

Book Reviews

Economics, Planning and Housing

Michael Oxley, Palgrave Macmillan, Basingstoke, Hampshire, UK, 2004, 264 pp., ISBN 0 333 79246 7, £18.99

When I received this book for review in mid-August 2004, a 4-hour flight to Nairobi from Johannesburg was imminent so I took the book along hoping to cover most of the material in the quality 2 hours or so outside take-off, meals and landing routines. I made only limited progress on both the outward and return trips, primarily because this is a serious book that is difficult to rush through. It covers a thought-provoking eclectic mix of capitalist and social economics issues impacting on land-use planning for housing.

From the first page Oxley argues, perhaps axiomatically, that the aim of city planning, regardless of location, is to achieve land-use outcomes that are socially desirable rather than only financially beneficial. The relevance of the book is also clearly set out as contextually relevant to countries in which there is a land-use planning system that operates within a broadly market economy, with illustrative examples from Britain, Europe and the USA. Anecdotal benefit to developing countries is mainly captured in the discussion of affordable housing for low-income groups. The scope of the book encompasses and emphasizes residential development, role of planning policy instruments in solving problems and welfare economics, which examines government activity to compensate for the failure of markets to promote efficiency. The recurring theme of the book is the relationships between markets and governments.

This 12-chapter book covers wide ranging issues on the instruments and outcomes of land-use planning, housing policy and residential development with the stated aim of providing the reader with substantive and sophisticated understanding of the relationship between the state and the market, and demonstrating the potential of economics in promoting a theoretically informed and evidence-based approach to policy formation and implementation, among others. The less informed reader in the subject area could struggle with comprehending the plethora of concepts and how these interconnect to deliver the book's overarching objectives, hence the notion of a serious text.

In the concluding section of the first chapter, an effective overview of the entire text is presented. This is a useful guide to the reader. The second chapter introduces fundamental economic theory on demand and supply of land and housing, with helpful illustrative demand–supply curves. A distinction between housing production and housing supply is made, and the relationship between the output of new housing and trading in existing stock is examined. This is a helpful, foundational chapter.

Chapter 3 on welfare economics debates the classical notion of economic efficiency and introduces the concepts of social control through policy framework. The underlying issues of planning and welfare, equity, efficiency, collective decision-making, property rights and government participation are effectively addressed. The concluding thought is that welfare economics informs the analysis of both efficiency and equity in the planning of housing development.

On the premise that housing and land markets inevitably involve market failures, Chapter 4 expatiates on the concepts of externalities, public goods, merit goods and equilibrium. Environmental economics and sustainable development are covered in Chapter 5 as specific issues potentially arising from market failure and therefore requiring some sort of government response. Continuing on the theme of market failure, Chapter 6 presents the counter, free market orientated public choice theory which argues for proper weighting to be given to property rights and efficiency issues. Oxley contends, however, that the public choice theory does not undermine the relevance of externalities, public goods and distributions of income and wealth.

Chapter 7 builds on the concept of equity introduced earlier in Chapter 3. It covers the theory and history of land values and the intricate issue of land taxation. Affordable housing is covered in Chapter 8 as a particular form of 'negotiated taxation'. This is a fascinating chapter, as the subject has global relevance. The chapter reflects contrasting strategies for affordable housing in different countries, including the pertinent issue of the financial viability of affordable housing through planning. Readers and policy makers in developing countries will relate easily to this chapter as debates on affordable housing often command major national and political interest. This chapter explains how private-sector residential developers and

landowners have subsidized and could subsidize the provision of affordable housing without undue distortion of the housing market.

Chapter 9 extends the theme of sustainable development covered earlier in Chapter 5 by addressing urban renaissance and brown-field, particularly inner-city, developments.

Comparative examination of housing and planning policies in Europe, USA and the UK is presented in Chapter 10 on the premise that, 'knowledge of policy instruments and outcomes in one country can inform analysis of similar issues in another country... the deeper values of comparison lies not so much in the exportability or otherwise of policies as in enhanced understanding of the process of which policies are part'. The chapter highlights how fundamentally different attitudes to private property rights, land ownership and the legitimate role of government underpin different approaches to land-use planning and the supply of land for housing, and how 'the land-use planning system is being used to cream-off development profits to cross-subsidize the provision of housing for those who cannot afford market housing'.

Chapter 11 examines the economic consequences of planning in terms of microeconomic, macroeconomic, welfare and market-specific impacts. Oxley argues that planning affects mainly the supply side of the market.

In the concluding Chapter 12, Oxley adeptly interweaves the concepts and issues covered in previous chapters to generate thematic conclusions. He emphasizes how the use of economics to analyse housing problems and propose solutions to the problems has been the key feature of the book, emphasizes his fundamental argument that markets work on the basis of property rights endorsed by the state, that the division posed between markets and the state is a false dichotomy, and that the notion of government interference in markets is misleading. The initial qualifier of housing markets in the 'western' economy is pertinent here, as the negative impact of ill-informed government interference is fairly obvious. Oxley's final comment that land-use planning informed by evidence-based approach to the analysis of policy problems, 'assisted by fiscal policy instruments and placed within a broad social policy setting, can achieve social objectives that markets will inevitably fail to promote', is instructive.

The level of debates and analyses suggest that the book would be immensely beneficial to postgraduate students, researchers and practitioners, particularly policy makers and policy influencers in the private and public sectors. Future editions could lighten the 'heavy' or 'serious' theoretical tone of the book with elaborate case studies or practical scenarios.

I recommend this worthwhile text to the community of researchers and practitioners served by this journal.

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Process Management in Design and Construction

Rachel Cooper, Ghassan Aouad, Angela Lee, Song Wu, Andrew Fleming and Michail Kagioglou, Blackwell Publishing, UK, 208 pp., ISBN 140510211X, £45.00

This book summarizes a major research project which explored the application of contemporary process management principles and practices to construction projects. It takes an in-depth holistic approach to the whole process through which the requirements of the client for a construction facility are translated into an effective 'product'. The research was a major project of the University of Salford and a group of construction professionals, with some involvement of senior academics from Loughborough University, although only those from Salford appear as authors (November 2004). The book is an attractively made hardback.

The main thrust of the book, as explained in the Introduction, follows from well-known reports on the inadequacies of the construction industry by Latham and Egan, and seeks to learn from the experience of developing product process models by other industries, for example aerospace and manufacturing. Rachel Cooper is Professor of Design Management at Salford, and according to the Preface had concentrated on manufacturing and was quite new to construction, so was a good choice to lead such a project. This project was obviously deeply researched, drawing from a large and diverse literature review and the input, through interviews, questionnaires and 30 workshops, of practising professionals. After general introductory chapters on product development processes, the bulk of the book comprises a fairly detailed presentation of the 'Generic design and construction process protocol', which was the principal output of the research, together with discussion on the issues involved and how these were, or could be resolved. There is a very interesting chapter on implementation, including an actual case study, which demonstrates that although the adoption of this process would be beneficial it is by no means easy to work within such an all-embracing management protocol. Overall, the book achieves its purpose, and should be mandatory reading for all project managers and students on construction-related Masters' courses. There is no doubt that the effective delivery of

construction projects, within what is generally recognized to be an industry that has yet to fully embrace 21st-century concepts of efficiency and performance, will depend on the widespread use of better process management, and this book points the way very clearly.

Criticisms? Well yes, of course there are a few, one academic and others about the book itself. One of the drawbacks with a focus on the management of the process is that it can become very linear, whereas in reality design and construction of major projects is so complex that a complete understanding at the planning and design stages may be beyond human capability, so a measure of iteration may also be necessary. Although this issue does arise in the detailed parts of the book from time to time, I would have liked to see it given more conceptual and strategic emphasis.

Judged as a book it is rather uneven in its content. As I noted above, the main content centres on the process itself – this is, after all, what the book is about; but the introductory chapters on product development processes and techniques are comparatively lightweight and selective. To give examples, there is not even a brief mention of the Chartered Institute of Building's 'Code of practice for project management', now in its third edition and according to their website 'covers eight stages associated with projects from inception to completion, each one supported with diagrams, flowcharts and checklists...'; and I thought that the section which gave a 'historical background' to product development in construction was superficial. Finally, in a book of 208 pages, the References extend from page 148 to page 186 – almost one-fifth of the book, and at about 17 per page, they represent a great deal of matter. This is a superb academic quarry for PhD students (supervisors beware, literature reviews may look very similar for a while) but is not really appropriate in a hardback book.

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Previously Developed Land. Industrial Activities and Contamination (Second Edition)

Paul Syms, Blackwell Publishing, UK, 2004, 256 pp., ISBN 1405106972, £38.50

This book replaces Paul Syms' out-of-print *Desk Reference Guide to Potentially Contaminative Land Uses* (ISVA, London, 1999). It retains the same structure of a first part that develops the context and methods for

the assessment and redevelopment of previously developed land (PDL), and a second part that lists the contamination potentially caused by 39 industrial activity groups. This book should meet even more success than the former, as UK policy is increasingly tilting the playing field towards the redevelopment of brown-field against new developments on green-fields. Such policy makes perfect sense as land, particularly well-situated land, is one of the scarcest resources in many countries around the world. The process of de-industrialization is freeing up vast tracts of land that it would be both an eyesore and a waste of resources to keep unoccupied. On the other hand, decades of industrial use without much regulation or concern for the environment have led to the accumulation of contaminants that threaten huge health and economic risks on those plots. This book is designed to help assess and manage those risks, so that developers gain an interest in recycling PDL. Beware though; it is not a manual on site investigation and remediation options. Rather, it is designed to inform the owners and developers of PDL and their consultants, regular surveyors and planners. No knowledge of chemistry is needed.

Paul Syms has a long experience with brown-field redevelopment, in research, teaching and practice. His book builds on that experience, augmented with specialized contributions from recognized authors in the field. Paul Syms is currently Project Director of the National Brownfield Strategy at the UK agency advising the Government on the legacy of old industrial sites. In Chapter 1, he provides a first overview of the context of PDL redevelopment, statistics on the surfaces concerned, the policy background and the government bodies and organisations involved. There is also an introduction to the Contaminated Land Exposure Assessment documents, which help define the contamination risks.

In Chapter 2, Paul Syms shows how valuers could take land contamination into account when valuing a property, both theoretically and practically. He provides a critical overview of the British and American literature on what is called 'impaired property valuation' in the latter. Obviously, the valuers' task is particularly difficult in such cases. They generally lack the competence to assess the contamination risks and their economic consequences, while a full-fledged assessment of those risks by specialists would multiply the consulting fees. As a result, Paul Syms' recommendations bear essentially on the precautions valuers should take to avoid responsibility for bad surprises. Although many methods are used, the most common and probably most natural one is to assess the cleaned-up property and to deduct from that figure an estimate of clean-up costs. If that chapter of the book were to be

extended and made more practical, it would have to be in the direction of scenario analysis. Indeed, the clean-up costs depend not only on the degree and nature of contamination but also on the use to which the property will be put. The decontamination requirements are very different when the project is a parking lot or a kindergarten. In addition, depending upon circumstances the clean-up costs could be burdened onto the contaminator. Thus, different scenarios arise and valuing a property could lead to choosing the most profitable one. A guideline on setting up and assessing such scenarios could be more useful to practitioners than the survey of valuation literature.

A scenarios approach might also render Paul Syms' Chapter 3 more useful for the practitioners. It is a hotchpotch of advice for the site investigator, for the valuer who uses the investigator's report, for the owner who must convince a buyer, for the developer who seeks to limit his risks and for the buyer who wants to protect his own interests. Those actors' interests might diverge, which should be taken into account when the purpose is to facilitate transactions. Indeed, the chapter addresses the psychological, economic and legal barriers to the redevelopment of brown-fields. A scenario approach could start with the end-user of the redeveloped property: what does it take for her to accept buying the property? Under what conditions would she accept residual risks and possible stigma? Are there insurance solutions to cover those risks? Next, the point of view and interests of the developer could be examined: when would he prefer to develop a brown-field rather than a green-field? How could he protect his interests? Then, the seller's interests and best strategy could be reviewed. Finally, the adviser's, valuer's and site investigator's tasks could be deducted from their clients' needs. Last but not least, public authorities, which have an interest next to that of the sellers in the recycling of brown-fields, could facilitate or even encourage such transactions. A good understanding of the psychological and economic barriers as provided in this chapter could help in defining facilitating strategies.

Section 3.3 of that chapter addresses in particular the regulatory controls and barriers to the recycling of brown-fields. That is taken up in again in Chapter 5 by Paul Sheridan, a leader in UK environment law. He brushes a broad picture of the legal framework in which brown-field redevelopment takes place, from statutory contaminated land regimen to corporate governance and reporting via waste law and building regulation. Each statute is described in a nutshell, with as much background information and perspectives for development as actual statutory detail. This is clearly not enough to protect land developers against all legal traps. It serves to inform them about the range of

statutes applying. In the candid words of Paul Sheridan, 'extra management time will be incurred'.

In Chapter 6 Ted Kitchen, Professor of Town Planning and Urban Regeneration at Sheffield Hallam University and former Manchester's Chief Planning Officer, reviews the British planning system since World War II. This is not dry history but a lively account of the making and development of that system, including prospects on a major overhaul in the making. There is nothing specific, however, that concerns the redevelopment of PDL. Similarly, the checklist that closes this chapter, like all the others, is particularly short. It recommends becoming informed about current changes in the planning system that might affect a redevelopment project and to consider involving stakeholders in the preparation of the planning application.

Chapter 4 discusses the importance of information relating to ground conditions and describes the standardized format recommended in the UK, the Land Condition Record, to be completed following the procedures of the Specialist in Land Condition registration scheme. That chapter was written by Judith Law, the technical convenor of the working party set up to draft those formats. The standardized format could guide site investigators where such forms are not yet available and inspire analogous documentation efforts in other countries. Standardization of records allows gathering them in databases such as Geographical Information Systems, as discussed in Chapter 7.

In that seventh chapter, James Cadoux-Hudson and Donna Lyndsay of the Landmark Information Group provide an exhaustive overview of the data sources on land use dating back to the mid-19th century. They show where the owners or purchasers of a PDL can find information on former uses of that plot and neighbouring plots, key inputs to determining potential contamination. Their overview is very thorough and informative. It also testifies to the extraordinary geographical surveying history of the UK and the recent efforts made to digitize a century-and-a-half of maps.

Finally, in the second part of his book Paul Syms lists 39 industrial activity groups with the contamination they might have caused. An average of two pages per industrial activity group is, of course, not sufficient to detail all contaminants, but it is enough to indicate the main ones and to hint at the kind of information a developer should expect in an investigator's report. For more detail, the reader is referred to the industry profiles published by the Department of the Environment, the references of which are provided in an appendix, together with an exhaustive list of internet addresses.

To sum up, this book navigates between theoretical analysis and practical 'how to'. Particularly in the first part, there is more material, e.g. on the background of regulation and valuation methods than needed by the practitioner. This is not just a practical handbook for the redeveloper of PDL. Rather, this book provides firm grounding for the consultant, without freeing her of the need to further explore specific issues when assessing a particular plot, or to call upon specialists. In that sense, it might be of interest to consultants active in other parts of the world, in spite of its heavy focus on the UK.

One aspect of PDL that is hardly addressed in this book is that of the remaining structures. Indeed, the

book focuses on soil contaminants while many industrial plots still have their structures. A developer would thus first have to remove those structures, which might also be contaminated (e.g. asbestos) and could spawn additional costs and risks (e.g. rising haulage and disposal fees). Or, alternatively, the developer could reuse parts of the structure, e.g. for lofts. Such considerations carry us over to a neighbouring and very interesting field of the literature, that of urban regeneration.

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