The Effects of Developing a Master Planned Community in Buenos Aires, Argentina

Daniel S. Martinez
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The Effects of Developing a Master Planned Community in Buenos Aires, Argentina

Daniel S. Martinez

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Submitted in partial fulfilment of the degree requirements for Master of Professional Studies - International Management

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"The land bends easily

for the man who respects its roots..."

Anonymous

...for M&M
ACKNOWLEDGMENTS

In the course of this study, a great many people have contributed to its completion.

Principally, the framers of this master plan merit recognition; Ing. Julian Astolfoni, Arq. Alberto Vazquez, the entire staff of Nordelta, S.A., as well as, CEPA (trans. Center for Planning & Environmental Studies), who guided the planners in their design as suggested by extensive consumer research,. The invaluable contributions by Price Waterhouse, Argentina and Robert Charles Lesser & Co., U.S.A. are much appreciated in regards to the consumer research. In addition, the author values the assistance of Edward Stone & Associates, U.S.A. for providing the land-use revisions for the conceptual master plan found in the appendices.

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A Master-Planned Community in Buenos Aires, Argentina

ABSTRACT

Master-planned communities have become a valuable tool in the reshaping of suburban landscapes. The effects of implementing a well-determined master plan are evidenced by successful ventures in the United States and abroad. This study determines what effect the development of a master-planned community will have on urban planning and housing demand in Greater Metropolitan Buenos Aires, Argentina. Both quantitative and qualitative research methods are used to arrive at specific conclusions. The subject property area (SPA), the competitive market area (CMA), and the Greater Metropolitan Buenos Aires (GMBA) region, are analyzed to provide the basis of analytical research for this study. The evolution of urban planning and new community development is presented to provide a frame of reference as well as a starting point of discussion and to illustrate the local, regional, national, and international implications of developing this community.
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1. The Problem & Its Setting

This chapter serves as an introduction to this study. Here, the problem, the subproblems, the limitations, and the assumptions of the study are established. In addition, the executive summary, the background of the study, and the purpose of the study is presented. Finally, a list of abbreviations and a definition of the terms used in the study are provided. By framing the study in this way, the author intends to provide an understanding of the topics found within and their relevance to the results and conclusions of the study.

1.1. Statement of the Problem

What effect will the development of a master-planned community have on urban planning and housing demand in Greater Metropolitan Buenos Aires (GMBA), Argentina?
1.2. Subproblems

- How will this proposed development serve as a model for future developments in regard to urban planning?

- How will this community affect future housing demand in GMBA?

1.3. Executive Summary

As the population of GMBA has grown increasingly more dense, the result is a decay of the urban fabric and the infrastructure of the city. Subsequently, a migration has occurred. This migration has been documented as heading north and west of the central business district (CBD) of GMBA. This northward expansion can be attributed to; existing high-density, low-income urban sprawl, a lack of infrastructure, and a subsequent shortage of economic opportunity in sections of the city to the south, as well as the natural boundary of the Rio de la Plata to the east. As industry and commerce shift their attention to the northern areas of GMBA, the result is a strong demand to accommodate a new population. As filtering occurs in the urban nucleus of Buenos Aires; young families and the upper-class, looking to escape the crowding and deterioration of the city, emigrate to the less developed
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outskirts. The migration of this urban population to the more tranquil, less congested areas of the north has caused a need for increased housing and services, as well as jobs.

Since the early 1970's, a group of investors have been collectively purchasing parcels of land in the northern region of GMBA. The land is located in an area that has been previously neglected and presumed undevelopable.

The land owner, Nordelta, proposes to establish a suburban community development, fully undertaken by private capital and endorsed by the public sector. The Nordelta group recognizes a need for administrative management and protection of specific business objectives, as well as upholding the general social responsibilities of the community and respect for the environment throughout the full course of development.

1.4. Background of the study

This development project has been a cooperative effort between two entities in Argentina; one is a large-scale infrastructure contractor, the other is a property developer. The project is an “in-fill” property, surrounded by sparse development,
situated on the banks of the Lujan River (a vital commercial artery to the interior of the country), in the Province of Buenos Aires; approximately 30 kilometers (km.) to the north and west of the Federal District of GMBA. Here, a parcel of land 1,564 hectares (ha.), or 3,865 acres, in size is slated for development. This master-planned community will be an open-community; with all of the services required within to ensure a self-sustaining, all-inclusive, efficient, environmentally functional and conscious community. The project will implement a vision to create a collective, harmonic convergence of both life-line and life-style; the likes of which are evidenced by few communities found in the United States and abroad. This conceptual master plan has never been attempted in Argentina.

The Argentinean group, Nordelta, has been in negotiation with a U.S. developer to determine the feasibility of implementing this ambitious project. The developer is recognized throughout the United States as a pioneer in the establishment of successful master-planned communities and is assessing this project as a possible opportunity to penetrate the emerging markets in Latin America.

The Nordelta project provides the province of Buenos Aires with improved social and urban conditions; including the recovery of an environmentally neglected, low-lying area, by means of hydraulic sanitation works and landscape management.
This land would otherwise remain a vast, useless, dangerous, vacant plot. The venture as a whole will provide major economic and employment opportunities from the beginning of construction. Rather than a large dormitory neighborhood, the project is conceived as a true integral community with the ability to support its own development and provide opportunities for its surrounding areas. New community efficiency and environmental standards, as well as integral information systems will be introduced, which makes this development a significant undertaking at the international level.

1.5. Purpose of the Study

This study explores the inherent benefits and potential drawbacks of developing a master-planned community; taking an historical, empirical, and qualitative approach to determine what effects the development of a master-planned community will have on urban planning and housing demand in Greater Metropolitan Buenos Aires (GMBA).

1.6. Limitations of the Study

- This study does not attempt to determine the success or failure of
home sales in this proposed development.

- This study interprets the results of any consumer research in order to determine the acceptance and desirability of the product offering.

- This study relates housing demand figures to the satisfaction of said demand through the full completion of the proposed development.

- The study will be limited to the results from the ABC1 SES segments of the population.

1.7. Assumptions

- This proposed development will help alleviate housing demand in GMBA.

- This proposed development will serve as a model for future urban developments in Argentina in regard to:

  New Community Development
1.8. Definition of Terms

Absorption: The rate at which housing units can be introduced to a given market to accommodate demand.

Amenity: Nonmonetary tangible or intangible benefit derived from real property...typically, swimming pools, parks, etc.

Capture Rate: Forecasted rate of absorption within a targeted market segment for a proposed project, based on an analysis of supply and demand.
**Central Business District:** The center of commercial activity within a town or city; usually the oldest and largest concentration of such activity.

**Deed Restrictions:** Private form of land use regulation using covenants or conditions placed on the title to a property, i.e., minimum lot sizes.

**Demographics:** Information on population characteristics by location, including such aspects as age, employment, earnings, and expenditures.

**Density:** The level of concentration (high or low) of buildings, including their total volume, within a given area.

**Development:** The process of preparing raw land so that it becomes suitable for the erection of buildings, generally involves clearing and grading land and installing roads and utility services.
**Feasibility Study:** A combination of market study and an economic study that provides the investor with knowledge of both the environment where the project exists and the expected returns from the investment in it.

**Filtering:** A process by which real property moves down the socio-economic scale as it becomes older, less efficient, and desirable to higher socio-economic classes.

**Focus group:** Market analysis tool in which a moderator presents a set of carefully prepared questions to a group, usually eight to twelve people, to collect detailed and specific information on consumer attitudes and preferences.

**Garden city:** Movement begun in the late 19th-century Europe that sought to counter the rapid, unplanned growth of industrial cities by developing self-contained planned communities emphasizing environmental reform, social reform, town planning, and regional planning.
Greenbelt: Area of undeveloped, open space that serves as a buffer between developed areas.

Infrastructure: The essential components of developed land ready for construction: roads, sewage, drainage, water treatment, electric utilities, etc.

Integrated Services: A community development approach that makes use of public services (police, fire, recreation, etc.), centralized facilities, neighborhood accessibility, shared use of facilities, incremental growth, privatization of utilities (whenever possible), and customer-oriented services to develop a sense of community.

Master Plan: A set of documents, prepared under the direction of a developer, which illustrate the concept of the proposed development. These documents include the proposed land use plans, phasing of the development, marketing plans, and pro-forma statements throughout
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Mixed-use development: A development, in one building or several buildings, that combines at least three significant revenue-producing uses that are physically and functionally integrated and developed in conformance with a coherent plan. For example, retail space on the ground floor, offices on the middle floors, and condominiums on the top floors of the development.

Planned unit development: Zoning classification created to accommodate master-planned developments that include mixed uses, varied housing types, and/or unconventional subdivision designs.

Urban Planning: A comprehensive determination of the form, function, and value of a piece of land slated for future use; and throughout its full course of development.

Zoning: Classification and regulation of land by local
1.9. Abbreviations

**ABC1:** SES AB: upper class, SES C1: upper-middle class.

**CBD:** Central Business District

**CMA:** Comparative Market Area (See Appendix IV)

**DNK / DNA:** Did Not Know / Did Not Answer

**GDP:** Gross Domestic Product

**GMBA:** Greater Metropolitan Buenos Aires; for the purpose of this study, Greater Buenos Aires and the Federal District have been combined. (See Appendix III)

**HH:** Household

**ha.:** hectare - 1 hectare equals 2.47 acres
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ISDN: Integrated Services Digital Network

km.: kilometer - 1 kilometer equals .54 miles

SES: Socio Economic Strata; generally classified by level of income.

SPA: Subject Property Area (See Appendix V)
CHAPTER II

2. Literature Review

In researching the effect that the development of a master-planned community will have on urban planning and housing demand in GMBA, the articles, books, cases, and texts reviewed in the course of this study have provided insight to; the history of civilization and settlement, the role of planning in settlements of the past and the present, the impact of encroaching development on environmentally sensitive areas, the psycho-social and socio-economic consequences of urban sprawl, as well as the benefits and potential drawbacks of successfully implementing a master-plan and developing new communities.

2.1. Relevance to the study

The history of urban planning demonstrates the need for careful consideration of the form and function of a community. Argentina is passing through a time in their history where the lessons of a population in transition learned by other developed countries can be successfully introduced to a culture that is positioned for change.
In order to effectively communicate the concept of a master-planned community to a society that has no frame of reference, it is necessary to research the alternatives that have been proposed and implemented in the past and present. Because Argentina has never developed such a community, evidence to support the concept can be found in other countries.

The United States is fortunate to have ample resources for urban planning and design as well as land-use and real estate development studies. Academic institutions like the University of Washington, the University of Miami, and the Georgia Institute of Technology, among others, serve as a repository of information for both the history of the urban plan as well as the social ramifications of urban sprawl.

Here in the United States, associations like the Urban Land Institute provide information on trends, statistical analysis, and an open forum for the discussion of both domestic (U.S.) and international community development issues.

Information on the subject country is also invaluable and can be found in national newspapers like Clarin, and La Nacion, who help shape popular sentiment. In addition, the National Institute of Statistics and Census provides accurate, timely facts and figures.
The following is a review of the works that serve as the basis of the literary research for this study.

2.2. Research in Urban Planning:

To provide a foundation for the principles of urban planning, the author has researched the following topics in the context of the study, and offers these works as representative of those topics.

2.2.1. Civilization & Settlement

In *The Peoples of the Ancient World*, Swain, Joseph Howard and William H. Armstrong chronicle the story of man's past from the beginning of recorded history through the great empires of the time; the Egyptians, the Hebrews, the Greeks, and the Romans, culminating with the dawn of modern history since the advent of Christianity and the fall of the Roman empire.

In *Cities, Then and Now*, Jim Antoniou provides a pictorial history of the origins of civilization, the function of early settlements, as well as the size and geographic orientation of these settlements. This book documents the rise of
civilizations from the classical era to modern times, and examines the influence that various cultures have exerted on civilization during the course of urban development. In addition, Antoniou traces the roots of urban planning legislation, considers the impact of urban growth on society, and presents challenges and opportunities for future civilizations.

2.2.2. The Urban Plan

In *Garden Cities of Tomorrow*, Ebenezer Howard envisioned balanced, self-contained, and modestly sized communities, each with an adequate economic base for manufacturing employment near worker’s housing; democratically self-governing with public ownership of land and community facilities; physically well planned with plenty of greenery, open space, and easy transport; and all part of a regional system of small cities separated by a permanent green-belt of agricultural land. His vision, in 1898 is arguably the first attempt to incorporate environmental and social reform, as well as town and regional planning to develop sustainable communities.

In *Real Estate Development: Principles and Process*, Mike E. Miles, Richard L. Haney, Jr., and Gayle Berens have contributed to present a textbook for future practitioners in real estate development. In addition to providing succinct information
on the real estate development process, the textbook presents the history of urban planning in the United States from the developer’s perspective; providing an invaluable reference of who was responsible for, and what the outcome has been, for past and present urban plans.

2.2.3. Urban Sprawl

In *State of the World 1994*, Lester R. Brown, et. al. present a Worldwatch Institute Report on Progress Toward a Sustainable Society which includes discussion on activities designed to achieve adequate density in an area of new growth. The encouragement of changes in zoning to promote more mixed-use developments in urban centers is discussed along with interesting perspectives on low-density developments and their psycho-social impact on the population.

In *Taming Megalopolis*, H. Wentworth Eldredge, ed. presents an early view towards the problems facing our urban and suburban development. The megalopolis in 1967, when this book was written, is today’s reality. Both the eastern and western coasts of the United States serve as examples of the expanding development between large metropolitan centers to form one large settlement reaching great distances with little or no open land.
2.2.4. Land Use: Effective Monitoring & Control

In *Creating Community: The Role of Land, Space, and Place*, Suzanne Keller explores how a planned community comes to life; and the role of physical factors, such as land, space, and design in the formation of a viable, ongoing community.

In “Remote Sensing Use Expands to City Planning”, Paul Constance reports on the suggestion by city officials in the United States to apply NASA remote sensing technology to obtain precise, high resolution data for the development of management tasks. The technology would help reduce the costs of data gathering, speed up code enforcement and improve forecasting of the long-term effects of urban development. Constance presents Scottsdale, Arizona as an example of the technology and its applications.

2.3. Research in Master-Planned Community Development:

To provide a foundation for the principles of master-planned community development; the author has researched the following topics in the context of the study, and offers these works as representative of those topics.
2.3.1. Planned Unit Development

In *Developing Successful New Communities*, Reid Ewing focuses on the 58 large-scale master planned communities that have been started in the United States since 1960, and determines that new communities are alive and well, as evidenced by Columbia, Maryland; Reston, Virginia; and Irvine, California among others. Ewing’s statistical analysis of the factors that determine a community’s success serve as a basis for projecting the successful absorption of future developments.

In “The New Towns: The Best of the New England”, Linda Liston chronicles a grand “experiment” spanning nearly 50 years in England where new towns were designed to cure the ills of urban areas and to help disperse industry to the hinterland. Liston determines that the new towns are the location of choice for business and industry which want to tap European markets, as well as those which want to escape the higher costs and crowded conditions of England’s traditional cities. The article profiles the five newest towns; Northampton, Peterborough, Telford, Warrington and Milton Keynes.

In “Integrated Services for a New Town”, Bruce W. Liedstrand takes a practical approach to providing basic community services in a new town. Liedstrand
explains the concept of integrated services, centralized facilities, neighborhood accessibility, shared use of facilities, incremental (sustainable) growth, privatization, and [consumer]-oriented services in the context of community development and cost-efficiency.

2.3.2. Neotraditional Town Planning

In *Towns and Town-Making Principles*, Andres Duany and Elizabeth Plater-Zyberk, arguably the most ardent supporters, staunchest advocates, and active practitioners of neotraditional town planning; profile villages, towns, cities, and territories inspired by neotraditional town planning principles.

In the first article of a series; “Neotraditional Town Planning: A New Vision For the Suburbs”, Lloyd W. Bookout reveals the growing trend among planners toward suburban developments with a much finer mix of land uses, higher densities, more formal street layouts, more pedestrian activity, and more local character than PUDs provide. The article explores the concept of modeling the suburbs after early American, 18th and 19th-century towns.

In the last article of the series; “Neotraditional Town Planning: Towards a
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Blending of Design Approaches”, Lloyd W. Bookout pollen supporters and critics of neotraditional town planning and concludes that [the] doctrine may not constitute a new vision for urban America but nevertheless offers sound and thoughtful planning principles.

In “New Alternatives to the Suburb: Neo-traditional Developments”, Alexander Christoforidis provides an account of neo-traditional development concepts that have been implemented in the United States and proposed abroad. In addition, Christoforidis provides a detailed account of the origins of neo-traditional development (NTD), traditional neighborhood development (TNDs), and transit oriented developments (TODs).

2.3.3. The Environment

In “Bonita Bay, Florida, Provides a Blueprint for Building and Environmentally Responsible Planned Community”, Hubert Stroud describes the lengths to which Bonita Bay Properties has preserved many natural aspects of their land through the development process. Stroud describes the developers insistence on applying the findings of the environmental impact statement to best fit the natural limitations and take advantage of opportunities for sustainable development.
2.3.4. Technology

In "Adelaide's City of the Future", David Salvasen discusses a proposed joint venture between Japanese and Australian investors to develop a 4,700 hectare (11,600 acre) site, the first phase of which is to be developed 15 kilometers (nine miles) from the Adelaide CBD. This project would serve as a model for technologically advanced developments. The community would house about 100,000 people and include holiday resorts, computer and biotechnology research centers, sports complexes, and glistening, automated factories, all served by advanced telecommunications and sophisticated transportation systems.

In "Building Telecommunities", Albert Warson discusses the advanced communications infrastructure required to support [communities] on the information superhighway. Linking homes to networks and interactive services is a concept that, according to Warson, developers are beginning to take seriously. Evidence of the first community of this kind in all of North America can be found in Montgomery Village, 50 miles north of Toronto, with a second; Cornell in nearby Markham currently being developed.
3. Procedures & Research Methodology

To determine the effect that the development of a master-planned community will have on urban planning and housing demand in Greater Metropolitan Buenos Aires, Argentina; both quantitative and qualitative research methods have been utilized. This triangulation results in a consolidation of elements from the gathered data that contribute to the solution of the problem and the subproblems.

Primary sources of information include consumer research conducted in GMBA, the CMA, and the SPA. This data consists of product type mix, anticipated audience profiles, project features and amenities for the residential sectors of the proposed development. Secondary sources of information consist of the present macroeconomic environment, housing trends and demand for housing in GMBA and the CMA.

The evolution of Urban Planning and Master-Planned Community development is presented to provide a frame of reference as well as a starting point of discussion for this study.
3.1. *Literary Research*

This study represents the distillation of published works from a variety of sources. These works provide a basis of comparison in the context of this study. These include texts in real estate development, international business, the social sciences, and environmental conservation. Other researched works include case studies and local (Argentina) newspapers and trade publications.

3.2. *Data Collection*

In addition to the literary works reviewed; statistical information on the region (Argentina), GMBA, the CMA, the SPA, consumer demand, as well as the macroeconomic forces at work in each is utilized.

3.2.1. *Regional Analysis*

A regional analysis is compiled from information provided by:

- The World Economic Development Congress (1995)
- The National Institute of Statistics and Census, Argentina (1990)
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3.2.2. Competitive Market Area Analysis

A Competitive Market Area Analysis is compiled from studies conducted by:

- Price Waterhouse, Argentina (1995)

3.2.3. Consumer Research

Focus Group research as well as consumer demand results and indicators of desirability are compiled from studies conducted by:

- Centro de Proyectación Ambiental (CEPA), Argentina (1990)
- Price Waterhouse, Argentina (1995)

In May of 1990, Centro de Proyectación Ambiental (CEPA), Argentina conducted focus group research with the ABC1 SES to determine the relevance of
the following factors in their decision to find a new home:

- The concept of a “New City”
- The concept of a master planned community.
- The concept of a technological park in the community.
- Opportunities in another part of the country.
- Opportunities outside of the country.

This study was presented on the basis of two alternatives for a proposed master plan; one, a “garden city” type development; and the other, a transverse city similar to transit oriented developments (TODs) currently being proposed here in the U.S.

In October of 1995, Robert Charles Lesser & Company and Price Waterhouse, Argentina conducted focus group research with SES ABC1 household heads (Principal Providers). Each of the focus groups were asked the following open questions:

- What were the most important factors in your decision to live in your present home?
Did you choose the house/apartment or the neighborhood first?

- What were the most important factors concerning the neighborhood?
- What were the most important factors concerning the house?

- When you look for your next home, will you use the same criteria, or do you now have new criteria because you are in another stage of life?
- For your next move, what will be your criteria for selecting a location, community, and home?
- What are the absolute requirements?
- What are the preferred characteristics?

- How important is...
  - A more secure environment, and what does that mean to you?
  - Neighborhood parks?
  - Recreational amenities?
    - A golf course?
    - Tennis courts?
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- Marina Access?
- Nearby commercial services (grocery store, bank, etc.)?
- Knowing what the neighborhood around you will be like, because there is a master plan for the development?
- Living outside the Federal District, to the north?

- How can living in a particular neighborhood or area contribute to your family’s “Quality of life”?
- What are the most important “Quality of life” considerations for you and your family?

- How will you afford to purchase a home in the future, will you use savings or seek financing?
- Would you consider purchasing by making monthly installment payments?
- Would you buy a lot today, and then build a house on that lot at some point in the future?

- Present [the Nordelta project] to the group, with one of the following for emphasis; depending on the way that the group was
recruited:

1. A closed country club community, or

2. A marina neighborhood (including housing that faces the marina and housing that does not face the marina), or

3. The residential neighborhoods of [the project], which include access to green open spaces, a nearby lake, and a planned university campus.

- What do you perceive as advantages to such a community?

- What do you perceive as disadvantages to such a community?

- Assuming that this community will have homes and apartments that meet your needs and price range, would you purchase a home in this community? Why / Why not?
  - What would motivate you to purchase a home in this community?

- If you were to purchase a home in this community, would you use it as a primary residence or as a weekend home?
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- Based on the information presented about the community, does it meet your criteria for selecting a location, community and home as previously discussed? Why / Why not?
- What could the developer do to improve the likelihood that you will purchase a home in this community?
4. Results

The findings in this chapter determine what effect the development of a master-planned community will have on urban planning and housing demand in Greater Metropolitan Buenos Aires, Argentina. These results are presented here along with an analysis of the broad (macro) indicators and individual (subject) outcomes to arrive at specific conclusions and recommendations.

4.1. Data Sets

A number of observations have been compiled to determine the effects of developing this master-planned community. Among them are: the population (current and projected) of the region (Argentina), GMBA, the CMA, the SPA; housing demand (current and projected); as well as surveys of existing communities in GMBA (country club communities and closed neighborhoods); industry in the CMA and commerce. To complement the results of the consumer demand research, primary research conducted by CEPA in 1990 is included in these observations. These results include interviews with 350 young professionals, social scientists, business leaders,
public officials, representatives of the upper class, and representatives of the upper middle class (ABC1).

4.1.1. Regional Evaluation

The Argentine Republic is the third largest nation in Latin America. Located at the southern cone of South America, Argentina has an area of 2,766,889 square kilometers with a coastline stretching 4,989 km on the Atlantic Ocean. Argentina has a total population of approximately 33.5 million people. The literacy rate is 95.5%, and the official language of the country is Spanish, with English becoming increasingly more accepted.

4.1.1.1. Socio-Political Perspective

Argentina was a Spanish colony until independence in 1816. Throughout the 20th century the political scene has been characterized by frequent military coups and uprisings, government has alternated between civilian and military rule. The late 1950s and 1960s saw an increase in guerilla activity, the 1970s was a decade of violent protests, with people suspected of left-wing political activity imprisoned, tortured and murdered by the military.
Political liberalization was initiated in the early 1980s with a view toward an eventual return to democracy. The Falkland Islands were invaded in an attempt to gain support for the military government, which was replaced by civilian rule following the defeat (1983). After further instability, Carlos Menem won the peaceful elections of 1989, and introduced a program of economic readjustment and rationalization. A new Constitution was [announced] in August 1994 (WEDC, 1995)

Politically, constitutional democracy has firmly consolidated its hold on the Argentine political process. The political environment is open, debate is encouraged, and freedom of ideas and opinions is absolute (Price Waterhouse, 1995)

4.1.1.2. Socio-Economic Perspective

Argentina experienced an economic crisis in 1989 and 1990 where “hyper-inflation” affected productivity and growth in the economy. In 1989 the inflation rate reached 4,923%, which led to strong economic reform.

Argentina’s economic reforms are based on four pillars: state reform, the development of a market economy, foreign investment and trade
A Master-Planned Community in Buenos Aires, Argentina.

liberalization, and currency convertibility at a fixed rate of one peso to US dollar.

By liberalizing trade, competition and the means to meet that competition have been promoted.

The freedom to import placed a ceiling on the price of previously protected local production, avoiding price increases that occur when rising demand meets insufficient supply. It also sent clear signals to local firms to increase their efficiency to avoid losing market share. To encourage the process further, capital goods could be imported tariff-free.

Argentina has begun a five-year program of US$87 billion in investments in infrastructure which, combined with the programs for housing, will ensure that demand for construction-related activities will remain strong (WEDC, 1995).

In early 1995, the "tequila effect" took its toll on Argentina. The Mexican crisis fueled uncertainty in foreign investors and depositors in Argentina who made a run on domestic banks. Domestic banking institutions lost $8 billion between the
end of 1994 and May of 1995 in this instance of capital flight.

Unemployment reached a dismaying level of 18% in May of 1995 and can be explained in large part to privatization reducing over-employment. For example; YPF, Argentina's leading petroleum company, reduced employment from more than 40,000 workers to fewer than 10,000; while almost doubling its production. Another reason for this displacement of the workforce is the purchasing of capital equipment and technology to streamline operations; made possible by the lifting of import tariffs and restrictions as a result of the reforms. A number of other factors have affected the rise in the unemployment rate, all signaling a workforce in transition.

Argentina has made significant progress toward regaining the economic prosperity that it enjoyed during the early part of the century. Now, as it heads into the next century, the Menem administration appears committed to supporting the economic reforms of the convertibility program. This will cause some pain to the Argentine people, but strict adherence to the economic policies should support a sustained recovery and create an environment favorable to job creation. The government will continue to work to remove the remaining restrictions that limit an open economy (Price Waterhouse, 1995).
4.1.1.3. Demographics

The population growth rate of Argentina is one of the lowest in Latin America (1.5%). The life expectancy at birth increased from 67 years during the 1970s to 71 years in the 1990s. Argentina’s population structure, in terms of age and gender, is closer to that of industrial countries. Roughly 25% of its population is under the age of 20, while for most Latin American countries this figure is closer to 50%. The average number of children born to each woman of childbearing age is currently 2.8.

The average household size in Argentina is 3.9 persons - lower than the average size of households in Latin America (4.6). Approximately one-third of all households have 2 or less people, and another 32% of households have 5 or more people.

The urban population has grown approximately 25% from 1970 to the present day. Currently, the urban population represents 86% of the total population, concentrated mainly in GMBA (approximately 35%) which grows each year by 1% (SRC, 1995).
4.1.2. Market Area Evaluation

- Information from the global market area (GMBA) includes the Federal District and Greater Buenos Aires;
- the competitive market area (CMA) includes the northern area of the Federal District and the northern sector of Greater Buenos Aires, including the SPA;
- the subject property area (SPA) includes the districts of Vincente López, San Isidro, San Fernando and Tigre (the northern sector of Greater Buenos Aires).
### 4.1.2.1. Population

#### Table 4.1

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>%</td>
</tr>
<tr>
<td>GMBA</td>
<td>11,423,164</td>
<td>1.5</td>
</tr>
<tr>
<td>CMA</td>
<td>3,405,524</td>
<td>0.9</td>
</tr>
<tr>
<td>SPA</td>
<td>1,021,055</td>
<td>0.8</td>
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</tbody>
</table>

### 4.1.2.2. Households

#### Table 4.2

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>%</td>
</tr>
<tr>
<td>GMBA</td>
<td>3,330,478</td>
<td>1.6</td>
</tr>
<tr>
<td>CMA</td>
<td>1,035,431</td>
<td>1.4</td>
</tr>
<tr>
<td>SPA</td>
<td>293,137</td>
<td>1.2</td>
</tr>
</tbody>
</table>
4.1.2.3. Socio-Economic Strata (SES)

Table 4.3

<table>
<thead>
<tr>
<th>SES</th>
<th>A</th>
<th>B</th>
<th>C1</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>HH</td>
<td>49,957</td>
<td>283,091</td>
<td>383,005</td>
<td>716,053</td>
</tr>
<tr>
<td>Percentage</td>
<td>1.5</td>
<td>8.5</td>
<td>11.5</td>
<td>21.5</td>
</tr>
</tbody>
</table>

In GMBA, the data reveals that the ABC1 target market for this proposed development accounts for 21.5 percent of the total household population.

Households in GMBA
by SES

---

Figure 1
### 4.1.2.4. Housing Demand

#### Table 4.4

<table>
<thead>
<tr>
<th>Statistical Housing Demand Forecast in GMBA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market Audience</td>
</tr>
<tr>
<td>Estimated Yearly New HH Growth in GMBA</td>
</tr>
<tr>
<td>% in category</td>
</tr>
<tr>
<td>Estimated Growth by Category</td>
</tr>
<tr>
<td>Ownership Propensity</td>
</tr>
<tr>
<td>Estimated Yearly Potential</td>
</tr>
<tr>
<td>Owner Demand from New HH Growth</td>
</tr>
<tr>
<td>Total Existing HH in GMBA</td>
</tr>
<tr>
<td>Ownership Propensity</td>
</tr>
<tr>
<td>Estimated Owner HH by Category</td>
</tr>
<tr>
<td>Estimated Turnover</td>
</tr>
<tr>
<td>Estimated Owner HH in Turnover</td>
</tr>
<tr>
<td>Estimated Propensity to Buy New</td>
</tr>
<tr>
<td>Potential Demand for New</td>
</tr>
<tr>
<td>Housing from Turnover</td>
</tr>
<tr>
<td>Potential Yearly Demand for</td>
</tr>
<tr>
<td>ABC1 Housing from All Sources</td>
</tr>
</tbody>
</table>
4.1.2.5. Building Permits

Table 4.5

<table>
<thead>
<tr>
<th>Area</th>
<th>Permits</th>
<th>Housing Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country Total</td>
<td>39,238</td>
<td>54,446</td>
</tr>
<tr>
<td>GMBA Total</td>
<td>12,020</td>
<td>18,505</td>
</tr>
<tr>
<td>Other in GMBA</td>
<td>7,094</td>
<td>8,190</td>
</tr>
<tr>
<td>CMA-SPA</td>
<td>2,117</td>
<td>3,135</td>
</tr>
<tr>
<td>SPA</td>
<td>1,617</td>
<td>2,095</td>
</tr>
<tr>
<td>Federal District-CMA</td>
<td>1,192</td>
<td>5,085</td>
</tr>
</tbody>
</table>

4.1.2.6. Closed Neighborhoods & Country Clubs

A survey of 26 closed neighborhoods and country clubs in the CMA revealed among other facts; 38% of the communities do not have running water and 81% do not have drainage and sewage facilities. Only one of the twenty-six communities has a commercial center, but all have security. The surveyed communities were all paved, although this is not the case for the majority of the 168 developments in GMBA. This survey also identified more resident families (as opposed to weekend use only) in these communities than in previous years, an increase of approximately 51%.
4.1.2.7. Commercial Centers & Industry

A survey of the largest industrial Park in the CMA indicates that from 1992 to 1995 the facility grew by 61%. This facility has permits to building an additional 21 plants which would bring their total to 100 industries located on the site, making it the largest complex of its type in GMBA.

A survey of all 43 shopping centers and hypermarkets in GMBA shows both a lack of commercial centers in the SPA and opportunities to forge a strategic alliance with a successful commercial venture in the CMA (see recommendations).

4.1.3. Consumer Behavior Trends in GMBA

Research in consumer behavior trends has been conducted in the form of focus groups and survey interviews in 1995 and 1990 by Robert Charles Lesser & Company, U.S.A.; Price Waterhouse, Argentina; and Centro de Proyectación Ambiental (CEPA), Argentina.
4.1.3.1. SES ABC1 Focus Groups / Survey Interviews - May 1990

For all groups combined, the concept of a “new community” was presented in two alternatives, “A”; a green, open community, pedestrian and recreational-oriented, and “B”; a transverse, transit-oriented community. The results relevant to the acceptance of either alternative are shown in figure 2.

Acceptance of Alternative "New Community"

![Pie chart showing acceptance percentages for Alternative A, B, need more information, DNK/DNA.]

Figure 2

The concept of a master planned community as described in the questionnaire resulted in varied responses relevant to its acceptance as shown in figure 3.
After presenting the concept of a technological park, with opportunities for scientific and academic research, the participants responded to the relevant acceptance of the concept as evidenced by figure 4.
When asked if they had ever considered relocating to another part of the country, 50% of the participants responded “yes”, and 50% responded “no”. When asked if they had ever considered relocating to another country, 62.5% of the participants responded “yes”, while the remainder of the group, 37.5%, responded “no”.

4.1.3.2. SES C Focus Group Research - October, 1995

The SES C group of participants offered responses based mostly on privacy, access to transportation, and a desire for green, open spaces.

- In selecting their present home, proximity to public transportation was a key issue.
- Other criteria included proximity to employment, familiarity with the area, and attributes of the house itself.

- The group views their present neighborhood as declining in quality due to an invasion of too many people, vehicles, and noise.
- Security is a major concern, as lack of security is perceived as a common problem.
Participants consider moving to a residential country club environment an attractive option, to address some of their concerns about living standards and conditions.

- In considering moving to a country club environment, they seek comfortable public transportation, high quality high schools, and access to a university.
- Easy access to the city will continue to be an important consideration in future housing selection.
- They desire proximity to green, open spaces.

They believe that the proposed Nordelta project meets many of their criteria for the location of either a primary or a weekend house.

- Their main concern is that non-residents would be able to come and use the Nordelta facilities.
- The distance from the Nordelta project to the GMBA CBD is not perceived as a detriment.
This group chose their current home based on a wide variety of factors; including proximity to specific, upscale, private high schools; the quality of the neighborhood; and the quality of the home itself.

- The current residence is a reflection of the participant’s social status.

- The participants are experiencing a degradation of their environment, when shifting between their residence, workplace, recreation, services, shopping, and entering the city.

- The participants do not believe that the environment will improve within the GMBA CBD, the Federal District, but rather that the quality of life will continue to deteriorate.
  - Older participants feel that they would have a difficult time achieving a consensus among their family in regard to a major relocation.
  - Younger participants feel that their families would be
enthusiastic in regard to a major relocation.

- This group desires:
  - green, open spaces
  - good transportation and proximity to employment
  - Good High Schools
  - Security

- To this group, nearby shopping facilities are not important.

- While the country club model has some appeal to this group, it is inadequate because of its lack of diversity.
  - The "ideal" combines the things they like about their current homes along with security and open spaces.

- Those who are considering moving to Northern GMBA are favorably disposed towards the Nordelta concept, considering it a viable choice for their next primary residence.

- There are perceived disadvantages to the large scale of the
Attributes of the Nordelta project that would make it more appealing to this group are:

- Affordable mortgage financing.
- "American" standards of home construction with variety and distinction.
- Quality High Schools and Universities
- Private (Homeowner’s) association for administrating the community.

4.1.3.4. SES A Focus Group Research - October, 1995

This group has the most options when it comes to purchasing a home due to their level of affluence, so it is not surprising that their reasons for purchasing a new home are more widely varied than the middle and upper middle class groups.

- In prior home purchase decisions this group has sought to preserve the status quo, maintaining a social presence in the metropolitan area.
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- Affordable mortgage financing.
- "American" standards of home construction with variety and distinction.
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This group has the most options when it comes to purchasing a home due to their level of affluence, so it is not surprising that their reasons for purchasing a new home are more widely varied than the middle and upper middle class groups.

- In prior home purchase decisions this group has sought to preserve the status quo, maintaining a social presence in the metropolitan area.
A Master-Planned Community in Buenos Aires, Argentina

- The City is perceived as the cultural core for the region, with traits that could not be found in other places.

- The participants acknowledge a degradation in the quality of [city] life, denoted by the ruin of green, open spaces, a lack of security, chaotic transit, crowding, and delays.

- The most frequently mentioned individual criterion to be applied in selecting the next home was the preservation of green, open spaces, and a wide assortment of leisure / sport activities.

- Another highly valued criteria is to maintain the cultural and social links found in their current residence.

Due to the position of some of the participants of this group in the business or professional world, the discussion also explored the criteria by which they would choose to relocate their commercial ventures.

- The migration of business away from the CBD is recognized as a result of improved phone lines, and the rise of advanced telecommunications systems.
A Master-Planned Community in Buenos Aires, Argentina

- The concept of “soft” industry, commerce, and nearby residences is an increasingly attractive alternative.
- Management justifies this trend to reduced commuting times and improved human resource management.
- “Parks” of commerce are seen as a viable option for their industries as a result of open, green, campus-like settings.

The participants of this group perceived the Nordelta project favorably; with no participants expressing noticeable disadvantages, except their own tastes, sometimes oriented to other environments.

4.2. Analysis

Argentina is a country rich in culture, heritage, and land that has experienced tremendous social and economic hardship over the last 40 years. Decades of political instability in the country has led to an embrace of democratic values. Continued support and fostering of established international bonds is essential for international relations and developing trade in the region.

Economic reform in the last five years is a result of fiscal insolvency and
hyper-inflation. State reform, the development of a market economy, foreign investment and trade liberalization, and currency convertibility at a fixed rate of one peso to one US dollar are the core of the economic revitalization.

As a whole, these reforms have produced a vibrant economy (34% accumulated GDP growth between 1991 and 1994), where per capita GDP levels are $8,550 and low domestic inflation remains stable at below 4%. The "tequila hangover" passed, by the end of May 1995, 60% of the deposits lost to capital flight returned to the country, signaling a recovery in the minds of depositors.

The demographic breakdown of Argentina, in terms of age and gender, resembles that of the United States. A rising life expectancy, and a drop in the mortality rate signal a growing elderly population in need of housing, goods, and services for the years to come. Evidence of a population that as a whole is extremely (95.5%) literate and living mostly (86%) in urban regions, where universities are located, is a sign of a well-educated work force.

For GMBA, the degradation of the urban nucleus has led to filtering, which has increased demand for housing in the Federal District where there is little or no room for new development. The conditions for new development in the Federal
District are such that desirable locations are increasingly scarce. Demand for housing outside of the city, as a result of urban flight, is on the rise. The 15-year accumulated population growth rate in the SPA is 15.5%, capturing the majority (62%) of the growth in the CMA, and projected to capture 80% by the year 2000 (RCL & Co., 1995). This insatiable demand could not be absorbed by this proposed development alone. At completion (19,149 homes), the Nordelta project would only accommodate 8.2% of the accumulated housing demand for the target markets (ABC1) in GMBA.

The market analysis shows a general lack of congruity among developments, and suburban Buenos Aires in general. There exists a lack of basic infrastructure (water, sewage, paved roads), and disregard for integrated services in the majority of the surveyed communities.

The CMA has few commercial centers either ready to serve or compete against the Nordelta project. Industries relocating to the area have been receptive to the "Park" of commerce with campus-like, green, open settings. Large manufacturing industries are located in GMBA to the west of the CMA and SPA, leaving a buffer for the Nordelta project.

The consumer research has invariably identified the "ideal" community as the
typical suburban American development, with few adjustments. The Nordelta project is an extraordinary effort comparable to the finest communities in the United States. The concept of such a well-determined master plan is almost inconceivable to the people of Argentina. The Argentine consumer seeks to find what he/she has never been able to find in one community; safety, economic and academic opportunity, social and cultural activities, recreation and comfort, and a pleasant view of a manicured, pristine landscape in their daily lives.

The research also suggests that although the consumer craves green, open spaces; they do not want to lose the connection to the best that the city can offer socially and culturally. The consumer for the Nordelta project is concerned with a lack of cultural and social bonds in a new community. The consumer cannot envision the many social and cultural offerings to be found in a development like the proposed project; outdoor venues, theaters, museums, performing arts centers, boardwalks, cinemas, parks, athletic facilities, sports fields, dynamic town centers and festival-markets.

The challenge in the consumer’s mind is to maintain access to the CBD of GMBA. Transportation (access) and psychography play equally important roles in this area, the urban citizen turned suburban settler must maintain a connection, if not
physically then emotionally, with that which is familiar.

Most Argentines have considered relocating to seek benefits elsewhere in the country and abroad. The reasoning given for this is varied; some participants cite dissatisfaction, insecurity, lack of economic opportunities, and a lack of scientific & technological advancements within the country. The 37.5% of the respondents who had never considered relocating did so mostly out of family, parochial, or patriotic values. All participants acknowledge a general lack of “options” within GMBA.

As a direct result of the research, this conceptual master plan has no equal in Argentina; all of the consumer research, both past and present, validates the assumptions that the Nordelta project has envisioned and received approval for by provincial and government decree.

Interpretive results, specific conclusions and recommendations, are presented in the final chapter of this study.
In determining the effect that the development of a master-planned community will have on urban planning and housing demand in Greater Metropolitan Buenos Aires, Argentina; the author discusses the reasons we as a modern society have come together to form urban settlements; the role that communities play in their region; how and why communities have evolved; how and why communities have degraded; who throughout history has been most influential in the implementation of the urban plan; the cycles of urban filtering and flight; and how the results of consumer research in this study are relevant to the discussion.

5.1. Settlement & Urban Development

When cities first began to overshadow the Neolithic Villages of the near East shortly before 3000 B.C., a new period in history was born. (Swain & Armstrong, 1959)

So began the rise of Mesopotamia and Babylonia, ancient settlements in the
Fertile Crescent of the Nile, and with them—civilization.

5.1.1. Early Civilization - The Renaissance

This account by Jim Antoniou (1994) gives a concise description of civilizations in ancient times.

Civilization literally means living in the city - the word is derived from the Latin for city, civitas. The origin of the idea of a city was probably that of a citadel: a defensible stronghold into which people could retreat when threatened by invaders.

The orientation of a settlement was important. In China, many river towns were built on south-facing slopes to receive the maximum sunshine. Mohenjodaro, capital of the ancient Indus civilization (2500-1500 B.C.) In what is now Pakistan, was laid out on a regular plan, with the principal streets running north to south, to take full advantage of the prevailing winds.

At first, the size of a settlement seldom exceeded half a mile across - 15 minutes' leisurely walk. The distance over which water could be carried
by women on foot from the local well or spring, normally about 500 feet, was also an important factor in the layout of the settlement. A further 15-minute walk out from the town gates would reach the local market gardens, or the workplaces of tradesmen such as tanners, whose malodorous work excluded them from the center.

The city population had to import food from outside, but would export manufactured goods to the surrounding country. Consequently, the primary function of a city became the exchange of commodities, services and ideas.

The center of a Greek polis, or city state, was the agora, or marketplace. With an increase in population and wealth, the irregular layout of the agora of the newly planned towns of Hellenistic times (from the MID-4th century) began to take a more definite shape, expressing a new order in the town plan.

The Roman practice of town layout had its roots in military encampments or castra (all towns in England with names ending in “chester” were at one time Roman camps). At an early stage, the Roman land
commissioners evolved a system of subdividing towns into individual lots, based on two axial roads intersecting at right angles. The cardo (north-south) was often used for processions; the decumanus (east-west) was developed for commercial activities.

The growth of commerce and trade was the chief factor in the evolution of the medieval town. Regular trade routes developed between sources and markets. Financiers and bankers remained in the town while merchants traveled abroad. The mercantile basis of urban society and its economy helped free town-dwellers from the constraints of an older rural culture.

One of the most important Western merchant cities was Venice which was created in the early 5th century. Venice is divided into six sestieri, or neighborhoods. The Grand Canal, lined with large palaces, is closely attached to the local network of neighborhoods. The principal open space, the Piazza San Marco, evolved from marketplace to political and social center. The central open space became an important feature of many Italian towns...[and] is adaptable to many kinds of gatherings and festivals, notably the Palio, or horse race, through the streets of the town.
5.1.2. The New World - The Industrial Revolution

Urban planning is rooted in concepts that have been passed down from generation to generation; the process of planning communities draws from architecture, engineering, landscape architecture, sociology, and finance among others. The history of the New World, and particularly American history, accounts for the majority of the planned land development in the last two-hundred years. Urban planning has become a field of study and a worthwhile professional pursuit thanks in great part to the lessons that have been learned in developing the landscape of the United States. All of civilization has contributed to urban planning, but the New World has advanced the practice to what it is today. Because of this, the study of urban planning in the New World, particularly in America, deserves consideration.

As the New World became the focal point of exploration and colonization, Europeans increasingly settled the Caribbean islands, Mexico, Central and South America; in 1573, Phillip II of Spain enacted the Law of the Indies, thereby establishing uniform standards and procedures for planning towns and their surroundings.

The anonymous author of these regulations, America’s first planning
legislation, detailed the selection of a suitable site, the location of important buildings and spaces, and the distribution of living areas. The laws were certainly among the most important documents in the history of urban development and influenced the layout of many North American cities (Antoniou, 1994).

The accumulation and development of land was a preoccupation for early settlers of the New World. Although the majority of this activity was speculative, homesteading was a successful way to privatize land holdings in early America.

One of the earliest evidence of well-determined urban planning in America can be found in the original plan for Washington, D.C., the new Federal City, commissioned by President George Washington to Major Pierre Charles L’Enfant in 1791.

The Federal City was designed as a long-term plan for development...[Although slow to gain acceptance]...the city named for George Washington eventually proved [successful]...extensive public and private investment, good planning, quality development and construction, desirable location, a sound economic and employment base, and a growing
population would ultimately produce a healthy real estate market with rising long term values (Miles, Haney, & Berens, 1996).

In 1797, the Holland Land Company hired Joseph Ellicott, an experienced Pennsylvania land surveyor, to serve as chief land agent and to direct company operations in their vast land holdings of western New York state. It was Ellicott who was instrumental in discovering the importance of investing in infrastructure to enhance the value of real estate property. Under John Ellicott's direction, the Holland Land Company established itself as a pioneer in financing the sale of prepared lots, and Ellicott earned his reputation as an early American "community builder."

The Industrial Revolution of the 1800s brought many new advances in technology and transportation which have contributed to urban planning. Miles et al. (1996) write;

The ability to plan and develop large-scale urban, primarily residential neighborhoods and communities depended on new advances in transportation technology that enabled residents to reach their places of employment without being confined to the tight boundaries, high densities, and mixed uses of the "walking city." The first generation of major residential land developers was
spawned by the coming of long distance railroads in the 1840s and 1850s.

In addition to the added convenience, the Industrial Revolution also had a negative impact on much of society.

The social and urban changes brought by the Industrial Revolution were rapid and unprecedented. Cities were formed and doubled in size in a generation; factories, roads, canals were built, housing thrown up.

Living conditions for the working class were appalling. In some parts of Manchester, England, back-to-back houses permitted each person 35 square feet of living space, with no provision for clean water or sanitation.

The Public Health Act of 1875 set minimum standards in Britain for the width of streets and the construction, ventilation, and drainage of buildings, creating a monotony of streets still seen in urban planning (Antoniou, 1994).
5.1.3. Filtering & Urban Flight

The period at the turn of the twentieth century serves as one of the first identifiable housing market cycles in American history. In any business cycle there are upswings; when demand is high, and downswings; when demand is low. Emmanuel Alexandrakis and Brian J.L. Berry (1994) have found that "...housing market cycles result in filtering. The notion of filtering derives from the observation that layers of newer housing are attractive substitutes for older housing, pulling upwardly mobile households from the older houses they occupy (Berry, 1985; Mills and Hamilton, 1989)."

Filtering results in an accumulation of older housing, occupied by lower income tenants. As demand grows from the upper classes for more housing and better services, more housing filters down the socio-economic scale. In an urban setting, the effects are felt in every aspect of daily life; entire neighborhoods fall prey to neglect, and eventual abandonment. Insecurity and overcrowding becomes commonplace and the general decline of services and infrastructure take their toll on the community.

Urban flight, a migration from central cities to less congested areas outside of
the city, began just before the turn of the twentieth century in the United States; perhaps one of the first isolated cases is documented almost two thousand years earlier.

"Pliny the Younger (62-113 A.D.) was a successful lawyer and provincial administrator in Rome. He is known especially for his letters, which depict the life of an aristocrat and give an excellent picture of Roman provincial administration in the second century." (Swain & Armstrong, 1959). He would retreat to his Tuscan villa, Laurentium, for rest and relaxation and to recover from the everyday stress of the city and life as a roman governor. This villa was a sanctuary complete with gymnasium, climate controlled pool, sports fields, etc. In a letter to Fuscus, as translated by William Melmouth (1924), Pliny writes of the manner in which he disposes of his day at the villa.

...I rise just when I find myself in the humour, though generally with the sun; often indeed sooner, but seldom later. When I am up, I continue to keep the shutters of my chamber-windows closed. For under the influence of darkness and silence, I find myself wonderfully free and abstracted from those outward objects which dissipate attention, and left to my own thoughts... [Later in the day, after some walking, a chariot ride, exercise, and a bath; we
have supper.] If I have only my wife, or a few friends with me, some author is read to us; and after supper we are entertained either with music or an interlude. ...we take in a walk [and...] Thus we pass our evenings in various conversation; and the day, even when it is at the longest, is quickly spent.

In Pliny’s day, convenience and leisure were of paramount concern for a roman of such stature. His accounts do however shed some light on the coveted “dual life” that many families strive for in balancing their work, home, and pleasure even to this day. More relevant to this study is the contention that Laurentium and other villas recounted in his collection of letters were a figment, make-believe accounts of life in ancient times. There is no concrete archeological evidence to verify the existence of these retreats. If this is the case, which is hard to believe with such detailed descriptions of the homes, Pliny the Younger may serve as history’s first documented account of unsatisfied consumer housing demand and desirability.

In the United States during the Industrial Revolution, a departure from the city center was desirable indeed; but like in Pliny’s day could only be afforded by few of the population. The unbridled growth, decay, and congestion of cities at this time set the stage for new developments away from the city center. “These developments were essentially elite, upper-middle-class suburbs in pastoral settings located on
A Master-Planned Community in Buenos Aires, Argentina

railroad lines connected to large central cities." (Miles et al., 1996).

5.1.4. Early Suburban Development

One of the best known developments in early American suburban history is Riverside, Illinois. In 1868, just outside of Chicago, this development, planned by the famous American landscape architects Frederick Law Olmstead and Calvert Vaux, the designers of New York City's Central Park; began as 1,600 acres of undeveloped land on the Des Plaines River. The Riverside Improvement Company was formed to build a new suburban community combining as Keating describes (1988), "the beauties and healthy properties of a park with the conveniences and improvements of the city." Miles et al. (1996) contribute,

The site was located nine miles southwest of downtown Chicago on the Burlington Railroad line. Olmstead and Vaux planned a central 160-acre park along the river and several smaller parks and recreation areas. The streets were laid out in a naturalistic curvilinear pattern, and several other innovations in high-quality community planning and design were included in the development of this commuter suburb. Deed restrictions provided for an impressive array of controls, requiring everything from mandatory 30-foot
setbacks, minimum costs, and design review for houses to prescribed rules for maintaining private lawns. Olmstead and Vaux also proposed a limited-access parkway from Riverside to downtown Chicago, an unrealized idea in 1868 that was a half-century ahead of its time for American suburban development.

5.1.5. The Early Twentieth Century

In the United States, the first part of the twentieth century saw a continued increase in urban growth, the internal combustion engine, new construction methods, and more efficient electric wiring made high-density urban housing and commercial lodging, retail, and office space a reality. The railroads increased in importance as cities sprouted in points south (Florida) and west (California) during the early 1900s.

The central business district (CBD), or downtown, grew in importance as a financial, commercial, social, and cultural center in the early 1900s. The building of large, imposing structures brought new options to the urban landscape. Miles et al. (1996) explain that "...living in apartments suddenly became more fashionable in the Parisian sense for many middle- and upper-income people and, for people across the income spectrum, offered a cost-effective form of housing. In addition, housing demand was high after World War I, and there was little new residential housing
supply...” to counter the balance. Antoniou (1994) adds, “even at this time however, there were more than one million people living in the outskirts of New York City; by 1928 there were 21 million registered motor vehicles in the United States.

5.1.6. The Garden City

During this time in the history of American urban planning, a concept that was founded in England before the turn of the century was revisited. The Garden City, first conceived by Ebenezer Howard in The Garden Cities of Tomorrow (1898), offered a “healthy, natural and economic combination of town and country life” that formed the basis of many later planning techniques (Antoniou, 1994). The concept was previously implemented in England during the early 1900s in response to the rapid growth and overcrowding of the grimy, unsanitary, and crime-ridden industrial cities to the West (Miles et al. 1996).

Howard envisioned balanced, self-contained, and modestly sized communities, each with an adequate economic base for manufacturing employment near worker’s housing; democratically self-governing with public ownership of land and community facilities; physically well planned with plenty of greenery, open space, and easy transport: all part of a regional system of small cities separated by a
permanent green-belt of agricultural land. The philosophy of the Garden City movement comprised four elements: environmental reform, social reform, town planning, and regional planning. (Miles et al. 1996).

"The Garden City concept was realized in Great Britain by Raymond Unwin, but it was not fully realized in the United States (Christoforidis, 1994)." Although not widely acknowledged, the development of the Country Club District of Kansas City, Missouri by J.C. Nichols in the 1920s, was inspired in part by the Garden City concept. His 1,000 acre site would come to house 35,000 residents in 6,000 homes, and 160 apartment buildings. Miles et al.(1996) have found the following.

By the 1920s, J.C. Nichols had already established the Country Club District as one of the most attractive and expensive communities in the region. ...Nichols relied extensively on long-term deed restrictions to control the design, cost, and uses of all private property in the district. ...Nichols invested heavily in a wide range of community facilities from landscaped parks to public art and in an ambitious program of community activities from pageants and regattas to flower shows. In addition, he was one of the first developers to establish a mandatory homeowners' association that collected fees to help legally enforce, revise, and renew the restrictions, finance and maintain the
facilities and activities, and establish an active, participatory community identity.

J.C. Nichols engaged in practices that were unusual for real estate developers in his day and was generally ahead of his time. He regularly installed first-rate infrastructure in advance of development, adding its costs to the prices of the lots for sale. He engaged architects to design model homes and built many houses on a speculative basis and under contract with lot purchasers. Finally, Nichols saw the potential for developing and owning retail centers as a profitable enterprise as well as a strategy for building community atmosphere, and over the years he developed and owned many neighborhood shopping centers. His flagship was a regional retail and office complex in the heart of the district called Country Club Plaza, developed beginning in 1922 and generally recognized as America's first suburban shopping center. Designed with a unified Moorish-Spanish architectural theme and controlled by centralized management, the plaza provided both on and off-street parking, was well located for public transit, and drew a walk-in trade from residents of apartment buildings and workers from office buildings that Nichols developed nearby. Even today, both the district and the plaza are the “in” places to live and shop in Kansas City.
The Garden City movement brought significant advances to community planning from the time of Riverside, Illinois. Olmstead and Vaux sought to make use of the greenery and open space to provide a relaxing environment away from the central city. Riverside and other communities of their time were designed as dormitory neighborhoods for commuters or weekend homes for the wealthy, they lacked a crucial element in providing for a self-sufficient community; employment, commercial, and retail activity. Given, early developments like Riverside were not designed to be self-sufficient, merely retreats, and perform that role to this day, still relying on the outside for goods and services.

Many development efforts, including J.C. Nichols’s Country Club District, were motivated primarily by interests in environmental reform and town planning, with far less stress placed on the other two elements of the Garden City movement; social reform and regional planning (Miles et al., 1996). Ebenezer Howard’s Garden Cities also inspired other forms of suburban development in the early 1900s including the superblock concept, and greenbelt towns like Radburn, New Jersey. Unfortunately at this time in American urban development history the Great Depression struck and housing, aside from that built for the war effort, would stagnate until after World War II.
5.1.7. Suburban Growth

Throughout the Great Depression, urban centers decayed increasingly in the United States, after the flourishing of CBDs in the 1920s, downtowns and the areas surrounding them, “the zone of transition”, stopped growing and deteriorated, development ground to a halt and urban renewal was born. Urban renewal reclaims residential, commercial, and industrial urban structures that have filtered to the bottom of the socio-economic scale; and converts the space, through demolition or restoration, for future use.

The period during the Great Depression saw urban planning become a more cohesive practice. The many New Deal programs implemented by Franklin D. Roosevelt included provisions for the Federal Housing Administration (FHA) and the United States Housing Authority (USHA). In addition, groups like the National Association of Realtors® (NAR), the Urban Land Institute (ULI) and the National Association of Home Builders (NAHB) grew in prominence and scope of responsibility.

After World War II, the demand for housing returning troops and their families created a surge in suburban residential development.
The biggest of all the homebuilders immediately after the War was Levitt & Sons, developers of Levittown, New York. Levittown was the country's largest private housing project at the time. The first houses were completed in fall 1947, and, by the early 1950s Levitt & Sons had built 17,500 houses, occupied by nearly 75,000 people on 4,000 acres of potato fields in Hempstead on central Long Island, about 30 miles east of New York City. The Levitts took what they learned about high-volume methods of production during the war and applied the concepts as the basis for their post-war planning and development. At Levittown, William Levitt turned the entire development into a mobile assembly line, with teams of workers moving from house to house to perform 26 specific, repetitive tasks. Everything was carefully programmed and tightly controlled. The Levitts bought materials in bulk, producing them to their own specifications. Subcontractors were required to work only for them; specially trained and managed Levitt construction crews. Materials were preassembled in central facilities and delivered to each construction site just in time for that day's set of repetitive assignments. The emphasis was on speed, and, at peak production, houses in Levittown were completed at the astounding rate of 35 per day (Miles et al., 1996).
The expansion of the interstate highway system which started in 1956, not only allowed suburban expansion to occur, it also brought with it new possibilities for commercial and industrial activity. Miles et al. (1996) recall that, "...in 1957, James Rouse, an independent developer, built the fully enclosed Harundale Mall in the Baltimore suburbs. In 1961, Rouse teamed with Victor Gruen, America’s leading architect of shopping centers, to develop Cherry Hill, a 78-acre shopping center in the Philadelphia suburb of Delaware Township, New Jersey. The shopping center became such a successful focal point and symbol of the suburban area’s economic and cultural life that township residents later voted to change the community’s name to Cherry Hill."

The decentralization and suburban growth fostered by the new highway system influenced more than the location of housing and retail centers. Industry and commerce also began moving to suburbia to locate near major transportation arteries. Manufacturing plants that had previously depended on railroad lines now relied more heavily on trucking. They found highway-accessible suburban sites, whose land costs and rents were cheaper than inner-city sites, to be increasingly attractive for expansion or relocation. In the 1950s, industrial parks, office parks, research and development parks—with full utilities, plenty of parking, access roads, attractive
landscaping, and, occasionally, nearby services—sprouted across suburbia, particularly near the interstate highways.

The growth of the interstate highway system and the wave of postwar suburbanization also dramatically affected the hotel business. Before the late 1940s, most hotels were located in the center of cities and towns. The exception was resort hotels that located near lakes, rivers, oceans, mountains, and other vacation destinations. [In comparison,]...today, hotels are considered a key sector of the real estate development industry, and most of the growth and interest in investment have taken place in the last 45 years since the dawn of the postwar suburban age (Miles et al., 1996).

5.1.8. Planned Unit Development

Suburban development, with the advent of interstate highways in America, was now in full-swing. To make better use of land, and benefit developers, an argument arose that would challenge the established land use restrictions that separated residential land use from other land uses. Planned unit developments (PUDs) evolved unto urban planning during the 1960s as an alternative to typical single use zoning. PUDs provided the legal framework for variable housing densities
within subdivisions, common open space, and the inclusion of nonresidential land uses such as shopping and employment centers. Christoforidis, (1994c) continues.

The Urban Land Institute has identified four basic characteristics of PUDs: dwelling units are clustered to allow for open space; much or all of the housing is multifamily; residential densities are higher than in typical suburbs; and they allow for the possibility of commercial and industrial land uses (Moore and Sisjin, 1985). PUDs range in size from about thirty homes to over five thousand. The creation of a typical PUD involves subdividing the land into self-contained units linked by collector streets, and the establishment of an architectural theme with a matching entrance off the collector. Some PUDs also feature an amenity area that serves as a focal point (Bookout, 1992c).

Since the introduction of the concept, the number of PUDs has grown considerably. By 1980, 10 percent of the U.S. population resided in roughly a hundred thousand PUDs (Bookout, 1992c).
5.1.9. The Development Model

The Urban Land Institute provides information on urban planning, urban design, and trends in real estate development. ULI has defined real estate development in its present form, identified the process by which communities are created, and the actions that must occur at each stage of the process.

Developers add value to land by ...[assembling] the needed talents to accomplish their objectives and then [assuming] responsibility for managing individuals to make sure that development potential is realized. At a minimum, development requires the following elements: coming up with the idea, refining it, testing its feasibility, negotiating contracts, making a formal commitment, constructing the project, completing, and opening it, and, finally, managing the project.

Development is an idea that comes to fruition when consumers—tenants or owners—acquire and use the bricks and mortar put in place by the development team. Land, labor, capital, management, and entrepreneurship are usually needed to transform an idea into reality. Value is realized by providing usable space over time with certain associated services.
needed so consumers can enjoy the intended benefits of the built space. The product of the development process—a new or redeveloped building—is a result of the coordinated efforts of many allied professionals. Developments do not happen without financial backing and typically require multiple agreements to be negotiated by multiple financial players. Only then can construction or reconstruction be started, involving design professionals, construction workers, engineers and so on. Before, after, and during the process, the developer is working with public sector officials on approvals, zoning changes, exactions, building codes, infrastructure and so on. And, finally, being able to sell or rent the space to users to prove that the entire project [is] justified requires the expertise of marketing professionals, graphic artists, sales people, sign painters, and others. The developer must ensure that all these elements—and many more not identified here—are completed on schedule, are properly executed, and are reasonably within budget (Miles et al., 1996).

With these tools, a general model can be used to guide developers through the process of adding value to land and managing the availability of those assets to a market. New communities since 1960 have adopted some form of this model to achieve their various goals. Miles et al. (1996) outline, in its most basic form, the
Stage One: Inception of an Idea

Developer with background knowledge of the market looks for needs to fill, sees possibilities, has a dozen ideas, does quick feasibility tests in his/her head (legal, physical, financial).

Stage Two: Refinement of the idea

Developer finds a specific site for the idea; looks for physical feasibility; talks with prospective tenants, owners, lenders, partners, professionals; settles on a tentative design; options the land if the idea looks good.

Stage Three: Feasibility

Developer conducts or commissions formal market study to estimate market absorption and capture rates, conducts or commissions feasibility study comparing estimated value of project to cost, processes plans through government agencies.
Stage Four: Contract Negotiations

Developer decides on final design based on what market study says users want and will pay for. Contracts are negotiated. Developer gets loan commitment in writing, decides on general contractor, determines general rent or sales requirements, obtain permits from local government.

Stage Five: Commitment

Contracts, often contingent on each other, are signed. Developer may have all signed at once: joint venture agreement, construction loan agreement and permanent loan commitment, construction contract, exercise of land purchase option, purchase of insurance, and prelease agreements.

Stage Six: Construction

Developer switches to formal accounting system, seeking to keep all costs within budget. Developer approves changes suggested by marketing professionals and development team, resolves construction disputes, signs checks, keeps work on schedule, brings in operating staff as needed.
Stage Seven: Completion and Formal Opening

Developer brings in full-time operating staff, increases advertising.

City approves occupancy, utilities are connected, tenants move in.

Construction loan is taken out, and permanent loan is closed.

Stage Eight: Property, Asset, and Portfolio Management

Owners oversee property management, including re-leasing; longer term owners oversee reconfiguring, remodeling, remarketing space as necessary to extend economic life and enhance performance of asset; corporate management of fixed assets and considerations regarding investors' portfolios come into play (Miles et al., 1996).

5.2. New Communities

Real estate property development is today as much an art as it is a science. Every aspect of a community is carefully determined not only in regard to orientation, size, security, or function; but also in regard to greenery and open spaces, economic, commercial, social, and cultural opportunities. History has demonstrated that consumer housing demand can be managed in an effective and efficient manner by analyzing past and present data. Under normal market conditions, detailed analysis
provides information that allows for adjustments in the development process. If nothing else, history reveals those communities that have succeeded both in terms of economic gain to the developer, not a concern of this study, but also in terms of, the effect that the implementation of a master plan has over the course of development on a particular region.

Reid Ewing, in his survey of 58 out of 65 new American communities developed since 1960, Developing Successful New Communities (1991), defines a new community, or new town, as [development] projects that are:

- large scale [2,000 + acres];
- programmed to contain a balanced mix of land uses, including employment centers and a variety of housing types;
- controlled by a master developer; and
- master planned early in the development process.

These new communities typically plan for multifamily and single-family housing with broad price ranges, from starter houses to housing for empty nesters, office and industrial parks, shopping centers, and an array of recreational uses. They are often billed as places where people can live, work,
play, and remain for a lifetime (Ewing, 1991).

Census statistics indicate that nearly [one-half of] the population of the United States now lives in suburban jurisdictions, up from one third of the population in 1950 (Ewing, 1991). New communities in the United States have progressed from the early garden cities and greenbelt towns of the early 1900s. The influence of these early master plans is evidenced in new communities that since 1960 have had a significant impact on their region in terms of housing, employment, and quality of life. Notably; Reston, Virginia and Columbia, Maryland.

The master plan for Reston, in Fairfax County, Virginia, was first approved in 1962. The original master developer, Robert E. Simon, after whom the community is named (RESTon), was experiencing financial hardship when the project opened in 1964. Ewing (1991) explains that, ...[Simon] was criticized for having paid too much for the land. Housing was overpriced and too contemporary in style. The community’s early isolation (a seven-mile drive along a two-lane country road) hurt [the community’s success]. Perhaps more important, Simon neglected the practical world of financial planning while pursuing his dream.

As a result of his inability to manage the project efficiently, control was
handed over to a subsidiary of Gulf Oil, which had guaranteed Simon’s bank loans. Gulf accelerated development, brought down the price of houses, and offered a wider range of house designs. Gulf managed the project successfully until 1978, when the company refocused their efforts on the energy business and sold its interest in the community to Mobil Oil, who was in the process of diversifying its concerns. Mobil has furthered development in Reston, access to Washington is now a 20-minute commute, and proximity to Dulles airport has catalyzed business development (Ewing, 1991).

Reston is a thriving community that in 1989 boasted 53,000 residents and 31,000 jobs. Ewing (1991) states that, one of Reston’s strengths is its urban design. Touches like a 15-story apartment building (now condominiums) on the edge of Lake Anne give the community an urban ambience. That ambience finds its ultimate expression in the Reston Town Center, which recently opened with great success.

Columbia, Maryland is a development of the Rouse Company, founded by James Rouse who had previously developed the Harundale Mall in the Baltimore suburbs and Cherry Hill in New Jersey. Rouse opened Columbia in 1967, and as of 1989, the community had attracted 72,000 residents and 43,000 jobs. Ewing (1991) observes:
...Rouse combined "the zeal of a missionary, the vision of a prophet, and the icy calculation of a cost accountant." While Rouse's financial partner, Connecticut General Life Insurance Company (later CIGNA), received no return on its investment for many years, the same development crew has been at the helm since Columbia's inception.

One of Columbia's strengths is its industrial base. Rouse wanted prospective residents supplied by industry to be as numerous as residences built in the community. Rouse scored a coup when he persuaded General Electric to locate a vast appliance park in Columbia. By 1970, Columbia was home to 32 companies and 19,000 jobs—close to Rouse's goal for 1980.

Another strength is Columbia's institutions. In the early stages of planning, Rouse brought distinguished social scientists together for brainstorming sessions. Out of those sessions came plans for neighborhood schools, interfaith centers shared by different religious denominations, prepaid health care through Johns Hopkins University, a minibus system, and a strong cultural program at Merriweather Post Pavilion. The Columbia Association is the ultimate example of a new community association, with an annual budget upward of $20 million.
Reston and Columbia serve as only two examples of the many successful new communities developed since 1960. From 1960 to 1989 Reid Ewing identifies 65 such communities, as defined previously, having started in the United States. Examples of these communities can be found in California; Irvine, Laguna Niguel, and Valencia, and in Florida; Miami Lakes, Coral Springs, and Weston.

Elsewhere during the 1960s, England experienced the third wave of new community development since the New Towns Act was enacted; as a result of badly needed housing, a relocation of residents after the destruction of major cities during World War II, and the opportunity to sell off public lands to generate revenue. During this time, the program reached its peak with the development of five new towns; Northampton, Peterborough, Telford, Warrington and Milton Keynes. Linda Liston (1994) observes that, here with the lessons learned from the previous twenty years, solid planning principles were applied to create what are today the best examples of the new town experiment. In this final phase of the program, England’s new towns have been designed as economic growth centers under a private enterprise system. By 1998, the British government will have prepared the local authorities to accept management of the new towns. This long-term privatization of government owned land, as Linda Liston (1994) has found, created towns that are an economic and social asset to the country.
In France, a similar program was implemented beginning in the 1960s that by 1983 produced 8 new community districts. Jean-Eudes Roullier (1988) found that this massive development had accommodated 721,500 residents and created 279,500 jobs by 1986. Also, French new towns have mainly attracted new technologies for construction, energy, transport and communications. Like the new towns in England, the French new towns were created to accommodate a swelling urban population and relocating industry, as well as foster economic growth.

New communities, both in England and in France, as well as the United States, have experienced some effects of what could be described as suburban dissonance. These “new town blues” occur Liston (1994) found, when residents of suburban communities suffer distress over the dislocation from their former tight-knit urban communities and placed in suburban settings, a foreign environment with semi-detached housing, big gardens and lots of trees. In other instances, traffic problems and concerns over “sterile” communities have been addressed. Some of these issues have spawned a movement which is based on a return to certain fundamental planning concepts from early American, 18th and 19th-century towns. This approach is known as neotraditional town planning.

[Neotraditional] town planners believe that a new community needs
a symbolic and functional town center, that a community without a center has no “heart.” They call for a rich mix of land uses in that center—shops, public buildings, offices, and housing—and put the emphasis on retail and civic uses, not on offices, like [other new] communities.

[Neotraditional] town planners design open spaces to be tight, purposeful, and semienclosed by buildings and trees—what they call “public rooms.” Public squares, village greens, greenbelt paths on narrow rights-of-way, and meadows of a few acres grace their plans. They maintain that shared outdoor spaces in other master-planned communities are nice spaces with nothing happening in them. Such spaces, they claim, are seldom defined tightly enough to be inviting to pedestrians.

[Neotraditional] town planners claim to achieve greater efficiency and safety with an urban grid. They point out, correctly, that many routes through a grid make the street system less sensitive to interruptions at a single point and less frustrating to peripheral travel. They assert that narrow streets, on-street parking, and trees at the curb slow drivers to safe speeds.

With its urban grid, traditional town planning celebrates the public
A Master-Planned Community in Buenos Aires, Argentina

environment. It is an open system designed to engender a sense of community and, as such, is perfect for public places like town centers, where visitors are numerous and welcome... (Ewing, 1991)

Although all of the new communities started since 1960 have unique characteristics, they all have the following in common:

- [New communities] are based on population and economic growth goals, infrastructure is planned and phased in before the fact, not in a panic response to unanticipated demand. Thus, roads, sewage systems, civic, education and recreational facilities were all available at the time of need. The initial investment in infrastructure means there's plenty of room for future growth.

- New towns address the issue of sprawl. Instead of allowing "leapfrogging" development that may leave unserviced and undesirable patches to be filled in later, they plan a phased approach to development.

- [New communities] place a premium on open space (Liston, 1994).
Today, this ranges from 20 to 70 percent of the total gross land area.

New communities are master-planned, allowing for a wide range of housing types; addressing issues of privacy, safety, and traffic control; as well as some mix of land uses (Ewing, 1991).

In addition, new community developments since 1960 have proved that sound fiscal administration is a key factor in the development process. Successful new communities serve as examples of putting to work, the development model, and over 200 years of experience. New communities do not have a beneficial impact on their region unless a well-determined master plan is executed in its every contingency.

5.3. The Master Plan

The Nordelta master plan has been a work in progress actively since the late 1980s, when the land owner(s) consulted with regional urban planners and sociologist on the concept of this new community in the outskirts of Buenos Aires, Argentina. As presented in this study, the idea of a new community was presented to prospective target population to determine the desirability of this type of project. In this section, the Nordelta master plan is summarized to illustrate the degree of planning and
determination that the framers of this concept have used to achieve a balance of housing types, mixed land use, as well as available open, green spaces to accommodate the wants and needs of the target population.

5.3.1. Government Approvals

The master plan allows for sustainable development, phasing is designed to take advantage of, and make adjustments according to prevailing macroeconomic conditions. This programmatic agreement, the Nordelta master plan, is approved by Municipal Ordinance 1297/92 and Provincial Decree 1736/92, in the framework of Territorial and Land Use Ordinance 8912 of the Province of Buenos Aires.

5.3.2. Infrastructure

This development will provide complete infrastructure; water, sewage, paved streets, drainage, electricity, telephone, as well as irrigation and landscaping for common areas. In addition, an efficient transportation system will be introduced to the region. This infrastructure will be fully undertaken by the private sector which may extend its services to the neighboring areas, where few such services exist today.
5.3.3. Land Use

The residential development modules, in 6 phases as of this study, are designed to accommodate individual "estate" homes with extended property, multi-level structures of up to four stories, as well as, homes with private moorings and large marinas located on the banks of the Lujan River and its tributaries. In the available 1,564 hectares, some 19,000 homes will be built on approximately 500 hectares; commercial and industrial ventures will co-exist within the approximately 60 percent of the total gross land area protected as open, green space.

5.3.3.1. Town Center

- A town center has been designed to meet various employment, recreation, education, health, and housing needs, as well as, all of the services and facilities which are usually found in any complex and dynamic city.

5.3.3.2. Civic Center

- A civic center has been planned on approximately 30 hectares of the property to service business and convention activities in northern GMBA.
5.3.3.3. Technological Park

- A technological research & development park is proposed. These 40 hectares will be supported by corporate, scientific, and academic institutions.

5.3.3.4. Park of Commerce

- A park of commerce is planned on a well-balanced, 280 hectares of mostly green, open spaces where non-contaminating, light industries; laboratories, consultant firms, and other facilities will be productive in a campus setting.

5.3.3.5. Urban Parks

- Urban parks will be developed on 200 hectares throughout the property. Museums, an amphitheater, and cultural centers are intended to establish the area as an international tourist attraction.

5.3.2. Economic Opportunities

- The project will generate economic opportunities (domestic and abroad)
which will potentially create some 44,000 new jobs for approximately 135,000 community residents (Table 5.1.).

- In favorable market conditions, the project will generate residential home sales revenues in excess of (U.S.) $3 billion and commercial lot sales and leases will reach (U.S.) $10 billion over the full-course of development.

- The full economic benefits and impact to and/or from the region, as a result of job creation, commercial activity, services, and productivity have not been analyzed in this study.
### Table 5.1

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<th>Allocated Ventures</th>
<th>Employment</th>
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<td>(Including Residents, Workers, &amp; Visitors)</td>
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</table>

#### 5.4. The International Perspective

In terms of urban planning, this project is of particular interest on an international level. The scale of the proposed development warrants consideration in a number of areas, particularly technology and international trade.
5.4.1. Academic / Technological Opportunities

The Nordelta project, in its master plan, has made provisions for the only private university campus in Argentina where students may live, study, work, etc. This university will feature a fully integrated campus; with distanced learning equipment, and a research & development facility nearby, where students will learn as well as apply the concepts in their curriculum. New academic programs will be introduced to reflect the current workforce transition from agriculture and manufacturing, to the service sector. These accredited programs would include; international business administration, behavioral sciences, hospitality administration, gerontology, and perhaps, urban planning. These academic programs will complement the exceptional education that the Argentinean people receive in the public education system. Universities in the United States, including Harvard and Stanford, already provide American business and related courses from limited branch campuses in Argentina. The Nordelta campus may serve as a model for future facilities both in Argentina and abroad. The technical expertise necessary to create a campus-of-today poised for the next fifty years of unforeseen advances will require a great deal of cooperation from the global scientific and academic community.

In terms of technology, master-planned communities of the past; specifically
in France, Canada, and Australia, give us a good view of what the effects of this aspect of the master plan will have on planning and housing demand. France has practiced the use of energy-efficient construction, using methods such as orientation of buildings to absorb the most heat, as well as solar and geothermic heating. France has also experimented with prefabrication and new uses for conventional materials in construction; costs for solar housing and other alternatives become more attractive when oil prices rise (Roullier, 1988). Japan has invested heavily in the implementation of new technology for a community just outside of Adelaide, Australia. Like France, Japan has found that new communities serve as good pilots for new technologies, particularly environmental efficiency, and telecommunications; which addresses concerns of safety, as well as, efficiency (Salvesen, 1993). Perhaps the best example of technology at work in a master-planned community is Montgomery, Canada, near the town of Orangeville about 50 miles north of Toronto. This small community (250 acres) is neotraditionally planned, by Andres Duany and Elizabeth Plater-Zyberk, but also technologically advanced. Montgomery has worked with IBM and the Orangeville school district to make many of their databases available to Montgomery’s multi-functional on-line network. The entire community is wired with the three types of connections: copper for standard voice communication, fiber-optic for digital communication technologies such as ISDN (Integrated Services Digital network) for simultaneous voice, video, and data transfer, and coaxial cable for
broadcast programming. Montgomery is serviced with ducts throughout so that telecommunications and cable companies can add whatever they come up with next to each house and every business (Warson, 1995). This allows residents of the community to visit each other using video-teleconferencing as well as conduct their business or other pursuits via the Internet. The added investment in the initial infrastructure is justified by the increasing demand for these services, and their eventual necessity. Planning for the future is less costly than having to add these services to the entire community at a later date.

5.4.2. *Import / Export Potential*

Argentina's policy on foreign direct investment is favorable to businesses looking to transact with local firms. Although there is a wealth of talent available locally, consultants in areas of structural engineering, telecommunications, and finance are sought-after in Argentina. The framers of the project have identified certain key elements of the master plan that would require technical assistance from outside of the country. These elements are; energy-efficient construction methods, landscape technology, telecommunications, water / sewage / solid waste management, and hydraulic management. The estimated dollar value of the technology, equipment, and technical assistance available for potential import / export is approximately (U.S.) $4
billion.

5.5. Cultural Diversity

Argentina is a country that has been divided and under civil unrest for most of the last forty years. The people of Argentina, as a result of economic and social discord, are much more in tune with their economic, social, and political situation than Americans in general. In business, Argentineans take a more European approach in their professional relationships; generally taking more time to define and cultivate a transaction. In their personal lives, Argentineans are cautious and cherish privacy. Socially however, this is a gregarious culture that enjoys the company of family and friends on an almost ritual basis. Domestics are also common, especially for the target population of this development, and they often become a part of the family over time. In addition, the young people of Argentina crave anything American, as do most cultures, which is evidenced by their consumption of American clothes, music, films, and their acceptance of American-style social gathering places.

5.6. Packaging the Product

The Nordelta project has an opportunity to present a variety of choices, both
in terms of employment and housing for the target population. These choices, when properly communicated, will attract a following due to their importance as related by the consumer. The adage “the offer will generate its own demand” is pertinent to this situation since this offer is what the consumer has sought since at least 1991.
6. Conclusions & Recommendations

In determining the effect that the development of a master-planned community will have on Greater Metropolitan Buenos Aires, the author has analyzed the consumer research and discussed the evolution of urban planning and its effects on societies in general. Specific conclusions and recommendations, in the context of this study, are presented here to gain a better understanding of how all of these elements are relative to the Nordelta project.

6.1. Summary

The current housing situation in Argentina is and will continue to be a challenge for both the government and local developers. Unfortunately, as is the case in most parts of the world, the largest part of the population affected by a shortage of housing is the lower middle classes and below. For the target population of this project the situation is somewhat different in that there are choices available but the choices are not the ideal, as identified by the consumer research. The trend towards more permanent residency in what were previously temporary (weekend-use) homes
A Master-Planned Community in Buenos Aires, Argentina

is a result of economic and security concerns. The opportunities in Argentina abound “lo que sobra” (what there is plenty of) is land, the quality of the urban planners, architects, and engineers is comparable to the United States. The challenge lies in applying the development model, following through on master plans, and making sure that every aspect of the formula is determined throughout the life of a project. Only then can a new community have a beneficial impact on its region. Rather than an indiscernible web of construction, this new community could provide the type of sustainable development that unfolds around the landscape; bringing together all that is inherently good about this type of community (safety, privacy, leisure, opportunity), and managing the every day challenges associated with suburban dissonance.

6.2. Conclusions

Developers in Argentina have never undertaken a project of this size or scope. To Argentineans, the thought that a residence could be purchased as “turn-key ready” is a new concept. Those developments which have been attempted as a community association have lacked the planning and consistency in overall design that is found in successful master-planned communities in the United States and abroad. Other types of development include high-rise condominiums, and “leapfrog” communities, that although generally small in size, create a patchwork of streets and residential
units with little or no apparent thought placed on collective uniformity, direction, or concern for natural boundaries or future expansion. The contrasts are surprising; homes are built with craftsmanship that alone would command prices two to three times higher in the United States, yet each community as a whole lacks the amenities inherent of the value-added products available here in the U.S., i.e., cohesiveness (congruity) in the community, landscape management, maintained public areas, etc.

As a result of this haphazard, misguided (with good intentions) development, the ultimate cost of finishing and maintaining the home and lot (landscaping, irrigation, utilities, water treatment, sewage, roads) is much greater; but as a community, the potential value is never fully realized.

The consumer in Argentina is seeking benefits, and those benefits are not much different than those of Pliny in the first century, the residents of Riverside, Illinois, or any community developed since then; safety, peace of mind, an opportunity to spend time in a comfortable environment away from the congestion of the city. In resolving the issues of “new town blues”, or suburban dissonance, it is important to study the communities of the past and prepare for eventualities. Reid Ewing has found a developer that instills in his staff the ability to “coach” people on how to live in these new communities by helping them take advantage of open-air shops and assorted meeting places (Ewing, 1991).
The most sought-after benefits are economic. The acceptance of a technological research & development park in Nordelta speaks directly to this need, but only after being properly communicated (as evidenced by Figures 3 and 4). The creation of new economic centers away from the CBD of GMBA will influence the development of new communities to take advantage of new opportunities.

The cycles of urban filtering in America have shown that as populations progress through the SES, the effects on available housing are significant. The current choices in housing for the target population of this project in Argentina may be the choice of tomorrow’s lower SES as a result of filtering. This type of shift may happen as a result of better opportunities elsewhere, a consideration for one-half of the population, as evidenced by the consumer research. The trend towards more permanent suburban housing will only serve to increase this demand. Once a community like Nordelta is developed; the now permanent residents of upscale private homes will be enticed by the amenities and better quality of life offered in the new community. The homes they leave behind continue to filter through the socio-economic strata. The hundreds or thousands of people who leave the city directly for a new community will generate demand not for just homes, but for this new type of community development.
Urban flight on the part of both industry and the population of Argentina has been catalyzed by the recent expansion of the highway system, similar to the situation in the United States in the 1960s. The demand for housing currently resembles that of the early 1950s in America, and the available choices for housing in the target population is similar to Riverside in the late 1800s. The cycles of urban filtering and suburban expansion are occurring in Argentina just as they have occurred at various stages in America.

Advances in technology, like highways and before them trains, are influencing urban plans. John Naisbitt and Patricia Aburdene in *Megatrends 2000*, first identified our transition from an industrial to an information society. These trends are very much a part of urban planning and the services that communities provide to their residents. The people of Argentina had been in a technological vacuum for many years, now that opportunities exist for the introduction of new advances, this community could serve as a model for effective application of the latest innovations. The application of new construction technology in this development will translate to its use in subsequent developments; but it is in the area of telecommunications infrastructure that the greatest benefits may be seen for the target population of this community. Although the marketing advantages may not be as immediately apparent as, for example, including five appliances in the price of a house, they are nonetheless
inevitable (Warson, 1995).

The task before developers in Argentina is to apply the lessons of communities like Columbia and Reston, and strike a balance among long-term commitments, sustainable growth, social responsibility, and, yes, economic recovery.

6.3. Recommendations

To have a beneficial impact on GMBA, this project would need to be implemented in its approved state, with fine adjustments. Realizing that just as land-use plans are modified according to identifiable wants and needs of the consumer, the master plan should direct the development in a sustainable manner, adjusting for changes in the socio-economic situation of the target population and those affected directly and indirectly by the development.

The Nordelta project should communicate the availability of new, more affordable forms of long-term financing, like those available in the United States, the region will also benefit from promoting its choice of quality schools and other sought-after amenities. The success of this development would establish the developer as a "community builder" in Argentina, opening the way to other opportunities in the
marketplace. One such opportunity exists in the commercial sector where services in the SPA are badly needed, in addition, el Tren de la Costa; a very succesful festival market-type attraction with a rail theme which generated revenues in excess of (U.S.) $58 million in 1995, could extend its line to the subject property reaching a much larger market. U.S. retailers like Wal-Mart and Blockbuster have already established their prescence in Argentina. An American style community could attract retailers like these to establish commercial anchor tenants.

Satisfying housing demand in GMBA may never occur, managing that demand, however, is possible. The development model has demonstrated that large-scale communities can be established successfully. Columbia and Reston have influenced the planning of many succesful new communities in the United States. The lessons of these experiences have led to the neotraditional movement which attempts to ease the effects of suburban dissonance in new communities. The Nordelta project may be as influential in Argentina as early American suburban communities and could incorporate the benefits of new directions in urban planning. The thread that brings all of the necessary elements together, the development model, may be the essential ingredient to prepare urban planners for what is inevitable in Argentina—more development.
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Rio De La Plata

Buenos Aires, Argentina (Federal District & Nordelta)
Greater Metropolitan Buenos Aires, Argentina
Competitive Market Area

Greater Metropolitan Buenos Aires, Argentina
Greater Metropolitan Buenos Aires, Argentina
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Fin
NORDELTA ARVIDA PROPOSED PLAN PLAN PROPOSTO

DELTA DEL PARANA

(105 ha) Total Waterfront Residential A & B

(183 ha) Total Residential A Golf & Yacht

(51 ha) Total Residential B West

Natural Filtration System

Lake (223 ha)

(65 ha) Total Residential B East

(179 ha) Total Residential C

GENERAL PACHECO

NORDELTA

ESCALA 1:10000
FECHA: MAYO 18, 1996.