

#### IN THIS EDITION

This article explores the origins and development of place management initiatives in Japan and Singapore. It describes how groups in the private, public and community sectors have forged partnerships to improve the economic vitality and attractiveness of urban precincts, and discusses the challenges that many of these groups face in sustaining their operations over the long term. Finally, we explore how initiatives adopted in Japan can be considered for introduction in Singapore.



Figure 1: Place management initiatives in Japan and Singapore are helping to make precincts in both countries more attractive and economically vibrant.  
*Illustration: Ken Lee*

## Place Management in Japan and Singapore: Benefits, Opportunities and Challenges

Japan has a rich tradition of place-based community groups such as shopkeepers' associations and neighbourhood committees that organise activities like shrine festivals, community patrolling and street cleaning.

On the other hand, stakeholders such as residents, business owners and landlords can work together through an area management initiative. This is defined by Japan's Ministry of Land, Infrastructure, Transport and Tourism as a process in which various stakeholders form a formal area management organisation (AMO) to enhance the environmental quality and property values in a specific area. Compared to Japan's traditional

community groups, AMOs have more formal governance, legal and financial structures, and undertake a broader range of programmes and activities.

According to the Japan Area Management Network (JAMN), a non-governmental platform established in 2016 to coordinate and promote area management efforts, the first AMO was founded in 1988 in a section of central Tokyo spanning the commercial districts of Otemachi, Marunouchi and Yurakucho, known as OMY. Today, there are about 55 formal AMOs in cities across Japan, most of which were established after 1990. They include AMOs in large precincts such as OMY, which is almost

two square kilometres in size; and smaller ones such as Imaizumi-Dai, a commercial district of about 0.4 square kilometres in the town of Kamakura.

In this regard, area management in Japan is similar to place management in countries such as the United States (US) and United Kingdom (UK) where there is a longer and more established history of Business Improvement Districts (BIDs)—organisations set up to enhance the physical and economic conditions in urban precincts. In fact, the Japanese term for area management, *eria manejimento*, is a direct transliteration from the English, suggesting that the concept is rooted in western models of place management.

## Area management in Japan is similar to place management in countries such as the US and UK.

### SEVERAL DOMESTIC FACTORS DRIVE THE GROWTH OF AREA MANAGEMENT

The growth of area management activities and organisations in Japan has been driven by domestic economic, infrastructural and social factors:

- Following the end of the Second World War, Japan experienced a construction boom that lasted into the 1980s. By the late 1980s, much of the commercial and public infrastructure in Japan's urban centres, including the *shōtengai* (shopping streets and arcades often located close to railway stations) familiar to many Japanese city-dwellers, had aged. Many formerly thriving commercial districts waned in popularity, especially as newer commercial districts developed.
- After Japan's economic bubble burst in the early 1990s, the country entered a period of protracted economic stagnation, prompting Japanese consumers to become more price sensitive in their spending habits. In recent years, chain stores and e-commerce platforms such as Rakuten have become increasingly popular in Japan. These trends have dealt a blow to independent retailers and dented the competitiveness of many local shopping districts.
- Finally, Japan has experienced many demographic changes in recent decades. The population has aged significantly; foreign immigration has increased, especially to cities; and a growing number of working-age adults are moving away from smaller towns and cities to large urban centres such as Tokyo, Osaka and Fukuoka. These shifts have changed the consumer profiles in many urban areas, challenging retailers to adapt



Figure 2: In many parts of Japan, place-based business and community groups organise events and festivals. In Tokyo, a business association located in the district of Naka-Meguro organises a cherry blossom viewing festival every year. Source: Kimon Berlin

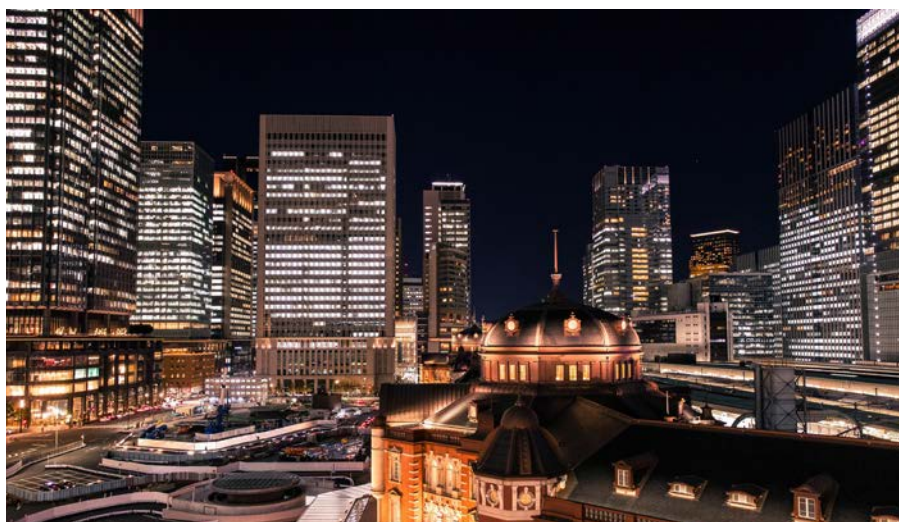


Figure 3: Japan's first AMO, comprising the Otemachi, Yurakucho and Marunouchi districts, is located in central Tokyo, around Tokyo Station (pictured in the foreground). Source: Jimmy B

their products, business practices and community amenities to remain relevant, attractive and economically viable.

In response to these changes, groups of stakeholders in cities across Japan

started to establish formal cooperative organisations to plan and implement initiatives to enhance the image and attractiveness of their precincts; jointly promote and market their offerings; and improve the competitiveness of local businesses. Two key factors



## AMOs are ground-up initiatives led by the private and community sectors.

have facilitated the formation of such organisations:

- In many cities, corporations such as developers and railway companies own and manage multiple developments in a precinct. These companies have the financial and operational heft to assume the role of key precinct stakeholders, rallying other businesses and community groups to form an AMO. This is the case in OMY, which was founded by Mitsubishi Estate, a company that owns several developments around Tokyo Station. The AMO in Osaka's Umeda precinct, which includes the Osaka Railway Station, was founded by the railway companies Hanshin, Hankyu and Japan Rail (JR) in 2009.
- The existing networks of place-based community groups in many Japanese cities provided a ready and organised pool of members and leaders for AMOs. In fact, many AMOs were formed when such groups joined forces to revitalise their precincts. Examples of these AMOs include Imaizumi-Dai in Kamakura City and the Yokohama Seaside AMO, both of which comprise business, university and resident groups.

Dr Miki Yasui, Vice-Chair of JAMN, describes AMOs as ground-up initiatives led by the private and community sectors. A typical AMO is incorporated as a company or non-profit organisation with a governing board for oversight and accountability, and staff to run its day-to-day operations. While larger AMOs may have dedicated teams of full-time staff, smaller AMOs may be staffed by employees of member organisations who volunteer in a part-time capacity. AMO initiatives are generally modest in scale, low in cost and simple to implement—shopping festivals and promotions, and landscaping and streetscape enhancements. They rarely involve redevelopment or construction works.



Figure 4: A *shōtengai* in Onomichi, Hiroshima. Across Japan, many *shōtengai* are facing competition from newer commercial developments and online commerce. Source: Toomore Chiang



Figure 5: Osaka's Umeda AMO is located in a bustling commercial quarter of the city that encompasses Osaka Railway Station. Source: Jared Yeh

### NATIONAL AND LOCAL GOVERNMENTS PROVIDE REGULATORY SUPPORT

The Japanese government has supported AMOs through regulation. First enacted in 2002, the Act on Special Measures Concerning Urban Reconstruction has undergone several revisions to incorporate agreements allowing AMOs

to manage public spaces (such as parks, roads and unused land parcels) in ways that would allow them to generate revenue for sustaining their operations. AMOs have thus been able to lease out these spaces for events, advertising and other uses. For example, the Sapporo Station AMO in Hokkaido earns a substantial proportion of its revenue through the leasing of gallery, retail and

## Government grants and subsidies account for only about 7% of the average AMO's income.

other spaces located in public spaces in and around the railway station.

Some cities have gone a step further to enact ordinances designating AMOs as the official representative platform for stakeholders in their precincts. AMOs are empowered to submit planning and other applications to municipal authorities on behalf of their members, interfacing between stakeholders and local governments. This gives an AMO a substantive administrative function that incentivises more stakeholders in a precinct to join the organisation. The OMY AMO in Tokyo, for example, acts as a middleman between its members and the local government, such as by coordinating applications to the authorities for planning and other permissions.

These regulatory measures have provided some degree of financial sustainability for many AMOs, rendering it unnecessary for the national government and city authorities to offer them substantial monetary support. According to a 2017 JAMN survey, the average AMO derived 30% of its income from revenue-generating activities through the leasing out of public spaces for events, advertising and other activities; and 40% from membership dues. Government grants and subsidies accounted for only about 7% of the average AMO's income.

### ESTABLISHING A NATIONAL LAW ON AREA MANAGEMENT

In a major move expected to further promote and sustain area management initiatives across the country, Japan's parliament passed a national Area Management Levy Act in May 2018. Commonly referred to as Japan's BID Act, its main objective is to compel property owners and businesses in AMO-managed precincts to contribute membership dues



Figure 6: A scene from a winter festival organised by the OMY AMO in Marunouchi, Tokyo. Source: Hidewaku

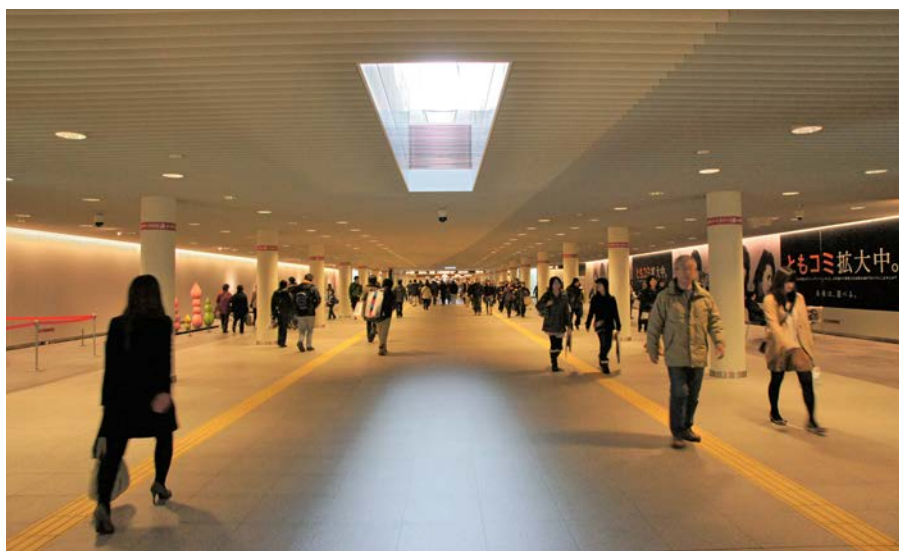


Figure 7: The Sapporo Station AMO, which manages spaces such as this underground passage, generates revenue through leasing out space for advertising, exhibitions and events. Source: 663highland

to AMOs, thus eliminating the free-rider problem. For one, the Act requires all property owners and businesses in a precinct to contribute financially to their AMO if at least two-thirds of the stakeholders agree to do so. The Act also prescribes guidelines for the governance

and structuring of AMOs, and sets out how AMO funds can be used.

The impetus for the Act's enactment suggests that AMOs across Japan have faced difficulties in garnering adequate financial support from precinct



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stakeholders. According to Dr Yasui, this remains a key challenge for many AMOs today. As the Act was only enacted fairly recently, it is still unclear if it will indeed address this challenge.

### BUILDING PROFESSIONAL EXPERTISE

JAMN has focused its efforts on supporting the work of AMOs and area managers by conducting capability development programmes to help them (i) understand the interests of their stakeholders, in order to develop a compelling vision for the precinct; (ii) translate this vision into a long-term, viable business plan; and (iii) promote accountability through collecting statistics and data to demonstrate the benefits of area management activities. For example, JAMN partnered Kyoto University to organise a symposium in Osaka in September 2019 for 350 participants to discuss urban issues faced by cities in Japan and East Asia, and how area management can help cities better meet these challenges.

### THE URA PIONEERED PLACE MANAGEMENT INITIATIVES IN SINGAPORE

The Urban Redevelopment Authority (URA) started learning about overseas BIDs in the 1990s. The URA was particularly inspired by place management efforts in New South Wales, Australia, which helped to revive formerly derelict waterfront areas in Sydney. In 2005, the URA even appointed Bob Deacon, then the General Manager of the Darling Harbour BID, to its international advisory panel of experts to provide input on planning and place management matters.

Formal place management initiatives were first introduced by the URA in the early 2000s. These initiatives



Figure 8: Naka-Dōri Avenue in Tokyo's Marunouchi district, managed by the OMY AMO. The pedestrianised thoroughfare, which features landscaping and simple street furniture, shows how relatively inexpensive interventions can transform the atmosphere of an entire district. Source: Ayustety

were prompted by the planning and development of the Marina Bay district. By then, much of the major infrastructure in the district had been completed and the first wave of developments had started. With the district taking shape physically, the URA channelled its focus to enhancing the softer aspects of liveability and vibrancy, with the objective of making Marina Bay an attractive destination.

The URA established the Marina Bay Development Agency (MBDA) to undertake marketing, promotion and place management efforts at the precinct.

Among other efforts, it established a waterfront gallery space to showcase the planning and development of Marina Bay; installed creatively designed street furniture in the public spaces at the waterfront; and organised large-scale events such as the New Year's Eve Countdown and i Light Singapore. Some of these initiatives were planned and implemented in partnership with stakeholders across the precinct, including The Esplanade performing arts centre and Fullerton Heritage, which operates hospitality and dining establishments along the waterfront.

The success of the MBDA's efforts at Marina Bay encouraged the URA to consider how place management initiatives could be extended to other precincts in Singapore. To better understand how place management could be applied to a variety of urban contexts, URA officers embarked on study trips to the UK and US, where they met and learnt from BID representatives and place management experts. The URA also engaged other public agencies that were implementing place-based initiatives, often in collaboration with local business associations and community groups, and worked with them to identify and introduce best practices across precincts.

In a reflection of the MBDA's broader mandate, the URA renamed the agency the Place Management Department (PMD) in 2011. Among other responsibilities, the PMD coordinated place management efforts across agencies such as the Singapore Tourism Board (STB), National Heritage Board (NHB) and National Arts Council (NAC). The STB had been working with the Orchard Road Business Association since the 1990s to promote the Orchard Road precinct as a premier retail destination for tourists, while the NHB and NAC were working in the Bras Basah-Bugis and Civic District precincts to enhance the public realm through regular programmes such as the Night Festival. Within the URA, the Conservation Department was working on plans to promote the Kampong Glam precinct as a heritage-rich "identity node".

The URA also established the Place Management Coordinating Forum to promote place-based initiatives across Singapore. Comprising the above-mentioned public agencies, the forum agreed that place management in Singapore should be guided by three objectives: (i) enhance the individual character and identity of a precinct, (ii) foster a sense of community among stakeholders, and (iii) promote the operational and financial sustainability



Figure 9: The URA and other stakeholders at Marina Bay have organised several editions of the New Year's Eve Countdown. Source: William Cho

of place management organisations. The URA also engaged BID experts from the UK and US to conduct capability development workshops for public officers and precinct stakeholders, in order to deepen their knowledge of place management concepts and build practical expertise.

#### **SINGAPORE RIVER ONE: SINGAPORE'S FIRST FORMAL PLACE MANAGEMENT ORGANISATION**

In 2012, the URA decided to pilot a formal place management organisation at the Singapore River precinct. This precinct comprises the three historic districts of Robertson Quay, Clarke Quay and Boat Quay, areas that once housed warehouses and shophouses. Following the clean-up of the Singapore

River in the 1970s and 1980s, many of these properties had been restored into riverfront developments housing eateries, community institutions and retail outlets; some were integrated with new mixed-use projects.

Although each district was generally successful and vibrant, the overall precinct lacked a common identity. Each district catered to a different crowd, and despite their proximity to one another, most Singaporeans viewed them as separate destinations. For example, Clarke Quay was managed by CapitaLand as a standalone nightlife-centric quarter, and Robertson Quay mainly catered to affluent, expatriate families. Boat Quay's human-scale architecture and riverside ambiance made it a popular destination with



## The URA has launched a programme to catalyse the establishment of more BIDs across Singapore.

tourists, although its reputation had been affected over the years by aggressive touting and over-charging by restaurant operators, and rowdiness and sleaze associated with drinking establishments along nearby Circular Road.

For the URA, there was potential in highlighting the architectural, historical and other commonalities across the three quays, harmonising the attractions at Singapore River and promoting the precinct as an attractive round-the-clock destination. It engaged business operators and landlords to develop a common vision for the future of the precinct, and supported the organisation of stakeholder-led events and promotions.

These efforts culminated in August 2012 with the development of a five-year business plan for enhancing the Singapore River precinct; and the establishment of Singapore River One (SRO), a place management organisation to implement the business plan. SRO's key objectives included increasing visitor footfall, resolving the problems at Boat Quay, and strengthening the precinct's image. The URA provided some funding to SRO, which supplemented voluntary contributions from stakeholders. With the support of the URA and its members, SRO made various improvements to the precinct, including enhancing the Boat Quay promenade (such as by installing street furniture and landscaping) and organising precinct-wide events like the Singapore River Festival.

### THE URA'S PILOT BID PROGRAMME

In September 2017, the URA launched the Pilot BID Programme to catalyse the establishment of more BIDs across Singapore. Through the programme, the URA invited interested parties to submit proposals for the establishment of BIDs. In their applications, prospective BIDs

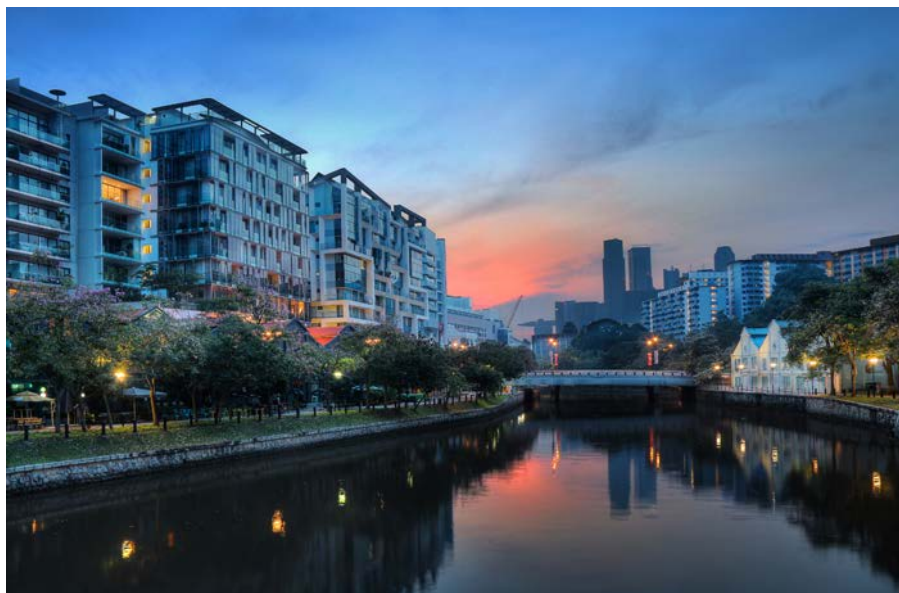


Figure 10: A view of Robertson Quay, looking south toward Clarke Quay and Boat Quay. The three quays make up the Singapore River precinct. Source: Erwin Soo



Figure 11: At Boat Quay, SRO initiated a successful programme to design and implement attractive outdoor pavilions for diners along the Singapore River. Source: Ken Lee

were asked to prepare a list of initiatives, potential members and a schedule of membership fees. They were also required to indicate the geographical boundary of their district.

For their proposals to be considered for the programme, at least 51% of the total number of stakeholders within the proposed boundary of the applying BID had to participate and commit

## BIDs must articulate a compelling case for place initiatives that would make business sense to their stakeholders.

membership fees to support the business plan. If successful, each BID would receive government funding for the first four years of its operations, with the government matching members' contributions dollar-for-dollar, up to \$500,000 per year.

In September 2018, the URA announced ten successful applications for BIDs at areas such as Raffles Place, Jurong Gateway and Paya Lebar. Since their formation, several of the BIDs have introduced programmes and events to enliven their precincts. For example, Discover Tanjong Pagar, a BID located in the Central Business District (CBD), has introduced a series of weekend activities such as mass workout sessions to attract more people to the precinct on days when most workplaces in the area are closed.

The Pilot BIDs can help to show the private sector how a more holistic enhancement of their development's surrounding communities can improve footfall and property values, articulating a compelling case for place initiatives that would make business sense to stakeholders.

On top of the government's funding commitment, the URA will also assist BIDs in developing their business plans. This move will help to further build knowledge and expertise among local place managers. The government has also indicated its commitment to promoting place management initiatives. In a speech delivered at the launch of the programme, Minister for National Development Mr Lawrence Wong said that the government will study the possibility of enacting legislation to provide legal backing for the BIDs, and that the outcomes of the pilot

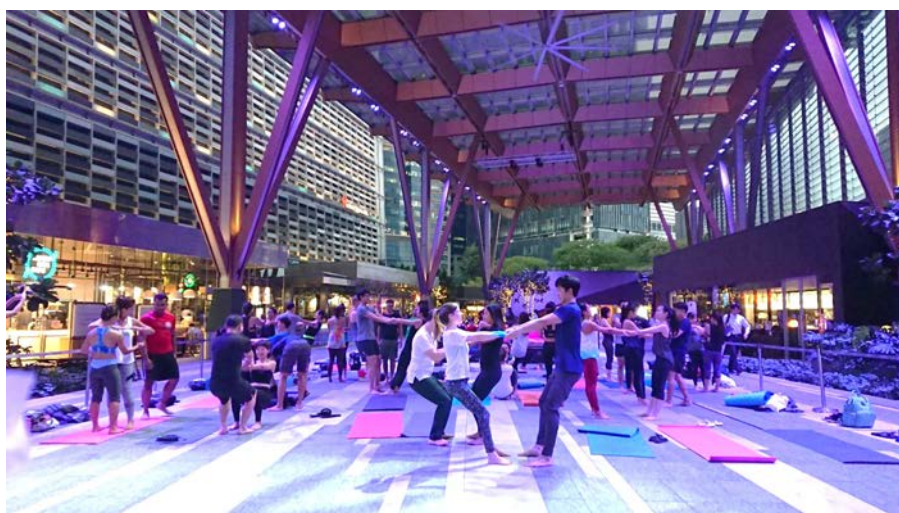


Figure 12: An exercise session held at Tanjong Pagar Centre's City Room, a large public space that is a regular spot for activities organised by the area's BID. Source: Ken Lee

will help inform future decisions taken in this regard.

### PLANNING MEASURES COULD HELP PROMOTE THE SUSTAINABILITY OF BIDS

Japan's experience with AMOs provides some useful insights to improve the prospects for Singapore's BIDs. Most notably, a key factor in the success of many AMOs is the ability to generate revenue through the management and leasing out of public spaces. Similar measures could also be considered in Singapore to enable BIDs to generate revenue.

Currently, all State land and properties are managed by the Singapore Land Authority, URA and other planning agencies. In order to provide more opportunities for BIDs to generate revenue, one way is to allow them to manage certain State land and properties. For example, at Kampong Glam, the URA supported the precinct

organisation One Kampong Gelam's (OKG) application to manage pedestrianised stretches of Bussorah Street and Muscat Street. This has enabled OKG to earn revenue through the monetisation of these public spaces for events and use by surrounding retailers.

Public spaces in vacant State land and decommissioned State properties for which there are no immediate development plans could also offer opportunities for BIDs to manage these spaces. Through this measure, the BIDs can earn revenue from hiring them out for advertising, events and other activities. They could make these spaces available for hire only to their members, thus creating a strong incentive for stakeholders to join the BID and pay membership dues.

From the planning perspective, this approach would activate unused or underused public spaces through a community-led process. These spaces could also serve as visual anchors of



a BID's presence in the community, raising its profile and drawing more awareness of its role in the precinct.

Additionally, planning incentives can be considered to encourage developers to provide BIDs with spaces such as covered atriums and multi-purpose halls within their developments to accommodate revenue-generating events and programmes.

## CONCLUSION

If the above planning interventions are designed and implemented well, they would support the financial and operational sustainability of Singapore's BIDs. In the long run, as the benefits of place management activities become clearer through the efforts of well-managed BIDs, there may not even be a need to enact legislation to provide legal support and recognition for such organisations.



Figure 13: OKG manages a pedestrianised stretch of Bussorah Street at the Kampong Glam precinct. The area is a charming, accessible and family-friendly destination. Source: Ken Lee

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