

CURRENT STATUS AND ISSUES OF HOUSING PRIVATIZATION IN JAPAN

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ABSTRACT

Since after the World War II, local municipalities, local housing corporations and Urban Renaissance Agency (formerly known as Japan Housing Corporation) had long contributed to housing affordability by constructing a substantial number of public houses in Japan. Today, their role has shifted to the management and redevelopment of the stocks. This paper, based on documentary and statistical analyses, interviews and case studies of 6 typical projects, describes current states and issues of public housing redevelopment projects with Public-Private Partnership approach in Japan, which for financial reasons have been carried out as a combination of rebuilding of existing public rental houses on reduced site area and new constructions by private developers on the surplus lots. As for the latter, lots are either sold or leased to private enterprises, and they build condominiums, detached houses for sale and/or

medical/welfare facilities. From the viewpoint of public interests which public housing has long secured in social and spatial aspects in the neighborhood, it is crucial how communities can be integrated after the development, how profit oriented developers can contribute to making public spaces in cooperation with public bodies. Considering the growing number of housing privatization projects, this paper summarizes the lessons from past/ongoing practices.

Keywords: housing privatization, Public-Private Partnership, social mix, public interest

Introduction

Housing privatization is a worldwide phenomenon. Lundqvist [1] summarized that the word ‘privatization’ has many meanings: the transfer of government industries to the private sector; the introduction of market principles in the distribution of welfare facilities; a move from collective to individual levels of service provision; and the techniques for shifting responsibility from public to private. And as Whitehead [2] pointed out, the process calls for partnership approaches, which play to the strengths of the different private and social sector actors. From the viewpoint of public interests which public housing has long secured in social and spatial aspects in the neighbourhood, it is crucial how communities can be integrated after the development, how profit oriented developers can contribute to making public spaces in cooperation with public bodies.

Considering the growing number of housing privatization projects, this paper summarizes the lessons from past/ongoing practices in Japan. Since after the World War II, local municipalities, local housing corporations and Urban Renaissance Agency (UR: formerly known as Japan Housing Corporation) had long contributed to housing affordability by constructing a substantial number of public rental houses. Today, their role has shifted to the management and redevelopment of the stocks. As Table 1 showing the list of redevelopment projects of public housing complex by the UR, Tokyo public housing and Kanagawa Prefectural Housing Supply Corporation (KJK) indicates, the projects started in the middle of 2000’s and increased in number after 2010. This paper, based on documentary and statistical analyses, interviews and case studies of 6 typical projects in Tokyo Metropolitan Area (Kumegawa, Sakurazutsumi, Higashi-Murayama, Takanedai, Minami-Hiyoshi and Hamami-daira), describes current states and issues of public housing redevelopment projects with Public-Private Partnership approach in Japan, which for financial reasons have been carried out as a combination of rebuilding of existing public rental houses on reduced site area and new constructions by private developers on the surplus lots. As for the latter, lots are either sold or leased to private enterprises, and they build condominiums, detached houses for sale and/or medical/welfare facilities (Figure 1).

Table 1. Recent projects of public housing redevelopment in Tokyo Metropolitan Area

Location	Before Redevelopment			After Redevelopment		
	Name of Estate	Start	Units	Transfer	Area (m ²)	Usage
Kanagawa	KJK Kawasaki-Nakasaiwaicho	1951	184	2004	4,283	Condominium
Tokyo	Toei Minami-Aoyama 1	1956	142	2004	N/A	Houses for Rent, Nursery School, Group Home, Commercial Facility, Office
Kanagawa	KJK Kawasaki-Shimohirama	1952	318	2005	1,667	Condominium
Kanagawa	KJK Kawasaki-Kamihirama	1955	96	2005	7,445	Condominium
Tokyo	UR Kumegawa	1958	986	2005	16,216	Condominium
Tokyo	UR Sakurazutsumi	1958	1,829	2005	21,182	Condominium
				2006	16,639	Condominium
				2007	25,778	Condominium
				2010	9,222	Condominium
				2010	3,225	Detached Houses
				2008	4,000	Elderly Care Facility
Tokyo	Toei Konan 4	1960	587	2005	N/A	Condominium, Commercial Facility, Hospital, Nursery School
Tokyo	Toei Higashi-Murayama-Honcho	1958	1,934	2006	N/A	Detached Houses, Condominium, Commercial Facility, Nursery School, Elderly Care Facility
Chiba	UR Takanedai	1961	4,650	2007	3,610	Elderly Care Facility
				2009	18,014	Hospital
				2010	24,617	Detached Houses

				2011	6,291	Senior Service Housing
				2011	18,644	Detached Houses, Condominium
				2012	18,738	Detached Houses
				2012	12,273	Condominium
Saitama	UR Ryoke-Tatsuno	1958	208	2011	2,954	Nursing Home
Tokyo	Toei Kachidoki 1	1949	311	2008	N/A	Houses for Families with Children, Houses for Rent, Childcare Support Facility, etc.
Kanagawa	UR Minami-Hiyoshi	1962	1,337	2008	7,858	Condominium
Tokyo	UR Tamadaira	1958	2,792	2011	11,017	Condominium, etc.
				2011	6,462	Condominium
				2012	9,898	Detached Houses
				2012	17,881	Condominium, etc.
				2012	3,557	Detached Houses
				2012	4,911	Commercial Facility
Tokyo	UR Higashi-Ayase	1961	1,096	2011	14,555	Condominium
				2013	6,930	Nursing Home, Nursery School
Saitama	UR Tsuruse 2 nd	1962	1,071	2011	21,302	Detached Houses
				2011	4,051	Elderly Care Facility
Saitama	UR Soka-Matsubara	1962	5,926	2011	346	Condominium
				2013	20,448	Condominium
				2012	4,323	Nursing Home
				2012	5,578	Hospital
Chiba	UR Sonnou	1963	438	2011	9,103	Detached Houses
Tokyo	UR Mure	1956	490	2012	2,654	Condominium
Kanagawa	KJK Midorigaoka 1 st	1963	64	2012	4,137	Detached Houses

Tokyo	UR Ogikubo	195 8	875	2012	15,88 6	Condominium
Tokyo	UR Hibarigaoka	195 9	2,79 2	2012	9,209	Condominium
				2013	7,898	Condominium
				2013	6,373	Condominium
Saitama	UR Uenodai	196 0	2,08 0	2012	17,28 2	Condominium
				2013	25,83 7	Detached Houses
				2012	5,270	Nursing Home, Senior Service Housing
Kanagawa	UR Bukkou-cho	196 1	528	2012	18,73 0	Condominium
Tokyo	UR Nishi-Arai-3 rd	196 4	1,03 2	2012	12,11 0	Condominium
				2013	4,710	Detached Houses
Kanagawa	UR Hamamidaira	196 4	3,34 7	2012	15,49 8	Condominium
Kanagawa	KJK Shirahata	195 0	48	2013	3,946	Condominium
Chiba	UR Toyoshikidai	196 4	4,66 6	2013	6,034	Condominium
				2013	18,81 4	Detached Houses

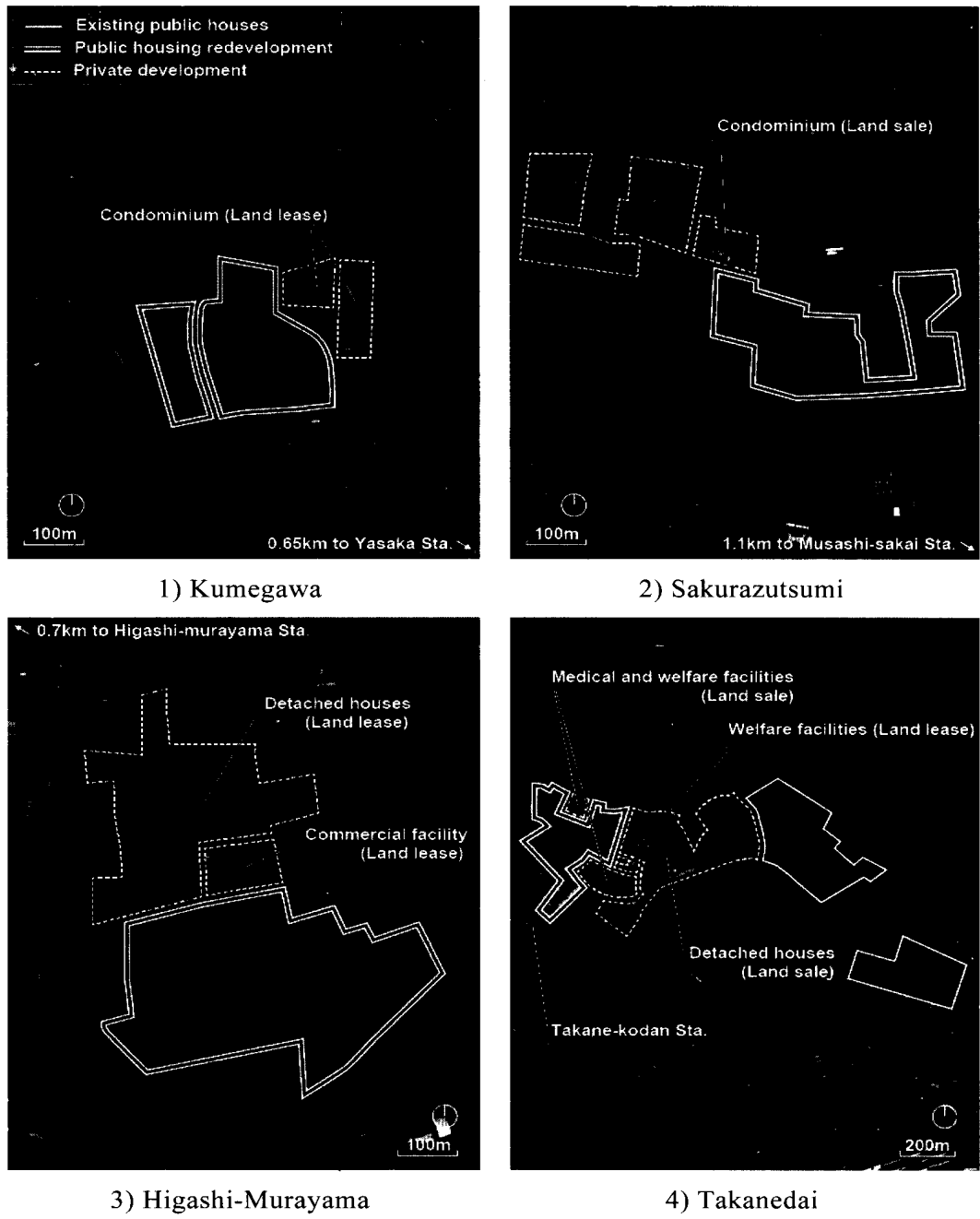
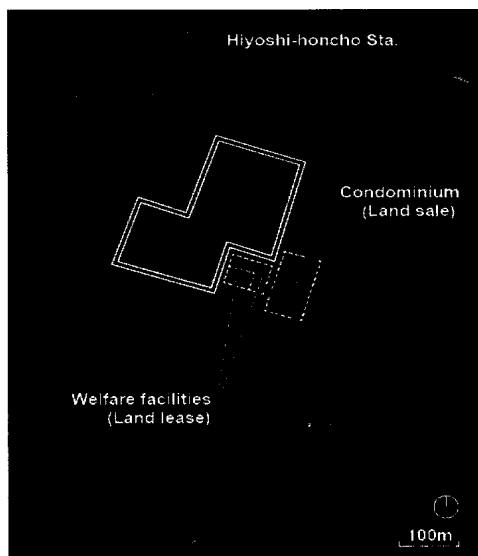
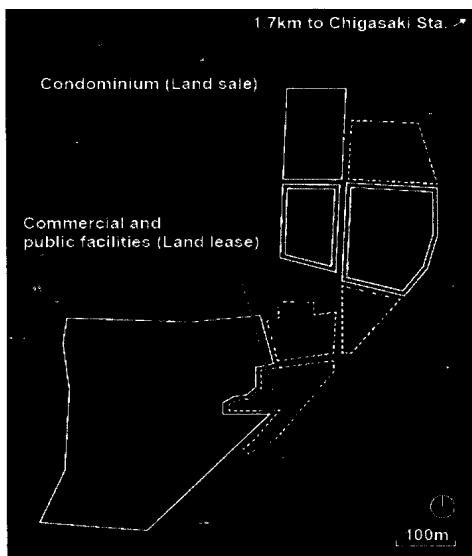


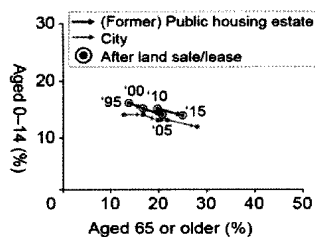
Fig. 1. Transformation of the site configuration



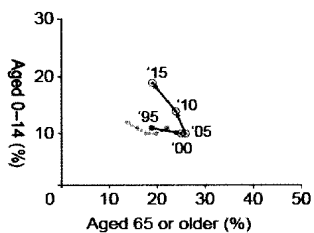
5) Minami-Hiyoshi



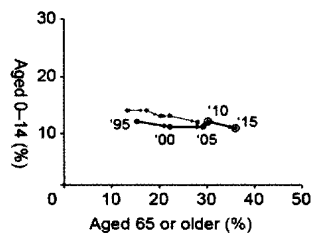
6) Hamamidaira

Figure 1. Transformation of the site configuration (continued)

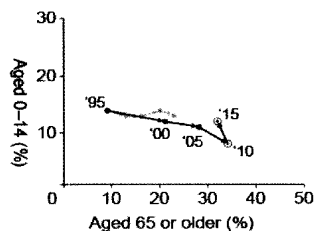
1) Kumegawa



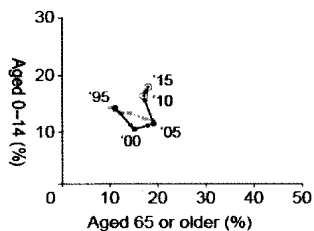
2) Sakurazutsumi



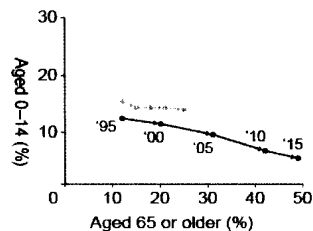
3) Higashi-Murayama



4) Takanedai



5) Minami-Hiyoshi



6) Hamamidaira

Figure 2. Change of the population balance after the land sale/lease

Current Status of Housing Privatization in Japan

Kumegawa

Kumegawa housing complex was developed by the Japan Housing Corporation in the late 1950's, and the UR as the successor started its redevelopment project in 1989. In the project, public rental houses (945 units) were reconstructed in the condensed area, and 2 condominium buildings (174 units) were newly constructed on the surplus land (Figure 3). It can be pointed out that the project served to put a slight brake on the trend of declining birth rate and aging population overtime (Figure 2). According to the interview, most residents in the UR complex are elderly and have a few communications in the daily lives, while the condominium block has a large number of households with children, and open spaces in the UR block gets lively again with them (Figure 4).



Figure 3. Open space in the UR block surrounded by 2 condominiums developed by a private developer.



Figure 4. Children and mothers in front of a nursery school.

Sakurazutsumi

Sakurazutsumi along Senkawa river started its history in 1958 as a housing complex with 1,829 units of the Japan Housing Corporation. The reconstruction began in the 1990's, and the original estate was divided into 2 separate blocks: UR multi-family rental dwellings on the east and luxury condominiums on the west (Figure 5 and 6). More effectively than the case in Kumegawa, the project made the population structure younger (Figure 2). The ratio of young population (below 15 years old) doubled over 10 years from 2005 to 2015. It is also valued that private developers followed the design guidelines provided by the UR and the river friendly landscape was preserved. On the other hand, the security-oriented site design is contrastive to open landscapes in the UR block.



Figure 5. New condominiums enjoying the river view.



Figure 6. Children playing in the UR open space in front and condominiums by private developers behind.

Higashi-Murayama

Higashi-Murayama (1958-) is one of the Tokyo metropolitan public housing complexes. The layout rearrangement was drastic in the 2000's redevelopment. The site area for public housing was reduced by almost half, and 280 detached houses were constructed on the surplus lots for 70-year-long lease, which successfully reformed the image of the area (Figure 7 and 8).



Figure 7. Detached houses developed on leased land in front and new high-rise public housing behind.

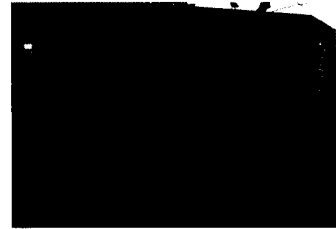


Figure 8. Layout of detached housing complex with foot-paths.

Takanedai

The redevelopment project of the UR Takanedai housing complex began in 1999 and will be finished by 2017. With private sector initiatives, the project sets the goal of establishing a base for the elderly and childcare support, which is composed of rental housing for the elderly, small multi-care facility, general hospital, senior service housing, nursery school and childcare support facility (Figure 9 and 10). However, there still remain the issues of economic divide, and the local residents cannot afford the expenses for the facilities. Figure 11 shows a community café opened in the entrance lobby of the UR housing to reduce social isolation of the elderly.

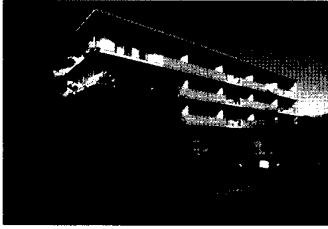


Figure 9. A senior service housing with 57 units was developed in 2009.



Figure 10. A general hospital with 500 beds opened in the centre of the complex in 2010.



Figure 11. Community café in the entrance lobby of redeveloped UR housing.

Minami-Hiyoshi

Minami-Hiyoshi is a housing complex which the Japan Housing Corporation began the management as 1,336 unit public rental housing in 1962. Linking with the reconstruction project during 2000's, private developers were invited to build condominiums, nursery school, elderly care facilities and senior housing (Figure 12, 13 and 14). As long as the change of population structure shows, the redevelopment project in Minami-Hiyoshi by public-private partnership approach can be evaluated as a success. However, as is often the case with the redevelopments, according to the interview, some old residents feel like strangers to new neighborhood on the other hand.



Figure 12. 12 high-rise residential buildings with 909 public rental houses were constructed by the UR on the redevelopment site.

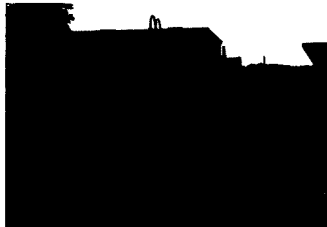


Figure 13. A rice store since 1962 was located in the centre of the complex again as a key element of the community.



Figure 14. A nursery school by a private operator opened in 2006 to attract young families.

Hamami-Daira

UR Hamami-Daira is a large housing complex starting its history from 1964. Following the public housing reconstruction, a variety of market-oriented developments including condominiums, commercial and public facilities are under way (Figure 15). It is now too early to evaluate the effect of the redevelopment in Hamami-Daira. Although interviewed residents show expectations especially for new facilities, it should be an important issue how the redevelopment is linked to a variety of community resources synergistically. Hamami-Daira is located in a once fishing village in history and has a potential to offer unique lifestyles. As one of the responses from the neighborhood, an attractive open car market started in 2014 weekly in the old complex (Figure 16).

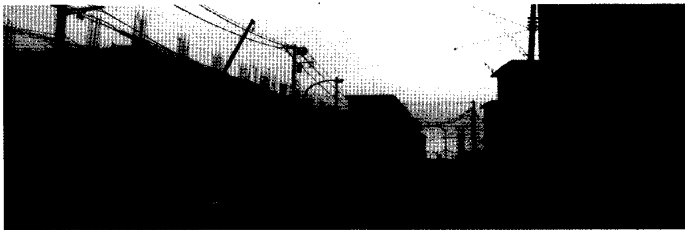


Figure 15. Existing UR blocks in use (right), reconstructed UR block (centre behind) and condominiums under construction by private developers (left).



Figure 16. Local shops and restaurants began a weekly market in the open space of the complex to preserve the community in 2014.

Issues and Challenges for Sustainable Area Management

Issues for Sustainable Area Management

As the cases imply, the scheme of public housing redevelopment projects in public-private partnership in Japan so far can be classified into the following 3 approaches:

- An approach to improve the age structure by attracting younger generations to the community which suffers from aging population and high vacancies. (e.g. Early cases such as Kumegawa)
- Community and economic empowerment by social mixing sometimes accompanying mixed use redevelopment instead of former residential-only blocks. (e.g. Sakura-Zutsumi, Higashi-Murayama)

- Redeveloping the estate as a base for medical and health-care services based on “Compact City” concept. (e.g. Recent cases such as Takanedai, Minami-Hiyoshi, Hamami-Daira)

Increasing number of projects are underway by these approaches, however there are still issues of how the atmosphere of the original landscape with plenty of open spaces can be inherited; and how public rental houses and private condominiums can be harmonized from the social and spatial viewpoints.

Challenges for Sustainable Area Management

Concerning the issues mentioned above, some suggestive projects recently started. Tamamusubi-Terrace pilot project in the UR Tamadaira housing complex (1958-) is one of the experiments to make the best use of former public housing by utilizing the power of private sector. As a part of the redevelopment, 5 among 250 buildings were preserved and leased to 3 different private firms, who renovated them into shared housing with open terraces, houses with kitchen gardens and houses for the elderly with community facilities, most of which are open to the neighbors (Figure 17, 18 and 19). The project utilizing the resource of original open spaces in the complex can be evaluated as creating a new community beyond the premises.



Figure 17. Shared housing with terraces open to the public. (Quoted from “Theory and Practice Architectural Renovation”)



Figure 18. Kitchen gardens for the complex and neighbourhood residents. (Quoted from “Theory and Practice Architectural Renovation”)



Figure 19. A hall in the senior housing serves communication with younger generation. (Quoted from “Theory and Practice Architectural Renovation”)

Conclusions

It is important for low-growth countries like Japan of today how to deal with the increasing number of aging population and vacant units, on which the redevelopment

of large housing complexes can have a broad impact. As this study showed, an increasing number of projects to solve the spatial and social uniformity in public rental housing complexes have been under way with introducing private market principles. The results must be evaluated in the long run as long as there are no general solutions for a variety of situations each complex is facing with. And we also have to discuss about the future of suburban estates where have less market possibilities and are difficult to apply similar redevelopment schemes for.

References

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