diverse values. With democracy replacing autocracy as an irreversible trend, faults in positivist and deterministic comprehensive physical planning become evident. Planning theory's evolution from comprehensive physical planning to public participation, communicative planning, and collaborative planning reflects the idea that the process of shaping local environments should consider and engage a wide range of stakeholders (Healey, 1997). Diversity has become one of the principal guidelines for today's urban planning. Fainstein (2005: 4) proclaims that "diversity attracts human capital, encourages innovation, and ensures fairness and equal access to a variety of groups." Public participation assures involvement of groups and individuals with diverse interests in the planning process, yet diverse opinions and NIMBYism render planning devoid of action. Though its negotiation focus can result in high transaction costs, communicative planning and collaborative planning aim at positive consensus-building among different viewpoints (Healey, 1997; Innes, 1995; Fainstein, 2000). "Collaborative approaches...are focused explicitly on the task of building up links across disparate networks, to forge new relational capacity across the diversity of relations which co-exist these days in places" (Healey, 1997: 61).

Although diverse claims of groups living in a shared place are addressed by the new paradigms of planning theories, the practices of public participation and consensus-building are procedural rather than substantive in nature. Fainstein (2000: 464) observes that “if one visits the world’s planned new towns and downtown redevelopment projects, even those built with commitment to diversity and community, one is struck by their physical and social homogeneity.” Jane Jacobs, a critic to modern town planning, quips that new towns “were really very nice towns if you were docile and had no plans of your own and did not mind spending your life among others with no plans of their own” (‘Where city planners come down to earth,’ *Business Week*, 20 August 1966, pp.101-104). Urban planning, however, need not create homogenous towns. Planning alone is just a constraint imposed upon land development, while many choices and decisions still rest entirely with land owners. The alleged homogeneity occurs only when a new town is mostly built by a single developer who owns a large proportion, if not all, of the land before subdivided land plots are sold to residents. The comprehensively planned new towns of Columbia, Maryland, and Reston, Virginia, are built in such a manner (<http://www.columbiaassociation.com/>; <http://www.reston.org/>, accessed on 10 August 2005). A developer’s commitment to a comprehensive master plan does not yield a planned new town without extensive land ownership prior to land development. Jacobs (1961) believes that good urban design (mixed land uses; small street blocks; conservation of historic buildings; and high density) could generate or maintain diversity in the built form. We believe that diversity in places should be secured by a diverse structure of land property rights. If property rights over land and buildings are exercised by a collection of diverse actors, diversity is embedded in the development of the built environment.

Property is a bundle of rights that link an economic system with a political structure and a legal regime (Reeve, 1986; Bazon, 1963; Becker, 1977). The right to hold property has profound implications for one’s social, economic and political well-being. It is argued that one derives freedom and liberty from rights to property, as property rights protect one’s entitlement to benefits from products of one’s own labor. On that basis, property extends power and privilege to its owner (Blumenfeld, 1974). Property rights are primarily a bundle of rights associated with ownership, which consists of the right to use, the right to derive income, and the right to alienate the rights mentioned above (Pejovich, 1990). Property rights were initially formulated to manage social cooperation in the use of scarce resources. Human history has demonstrated that instability of property rights over resources is a major impediment to wealth creation. Not existing in an institutional vacuum, property rights are determined by institutions and social norms which are constraints devised by society for human interaction (North, 1990). The

system of property rights is concerned with economic efficiency and distributive justice, which places limits on the actions of individuals and governments (Paul, Miller & Paul, 1994). A supportive system of property rights is imperative for development efficiency and growth where pursuing profit brings in innovation.

Understanding of the land market and the built environment it produces is derived from the knowledge of mechanisms of the land market. The subject of land transactions is not land per se, but essentially interests in rights over the land. Property rights are deemed essential in the governance of land markets (Fischel, 1985; Webster and Lai, 2003). Demsetz (1967) points out that one of the economic functions of property rights is to internalize externalities in the competitive use of resources. The structure of property rights over urban land determines the mode of land development, and thus has direct impacts on the form of the resultant built environment. The impacts comprise two aspects: land use efficiency and form of the built environment.

Neo-classical economics holds such precepts that individuals behave rationally in maximizing utility with their preference, and relative prices drive the market moving toward a long-run equilibrium. Decisions pursuing individual welfare led by an “invisible hand” coordinating the pricing system are believed to be the best decisions for the whole society collectively. Neo-classical economists have faith in the premise that clearly defined property rights should achieve Pareto efficiency in a market system. However, when individuals maximize utility, costs and benefits of the decisions have to be internalized if society needs to obtain a sustainable growth. Freedom from external interference is one of the fundamental aspects of property rights, which ensures property owners’ autonomy and independence.

In regard to open access to natural resources, people seeking personal gain will eventually deplete the public resources as a result of over-consumption and under-investment, the so-called “tragedy of the commons” (Hardin, 1968). In a similar vein, the commons appear in the domain of urban land development, too. Self-built shelters that do not observe building codes are euphemistically termed “informal housing” which is commonplace in the cities of developing countries (Smith and Scarpaci, 2000). Informal housing tends to ignore planning control guidelines, if there are any, in order to maximize built-up floor space and land utilization in the context of high population density (or acute land scarcity) and weak governance, which subsequently imposes negative externalities on the neighborhood. The damage of negative externalities to the neighborhood is costless to the inflictor initially, and thus encourages other housing builders to follow suit. Negative externalities become aggregated and exacerbate environmental problems. The neighborhood becomes the commons

where environmental amenities are over-consumed and land utilization becomes suboptimal. The commons emerge from an absence of planning control which essentially bestows rights to residents not to be adversely affected by developments in the neighborhood. Substandard, inferior and deteriorating habitations ensue.

Therefore, instead of being solely governed by the “invisible hand,” transactions in land markets are always mediated by the “visible hand.” Land use planning controls, which attenuate the development right of individual land owners, protect land users in the neighborhood against detrimental externalities caused by individual developments. State regulatory intervention in the private land market is well recognized as playing a constructive role in the shaping of a functional land market (Stull, 1975; Mark and Goldberg, 1981). By assigning rights and liabilities, the state plays a supportive role contributing to efficiency on the one hand. On the other hand, however, by regulating the market, the state may likely dominate the place-making process and become the chief determinant of the built form of places. Bottom-up individual and community initiatives could be stifled and resultant developments may not be in stakeholders’ interests. Old town charm is, to a great extent, attributed to its diversity and pluralism, which results from numerous individual land owners’ free choices over time. The alleged monotony of planned new towns is often created by a homogenous structure of property rights or by a state’s dominance in the management of land development. The rhetoric of procedural public participation can be annulled easily by the substantive property rights regime. The case of Niucheshui in Singapore will demonstrate the tension between land use efficiency, which is a critical issue for the land-scarce city-state, and diversity in place-making, which is the new universal principle.

The developmental state is the paradigm dominating the phenomenal growth of East Asian economies (Johnson, 1982; White and Wade, 1988; Woo-Cumings, 1999). The developmental state plays an active and strategic role in guiding market forces to achieve the goal of economic growth. The “visible hand” is omnipresent in Singapore’s economy. Singapore’s developmental state has exerted fairly heavy controls over its economic development since 1965, when it gained its independence. The structure of property rights is defined by the state to the extent that individuals’ property rights are attenuated substantially and many sticks in the bundle of property rights are possessed by the government. Shaped by this regime of property rights, Singapore’s land development has been characterized, on one hand, by the speed of its physical change and rigid observation of government plans. On the other hand, the built environment produced clearly has shown an absence of spontaneity from private individuals and communities.

III. Development of Niucheshui by the 1950s

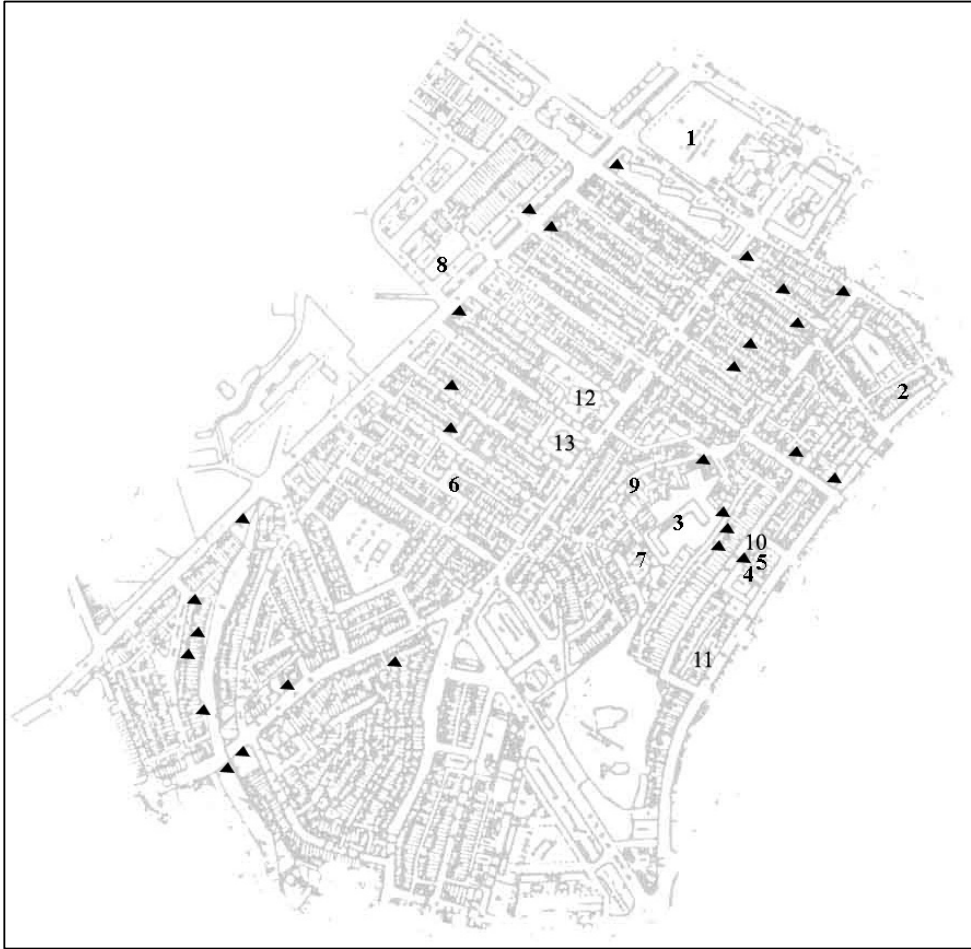
Though Niucheshui employed no formal land use planning, simple guidelines were drafted for the area to be built in conformity with the building codes. By the 1950s, most street blocks in Niucheshui were divided by individual land owners into strips as long as 200 feet with a narrow frontage of only 16 feet. A so-called “shophouse” was built on each strip. Shophouses were mostly two or three stories high, with a shop on the ground floor and a residence above the shop. As the majority of Chinese immigrants came from the southeastern coastal provinces of China, the architecture of early Niucheshui shophouses was strongly influenced by that of southern China (URA, 1995a).

Niucheshui soon became the place identified by the ethnic Chinese as the center of local Chinese communities. Together with ubiquitous retail outlets, Niucheshui was also characterized by many Chinese community goods. In 1824, the first Chinese temple, “Fuk Tak Chi,” was erected as a small shrine by Hakka and Cantonese migrants along Telok Ayer Street, which was on the seashore before land reclamation began in the 1950s. It was said that, later, it became the first place for Chinese migrants to visit after they landed in Singapore. As the number of migrants increased, Niucheshui became congested. Seeing the scarcity of amenities, one of the Hokkien community leaders, Cheang Hong Lim, donated a green field in 1876, said to be the first public green in Singapore. The site was originally named Dunman’s Green and was renamed Hong Lim Green after the philanthropist who bought it. Since the early migration came from southern China, migrants speaking the same dialect or coming from the same hometown assembled themselves and set up their own clan associations (*huikuans*). Such clans associations, which were organized along the lines of locality, dialect, surname, trade, or religion, occupied shophouses in Niucheshui (Cheng, 1990). Some well-endowed clan associations built schools and temples. The first school in Niucheshui, Yueng Ching School, was established at Club Street in 1905. In 1915, the Chong Hock Girl’s School was built by the Hokkien community within the grounds of the Thian Hock Keng (“Temple of Heavenly Happiness”) which was erected in 1842 (see Figure 2).

Since the late 19th century, the Chinese community had chosen Niucheshui as its entertainment center. A Cantonese Opera House, known as Lai Chun Yuen Theatre, was built in Smith Street in 1887. In 1927, wealthy businessman and tin miner Eu Tong Sen built a theatre for his wife, who loved Cantonese Opera. It was later named the Majestic Theatre. These theatres were intended for commoners, while rich Chinese formed exclusive clubs for their leisure. In 1889, the Straits Chinese community founded, atop Ann Siang Hill, the Singapore Chinese Weekly Entertainment Club, which allowed only

English-speaking Chinese to enter. Meanwhile, dialect-speaking Chinese had the Wu Lu Entertainment Club (established in 1905) on Club Street (see Figure 2). With the colonial state as a regulator in the background, Niucheshui was largely built by the local communities' initiatives. A strong sense of place was clearly felt and embedded into its built form.

FIGURE 2. Niucheshui in the 1950s



Note: ▲ Clan associations:
 1) Hong Lin Green; 2) Fuk Tak Chi; 3) Yueng Ching School; 4) Chong Kock Girl's School; 5) Thiam Hock Keng Temple; 6) Lai Chun Yuen Theatre; 7) Singapore Chinese Weekly Entertainment Club; 8) Majestic Theatre; 9) Wu Lu Entertainment Club; 10) Nagore Durgha Shrine; 11) Al-Abrar Mosque; 12) the Jamae Mosque; and 13) Sri Mariamman Temple.

Source: Authors' survey

IV. Redevelopment of Niucheshui 1960–2000

Post-war acute housing shortages resulted in severe overcrowding in Niucheshui, where rooms in many shophouses were subdivided into cubicles occupied by sub-tenants (Kaye, 1960). The central area where Niucheshui was located accounted for 1.2 percent of the total land area, but it accommodated one-quarter of the total population of Singapore (Choe, 1969). The majority of shophouses were aged and dilapidated and the land area, primarily comprised of sprawling, low-rise residential uses, was inefficiently used (see Figure 2). Because Singapore is a small city-state with fixed land supply, the newly inaugurated government realized that the development of a modern Singapore had to maximize utilization of its land resources. Slum clearance and comprehensive redevelopment of the central area were therefore prioritized as two urgent missions of the government. Since 1960, land redevelopment in Niucheshui has been occurring where physical transformation is mainly driven by social and economic changes (see Figure 3 and Table 1).

Because the road system in the old downtown was comprised of narrow streets which could not cope with ever-increasing traffic, redevelopment of the central area began with realignment of the road pattern. Eu Tong Sen Road [1], named after the prominent Chinese businessman, was widened and extended to become a main artery parallel to New Bridge Road, as a component of the central area renewal program. Slum clearance and provision of public housing were initiated concurrently. Singapore's public housing program, begun in 1960, has improved the housing conditions of Singaporeans dramatically. According to Weldon and Tan (1969), about 90 percent of Singaporeans lived in dilapidated shophouses and temporary dwellings in 1957. The figure went down to 72 percent in 1966 and further to 56 percent in 1970. At the same time, the pattern of residential location was altered substantially. Resettlement of residents from the central area to new suburban housing estates occurred, and residents vacated Niucheshui's shophouses and moved into public housing flats in the new towns. As a result, Niucheshui lost a large number of residents; only a few stayed behind. Those households left behind did not have enough children to sustain schools in the community. Many schools thus closed down, including Yueng Ching School and Chong Hock Girl's School. A population of approximately 360,000 in the central area in 1957 was reduced to 100,000 in 1990 (Dale, 1999: 232-3).

Due to high population density, demolition of one shophouse usually required five to eight public housing units for the resettlement of occupants (Chew, 1973). Although most of the public housing was built in the outskirts of new towns, a few of public housing blocks were built in the central area to cater to those resettled residents having

close ties with where they had been living. Sago Lane Redevelopment [5] (684 flats) and Hong Lim Complex [7] (260 flats) were two high-rise public housing projects. Characteristic of Niucheshui, the traditional street market was incorporated into the Hong Lim residential-commercial complex. It comprised 2 tower blocks of 260 flats above a four-story podium of shops, offices, cooked-food stalls and an open market on the ground. The prepared-food center and the open market accommodated the street hawkers displaced by the new development. Likewise, Sago Lane public housing, completed in 1973, was built with shops on the ground floor and connected with community facilities. Yeoh and Kong (1994: 20) stated that this housing project reflected “the state’s attempt to retain the ‘close and self-contained community living’ which had characterized shophouse-living in the past.” The Kreta Ayer Community Centre, a People’s Action Party (PAP) government sponsored unit responsible for social organization, built the Kreta Ayer People’s Theatre [3], which had its debut in 1969.

During the 1960s and 1970s, Singapore experienced unprecedented economic growth. Between 1960 and 1970, the economy grew at 10.4 percent annually in GDP (Department of Statistics, 1971), thanks to the diversification and restructuring of the economy from dependence on trade and commerce alone, to manufacturing, finance and banking, transportation and tourism. Demand for modern offices and shopping complexes emerged. Because of its central location, Niucheshui became the choice for office, hotel and shopping developments. In the 1970s, high-rise structures of Fook Hai Building [6], People’s Park Complex [8], People’s Park Centre [9], OG Building [10] and Maxwell House [14] appeared on the sites where shophouses stood. The 31-story People’s Park Complex was the first shopping centre of its kind in Southeast Asia and became the model for later modern retail developments in Singapore and elsewhere. Two hotels, Furama [15] and Tangcheng Fang [16], were built in the 1980s, in response to the swarm of tourists coming to Singapore. In 1964, 90,000 tourists visited Singapore. Between 1964 and 1982, tourist arrivals grew 21.3 percent per annum. In 1982, the number of international visits hit 3 million (STPB, 1988).

Urban conservation began in the late 1980s. Active maintenance and restoration of select shophouses was initiated by the government. In August 1987, 38 restored shophouses (27 parcels of land) in Tanjong Pagar were listed and sold for designated commercial uses. A new form of conservation was introduced to China Square Centre [26] and Far East Square [27]. Building blocks were designated for conservation with 61 shophouses restored at developers’ expense. A developer also funded the restoration of one of Singapore’s oldest temples, Fuk Tak Chi, into a public museum. High-end private gated

condominium housing, Craig Place [31] and Emerald Garden [32], appeared in Niucheshui in the 1990s as the early sign of gentrification. Emerald Garden was built on the site of the previous Yueng Ching School after the latter was closed in 1988. After 40 years of redevelopment, Niucheshui has been transformed significantly in its physical form (see Plates 1 and 2).

Since the departure of colonial masters and the arrival of national independence in 1965, Singapore has been governed by its own elected government. As the state has taken over management of economic and social welfare from its citizens, the relevance of clan associations is diminished to the ethnically plural city-state in their provision of community-based welfare. Yet some clan associations are still robust with strong membership showing loyalty to their unions. Financed by its own members, a five-story new building for Ning Yang Huikuan [2] was completed in 1966 (acquired by the state later in the 1970s) (Hong Lim Citizens' Consultative Committee, 1977). Ying Fo Fui Kun [33] was one of the first Hakka associations founded in 1822. The building, with a history spanning more than 150 years, used to accommodate Ying Sin School, one of the first modern Chinese schools in Singapore set up by clan associations. After many attempts by clan leaders to press the authorities for national monument status, the clan decided to restore the building without government help. "Clan members raised \$800,000 for the building's restoration, which was completed in mid-1998. It was gazetted a national monument about six months later" (<http://www.asiawind.com/pub/forum/fhakka/mhonarc/msg02335.html>, accessed on 9 January 2005). Nevertheless, the heyday of clan associations has past, evident in the decline of their premises in Niucheshui.

FIGURE 3. Niucheshui in 2000



Source: Authors' survey

TABLE 1. Redevelopment of Niucheshui (1960–2000)

No.	Project	Land use
1960s		
1	Eu Tong Sen Road	road widening
2	Ning Yeung Huikuan	clan association
3	Kreta Ayer People's Theatre	community facility
4	National Development Building	government office
1970s		
5	Sago Lane Redevelopment	public housing
6	Fook Hai Building	office/retail/apartment
7	Hong Lim Complex	public housing/retail
8	People's Park Complex	office/retail/apartment
9	People's Park Center	office/retail/apartment
10	OG Building	office/retail
11	Subordinate Courts	government office
12	Hong Lim Shopping Center	office/retail/apartment
13	URA Building	government office
14	Maxwell House	office/retail
1980s		
15	Furama Hotel	hotel/retail
16	Tangcheng Fang	hotel/retail/cinema
17	South Bridge Center	office/retail
18	New Bridge Center	retail
19	Maxwell Food Center	retail
20	Fairfield Methodist Church	religious
21	URA Building	government office
22	Food Center	retail
23	Tangcheng Dasha	retail/office
1990s		
24	Great Eastern Center	office
25	Capital Square	office
26	China Square Centre	retail
27	Far East Square	retail
28	Lucky Niucheshui	retail
29	Oriental Plaza	retail
30	URA Center	government office
31	Craig Place	private housing
32	Emerald Garden	private housing
33	Ying Fo Fui Kun	clan association

Source: authors' survey

PLATE 1. Niucheshui in the 1950s



Source: URA, 1989: 24

PLATE 2. Niucheshui in 2000



Note: This is a photo of the Niucheshui model presented in URA's exhibition.

V. Property Rights Regime over the Land Redevelopment Market of Niucheshui

The land redevelopment market of Niucheshui during 1960–2000 in Chinatown was far from a free market where the “invisible hand” managed market demand and supply. It was substantially regulated and manipulated by the state, which defined property rights over land and buildings. There were four prominent means by which the land market was structured in its property rights: rent control, compulsory land acquisition, state sale of sites, and conservation planning.

The Control of Rent Ordinance was revived in 1947—when housing shortages became acute in the wake of the Second World War and caused considerable damage to the urban housing stock, halting new developments—and subjected residential and commercial premises built before then to rent control. The law prohibited landlords to charge tenants with rents above the level regulated by the government and made it extremely difficult for landlords to terminate tenancy. The owners’ property rights were attenuated as the use right over premises held by tenants was accorded a higher position than it should have been. Artificially low rent income did not encourage landlords to maintain and redevelop properties up to standard. Landowners’ redevelopment initiatives were effectively thwarted when sitting tenants were protected from eviction. Quality of the shophouses in Niucheshui deteriorated over time and market-driven redevelopment was halted as a result of rent control (see Plate 3). Since 1969, only those landlords whose premises were located within the development areas designated by the state were able to recover the premises by terminating tenancy, with reference to the Controlled Premises (Special Provision) Act, 1969 (Yeung, 1973).

In the 1960s, the government felt that it would be necessary to acquire pieces of encumbered land in order to assemble them into large plots for the implementation of comprehensive urban renewal plans. Thus, the Land Acquisition Act (1966) became operational on June 17, 1967. The noteworthy point is that it “contains a novel, and most controversial, clause which empowers the state to acquire land ‘for any residential, commercial or industrial purposes,’” and “[t]he suggestion of adding a qualifying phrase ‘of public benefit’ was dismissed” (Yeung, 1973: 38-39). Section 5(1) of the Act states that “whenever any particular land is needed: (a) for any public purpose; (b) by any person, corporation or statutory board, for any work or an undertaking which, in the opinion of the Minister, is of public benefit or of public utility or in the public interest; or (c) for any residential, commercial or industrial purposes, the President may, by notification published in the Gazette, declare the land to be required for the purpose specified in the notification.” Section 5(1) empowers the government to acquire land

PLATE 3. Deteriorated Shophouses in Niucheshui



and remove it from private development, either by individuals or by companies. This Act has enabled the acquisition of many fragmented parcels of land occupied by old shophouses in Niucheshui for road widening and development of offices, hotels, shopping centers and public housing (see Figure 4)³. In 1949, state land only accounted for 31 percent of the total land stock. After acquisition of a large quantity of land by government departments and agencies, the state owned 76.2 percent of land in the island by 1985 (Motha, 1989). From 1985 to 1994, a further 16.8 sq km of land was compulsorily purchased from private owners (*The Straits Times*, 9 October 1995).

Because of government dominance in land ownership, state land sales constitute a major source of land supply in the market. Comprehensive redevelopment of the central area through the participation of private developers is achieved through the Sale of Sites Programme. Fragmented private land lots are purchased by the URA through land acquisition. After clearance and resettlement, land plots are assembled and then put up for sale by tender to private developers. These sale sites are mostly 99-year leasehold parcels (see Figure 5). The tender system offers a combination of conditions and concessions. Among a set of stringent conditions are the type of development and the time frame for completion of the project. Because of those

³ Market value of a land plot on 30 November 1973, or at the date of gazette notification, whichever was lower, was set as a base for compensation.

FIGURE 4. Cases of Land Acquisition in Niucheshui 1960–2000

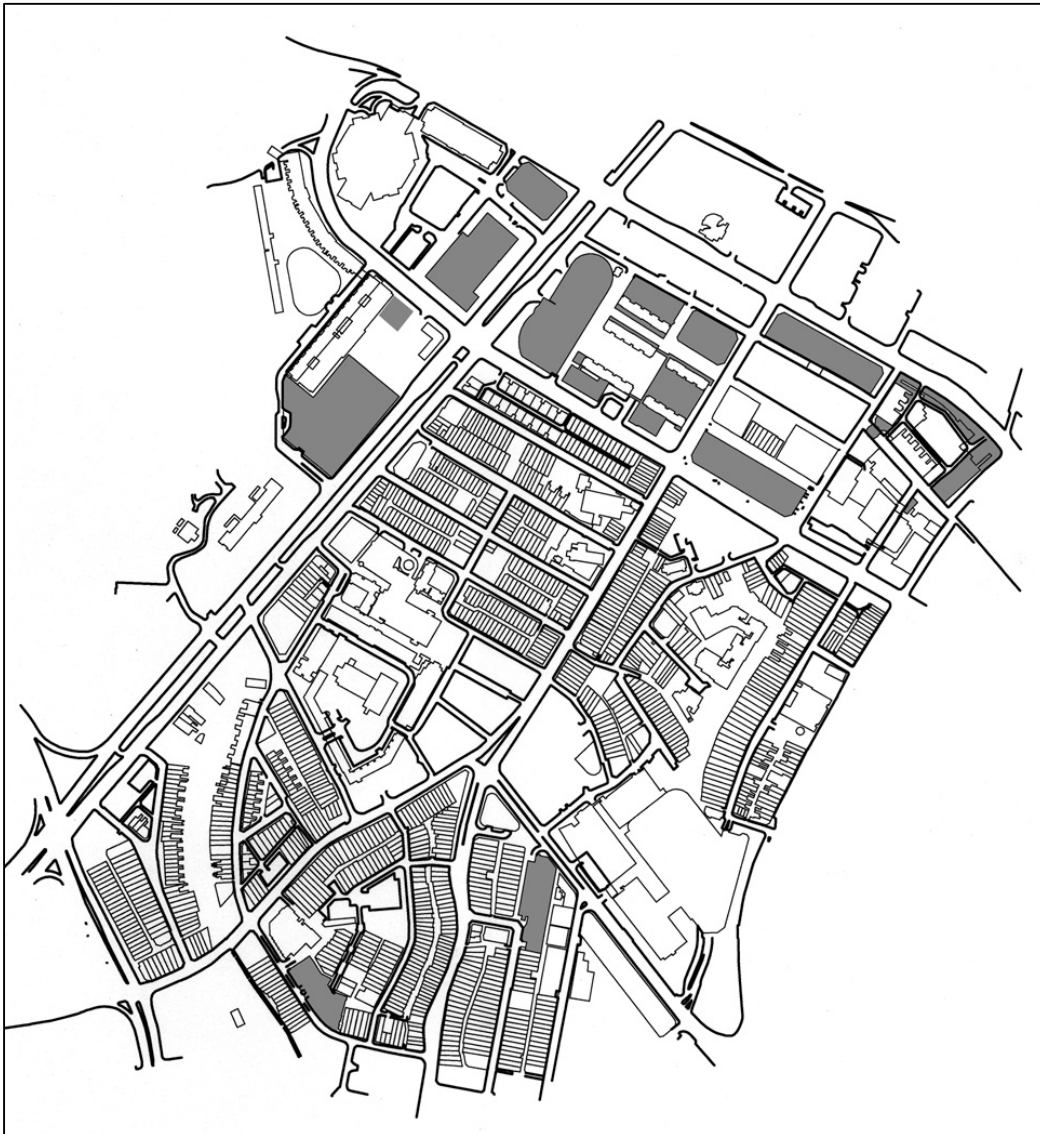


Source: Republic of Singapore Government (various years)

conditions attached, building supply by the private sector is forcefully controlled by the government. On these sold sites, private projects such as hotels, offices, shopping centers and housing were developed after old shophouses were demolished. These projects include Fook Hai Building [6], People's Park Complex [8], People's Park Centre [9], OG Building [10], Maxwell House [14], Furama Hotel [15], Tangcheng Fang [16] and Craig Place [31].

On October 6, 1988, the Ministry of National Development announced that rent control was to be phased out in stages, in order to speed up conservation of the city and free the affected areas for redevelopment. Bukit Pasoh, Kreta Ayer, Telok Ayer and Tanjong Pagar, the four sub-districts of Niucheshui, were designated Conservation Areas in July 1989. These areas cover approximately 23 hectares and

FIGURE 5. Cases of Sale of Sites in Niucheshui 1960–2000



Source: URA, 1983

have a total of 1,200 conservation buildings, of which about 700 are privately owned (Perry, Kong and Yeoh, 1997: 267). China Square was given conservation status in 1997 (see Figure 6). Selling sites for conservation has been in practice since 1990. Under the 1969 Controlled Premises (Special Provisions) Act, landlords may recover their rent-controlled premises situated within a designated conservation area from their tenants for the purpose of redevelopment. “To ensure development, landlords were given up to one year from the day of gazette to submit to the authorities plans for redevelopment and up to three years to begin work on approved plans. They were given six months to notify the authorities of their inability to redevelop. Any landlord failing to comply with these provisions faced the possibility of having his property acquired by the state” (URA, 1989:13). These

provisions are meant to ensure that property owners take the initiative to redevelop their holdings, while owners' development rights are effectively curtailed (URA, 1989). Besides strict and meticulous guidelines for building conservation, building uses and street activities are also strictly controlled (URA, 1995b). Within Conservation Areas, some street blocks with high concentrations of ethnic activities are

FIGURE 6. Conservation Areas in Niucheshui



Source: <http://www.ura.gov.sg>

designated as core areas where stricter guidelines for use of shophouses are in place. There are two core areas within Kreta Ayer and Telok Ayer, respectively.⁴

VI. Place-Remaking under the State-Dominated Property Rights Regime

Niucheshui's redevelopment has demonstrated that, though it exists within a market economy espousing the doctrine of private ownership, it is dominated by a strong state in its land market. Market forces work undeniably, but are tamed substantially by the state. A "visible hand" clearly manages the "invisible hand." During 1960–2000, bottom-up redevelopment of privately-owned land, which accounted for "a very high proportion" in Niucheshui (URA, 1989:13) was effectively suppressed. Rent control aimed at softening harsh market forces which adversely affect hapless poor tenants in the context of severe housing shortages. In 1960, only 9 percent of the population lived in public housing. In 1980 and 1990, the proportion of residents living in public housing reached 73 percent and 87 percent, respectively (Wong and Yap, 2004:100). In 1970, 29.4 percent of households were owner-occupiers. The home ownership rate reached 87.5 percent in 1990 (Department of Statistics, 1996b). The successful public housing scheme employed since the 1960s has been rapidly alleviating housing problems and keeping Singaporeans adequately sheltered, long before the rent control was eventually abolished on April 1, 2001 (<http://www.mnd.gov.sg/newsroom/newsreleases/news230201.htm>, accessed on 13 January 2005). In later stages, when low-income households were able to live in public flats at subsidized rents and the rental housing market had improved, rent control over many old shophouses in Niucheshui—ostensibly helping poor tenants—was actually meant to prevent individual home owners from launching uncoordinated redevelopment.

Land acquisition and sale of sites coordinated by government plans facilitate land assembly by bringing down transaction costs as less time and effort is consumed in negotiation than in the case where it is solely coordinated between private land owners at market prices. However, this is achieved at the expense of private land owners' property rights. Stringent conditions with regard to timing of the

⁴ Since September 2005, URA has relaxed its strict controls by removing Telok Ayer from the list of core areas and allowing non-traditional trades such as health clubs and spas to operate, after having "the inputs and support from the respective Citizens' Consultative Committee, Business Associations, the Singapore Heritage Society and other government agencies" as the stakeholders (<http://www.ura.gov.sg/circulars/text/dc05-25.htm>, accessed on 6 November 2005).

redevelopment attached to the shophouses designated for conservation restrict land owners' discretionary power. Under such a regime of land rights defined solely by the state, market forces are heavily reined in by the government which has effectively arrested bottom-up uncoordinated redevelopments. The built environment of Niucheshui has been reshaped in such a nexus between the state and the market. Out of 33 redevelopment projects identified by this research, there are only 6 projects whose redevelopment processes are carried out through private transactions under the normal planning control, neither affected by land acquisition nor built on state sale sites (see Table 2). A study in 1994 showed that the character of Niucheshui had changed considerably—from mainly residential to commercial use (Sim, 1997). As change in use from residential to commercial is planned in many parts of the conservation area, market forces have brought about higher-order uses—i.e., retailing on the first level and offices on the upper levels (Sim, 1996). With the change in use, rents and property values of the restored shophouses escalated. In terms of efficient use of land resources, Niucheshui's redevelopment is a success story.

The economically successful Niucheshui redevelopment led to another ambitious government-led plan of revitalizing Niucheshui by the Singapore Tourism Board (STB) in September 1998, which was shown in Lai Chun Yuen to the public (STB, 1998). With instruments enabling the state to act beyond the role of regulation, the STB, a government statutory board in charge of tourism promotion, intended to play the role of developer in the further reshaping of Niucheshui. It was the economic value, more than anything else, that was the driving force behind government's redevelopment plans, as the conservation underway since the early 1980s was triggered by increasing tourist arrivals in 1983 (Wong et al., 1984; Smith, 1988). They recognized that Niucheshui was a locality with a unique and rich heritage and believed

TABLE 2. Private Transactions in Land Redevelopment

No.	Redevelopment Project	Transaction of the Site Between		Year of Transaction
		buyer	seller	
20	Fairfield Methodist Church	Metropole Theatre	Oversea Chinese Banking Corp.	1960
		Fairfield Methodist Church	Metropole Theatre	1985
23	Tangcheng Dasha	Garden Estates	Chinese Girls' School	1978
		City Developments	Garden Estates	1982
28	Lucky <i>Niucheshui</i>	private owner	private owner	1960
		private owner	private owner	1977
		Far East Square	private owner	1987
29	Oriental Plaza	Shaw Brothers	private owner	1950
32	Emerald Garden	Oxford Gardens	Yeung Ching School	1990
33	Ying Fo Fui Kun	Redevelopment on its own site		1998

Source: authors' survey

it could serve the resource-deficient city-state by attracting tourists, for tourism was a major pillar of the national economy.

The plan soon stirred up a public debate which was sparked off in the *Lianhe Zaobao*, a Chinese-medium newspaper, by a resident who had grown up in Niucheshui. The plan was criticized as insensitive to Niucheshui's original culture and overly focused on tourists (Mo, 1998). The Singapore Heritage Society (SHS), a non-governmental organization promoting historical conservation, took STB to task by making a statement in both Chinese and English newspapers. SHS claimed that Niucheshui was "simply reengineered culturally" by STB. The plan produced "a sterile, static and ultimately uninteresting encounter with the past," and reduced Niucheshui to a culturally superficial "theme park." SHS asserted that a place should not evolve "to serve tourism but to service the economic, social and spiritual needs" of its residents (SHS, 1998a; 1998b). The insensitive "superficial 'theming' of heritage areas" (SHS, 2000:13) induced a vibrant public debate (*The Straits Times*, 13 March 1999). The public outcry did not abate even after a February 1999 public forum, held in Kreta Ayer Community Centre, when STB clarified its position to the participants representing a wide spectrum of society. The plan had to be suspended to deal with the public discontent (Tan, 2001). Although the key argument appears to be whether the thematic development reflects an authentic interpretation of Niucheshui's heritage and the plan has the interests of the people from Niucheshui in mind, the real issue under debate is whether a wide range of stakeholders have rights over physical change of Niucheshui.

The land rights system coordinated by the powerful developmental state for the last 40 years of redevelopment in Niucheshui proved to be a great success in terms of economic efficiency in the delivery of both public and private goods, when Singapore was plagued by serious lack of housing and its people subsisted. In the context of land being an intensely contested resource due to severe scarcity, and absence of civil organizations, the developmental state has prevented "anticommons"⁵ from plaguing efficient land utilization. Singapore has been advancing remarkably since its national independence in 1965, and the city-state reached the status of a developed country with respect to its GDP in the 1990s. It is fair to attribute the great economic achievements to the competent developmental state. However, single-minded pursuits of material

⁵ In contrast to the commons, anticommons is a situation where multiple owners have effective rights excluding each other from effective utilization of resources (Heller, 1998). Land redevelopment is often impeded by individual land owners' interests when there is fragmented landownership. As a result, scarce resources tend to be underutilized (Buchanan and Yoon, 2000).

well-being have to be balanced by rising interests in historical heritage and cultural identities. Social pluralism and diversity become as important as economic welfare. The view that urban redevelopment should no longer be governed only by the state and market forces is gaining currency. It is consensus now that stakeholders and communities must have a role to play in urban development, and public participation has become a universal norm in the land use planning process. Nevertheless, the rhetoric of public participation does not ensure incorporation of stakeholders' preferences in the shaping of locality.

As a matter of fact, the STB plan for redeveloping Niucheshui was prepared in close consultation at least with three stakeholders: the Kreta Ayer Citizens' Consultative Committee, the Revitalization of Niucheshui Committee, and the Niucheshui Retailers' Pro-tem Committee (Hussock, 1999). Nevertheless, those organizations which represent various communities seem to have right-to-information only. Right-to-information is obviously fundamental to ensure transparent governance and provides a check on the government's free hand in handling development matters (Jenkins and Goetz, 1999). The Niucheshui debate has demonstrated that the interests of stakeholders would not be effectively represented in the physical change process if their rights are not clearly articulated. Reviewing Niucheshui's redevelopment from 1960–2000 has shown the efficacy of the property rights regime in the transformation of its built environment. In the same vein, if diversity and pluralism in the built form have to be protected, stakeholders' property rights should be institutionalized, much as the developmental state secured its position in the structure of property rights over land in Niucheshui. Ying Fo Fui Kun [33] (see Table 1) is a good case in illustration. The building is a Hakka clan-owned premise cherished by its community members as a physical symbol of its history. The clan members strive to preserve it and press the government for national monument status. National Monument is an institutionalized recognition of community rights over the physical entity of Ying Fo Fui Kun. Thus, rights of the community over land are incorporated into the process of possible future redevelopment.

VII. Conclusion

The remaking of Niucheshui was strictly controlled by the regime of property rights over land which determines the relationship between the state and the market forces. By and large, Niucheshui was remade within this nexus. State interventions in the forms of land acquisition and sale of sites made land readily available for large-scale office, hotel and retail projects. Otherwise, fragmented land ownership would have made land assembly extremely costly and time-consuming, if not impossible. Transaction costs were reduced substantially, which

facilitated rapid land redevelopment in response to market demand. Needless to say, rent control protected the interests of tenants, when there were severe housing shortages. The Rent Control Act's existence until 2001, long after housing shortages had disappeared, however, effectively suppressed landlords' redevelopment intentions. Government policies were notably rigid on the redeveloped conservation areas in Niucheshui through state-orchestrated conservation plans.

Rapid economic growth led by the developmental state of Singapore is a marvelous success envied by many developing countries. State management of urban physical development has also impressed many planners from both developing and developed cities. The "visible hand" is omnipresent. Niucheshui was built by the local communities and was the product of community initiatives. Nevertheless, redevelopment of Niucheshui from 1960–2000 was the product of state management, facilitated by the government-controlled property rights system. A thoroughly planned city may not be a blessing in the post-industrial world. The Niucheshui debate has resurfaced the roles of private individuals and communities which were excluded to a great extent from the redevelopment process over the last forty years. From the perspective of property rights as an institution in land (re)development, if cultural pluralism and diversity are the values for the city which strives to be "a thriving, world-class city," various stakeholders' rights should be recognized and incorporated into the property rights system. A tripartite partnership among the state, market and stakeholders may have to replace the bipartite one between the state and market.

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