

THE STATE OF CONTEMPORARY PROPERTY DEVELOPMENT THEORY

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ABSTRACT

This paper discusses the limitations of contemporary property development theory in both the academic and commercial arenas, where it is proposed in theoretical terms that there has been little integrated development since the early 1990's.

Building on the author's prior study (Drane 2012) which surveyed and mapped the literature related to 'models of the development process' from 1954 to 2012, a limitation in not only collective attention to this subject since 1992 is discovered, but also deficiencies in theoretical frames used, which were in turn limited by disciplines of the day.

On the academic side, the topic has been viewed through visors of economy, political economy, institutional, and social theory which show a propensity to high level theoretical analysis, a significant lack of empirical engagement with property developer actors and a lack of research into this topic since 1992. Then on the commercial side the topic appears highly 'non integrated' and relies on the separate visors of economics, marketing, financial, real estate, operational and structural analysis, with concepts which are separatist and arguably tend to come from standard business model theory, and not a distinctive and contemporary model of property development.

The property development industry, it would seem is left with a paucity of contemporary foundations in both academic theory, as well as a model of modern day practice.

This paper discusses this along with a review of contemporary protagonists, (Adams, Ball, Beauregard, Schiller and Coiacetto and others) the implications for our contemporary property development theory and practice, and suggests ways forward for the development of a modern theory of property development.

The author also introduces a model of the property development 'mechanism' which builds on prior models and offers a way forward.

Keywords: Property development theory, property development process, property developer, property development models.

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INTRODUCTION

“The substantive academic account of what typifies the property developer has still to be written”, (Adams 2012).

Property development attracts a significant amount of attention in many contemporary arenas, and is often seen as the realm of remote and romantic archetypal figures who can spawn grandiose and inappropriate building forms, sometimes against the wishes of the authorities, planners and public lobby groups who try to control or influence the nature of our built environment. To exacerbate this, property development continues to be relied upon more and more in our cities as a means of creation of the built environment.

The topic has attracted an enormous spread of interest across not only the real estate realm, from which it finds its foundations, but in a range of areas of academic enquiry through disciplines including economists, political economists, urban theorists, social and institutional theorists. Whilst in the commercial arena of real estate both corporate and other, the topic is covered through a range of different disciplines across real estate, valuation, business, financial, marketing and many others.

An actual study (Drane 2012) of the nature and extent of this attention from 1954 to 2012 related to ‘models of the development process’ however, reveals that there has been a paucity of coverage of the topic since 1992 in the academic literature, and a low level of engagement by business related authors. This leaves an apparent lack of cross-integration, that could otherwise inform a contemporary model of development practice. The study it should be noted surveyed the realms of academic literature related to ‘models of the development process’ without discrimination as to the source, geography, sectors under study, or discipline of authors.

Building on that study, this paper revisits the relevant findings and offers a potential way forward for the creation of a contemporary model of development practice. This is achieved by both revisiting and building on past models and introducing an embryonic philosophy and model for a distinctive theory of property development.

Before we commence however, it is perhaps helpful to actually define ‘property development models’, which formed the foundation of the survey, and which in itself has been (as will be shown within) the subject of limitations due to the extensive complex nature of the topic, and the visors that have been used to view it.

What is a Property Development Model?

A property development model creates a theoretical concept of property development practice that is able to be generalised. This is no mean feat as will be revealed, since property development occurs across many sectors of property which have their own distinct natures (residential, commercial, industrial, hospitality and so on). In addition to this, property development is not of itself ‘real estate’ but is seen by the author as a particular state of transition or change in the form of real estate toward a different state with an associated change in potential or real value e.g. a rezoning of land, development application, subdivision, construction of a titled property etc.

Of interest and confounding the ability to define also, is the fact that for a particular form of real estate that is in such a state of transition, much of it can remain invisible to the naked eye; the site that has changed hands, the site that is undergoing a development approval or rezoning again can seem, to the uninvolved to be in a static state. Add to this the fact that to change a form of real estate into a different ‘titled property’ that is another form of real estate may take years if not decades, and pass from hand to hand in the process, between various actors at transaction points like a baton.

Is it no wonder that when one studies the existent models of property development in the literature, that the complexity and scope of such a phenomenon would render such models as individualist in perspective, and limited by both the theoretical frame used, the discipline of the author and the level of engagement with actual property development actors themselves. Of particular interest in the search and study of these models is a low level of engagement in the topic by both practitioners and authors of business/finance (as will be illustrated). This is not to say that there has not been extensive research into the area of real estate and property development, but the lack of creation of integral conceptual models by those from the business realm. This may be a function of the lack of history in business schools over the period of study into creation of real estate and property development units within such schools, however this is a matter for later rumination and not for detailed explanation here at least.

In the landscape of this discovery, property development in effect has been studied and described variously by learned scholars who almost universally view it through the visor of their own discipline. An economist for example will resort to high level analysis referring to well known economic principles based on supply and demand, then break it down from traditional commodity based theories of the general economy to a land based theory arriving at the realm of ‘land economics’ (Harvey 1981). Less is to be seen in this type of analysis however of the detailed nature and human workings, of the agents and actors who conspire in social terms to enact the property development process.

The social theorist on the other hand has worked on this topic from the other end, and often builds a view of property development based on individual actors and their agency, providing a view of how people are the central force of the development process (and for that matter urban processes). (Forms 1954, Healey & Barrett 1990) The institutional theorist in turn will place the agency of individual actors in a structure and focus on the dualist nature of interaction between these elements (put simply). (Healey 1992, Healey & McNamara 1988, Giddens 1984).

A variant of both of these views lies in the lens of political economy which studies the political nature of interactions of agents, structures and institutions toward the distribution and creation of wealth (Say 1880) within an economic landscape. Such theories are born often from Marxist foundations and hold a tinge of oppression and alienation wrapped in the capitalist structure that itself is objectified, forever securing its dominance over individual actors through 'capital accumulation' and the pursuit of 'surplus value'. (Harvey 1985, Boddy 1981, Massey & Catalano 1978).

Composite theorists drawing on these perspectives variously, are found in practitioner related disciplines (e.g.) town planners and geographers who draw on an integrated view of the development process, some of whom still remain to this day as the central and historically distant theorists of this topic (Healey 1991, Gore & Nicholson 1991, Ball 1998.)

At the commercial end of this analysis it is often, as would be expected all about business, and the advancement of understanding through the often statistical and/or econometric analysis (Harris and Cundell 1995) of key quantifiable elements in the real estate process which will yield beneficial commercial outcomes. Quantitative indicators are used including value, rent, price, supply, demand, profit, irr and so on, which all come out of the foundation of standard economic theory, business/finance related models and a positivist tradition. (Adair 1991, Bulan et al 2009, Blundell et al 2005, Fraser 1984).

Taking the nature of these ruminations into account, and distilling their origins, one is left firstly with a number of individualist, perhaps semi-connected theoretical platforms upon which to view property development; agent and agency, structure, institution, economy and political economy, assuming that real estate and associated business/finance models are drawn from the category of economy.

Within the literature also there is a prevalence toward viewing property development as an integrated linear process which starts with the acquisition of a site (as an example) and ends with its construction and sale, lease or use. This has validity of course, however these are usually termed in amorphous descriptions (Barrett et al 1978, Punter 1985, Ambrose 1986, Ball 1998, Harvey 1985, etc) based on no particular site type and what will be shown here as a limited 'snapshot view' where a time lapse view is required. Within this time lapse emphasis (it is proposed here) lies also the capturing of universal forces external to a site which act to create windows of opportunity in the creation of a property development which seemingly (in waves), can lead a site from one state to another and toward development.

To both find a way out of these constructions and build on their foundations where there is merit, it is suggested firstly that the panorama of concepts in itself is a statement of its complexity and extensive nature, and a subject therefore worthy of being viewed at perhaps a different level that allows distillation. But what is that level? Shall we instead call it a phenomenon which springs to life upon seemingly circumstantial events spurred by intermittent actions, or an ethnography where developers are seen to have a culture of their own, which precipitates the movement of land from one state of development to another? Again, who can deny that it is again all of the above. Taking a quote from Alan Hooper however, and after considering the various models (see next section) it is compelling also to suggest that another clarifying view may be that it has a mechanistic nature:

"Hooper (personal communication) has described such models as a 'machine waiting for a power source'." (Healey 1991, p. 232);

A mechanistic view as will unfold herein takes into account contingency and circumstance, both the latent and kinetic nature of development, the culture of developer and development actors and the prevailing uncontrollable forces and environments that property development relies upon and is both stimulated by (and sometimes ruined).

Before we jump to this conclusion however it is helpful to firstly explore some of the key models which are perhaps representative of certain theoretical perspectives important to contemporary consideration and from there, build a possible foundation for a new model.

To achieve this we are helped greatly by revisiting some important papers undertaken by some of the key theorists who allow us to get a cross section of views at different times in history at key milestones in the development (or lack thereof) of such models of the property development process.

Here the author brings to life firstly two categorical papers performed seemingly in competition by both Gore and Nicholson and by Healey in 1991. These provided a foundation summary of models to that date going back to 1954 with Forms in 1954 (Forms 1954). From 1992 to 2012 there are two main categorical papers by Harris and Cundell (Harris & Cundell 1995) and then by Michael Ball in 1998. In the decade from 2000 categorical papers are not to be seen and so key theorists who broke new ground are discussed including (Beauregard 2005), (Schiller 2001), (Guy &

Henneberry 2000) and (Adams 2012). Along the way the author’s study (Drane 2012) offers a bookend to the Healey/Gore categorical studies and provides clarity using literature maps to bring these views to life as to the nature of different overall theoretical perspectives, the lack of empirical engagement with developer actors and the uneven level of research across sectors. (By categorical it is meant that the authors attempted to review the models to that date and provide a form of categorisation or summary of types as well as a critique of sorts).

AN HISTORICAL STUDY OF PROPERTY DEVELOPMENT MODELS

The study (Drane 2012) was based on searching the literature for models of the development process which included development theory in general from 1954 to 2012. This was performed through an extensive search, as well as by surveying key authors who predominated the topic over the decades, but who also performed their own categorical search and summary of such models. Notables here are Healey (Healey 1991) and Gore and Nicholson (Gore & Nicholson 1991) who covered the period from 1954 to 1991 in detail. The period from 1991 to 2012 was surveyed based on key scholarly papers by David Adams, Simon Guy and John Henneberry, Michael Ball and Eddo Coiacetto (Coiacetto 2000, 2001,2009) and their relevant references and citations.

Arguably the most compelling models which held traction were Healey’s ‘institutional model’ (Healey 1992) and Michael Balls’ model based on ‘structures of provision’, (Ball 1986) neither of which have been built on nor developed since their conception. David Adams holds a candle for Ball’s model in his review of ‘speed of supply of housing’ (Adams 2009) but apart from this the trail runs dry on model development, leading to David Adams recent statement that the definitive account of the property developer is still to be written (in 2012).

This of course could be seen as a gross simplification of a field of study which has enjoyed extensive interest, at least historically and no doubt old rivalries may be inflamed by such statements, so the next section extracts key tables and figures from the survey (Drane 2012) which bring clarity to this view and were based on the use of literature mapping techniques (Hart 2005).

A Literature Survey of Property Development Models

The study discovered 103 articles/books related to ‘models of the development process’ which were distilled into several categories including models, studies, histories and general articles. Models in turn were divided into graphical and textual representations. Table 1 below shows the spread of articles across these categories and a graphical marker denotes each type to assist in the mapping process in figure 1 (over page).

	Graphical Models	Models	Studies	History	General	Total
No	14	12	33	7	37	103
%	14%	12%	32%	7%	36%	100%

Table 1- Breakdown of literature by type of article (Drane 2012)

Twenty six models were identified from 1954 to 1992 and interestingly, none occurred from 1993 to 2012 as is shown in figure 2 which places the key authors on an x-y grid based on history (in decades) and theoretical perspective. Of interest here is also the fading of theoretical perspectives of a neo classical and Marxist nature to give way to perspectives based on political economy and institutional analysis spurred partly by Giddens (Giddens 1984) and the associated works of Healey, McNamara and Barrett in the area of structure, agency and institutional versions of the models.

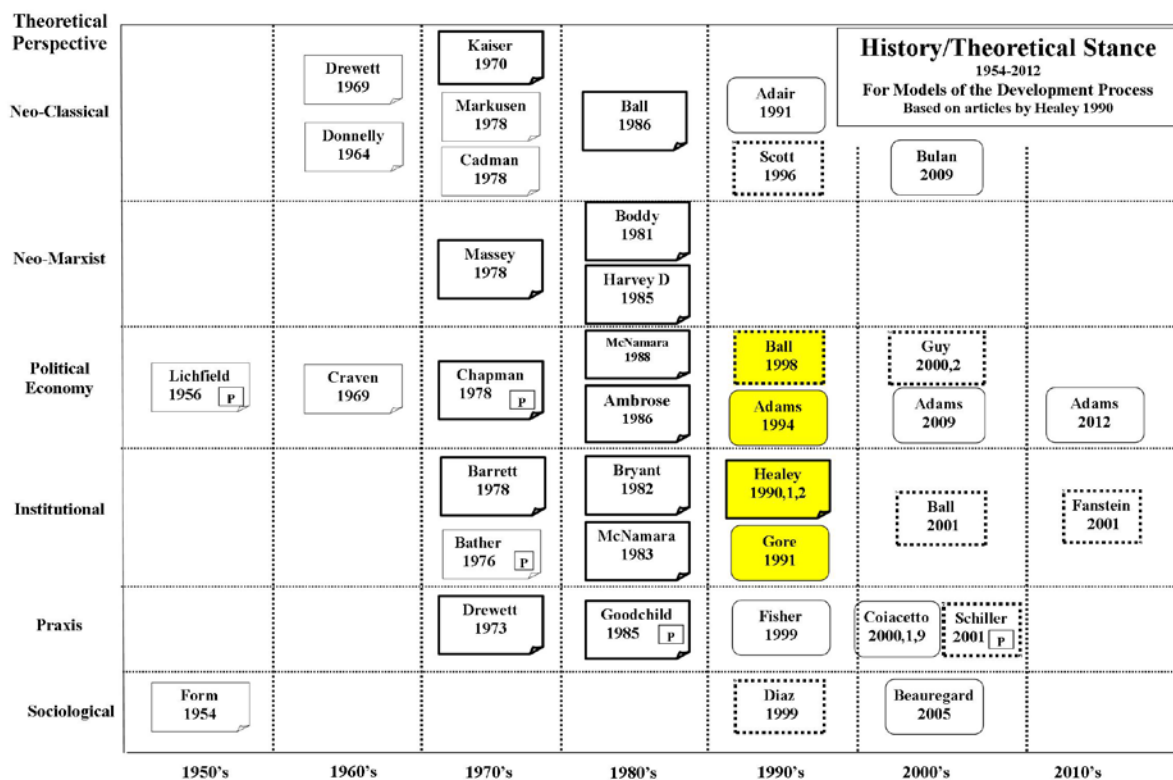


Figure 1- History/Theoretical Stance Map for Models of the Development Process 1954-2012.(Drane 2012)

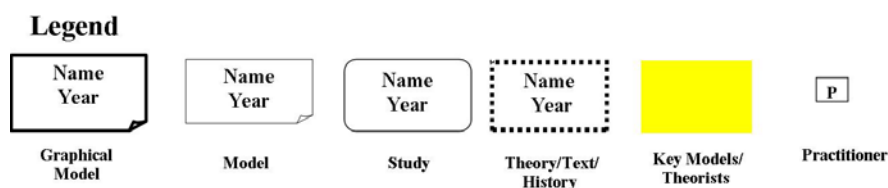


Figure 2: Legend for graphical mapping showing study and model types. (Drane 2012)

Of particular note is the fact that the subject, which one would assume would be the primary realm of real estate and associate business/ finance theorists was not embraced by these author types, giving way to the predominant attention of town planners, economists, geographers and social theorists.

Table 3 below shows the statistical break up of these authors by these disciplines and table 2 the low incidence of practitioner authors (6 out of 104) . (See note 1 in appendix for list of practitioners).

Harris and Cundell provide a clue to this disparity in their article (Harris & Cundell 1995) noting that theory building of the nature found in the disciplines studied differs from the more financial and econometric nature of the business literature (Drane 2012). Drane notes also a recent commercial article on the development process (Costello & Preller 2010) showed low intersection with articles under study. This was however not comprehensive and a matter for further study.

	No	%
Academic	98	94%
Practitioner	6	6%
	<u>104</u>	<u>100%</u>

Table 2- Breakdown of literature by academic versus practitioner (Drane 2012)

	No	%
Economics	40	23%
Geography	13	7%
Town Planning	66	38%
Sociology	18	10%
Finance/Business	13	7%
General Text/History	26	15%
Totals	<u>176</u>	<u>100%</u>

Table 3- Breakdown of literature by disciplines applied to the articles (Drane 2012).

(Please note the total exceeds the number of authors, because the above represents the number of times a specific discipline was used in articles).

Of interest also as is noted in the study, is the low level of engagement with development actors in the existing models, and the tendency toward studies of a residential nature and a paucity of research into commercial real estate models. Further charts elaborate this in Drane's study but are perhaps not necessary to show here for the purposes of brevity of summary of this article.

So where does this leave the state of contemporary theory on models of the development process? One would be forgiven for assuming that the topic has been the mainly the province of academics and theoretical bedfellows drawn together under the banner of urban and city theory in general (e.g. town planners and geographers) and without any substantial theoretical analysis from a commercial perspective nor any associated empirical engagement with property developer actors. The latter 'commercial' research would logically include real estate, property development and business authors. As noted prior, this does not suggest an absence of property development or real estate based research but a lack of emphasis on conceptual theories and models of development practice.

So perhaps it is clarifying to look at some of these theorists and their models to bring these statements to life, starting with what the author would term foundation authors in Healey and Gore/Nicholson who studied, categorised and in Healey's case created their own models which in effect remains in a state of incompleteness. Later theorists like Beauregard, Schiller, Adams and others will be discussed as well, to bring light to the diverse nature of theoretical perspectives and also show the richness of the current landscape.

Key Theorists 1954 to 1992

With contemporary eyes, and after studying the models from 1954 to 2012 in detail, one is struck by not only the complexity of what we call property development but the ways and lenses through which it can be viewed. Economists, geographers, town planners, social theorists and many more all bring their own view, often limited by the strictures of their disciplinary views.

In 1992 Patsy Healey brought this to account with her article on models of the development process (Healey 1991) and provided a graphical dissection of the key models to that date, by not only prevalent theoretical perspective such as neo-classical and Marxist but into four categories: economic processes (or equilibrium models) , event sequence, agency and structural models as summarised in figure 3 below. The dual classification of Neo classical and Marxist in itself is a statement about the limitation of theoretical views of the era. Healey was in fact to be partly instrumental in changing that.

Theoretical assumptions	Economic processes	Event-sequence	Agency
Neo-classical	{ Fraser Harvey, J.	{ Munton and Goodchild	{ Kaiser and Weiss Drewett Barrett <i>et al.</i> 1978
Marxist	{ Harvey, D.	{ Boddy	{ Ambrose Ball

Fig. 11. Models of the development process²

Figure 3- Patsy Healey's summary of theoretical assumptions and model categories (Healey 1991).

Pausing on her model for a while, of those authors shown, it should be noted Goodchild and Munton (Goodchild & Munton 1985) stand out as providing a practitioner emphasis possibly due to Robin Goodchild's status as a chartered surveyor, with his hybrid model showing the realms of transaction, process, contingency and interaction of developers and their processes, see figure 4 below:

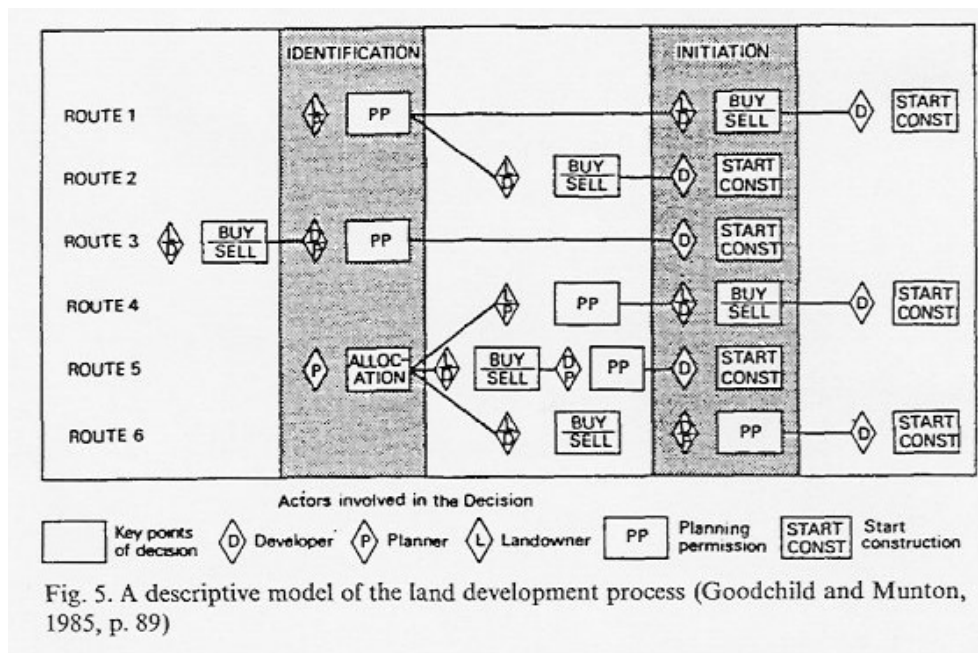


Figure 4- Development Model by Goodchild and Munton 1985.

Of great influence at the time at the other end of the theoretical spectrum was David Harvey's 'capital circuits model' which took both Marxist and then Giddensian foundations into a high level theory of the action of capitalism in the urban environment, with depictions of consumption and production landscapes, see figure 5 below.

A macro model indeed it illustrates in no uncertain terms both the source and disparity of theoretical foundations provided by theorists of the day. One (Harvey) a Marxist, 'historical geographer' and Goodchild a practitioner within the development industry.

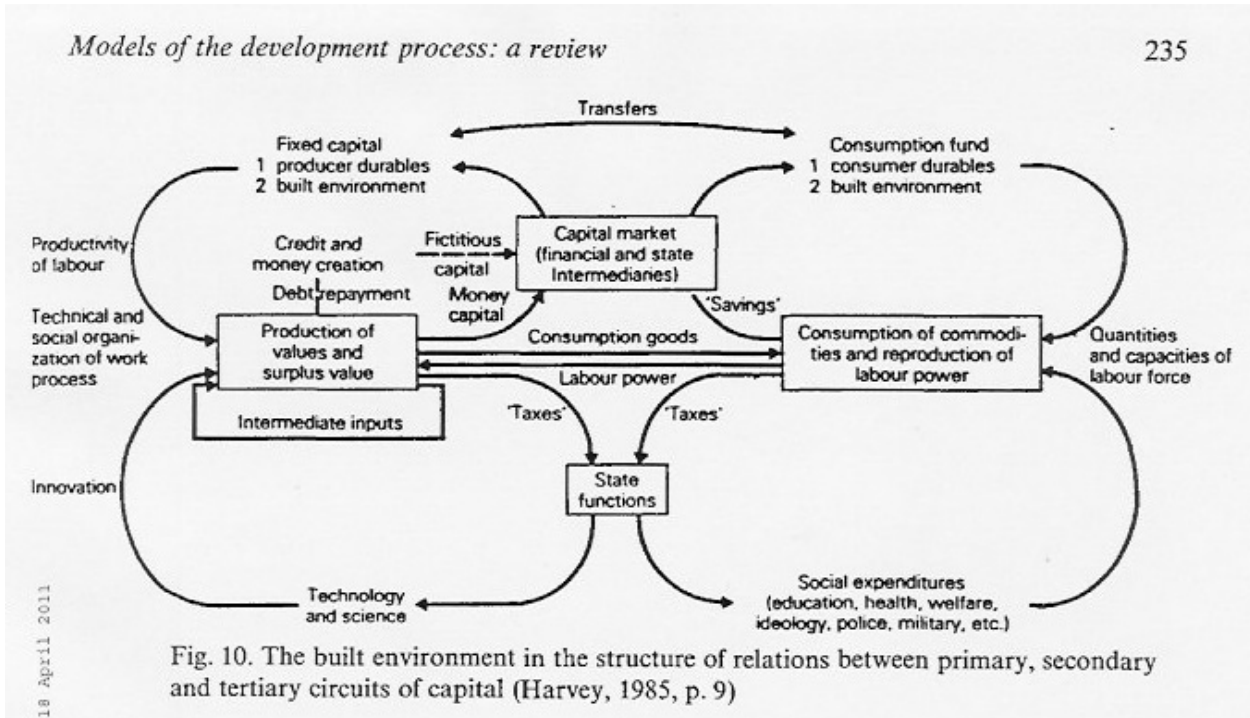


Fig. 10. The built environment in the structure of relations between primary, secondary and tertiary circuits of capital (Harvey, 1985, p. 9)

Figure 5- Urban development model David Harvey 1985

Drawing on both economic and urban theoretical stances mixed with marxist and neo classical slant, Harvey's model and then Giddens' social theory of structuration, led to Healey's more institutional view of the world (Healey 1992) shown figure 6 below.

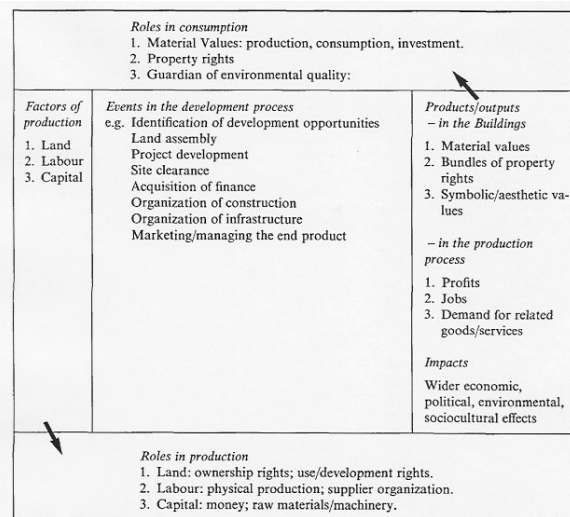


Fig. 3. A model of the elements of the development process

Figure 6- Institutional Model: Patsy Healey 1992

The model draws on four layers including; events, roles, strategies and interests that shape these roles, then the relationship between these and wider society. Such a layering is all inclusive and appears to go too far in trying to build a model for all situations, however it is built on strong societal and some commercial concepts. Sadly, in her own words Healey regrets leaving this model unfinished, with the result that a leading pioneer theorist left not only this area of enquiry in an embryonic state, but a legacy of an unfinished foundation model drawn from institutional theory relevant to urban processes of development. What this means also to the state of urban theory could be the subject of another paper altogether!

At or just before the creation of Healey’s analysis and model, Gore and Nicholson had also offered a view of the world which covered a similar categorisation of models to that date, but resulted in the advocacy of another key theorist’s model in the form of Michael Ball, who was a protector of economic visors as well as an urban social theorist, who formed his own ‘structures of provision model’, which again to this day remains un developed in any great detail, bar David Adam’s use of its concepts in his article on the speed of housing supply (Adams 2009).

Shown below in figure 7, Ball’s model provides a contingent flexible structure around the central concept of ‘provision’ in the development process and the replacement of what he termed the prevailing ‘consumption and exchange’ approach.

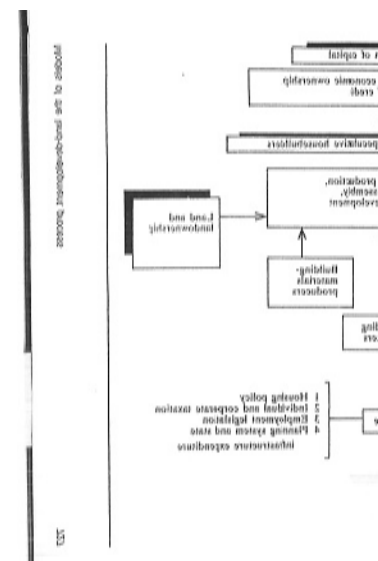


Figure 7- Structures of Provision Model by Ball 1986

This small snapshot of the key models to that date show the disparate philosophies upon which the models are founded not to mention the diversity of views of property development. Leaving this era behind, we find in the two decades since Healey and Gore’s article that although new perspectives have grown, little concerted work has been done to either build from these useful models or create a contemporary alternative. In the next section the works of modern protagonists are discussed briefly to bring clarity to this.

Whilst Healey moved on into the realms of urban theory, little has been done to revisit her theories. While Michael Ball’s model has been left idle only to be primarily defended by him (Ball 1998) and David Adams (2009). These will be dealt with below but for now emerging within this era from 1992 to today, it is worth taking some snapshots of the prevailing theoretical landscape at what are suggested as key articles and theorists. This analysis together with Drane’s study in 2012 are seen in some way to bridge the gap and bring the theoretical landscape to life. In effect a review of what are seen to be key developments in theoretical perspectives at least if not resulting in new models

In this section therefore we pause on what is believed to be a useful snapshot by Harris and Cundell in 1995 on the state of research in commercial property and development. Then we review Guy and Henneberry’s dual economic/social emphasis (2000), Ball’s partial rebuttal of the latter (2002), Schiller’s 2001 locational theory, a rich new perspectives by and Beauregard 2005 in his ‘textures of property markets’, then support for Ball’s ‘Structures of Provision’ David Adams (2009).

Finally we visit articles by Coiacetto (Coiacetto 2000, 2001, 2009) to gain a sense of developer behaviour which is in itself a study of importance to the overall modelling of development.

Contemporary Protagonists

It is strange in the travelling of these theoretical landscapes, to witness that so much was done to research 'models of the development process' in the 1970's and 1980's and early 1990's, spurred it would seem by the boom/busts of those decades, but thereafter it is almost a forgotten topic. This can be perhaps explained by a shift in emphasis on policy directions which supported research themes of the era, however since property development continues to increase as a means of creation of our cities, it is hoped that it can be revisited.

This section not only views the contemporary protagonists but seeks to extract some of the key aspects of the theoretical perspectives even though the author's did not always intend that a model be created from their work.

In 1995, Rob Harris and Ian Cundell (Harris & Cundell 1995) gave a rare and relevant view to the then current emphasis in the business literature toward econometric approaches in their article titled "Changing the property mindset by making research relevant".

"It is now about 15 years, two slumps and one boom since property research began to grow as a distinct activity within the development and investment sector.... yet despite this time-scale, and the prolific production of market reports, client studies, academic papers and so on, property research has largely failed to secure its seat at the property decision-making table." (Page 75).

He continues to profer that property research is often used as a public relations exercise and then riddled with the emphasis on econometric modelling *"that leave most readers (and clients!) largely ignorant either of their purpose or conclusions."* (page 75)

Their work then centres on a 'talk to the market' emphasis that is still based on economic principles. Largely designed it would seem to shock the industry into change, the article is strong in its advocacy, but shows only a few articles (3) and no intersection with the models noted in the Healey or Gore/Nicholson articles.

Michael Ball in 1998, in his article "Institutions in British Property Research", provides a critique of *"the fashionable theme of Institutionalism"* (Ball 1998, p1501) and defends economic visors which are apparently somewhat dismissed by institutional theorists. He writes further:

"Assumptions and theories do not necessarily ride or fall together, although the view that institutions are of limited importance has generally won out in the urban economics literature" (page 1502) and then calls for an integration of both economic and institutional visors saying that there should be no dichotomy. His paper then reviews the current theoretical frames including several theories of institutions using visors including 'mainstream economics', "power approaches to institutions", "structure-agency institutionalism" and finally his own synthesis in "structures of building provision" covered in his previous article in 1986 (a good decade earlier). Upon reading his work there is not only a useful depiction of the prevailing institutional view, but the emerging theoretical forces that competed for this space. Ball's work however was as stated earlier, not apparently developed except in brief by David Adams in 2009 another decade later! Leaving Michael behind for a while it is worth noting that the institutional layer at this point remains together with Healey's work a prevailing foundation.

In 2000 Simon Guy and John Henneberry's "Understanding Urban Development Processes: Integrating the Economic and the Social in Property Research", (Guy & Henneberry 2000) brought a new vision to the table with a dual emphasis using economic and social lenses. Reviewing the prevailing institutional emphasis, they revisited the central tenets of both economic and institutional theory and provided a way forward with an integrated approach. Reviewing Healey and Ball they provided a review of institutional theory in effect adding an economic layer to institutional theory; "finally we argue for an analytical approach that integrates social and economic in dynamic temporal and spatial contexts." (page 2400). It should be noted that Guy & Henneberry's article is critiqued by Michael Ball in 2002, (Ball 2002) noting the assumption of regional bias in investment markets is flawed and economic analysis is not so devoid of social emphasis.

Despite these ruminations, the literature to this point is still apparently stuck in a debate between institutional and economic analysis. A new voice however arose in Russell Schiller's "The Dynamics of Property Location- Value and the factors which drive the location of shops, offices and other land uses" (Schiller 2001) . Being lauded as "a solid text for the Land Economy or Land Management undergraduate" (preface) the book has as its focus 'location of property', which tested the focus of prior higher level theories and importantly placed land and location at the center of the debate. Citing the example of the counterintuitive location of a second hand book centre in a remote town, Hay-on Wye on the Welsh border and the largest office block in the world in the outer suburbs of Detroit, he goes on to perhaps rock some foundations;" in neither case does the location actually chosen fit the theory as it is commonly taught by the

main academic disciplines .. economics, geography and land economy.” (page 1). A property researcher of 30 years with CB Hillier Parker, Schiller wields a strong practitioner emphasis into the fray, with his insightful introduction to the forces and influences inherent in location decisions, from value and its residual analysis, to technology. Players in the development scene are explained, and the conflict between location and politics, while theories of dispersal and clustering are also offered as central forces. This in this author’s eyes brought what would be a circuit breaker to the traditional theorists and their paradigms, and remains a crucial platform from which contemporary theory has and is being taught. In addition it is from these and other platforms that the author proffers a contemporary model of practice (in the following sections). Schiller is expansive in his understanding of location decisions and literature, and there is much emphasis on statistical modelling approaches to the same, born of perhaps his real estate research background. This leaves us with however a sense of detachment to social actors in favour of social forces, which are almost in his own descriptions aligned to universal forces inherent in the explanation of location dynamics.

Enlightening this social context in 2005, Robert Beauregard (Beauregard 2005) in his “The Textures of Property Markets: Downtown Housing and Office Conversions in New York City”, questioned the proffered synergistic nature of recent ‘middle income’ housing in downtown city cores occurring over the previous 10 to 15 years in New York. Instead he termed the trait of “thickness” in property markets, summarised as “*the social, institutional and place-specific qualities of real estate investment.*” (p2431) and offered an explanation through this refreshing new visor. A business theorist with a social emphasis, Robert wrote the article whilst at the Milano Graduate School in New York, offering one of the rare pieces from the business perspective of development. Railing against the reductionist and functionalist treatment of property markets into sectors with specific supply-demand traits, his advocacy for a ‘textured view’ which draws on social and economic integration is refreshing and should be noted draws on Guy and Henneberry’s work amongst many others (but surprisingly with no reference to Schiller).

“ I offer a more textured—thick—social and economic account of property market behaviour that recognises, for example, the influence of specialisation on market adjustments and such local contingencies as spatial competition, state policy and civic initiatives.” (p2432).

Somewhat missing in all of this however is the actual nature of property developer behaviours and culture and so throughout the past decade Eddo Coiacetto has offered insight into this realm by focusing on these behaviours in his articles of 2000, 2001 where he sought an understanding of the diversity of developers and the tendency to categorise them amorously. His later work in 2009 also helps define the structures and inefficiencies in the development industry. (Coiacetto 2000, 2001, 2009).

But where does this leave us in 2012 with the ‘Adam’s decree of 2012’, which it might be added is perhaps a little dismissive of Coiacetto’s work. To this day it is fair to say the most influential contemporary theorists stands between the academic emphasis of social, institutional and economic theory and the locational emphasis of Schiller. At most it could be said that there is a more contemporary and perhaps richer view of the property development process but without a contemporary model. The next section builds on these ideas and firstly brings a contemporary view of what constitutes property development and then an embryonic synthesis in the form of a contemporary model.

Having the last say however, it should be noted David Adams definitive statement was based obviously on years of immersion in this and related topics, but his study of the Scottish Executive to determine their perception of property developers and their modus operandi. The ‘notional property developer’ arising from the study was seen to be a “*malleable and potentially compliant partner with the shared objectives to the State*” (Adams 2012).

If ever there was doubt as to the validity of his definitive statement, this article provided a useful milestone given he reviews the authors noted in this article including Ball, Guy and Henneberry, Coiacetto and others. This in effect, from a veteran of the subject, creates possibly the greatest comment on the coverage of the topic and its collective understanding.

The next section takes this state of contemporary understanding and builds on the key elements and themes that have arisen and which might form a foundation of sorts for a contemporary model.

MOVING FORWARD

Whilst it is helpful to survey the realms of past theory and its extensive contribution to and understanding of development processes, as well as show the limitations drawn from theoretical visors and their associated limitations, here we attempt to work in a number of directions toward moving forward from this legacy and the creation of a possible foundation for a contemporary model. To achieve this in this section we both draw from the key tenets of the

past that are seen to be enduring and then question the essential elements of modern practice and their consistency with the past. In doing the latter we use three filters of property development; as phenomenon, culture and mechanism.

The choice of these is based on a number of offered notions of development as previously alluded to. Central to these notions as offered by the author are 1) that property development as an action 'revolves' around land which has its own dynamics, 2) that development represents a transition of a state of land from one to another, 3) that the transition is marked by a change in value and title distribution (whether derivative or real) and 4) that the change is the function and product of not only human actors both transient and static but 5) depends upon circumstance and alignment of certain factors outside the control of actors over long periods of time. This in effect it should be noted, forms a distillation of Drane's recent work and initial elaboration of a contemporary model (Drane 2012).

These descriptors have been developed to take into account the phenomenological and indeterminate nature of development that any property developer is either enabled or ruined by. Planners and authorities will also know the powerlessness of policy and town plans that are debilitated by such universal processes.

They also allude to the cultural nature of property developer actors and in the case of property developers themselves, their transient nomadic interests in land parcels which may be revisited over a period of years and enacted in baton changes with other developer actors. In contrast, the local 'static' actors who are more faithfully and historically interested in the same land parcel, act collectively over time to influence transition of the land parcel within their own city plans and visions, along with local public lobby groups.

The coincidence of these factors which actually causes a transition in land state is seen also to be mechanistic in that each factor revolves in its own world to suddenly sometimes indiscriminately coincide in a transition of the land parcel.

Before we view the model in more detail, it is worth testing these ideas against their consistency with past theoretical frames (economic, political economic, social and institutional). In the first instance, economic forces sit above the land parcel under development enabling and disabling the potential of the land parcel in both national, regional and local economic terms. The property developer for example, may operate in a time when broad economic sentiment is conducive to development but local business factors and economics may not prevail.

In the second instance, the political interplay between local and nomadic development interests and the associated increasing reliance of the latter to develop land parcels and provide building supply, is of supreme political relevance. The economic landscape that these forces sit within clinches the notion that a political economy is described and only in part understood.

In the third instance social forces and the power of the individual actor are embodied in the recognition of the key dependence on human actors as an enablement of the transition of land, however within the constraints of prevailing economic and social factors.

In the fourth instance, the interplay between actor and structures is interwoven into the complexity of the whole phenomenon, culture and mechanism, to refer to Healey's distillation; events, roles, strategies and interests that shape these roles, then the relationship between these and wider society are also represented with the complex interactions between local interests, nomadic developers, authority guidelines and statutes all within an outer environment of an economic, statutory and social nature.

But perhaps the author's enthusiasm for his own model is being over stated and it is not intended to create what one could call a grand theory that fits all, (as Healey attempted in 1992). Here it is the intention of the author to create a series of views and a number of dimensions to something that is phenomenal, cultural and mechanistic. An embryonic offering is made in the next section to bring such a multi dimensional view to life in hopefully clear terms.

A CONTEMPORARY MODEL OF PRACTICE

How is one to view something that is of supposed phenomenological nature, includes a culture and perhaps even ethnography of players and happens in indiscriminate circumstantial chorus to derive a development in a land parcel. One could be forgiven for thinking that this delves into the realms of cosmic action. The author however anchors these ideas by briefly summarising the model offered by Drane in his article in 2012. A picture paints a thousand words it is said, so the following chart shows the model in its current form see figure 8 below.

Figure 8 depicts the three essential elements of the development process in 'land parcels', 'developer actors' and 'collective manifestations'. Each of these so called 'elements' is depicted as rotating within their own world. Developer actors comb the city for land parcels which show potential for development but based on certain tests either qualify, disqualify or are set aside for further visitation or surveillance. The nature of their world is worthy of further detailed description with their financial risk typologies and strategies which are rich and varied.

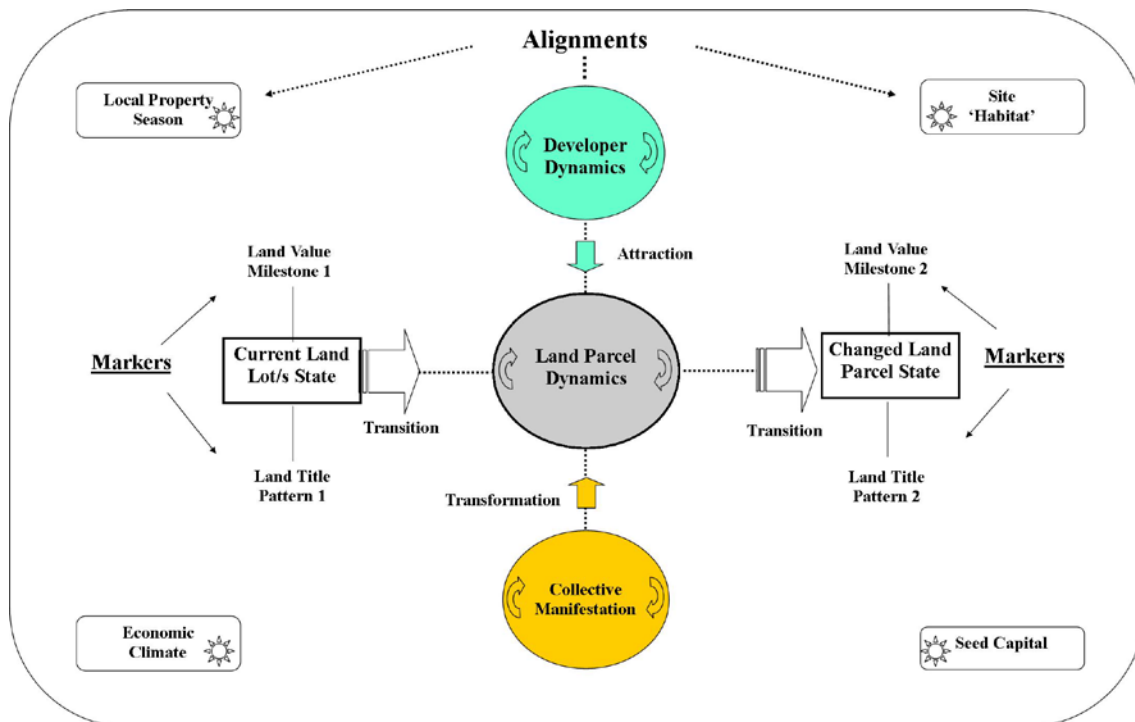


Figure 8 - A 'Three Elements' Model of Land Transition

Leading to Construction & Titled Property (Drane 2012).

Collective manifestation refers to the static historical interests of the local authorities and public lobby groups who divine a plan for the land parcel within city visions determined in a political context. These interests are bound unfortunately to clash with the transient nomadic interests of the developer actors. Their interest is time worn and collective, providing a potential manifestation for change in the land parcel.

Land parcel dynamics elevates the traditional view of land in itself as an economic resource and commodity to a package of land titles which due to surrounding features and characteristics which render it worthy of development and have what is defined by the author as a degree of 'value tension'. Value tension is a subject again for a whole article within itself however it refers to the relative value of the land parcel related to its surrounding land and developments (put simply). Such value tension creates points of arbitrage which allows for derivative and real transactions related to the land parcel to be enacted.

Such an action will work toward transitioning the land parcel and increase in value and/or a transition or distribution of title. The latter is a complex area involving the understanding of title, property rights and valuation theory all of which are not dealt with in any great detail by the historical theorists.

The three elements rotate in their own worlds of influence within a higher galaxy of economic, commercial and social factors which conspire in alignments and windows of opportunity to allow the three element to work toward a transition in the land parcel. A more detailed description is noted in Drane's article for further elaboration.

For now however we pause with these insights and propositions and conclude on our findings consistent with our original objective; to discuss the limitations in contemporary property development theory.

6. CONCLUSION

The article revisits a prior study (Drane 2012) by the author of the literature on the 'models of the development process' which reveals limitations due to prevailing theoretical perspectives of the day and a lack of empirical engagement with property developer actors. Furthermore it exposes the wealth of research into the topic from 1970 to 1992 and the paucity since, through a graphical literature map and analysis of same.

The predominant coverage of the topic from the academic world since 1992 has been through Michael Ball, Simon Guy and John Henneberry, David Adams and Eddo Cociatto. Whilst from the business realm Russell Schiller introduced the notion of a locational theory of development and Robert Beauregard offered a textured view of development based on a social and economic emphasis.

In the survey of this literature the theoretical perspective of economy, political economy, social and institutional theory prevailed from an earlier neo-classical and sometimes neo-marxist tradition. Healey brought this to account in her 1991 article on models of the development process and her later institutional model of the development process (1992) was a landmark and bookend offering to an era of research into this topic up to 1992. Michael Ball also offered a model based on 'structures of provision' which covered institutional and economic views. Neither have been developed since.

The incidence of business authors on the topic was shown to be extremely low in the era from 1954 to 2012 with only six noted. None offered a definitive model of the property developer however Goodchild and Munton, Beauregard and Schiller's work is of significant contribution providing a more practitioner emphasis. Harris and Cundel discuss the limitations also of commercial literature on the topic exposing an econometric and statistical emphasis.

The foundation and enduring aspects of the historical models were reviewed and discussed in light of a potential model of contemporary practice offered by the author in embryonic terms which used the descriptors of phenomena, culture and mechanism to discuss the historical literature and modern practice. The exercise helped to determine the enduring elements of the historical theory including social, institutional and economic frames.

An essential view of property development was offered through the lens of the three views resulting in a 5 traits including 1) property development as an action 'revolves' around land which has its own dynamics, 2) that development represents a transition of a state of land from one to another, 3) that the transition is marked by a change in value and title distribution (whether derivative or real) and 4) that the change is the function and product of not only human actors both transient and static but 5) depends upon circumstance and alignment of certain factors outside the control of actors over long periods of time.

Viewed in this way the prior theoretical frames were assessed in limited space to determine the enduring relevance of social, economic/political and institutional frames.

A graphical model of the essential three element of the development mechanism was revisited from the author's prior study (2012) then summarised and offered as a discussion points for further development of a contemporary model of development practice.

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Notes

1. Practitioner Authors.

<u>Name</u>	<u>Year</u>	<u>Profession</u>
Lichfield	1956	Planner and consultant
Bather	1976	County Planning Officer
Chapman	1978	Town Planning Institute
Goodchild	1985	Chartered Surveyor
Collins	1999	Bank Professional
Schiller	2001	Property/Real Estate Professional

About Jonathan Drane

Jonathan Drane is a commercial builder, property developer and educator who started his career in 1976. In 2011 he was drawn to write about the property development mechanism and its part in the growth of cities, through a PHD candidacy at the Faculty of the Built Environment at UNSW, Sydney Australia.

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