

THE DEVELOPMENT OF MASTER-PLANNED COMMUNITIES IN CHINESE SUBURBS: A CASE STUDY OF SHANGHAI'S THAMES TOWN¹

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Abstract: Suburban master-planned communities are emerging in China. This kind of residential enclave is often regarded as an enchanted setting for luxury housing consumption. The emergence of master-planned communities in China provides an opportunity to understand why and how urban enclaves are developed and promoted in a country where state control over land and housing provision remains pervasive and durable. This study examines the development of Thames Town in Shanghai. Promotional strategies use cultural and entertainment elements to build an “English town” as an exclusive residence for the new rich. Nevertheless, the community is an outgrowth of the local government’s entrepreneurial strategies to stimulate development and construct a livable image for the city. In terms of outcomes, Thames Town has attracted substantial investment as well as the attention of property buyers, but has failed to persuade many people to live there. [Key words: master-planned communities, Shanghai, suburbs, land development, new towns, landscapes.]

Master-planned communities are among the prototypes for private and commoditized residences. By using a variety of forms such as retirement communities, leisure communities, or new towns, upscale developments attempt to “capitalize on a growing leisure-consuming society” (Blakely and Snyder, 1997, p. 46) by creating comprehensive lifestyle enclaves—the countrified settings, the flavor of the place, the clubhouse, and the town atmosphere. Their features—mixed-use, security, esthetics, and private management—have also been identified as a manifestation of market transition and the weakening role of the state in urban governance (Knox, 2008).

Master-planned communities are now being replicated in China to represent a new suburban way of life. Existing literature contextualizes the new residential form within China’s market-oriented reform. These studies emphasize either its continuity or novelty compared with housing provision in the pre-reform era. Huang (2006) reads gating as the legacy of collectivism and social control long embedded in the Chinese society.

¹We would like to acknowledge funding support from the Social Sciences and Humanities Research Council of Canada through funding from the Major Collaborative Research Initiative “Global Suburbansims: Governance, Land, and Infrastructure in the 21st Century (2010–2017).” The first author thanks the China Scholarship Council for funding her Ph.D. research at Cardiff University.

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Others stress the rediscovered function of gating as a symbol of the “good life.” Luxury and esthetic landscapes in these communities indicate an elite status and identity (Huang, 2005; Giroir, 2006; Pow and Kong, 2007). Homeowner associations are formed to protect the residents’ lifestyle and property-associated interests (Huang, 2006). These accounts suggest a common trend of enclave urbanism in China’s residential development.

Nevertheless, in order to achieve a fuller grasp of the features of master-planned communities and reveal the underlying forces, we suggest that the scope of research needs to be broadened. Beyond physical form, more attention needs to be paid to the context of the suburbanization movement, its development processes and strategies, and the nature of its governance. Most important in China is the public ownership of land and the government’s strong control over urban development. Under such circumstances, the Chinese growth coalition is distinct from growth machines in the United States, because China’s entrepreneurial local state has the definitive decision-making power (Zhang, 2002; Xu and Yeh, 2009). Contemporary urban development involves the manipulation of market operations to serve the interests of a state-led accumulation regime. China’s emerging neoliberal urbanization is largely “a mixture of market logic and state authority logic” (He and Wu, 2009, p. 296; see also Wu, 2010).

The objective of this study is to reveal the general strategies as well as the underlying rationale and mechanism in the production of suburban master-planned communities in China using Shanghai’s Thames Town as a case study. It will show that master-planned communities are now forged as a fantasy micro-world to enchant suburban housing consumers and to stimulate urban growth. By setting up a subsidiary branch to undertake development, the entrepreneurial government plays a leading role in the production of such master-planned communities. Our findings are mainly based on three fieldwork sessions in 2009 and 2010. Face-to-face interviews were conducted with relevant government officials and planners, developers and real estate agents, staffs of residents’ committees, and residents buying into the town. This methodology was further supplemented by using census data, yearbooks, planning and design documents, advertisements, and studies from the academic literature.

In the following section, relevant perspectives on the driving forces of master-planned communities are reviewed. This is followed by an examination of the institutional and social context for suburban development in China. Next, comes an analysis of the development of Thames Town. A brief concluding section then summarizes the findings and discusses the implications of the Chinese case for the larger study of enclave urbanism.

LITERATURE REVIEW AND THEORETICAL CONTEXT

Master-planned communities initially emerged in the United States in the early 1990s. With a number of iconic projects like Seaside and Celebration in Florida, Kentlands in Maryland, and Northwest Landing in Washington, they soon became a prominent feature of the U.S. housing market. The Urban Land Institute (Suchman, 1990, p. 35; also quoted in Knox, 1992) defines a master-planned community as follows:

The essential features of a planned community are a definable boundary; a consistent, but not necessarily uniform, character; overall control during the development process by a single development entity; private ownership of recreational amenities;

and enforcement of covenants, conditions and restrictions by a master community association.

This concept overlaps with the widely used term *gated community*, but is not identical. Indeed, most master-planned communities may be walled or fenced for security, involve legal agreements as a code of conduct, and be privately governed by a homeowners' association. Yet the term "master-planned communities" draws heavily on the New Urbanism approach, its hallmarks including high-density planning, neo-traditional design, and a mixture of commercial, leisure, and other nonresidential land uses. Gwyther (2005) provided a broader definition in the context of Australia where master-planned communities involve large integrated housing developments produced by a single developer; they also often include the provision of both physical and social infrastructure, and they are primarily located on the "growth frontier" of a city's fringe (although increasingly they are found at urban renewal sites).

Generally, there are two theoretical perspectives on the causes and effects of master-planned communities. Regarding esthetic design and packaged amenities, the first thesis emphasizes the symbolic function of housing consumption in master-planned communities. These accounts build on theories of (post-)modern consumerism (Campbell, 1987; Baudrillard, 1998; Lash and Urry, 1992), and argue that (post-)modern consumption is an emotional experience through which consumers attempt to fulfill their self-imagined aspirations. In order to sustain capital accumulation, material products need to be constantly enchanting—endowed with symbolic meaning—to stimulate consumers' imagination and thereby attract buyers. Meanwhile, consumption is also a socially embedded process. The emerging middle class—i.e., the new bourgeoisie and the new petite bourgeoisie—seek to establish their identity through a distinctive taste and lifestyle (Knox, 2008). Ritzer (1999) applied these analyses to interpret the production of contemporary urban space, suggesting that a range of urban forms are now designed to coerce people into consumption. These places can be regarded as "cathedrals of consumption," offering magical, fantastic, and enchanted settings to appeal to consumers through estheticization and simulation. In other words, they are places devoted to consumption where people participate in what might best be described as consumer religion (*ibid.*, p. 7).

Master-planned communities rank among these enchanted settings. Packaging a range of amenities and services in an aesthetically pleasing environment, they represent a cultural process of estheticization or Disneyfication of everyday life (Archer, 2005; Roposo, 2006; see also Anderson, 2010). Such aesthetic and ordered landscapes express as well as cultivate a privileged middle-class taste and lifestyle to appeal to affluent residents. Master-planned communities are a unique form of enclave evincing both physical control and symbolical exclusivity (Duncan and Duncan, 2004; Low, 2009).

Master-planned communities represent the "re-enchantment of suburbia" for the prosperous upper-middle classes (Knox, 2008, p. 88). Suburbia has long been viewed as a landscape type uniquely suited for residential consumption, and was once regarded as a "bourgeois utopia" for the middle class to escape from urban disorder (Fishman, 1987). But by the early 1970s, many parts of suburbia were plagued by the spread of low-quality tract homes and troublesome, lengthening commutes. A number of developments were attacked as "Sitcom Suburbs" for their physical and social homogeneity (Hayden, 2003). It was in this context that master-planned communities emerged, providing an upscale alternative

to standardized suburban subdivisions that had themselves once offered an escape from the undesirable congestion and poverty of older central cities. Master-planned communities came to symbolize a new mode of suburban living through the strategic packaging of esthetics, theme-based marketing, and access restrictions via gating and other mechanisms. Such communities quickly came to represent higher residential prestige, a distinctive lifestyle, private governance, and a truer sense of community for those able to buy in. However, these same communities were widely criticized for co-opting new design concepts for marketing appeal and as a *de facto* defense of an inherently exclusive and polarized expression of the suburban dream (McCann, 1995; Zimmerman, 2001; cf. Trudeau and Malloy, 2011). Yet the emergence of any urban landscape can not be fully understood without considering specific political-economic conditions and the social agents shaping the process (Knox, 2008). The estheticization of master-planned communities does not occur independently of the broader institutional context, and this raises the second theoretical perspective focused on the supply side.

Through the analytic lens of neoliberalism, a large literature affirms that the appearance of master-planned communities is usually associated with local state failures in the efficient provision of quality public services. It is suggested that, with the failure of Fordist economic structures and the crisis of the Keynesian welfare state, urban governance has shifted to a deeper and pervasive form of market-based governance (Brenner and Theodore, 2002). This process includes various policies to extend market discipline and simultaneously furthers the deregulation of state control (Peck and Tickell, 2002; Peck, 2011). These urban developments increasingly rely on private investment and therefore place a higher priority on private interests than public benefits.

Accordingly, master-planned communities play an important role in driving the process of privatization. This new form indeed represents the private provision of public services (McKenzie, 1994, 2005), and by providing amenity packages, developers take over what should be the responsibilities of the government. Pro-growth local governments also tend to promote master-planned communities, because such costs of suburbanization as the construction of infrastructure, amenities, and other living facilities can be underwritten by private developers and then transferred to home buyers (Le Goix, 2005). Sometimes, master-planned communities may directly be developed by a public-private partnership to promote city competitiveness (Veninga, 2004). Whereas urban theory has long recognized the role of cities as leading players in local boosterism, contemporary growth machines have delegated considerable power to various private corporations, each of which spearheads urban entrepreneurial strategies for particular master-planned suburbs.

The retreat of the state reinforces the proliferation of private government. Middle-class residents in master-planned communities share the property of the common space and amenities, which is governed privately by homeowner associations. McKenzie (1994) portrayed master-planned communities as “privatopia,” in which residents attempt to achieve their utopian aspirations through the privatization of public life. For other analysts (e.g., Webster, 2001), master-planned communities offer “club goods”—public services provided more efficiently through the management of externalities.

Although master-planned communities originated in the U.S., they have become popular throughout the world. Yet any international set of concepts and forms must have its local story. For this reason, scholars call for investigations that go beyond physical form in order to discern local structural factors (Webster et al., 2002). For instance, it has been

illustrated that master-planned communities may not necessarily result from a weak state. Local governments in Australia endorse such communities as a “technology” of regulation (McGuirk and Dowling, 2009). In Singapore, where public housing dominates, master-planned communities are an important component of the state’s overall housing plans in response to rising middle-class aspirations (Pow, 2009).

Drawing on the case of China, where state control over land and housing remains strong, this study offers another example of how the state could play a leading role in promoting enchanted private residences. Specifically, the aim here is to unveil the development strategies, the underlying rationale, and the development processes that shape master-planned communities in China.

CHANGING DYNAMICS OF SUBURBAN DEVELOPMENT

Prior to the late 20th century, the Chinese central city retained much of its allure. Despite the relaxation of population control and the establishment of a housing market early in the reform era, most people were reluctant to suburbanize and preferred city centers (Wang and Li, 2004; Zhou and Logan, 2008). But since the mid-1990s, the dynamics of urban development have changed dramatically. Fiscal decentralization and land reform now drove a strong motivation for local governments to become involved in urban development. As land leasing fees became the most important source of local revenues, local governments increasingly promoted suburbanization. The first wave of massive urban expansion in the early 1990s was characterized by a land-enclosure movement in the form of development zones (Deng and Huang, 2004), with suburbanization largely a result of land appropriation by local governments (Zhang, 2000). Meanwhile, cities adopted an urbanization strategy as a means of building competitiveness and stimulating economic growth. These pro-growth policies now focus on place promotion by upgrading and expanding the urban built environment (Lin, 2007, 2010). Mobilizing suburbanization is at the core of this strategy. In order to enhance competitiveness, local governments redrew their administrative boundaries by annexing surrounding counties to expand their land resource base. At the same time, they also prepared ambitious strategic plans, based mostly on polycentric urban structures to increase the competitiveness of city-regions (Wu and Zhang, 2007).

Radical housing reform has also taken place in China since 1998. Housing and other infrastructure were now used to boost domestic demand, ensuring economic growth and social stability (Lin, 2007). Homeownership was jointly promoted by local government and developers as a symbol of well-being (Huang, 2005). In the meantime, urban residents were experiencing a consumer revolution based on an overall improvement of living standards (Davis, 2000). In particular, housing and other domestic consumption became the primary focus of consumer desire and spending (ibid.). The new middle class, benefiting from economic reforms and eager to change their negative image and establish their individual and group identity, began to embrace consumer culture (Zhao, 1997). For those able to afford it, real estate swiftly became a leading means of investment and speculation. Suburban luxury homes represented the pursuit of the good life, appealing directly to the aspirations of the upwardly mobile middle class.

Consequently, the new round of urban expansion was noteworthy not only for its scale, but also for its nature. The suburbs become the arena for new communities, offering comprehensive urban functions in contrast to the earlier manufacturing-oriented development

zones. An urbanization of the suburbs was now fully under way, with most suburban nodes designed to restructure the urban economy around producer services and attract prosperous residents. An environment of high-quality services and lifestyle was regarded as crucial in attracting new residents and accommodating the expanding service economy. Local governments now enthusiastically promote upscale real estate projects such as master-planned communities, driven by the desire to generate revenues through land development.³ Because master-planned communities offered a high-quality suburban lifestyle not available in the central city, they were imported as an advanced suburban development model. The resulting developments not only stimulated local land prices, but also transformed the image of the suburbs and attracted additional rounds of investment and consumption.

In the process, private developers were invited to participate in suburban development through the leasing of land from local governments. Suburban land remained far cheaper than in the city center, providing a lucrative margin for speculative gain as well as offering cost-efficient and spacious alternatives to development in the metropolitan core. With local governments controlling construction, a top-down plan-making process was one of their most important instruments. In particular, before leasing land parcels, governments devised Detailed Development Control Plans (DDCPs) to coordinate land uses, densities, and other physical features. Sometimes, the content of DDCPs can be highly specific as to key elements of urban design. Whoever wins the bid to develop a plot must follow a local jurisdiction's DDCP. Moreover, local governments often established their own urban development companies to implement urban construction.

To study the dynamics of master-planned communities, we analyzed the development of Thames Town in Shanghai. Situated in the Songjiang District, Thames Town lies at the southwestern outer edge of the metropolitan area, about 40 kilometers from the city center (Fig. 1). On an area of one square kilometer, previously occupied by agricultural land and farm villages, is a cluster of gated communities containing detached single-family houses and low-rise apartments for 1,100 households. Claiming to be "an authentic British-style town," its public infrastructure includes a commercial street, a sports center, an international school, and several recreational facilities. All communities are packaged to form a self-contained settlement.

Thames Town represents a classic effort to draw investment and residents into the urban fringe. As the flagship of Songjiang New Town, it provides an excellent laboratory in which to study the dynamics of suburban master-planned communities, particularly the role of the government. The analysis first situates the development in the context of Shanghai's suburban growth. We then consider why and how the district government and developers jointly created this English town as well as the outcomes of the development.

SUBURBANIZATION IN METROPOLITAN SHANGHAI

Changing Rationales for Suburban Development

As the largest metropolis in China, Shanghai is dense and compact. The administrative area of 6,340 km² contains 9 central districts and 10 suburban districts. By 2008, the

³For more on the process see Tsui (2011).

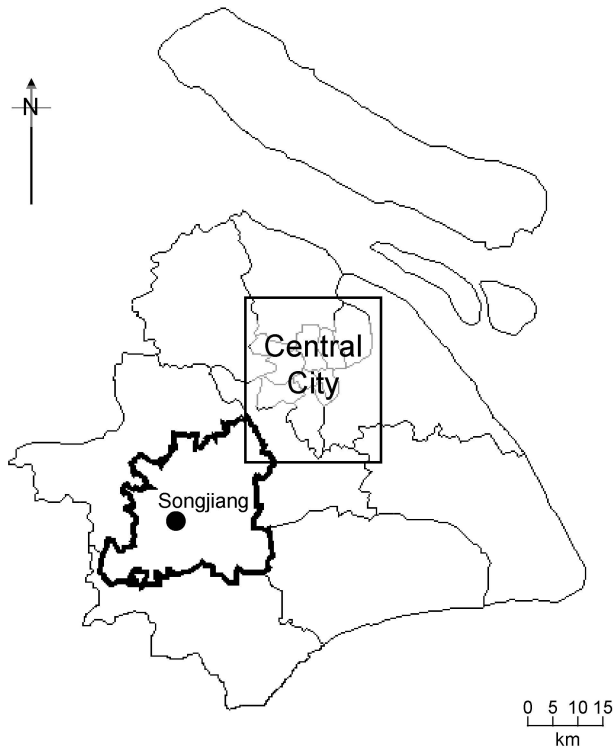


Fig. 1. Location of Songjiang district and Songjiang New Town.

overall population density of metropolitan Shanghai had reached 22,560 people per km². The central districts, which only make up about 4.5% (289 km²) of the total area, contained 34.6% (6.52 million) of the total population (18.88 million)⁴. In 2001, the municipal government decided to shift all urban construction from the central to suburban districts. But contrary to practices in the socialist era when suburban settlements were only constructed to accommodate industrialization, the rationale changed. First, with a series of institutional changes under market transition, investment in the built environment (e.g., infrastructure construction, housing development) became the primary economic growth mission for Shanghai. But with little land available in the central area by 2000 and the steadily mounting costs of redevelopment, the municipal government decided to redirect development toward the still largely undeveloped urban periphery.⁵

Second, Shanghai aimed to enhance its competitiveness by promoting urbanization at the metropolitan scale, and an effective city–region network was deemed to be of crucial importance in rebranding it as a world city. Strategic plans, reports, and academic studies referred to New York, Tokyo, and London as models, and developing a polycentric urban structure was seen as a necessary condition (Shanghai Municipal Planning Bureau,

⁴Data are from the Fourth (1990) and Fifth (2000) Population Censuses of China.

⁵Author interview with a government official in the Shanghai Planning Bureau, conducted in February 2009.

2001; Ye, 2003). Driven by the government's pursuit of land revenue by leasing more land, the suburbs experienced most of the conversion of farmland to urban uses. The policy of *Three Concentrations*—clustering of industry in planned industrial parks, farm residents in cities and towns, and land development under large-scale management—was designed to develop satellite towns at a certain scale. These suburban new towns would also help contain urban sprawl, optimize the metropolitan region's spatial structure, and facilitate the growth of the urban economy.

The One-City-Nine-Towns Program

In 2001, the *One-City-Nine-Towns* project was announced to initiate a new round of suburban satellite-town construction. According to the urban system of that time,⁶ 10 towns on the periphery, known as “one city and nine towns,” were selected as experimental sites for suburban development. The project was formally launched by the Shanghai Municipality No. 1 Decree of 2001, “Announcement on the Promotion of Urbanization in Experimental Towns.” Several policies were designed to settle the population moving to the new towns, including local peasants, migrants from other provinces, and residents from the central city. But the central objective was to “attract urban residents through an agreeable natural environment, distinctive townscapes, and a modern way of living.” In other words, the major appeal of the suburbs would be their promise of a better way of life.

The government attached particular importance to esthetic and attractive landscapes. They wanted something “visible” and followed examples from Western countries to project an image of cosmopolitanism.⁷ Consequently the towns were built to represent (stereotypical) authentic Western townscapes in Britain, Italy, the Netherlands, Germany, Spain, Scandinavia, and North America respectively.⁸ The primary task of the project was to draw up “high-profile” master plans and urban designs. Meanwhile, the municipal government insisted on creating a master-planned community with distinctive Western designs in each town.

In practice, the district governments were authorized to prepare plans and manage subsequent development themselves. The municipal government provided the district governments with financial support, an arrangement designed to stimulate enthusiasm at the local level and ensure implementation of the project. Until the end of the Tenth Five-Year Plan in 2005, the accomplishments of district governments varied significantly. Not all of the 10 ten towns followed the plan successfully. Lingang New Town in Nanhui and Chengjiazhen in Chongming both abandoned plans to copy Western styles.

⁶According to Shanghai's Master Plan for 2000–2020, its urban system comprises four levels: a central city with a population of 8 million; 11 new suburban cities with a population of 200,000 to 400,000 each; 22 central towns with a population of 50,000 each; and 88 ordinary towns with a population of 20,000 to 30,000 each.

⁷Quote taken from an author interview conducted on January 19, 2009 with a professor of urban planning who participated in the government's consultation process.

⁸The landscapes of One-City-Nine-Towns are Songjiang New Town (English style), Anting town in Jiading (German style), Pujiang Town in Minhang (Italian style), Zhujiajiao in Qingpu (traditional Chinese style), Luodian Town in Baoshan (North European style), Fengjing Town in Jinshan (North American style), Gaoqiao Town in Pudong (Netherlands style), Fengcheng Town in Fengxian (Spanish style), Baozhen Town in Chongming (Australian style), and Zhoupu in Nanhui (style undetermined).

BUILDING A FLAGSHIP PROJECT FOR SONGJIANG: THAMES TOWN

As the leading site of the entire project, Songjiang New Town was built through a partnership between the municipal and district governments. The scale and speed of construction in Songjiang have been extraordinary. During the period from August 2001 when the construction of the new town began, to the end of 2003, 10 square kilometers were transformed into an urban area, with infrastructure construction totaling more than 4 billion yuan. By 2005, the planned 23-square-kilometer development had almost been completed (Wang, 2004). For the municipal government, Songjiang's distance to central Shanghai, a well-established industrial base, and its reputation for natural scenery made it a perfect satellite town. In contrast to earlier urban expansion in the form of production-oriented industrial development zones, the government planned to build Songjiang as a comprehensive city designed for consumption in an ideal residential setting. It was envisioned as "a medium-sized but most livable garden city" to represent the best living environment in Shanghai. Moreover, the government also aimed to reconfigure the local economy to emphasize the high-level tertiary sector by providing a good business climate and top-quality lifestyle opportunities for white-collar service workers.

A planning and design bid was soon organized, and five international firms were invited to participate in the competition. In March 2001, the British Atkins Corporation was announced as the winner of the plan. It was told to prepare a strategic plan for the entire 60 square kilometers of Songjiang New Town, design a building style for the 23-square-kilometer pilot area (the new development zone in the north of the old town), and detailed urban-design schemes for three key projects—a central business district, a transportation hub, and the authentic English-style master-planned community required by the municipality. Planning and design were recognized as essential for the whole development project, with the total consultation fee amounting to U.S.\$6 million (Wang, 2002).

The master-planned community, Thames Town, is a typical mixed-use, low density, master-planned estate project. It lies in the western quadrant of Songjiang New Town, separated from the new center by the Shenjing Tang River (Fig. 2). With its "authentic British style," it soon became a landmark for the new town. According to the head of the district government, "We don't merely rely on low-cost land any more, but aim at attracting investment by high-quality lifestyle and first-rate services; we are creating a paradise for our investors. And Thames Town is just our welcome gesture" (*International Finance News*, October 20, 2003). As planned by Atkins (2002), Thames Town would not only be an ideal residential area for its residents, but also take the lead in improving the quality of the living environment as well as boosting housing development in adjacent areas (*ibid.*). In addition, Thames Town was designed as a major tourist attraction of the new town as well. Most of all, from its inception Thames Town was showcased by both the municipal and district governments as a prominent component of their entrepreneurial strategies for suburban economic growth (Lin and Yi, 2011).

Thames Town has indeed attracted wide attention and helped restore the reputation of Songjiang. Today this new town is especially known for its high-quality living environment in Shanghai, and continues to attract upscale property investments. In 2007, its villa estates amounted to 19.4% of the total housing floor area in Songjiang. As a consequence, the average house price in the district reached about 8,000 yuan/m² in 2008,

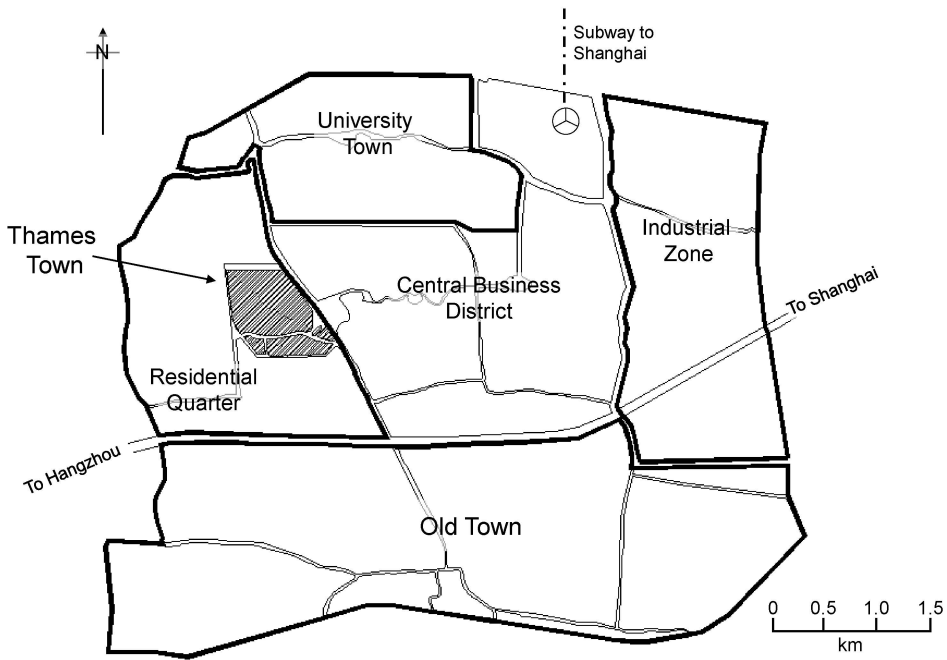


Fig. 2. Location of Thames Town within Sonjiang New Town.

exceeding the average price of the whole city and also that of other outer suburban districts (Table 1).

MAKING AN “ENGLISH TOWN”

Forging a Public-Private Partnership

The development of Thames Town was led by the Songjiang New Town Development Corporation (SNTDC), a joint stock corporation held by the district government and three affiliated development companies of the municipal government—Shanghai Properties Group, Shanghai Star Group, and Shanghai International Group. With the three municipal companies contributing a total investment of 100 million yuan, the district government contributed the land and retained control over daily management.

SNTDC was established to plan and construct the residential district of the western quarter, including Thames Town. Generally, it does not get directly involved in the detailed design and construction once the land has been leased out. Yet because Thames Town was a highly visible project, its building was an important administrative mission assigned by the district government. As for SNTDC itself, it was expected that Thames Town would create and maintain a positive image (and rising land prices) for the whole western quarter, and it assumed an unusually active role in direct management and supervision. Following earlier preparations by SNTDC (such as detailed planning and design, land acquisition, and infrastructure construction), private developers were invited to undertake construction

TABLE 1. RESIDENTIAL HOUSING PRICES IN SHANGHAI'S SUBDISTRICTS, 2002–2008

Subdistrict	Average price, yuan/m ³		
	2002	2005	2008
Inner Ring			
Huangpu	5,311	8,067	23,375
Luwan	5,741	8,500	15,771
Jing'an	5,902	7,108	12,738
Hongkou	4,126	8,637	15,367
Outer Ring			
Changning	5,502	7,884	19,283
Xuhui	5,791	7,451	9,226
Putuo	4,416	7,231	11,152
Zhabei	4,410	7,850	7,883
Yangpu	4,316	7,477	8,030
Inside/Outside Outer Ring			
Pudong	3,944	7,186	9,992
Baoshan	3,484	7,181	7,526
Minhang	2,977	6,191	8,527
Outside Outer Ring			
Jiading	2,739	6,050	7,341
Jinshan	1,921	6,677	5,367
Songjiang	3,327	5,682	8,317
Qingpu	2,588	5,304	8,307
Nanhui	3,437	5,991	6,204
Fengxian	2,049	5,662	6,592
Chongming	3,514	2,730	7,429
Shanghai Average	4,007	6,698	8,182

Sources: Shanghai Statistical Bureau, 2003, 2006, 2008.

of commodity housing subdivisions and commercial districts on large blocks of leased land. The SNTDC itself built other public facilities including schools, supermarkets, a sports center, the Songjiang Art Gallery, and the Songjiang Urban Planning Exhibition Center.

The project offered an especially attractive opportunity for private developers by virtue of the comprehensive government coordination and sponsorship. SNTDC made deals with four developers. Three well-established real estate companies—Sansheng Hongye, Shanghai Hengshi, and Xuhui Shangjian—were each commissioned to construct a single villa-style residential subdivision. A newly founded company, Henghe Property of Zhejiang Province—was put in charge of the commercial area and three surrounding residential

subdivisions, and became the primary partner of SNTDC. Overall, it purchased one-fifth of the area of the town, including most of the central commercial zone.

The role of the SNTDC is quite subtle in the public-private partnership. On one hand, it is a corporate body that independently manages land development to create economic benefit, and it has already invested more than 1.4 billion yuan in Thames Town. There are two main sources of revenue. First, land was leased out to private developers through negotiation at the price of about 420,000 yuan per mu (a *mu* is one-fifteenth of a ha); the four developers paid a total of 270 million yuan in land leasing fees, of which SNTDC took 50–60% as profit. Second, although technically the company is not allowed to undertake real estate development, it developed a gated residential subdivision on its own to earn extra profits of about 200 million yuan. Therefore, its total income of about 360 million yuan from this project was far less than its expenses. Yet land leasing fees in the western quadrant are its primary source of revenue. By building Thames Town, the company's strategy was to elevate the image of the entire area as a high-end residential district and raise land prices accordingly. This tactic has proven to be quite successful, and when development of the western quadrant was completed in 2006, SNTDC reaped a substantial return.

On the other hand, the SNTDC actually acts on behalf of the governments. As described by one of its department managers, the company performs many government functions and can be called a "quasi public sector."⁹ SNTDC committed itself to the provision of public facilities that the private sector views as undesirable and unprofitable, a mirror image of the classical urban-entrepreneurial public subsidy for private profit noted by Harvey (1989). Yet SNTDC exemplifies the comparatively stronger powers of local governments in China when compared to most Western examples. Any modifications of the original plans agreed to by the developers must be reviewed and approved by the SNTDC, which also supervises the construction process to ensure conformity with strict governmental requirements.

In terms of community governance after its completion, Thames Town is not exactly the same as the stereotypical privately governed master-planned community. After selling all their houses, private developers, except Henghe Property, departed and withdrew from property management. SNTDC continued to take care of most of the town's public facilities and services, including schools, the Songjiang art gallery and Urban Planning Exhibition Center, and maintaining other public amenities. The SNTDC and Henghe Property operate their own commercial properties. SNTDC set up a branch, known as "British-style Investment Co. Ltd.," to run this business, which includes a hotel, restaurant, and fitness club. Henghe Property manages the shops on the commercial street. But SNTDC grew dissatisfied with Henghe's poor management of the most important part of the town, and recently bought the commercial street properties from Henghe and undertook initiatives to improve these businesses on its own.¹⁰

As for the private residential subdivisions, the number of permanent residents is still insufficient to establish a homeowner association or a residential committee. At present, SNTDC undertakes the duties of a homeowner association, collecting maintenance fees and engaging a property management company. There is a preparatory residents' committee, established by the street office to carry out tasks assigned by the government to

⁹Quote from author interview with a middle-level manager of SNTDC, May 26, 2010.

¹⁰Quote from author interview with a middle-level manager of SNTDC, May 26, 2010.



Fig. 3. Layout of Thames Town.

the community level; but homeowners rarely deal with it, and do not recognize it as a legitimate representative of their interests.

Place Marketing Strategies

Developers of Thames Town, particularly SNTDC and Henghe Property, have attached great importance to branding strategies. They aimed to create Thames Town as “a new symbolic address,” and by targeting the consumption aspirations of the rich, this strategy builds a desirable setting in which to achieve the suburban “dream.” Because suburban development had long been disadvantaged for its remoteness and lack of facilities, the developers used high-quality packaged development to overcome this inherent shortcoming. Like the new-town developments found in the U.S., Thames Town is built as a compact city-like settlement (see Fig. 3 and Table 2). The phrase “master-planned communities” heralds a golden age for leisure living in China, and it is believed that, as the head of Henghe Property observed, “the rise of consumer culture and prevalence of the automobile among the local new rich would offer Thames Town great opportunities” (Shanghai and Hong Kong Economy, 2006, p. 40).

The second dimension of place promotion emphasizes the town’s authentic English flavor (Fig. 4). It is claimed to have “not only the flavor of the old historic towns of Oxford and Bath, but also of the new garden cities such as Milton Keynes that exemplified the mixed zoning, neighborhoods accessible by the pedestrian, unique green belt, and open space” (Xue and Zhou, 2007, p. 24). The public spaces deliberately encompass buildings of Tudor, Victorian, and Georgian styles, with a neo-Gothic church surrounded by lawns, a

TABLE 2. SPECIFICATIONS OF THAMES TOWN

Categories	Size
Total number of households	1,100
Total population	3,500
Land area, hectares	95.08
Area for construction, hectares	33.39
Total area green space, hectares	61.69
The rate of green coverage, percent	64.9
Gross area, m ²	358,526
Single-family detached houses, m ²	86,363
Semi-detached houses, m ²	34,164
Multi-storied apartments, m ²	61,199
Residences in mixed-use commercial and residential buildings, m ²	35,078
Commercial facilities in mixed-use commercial and residential buildings, m ²	59,612
Commercial facilities	11,723
Other living facilities, ^a m ²	70,384
Average plot ratio	0.33

^aThese include an English school, nursery, offices, family hotels, art galleries, a church, an open market, a clinic, supermarkets, and a clubhouse.

Sources: Compiled from materials from the Songliang New Town Planning Collection and information from the official website of Songliang New Town Development Corporation.

fake turreted castle by an artificial lake, and a dock plaza with red-brick warehouses on the waterfront—and also feature bronze statues of Winston Churchill, Florence Nightingale, William Shakespeare, and Princess Diana. Typically British institutions have been cloned as well, with an English pub selling real ale, a Fish & Chips shop, a Costa Café, an open market with echoes of Covent Garden, and a boutique that even offers European-style wedding services. The orchestrated and controlled landscapes as well as the simulated and unreal experiences are reminiscent of Disney World. Not surprisingly, most new suburban development in China today is heavily packaged and promoted to suggest an ideal living environment (Wu, 2010).

Third, the developers have become quite proficient at boosting Thames Town by holding public cultural events there. SNTDC proposed the building of public facilities such as art galleries and an Urban Planning Exhibition Center within the town, and it sees receiving visiting government officials and celebrating public events as an effective cost-free way to advertise. Thames Town has also been made the symbol of Songjiang's competitiveness. After the original plan to reproduce a British commercial district went badly, Henghe Property repositioned the commercial zone as an "international art district" and decided to develop cultural industries, conventions, exhibitions, and wedding services. This strategy made greater use of the esthetic landscapes that project a high-end consumerist image of the town. In particular, the wedding business grew very successfully (Fig. 5). There are



Fig. 4. Traditional timber-framed houses and British café on High Street in Thames Town. Photo by author.

now 19 wedding studios in the town, and it has also become a hotspot for photography in Shanghai. In this sense, Thames Town serves as the appropriate setting for customers seeking a “truly Western wedding.”

Fourth, the developers aim to capture the aspirations of the *nouveaux riche* by highlighting distinctiveness and exclusivity. Thames Town has turned out to be a semi-public residential area. As the town plays a growing tourist and recreational role, there is no rigid control of access to it. The shared public space and living facilities, according to the original plan, are expected to serve the entire residential district of the western quarter. Nonetheless, from the beginning Thames Town was intended as a high-cachet community. Its distinctive landscape and exotic town atmosphere symbolize the scarce resources that can be fully enjoyed by the wealthy. Thus all public facilities and services are high-end oriented and available only to people who can afford them.



Fig. 5. Western-style wedding services and Gothic-style church in Thames Town.

Furthermore, the single-family houses with luxurious, spacious, and elegant building styles reminiscent of Western suburbia are all isolated within gates and fences. Meanwhile, with identifiably English names like Windsor Peninsula, Leeds Garden, and Nottingham Greenland, all the villa-style subdivisions aim to provide a cosmopolitan way of life. For example, Windsor Peninsula developed by Xuhui Shangjian, sells “gracious English life with a total environment.” Enclosed by ornamental fences are English-style houses with mansard roofs, sloping cornices, timber framing, red terracotta, and hand-made tracery; each unit has its own garden, basement, garage, and a small swimming pool. Unquestionably, the project complies with the pledge of the developer to provide “a way of life that enjoys the urban while remaining close to nature; that maintains individual pleasure, while keeping a distance from others.”

PROPERTY INVESTMENT VERSUS SUBURBIA

By design, master-planned residential development and place promotion inflate housing prices in luxury estates. When Thames Town was completed in 2006, the apartments of 50–200 m² were sold at prices ranging from 4000 to 6500 yuan/m², while villa-style houses of 300–600 m² from 6000 to 9000 yuan/m². Within five years, average prices for apartments and villa-style houses reached as high as 12,000 to 18,000 yuan/m² and 25,000 to 40,000 yuan/m², respectively.¹¹ These prices are very high given Thames Town's location well beyond the outer ring of Shanghai; in fact, prices today have almost reached the average level of the central districts (Table 1). Yet sales have been strong, and all properties in Thames Town were sold out immediately upon completion.

Buyers of apartments and villas display different characteristics.¹² Generally, apartment buyers are families with comparatively high wages; residents in gated villa subdivisions are mostly private entrepreneurs and senior local government officials. Entrepreneurs from Hong Kong and Taiwan who run factories or transact business in Songjiang constitute an important client group. Rich businesspeople from Wenzhou are another major group of buyers. In all, these groups have sufficient resources to realize their lifestyle preferences, but gated villa buyers are even less constrained by the limits of daily commuting. Residents in Thames Town, including buyers of luxury villas and apartments, told interviewers that they were indeed attracted by the faux English landscape and its tranquil environment.¹³ Other more practical factors, such as location, access to work, and community facilities matter less to these buyers. Besides, people chose to live in Thames Town because it was a "high-end community." Although they showed little interest in developing close social ties with their neighbors, most interviewees said the presence of "well-established residents" evincing a socioeconomic status similar to their own, was an important consideration. The desire for exclusivity is most apparent for those living in gated subdivisions. They object when strangers enter their communities or seek to visit their homes. And they seldom attend social activities organized by the residents' committee, because "those living in villas don't like mixing with others."¹⁴

A large number of buyers, however, did not really immerse themselves in the marketed suburban lifestyle. Rather, they see properties in Thames Town as an investment opportunity. The brand and design add symbolic value to a property and create the potential for revaluation. Although all 1,100 units were sold out in 2006, only 468 households had actually moved in by May 2010.¹⁵ More than three-fifths of all buyers, therefore, bought primarily for investment purposes. The observation that many buyers have used residences in Thames Town as second homes suggests there are even fewer permanent residents than indicated by sales figures.

¹¹Prices for used houses in Thames Town were obtained from two property agencies, Wonderland Property and Xinhong Property in August, 2010.

¹²Author interview with staffs of the Residents' Committee in Thames Town, August 2010.

¹³Author interview with several residents in July 2010.

¹⁴Author interview with staffs of the Residents' Committee in Thames Town, August 2010.

¹⁵Data from *Songjiang New Town*, May 2010, an in-house monthly magazine published by Fangsong Street Office and Songjiang New Town Development Corporation.

CONCLUSION

Drawing on a case study of Shanghai's Thames Town, this article attempted to capture some basic features of China's master-planned communities. It was shown that this newly created residential form has been intensively "enchanted" and actively promoted as an ideal living environment (Knox, 2008). Such a perspective helps to expand the body of research on enclave urbanism by going beyond a focus on the lives of enclave residents in order to place the production of enclaves in the context of China's broader urban and regional development. A salient feature is that these master-planned communities are ostentatiously landscaped, designed to present a setting for symbolic consumption and resulting in "packaged suburbia" (Wu, 2010). These developments contrast sharply with older residential areas built during the Maoist period, which display a standardized, monotonous landscape (Lin, 2007). In terms of marketing these communities, packaged esthetic landscapes—offering all-round amenities, private services, security, distinctive lifestyles, and status symbols catering to the wealthy—have commonalities with their U.S. counterparts. One important similarity is the predominant use of cultural elements, as if residential consumption spoke to "good taste." Accordingly, these communities are promoted as spectacles to facilitate the "hard branding" (Evan, 2003) of residentially undeveloped areas, in this case China's disadvantaged periurban agricultural zones and unattractive industrial suburbs.

What makes master-planned communities in China different is the role of the state. Putting Thames Town in the context of Shanghai's One-City-Nine-Towns program, the development of suburban master-planned communities can be viewed as part of a broader wave of suburban development that is mainly propelled by entrepreneurial local governance (Lin and Yi, 2011). The initiatives of both municipal and district governments are crucial. As the role of real estate development in China's suburban growth has increased, entrepreneurial governance uses the built environment to stimulate growth. High-end residential enclaves are therefore planned, implemented, and promoted in response to the aspirations of the *nouveaux riche* for a higher-status lifestyle or property investment.

As the flagship community of Songjiang, Thames Town is built as a semi-public space, with a range of public facilities as well as several gated blocks. Whereas the emergence of enclaves in many countries is associated with the inability of the government to provide public services (McKenzie, 1994), public space and living facilities in Thames Town are constructed and managed by a state-owned development company. In fact, the ability of the government to provide public services has been enhanced via successful operation of both land development and place promotion.

Finally, it is suggested that there is a need to further examine the impacts of such developments on residents' way of life. The estates seek to attract residents by creating a new way of suburban life. On one hand, future research should investigate how that way of life changes the residents who moved there. On the other, persuading people to move out of central Shanghai is not easy. For these new suburban communities, lack of accessibility to the city center is still a formidable obstacle. So far, many villa estates are more like holiday resorts than residential towns, and some are strongly oriented toward tourism. Therefore, it is important to understand why these well-designed master-planned communities are having trouble attracting residents. If a previous generation of Chinese urban planning ignored consumption amidst an aggressive drive to develop production landscapes, today's

urbanism represents a new mismatch between the political economy of producing consumption landscapes and the realities of consumers' daily lives in balancing home and work on the outlying urban fringe.

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