

【論文】

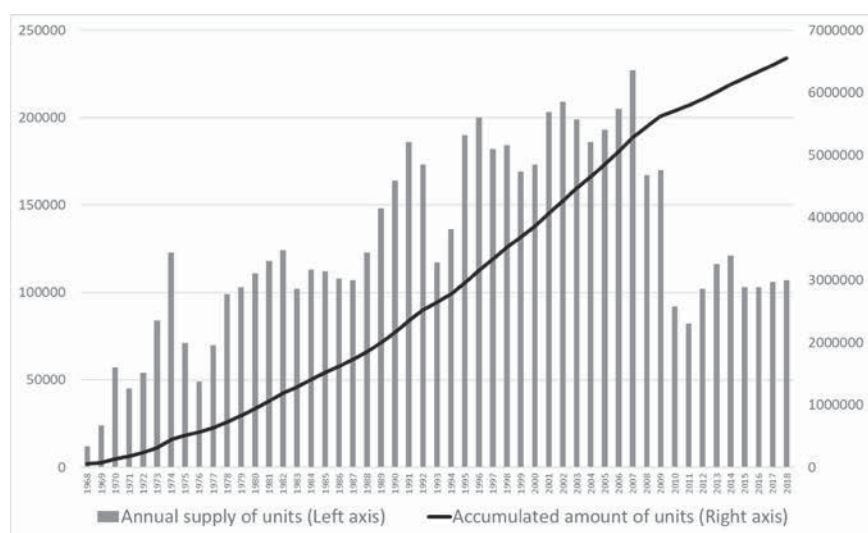
A Mixed Economy Model of Condominium Management

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1. Introduction

Condominium apartments (Jp. *manshon*; unit ownership in mid-to-high-rise residential buildings) are a common type of housing for middle-income households in urban areas of Japan. The Ministry of Land, Infrastructure, Transport and Tourism (MLIT, re-established in 2001) estimates that the total number of condominium units currently exceeds 6.5 million, accommodating 15 million people, or over 10% of the total population (Housing Bureau, MLIT, 2019). In Tokyo, more than 20% of the overall number of dwellings are condominium units (Tokyo metropolitan government, 2019).

Condominium ownership began to gradually increase as a result of overpopulation in urban areas during the rapid economic growth of post-war Japan in accordance with global trends regarding urban development (Brandy, Dupuis and Dixon, 2010: 1). Condominium provision has experienced a rise and fall relative to the balance of supply and demand (*c.f.* Fig. 1).



(Housing Bureau, MLIT, 2019)

Figure 1. Annual supply of condominium units in Japan

The most recent peak was in 2007, shortly before the subprime mortgage crisis, when 220,000 units were supplied in Japan. The most recent low point was in 2011. This was the year that the Great East Japan Earthquake hit the northeast region, with only 80,000 units supplied. Currently, around 100,000 units are supplied annually. Housing price peaked in the early 1990s. Following that period, the Japanese housing market experienced a long-term decline, in contrast to rising prices globally. However, the price of condominium units in metropolitan areas has been on an upward trend since the 2010s.

The construction of condominiums is subject to legal multi-dimensional restrictions, such as financial, land use and building regulations, because construction requires a large amount of capital and strongly impacts the environment both physically and socially. Therefore, the provision of condominiums depends not only on the economic cycle but also on government policies. The 'Urban Renaissance' is a policy agenda set for economic revitalisation that was established in the late 1990s. The deregulation of urban redevelopment accelerated the provision of condominium units in the inner core of large cities. A policy that encouraged reinvestment in central urban areas implied the gradual abandonment of suburban and rural areas, thus inducing population concentration (Hirayama and Izuhara 2018). The contrast of housing prices in central and peripheral areas is becoming sharper.

Under the Urban Renaissance policy, the number of super high-rise condominiums with more than twenty storeys, increased sharply during the 2000s. In the Greater Tokyo area, more than 40,000 units are expected to be supplied between 2019 and 2022 (Fudosan Keizai Kenkyujo 2019). The pace bears a resemblance to that of the peak in late 2000s. In Kachidoki, near the waterfront 2020 Olympic venues along Tokyo Bay, a large condominium complex consisting of three towers is planned. This complex will contain 3,120 units with the tallest building consisting of 58 storeys. In Nishishinjuku, near Japan's largest railway terminal, the redevelopment plan envisions 65-story twin towers containing 3,200 units. Until the 1990s, most super high-rise buildings were commercial buildings. However, housing currently constitutes their major component.

The Urban Renaissance policy has rapidly extended the level of residential space. Potential buyers purchase condominiums as commodities through the housing market (i.e. condominium developers). Financial deregulation and tax deductions have also expanded the opportunities to raise money for both suppliers and consumers. The basic materials and construction industries, which hold excessive production capacity, discover prospective markets.

However, there is an interstice in this seemingly impregnable political economy: the mundane management of the built environment. This is the reason why we focus on the managerial aspect of condominiums. Condominium management in Japan has reached a turning point as 'double aging' (Kojima 2013, Polívka 2016). This is when the ageing of the population coincides with the deterioration of existing properties. This paper discusses the characteristics and implicit premises of the Japanese condominium

management system, which depends on management associations run by unit owners. We focus on the concept of 'community', which has been frequently used in public discourse on that management system.

2. Two Models of Condominium Management

2.1. The legitimatisation of 'community building' in the context of condominium management

The legal system that regulates the management of condominiums has developed incrementally since the 1960s. The Act on Building Unit Ownership (ABU) was enacted in 1962, as a special act of the Civil Code, and was designed to address the legal problems associated with the ownership and management of properties. ABU is one of the key pieces of legislation for promoting urban reconstruction since the early 1960s, along with the Urban Modification Act (1961) and the New Housing and Urban Development Act (1963).

Article 5 of the ABU exerts control over the individual unit owners by prohibiting 'any conduct that is harmful to the preservation of the building or any other conduct that is contrary to the common benefit of the unit owners with regard to the management or use of the building'. In order to ensure the effectiveness of that control, Article 3 prescribes that:

All of the unit owners together may organise an association to manage the building, its grounds and its ancillary facilities, and pursuant to the provisions of this Act, may hold meetings, establish bylaws and assign a manager.

The stated association, which is usually called a 'management association' (MA: Jp. *kanri kumiai*), is a kind of unincorporated association that 'is entitled to demand that the relevant unit owners pay reasonable management expenses' (Article 20) and can acquire corporate status through a meeting resolution adopted by at least a three quarters majority of unit owners and votes (Article 47).

The prevailing rules for condominium management imply an efficient collaboration model among unit owners. This can be described as, a 'self-government model.' Members of the MA can constitute and rectify bylaws by a majority of votes. In 1982, the Ministry of Construction (the precursor to the MLIT) prepared and proclaimed the 'Standard Management Bylaw' (SMB) in order to facilitate the foundation and operation of MAs. The SMB has been modified irregularly (in 1983, 1997, 2004, 2011 and 2016; see Table 1), corresponding precisely to socio-economic contexts that have also triggered amendments to the ABU and the establishment of new supplementary acts.

Table 1. The Incremental Development of the Legislative System for Condominiums in Japan

Year	Legislative System		Socio-economic Context
	Act	Guidelines	
1962	Act on Building Unit Ownership (ABU)		Over-population in urban areas
1982		Standard Management Bylaw (SMB)	Accumulation of condominiums
1983	ABU revised	SMB revised	
1995	Act on Special Measures concerning Reconstruction of Condominiums Destroyed by Disaster (ARCD)		Great Hanshin Earthquake (first case of a huge urban disaster destroying many condominiums)
1997		SMB revised	
2000	Act on Advancement of Proper Condominium Management (AAPCM)		Diversification and advancement of management services
2001		Guidelines for Advancement of Proper Condominium Management (GAPCM)	
2002	Act on Facilitation of Reconstruction of Condominiums (AFRC) ABU revised		Double ageing of residents and buildings / urban redevelopment
2004	ABU revised	SMB revised	
2005		Guidelines for Standard Condominium Management (GSCM)	
2011		SMB revised	
2016		SMB revised	

According to the quinquennial Condominium General Survey published by the MLIT, a significant number of condominium associations have instituted their own bylaws based on the SMB. The unit owners act as a decision-making body in regular general meetings, while also electing members to an administrative board. In many cases, one board member is appointed 'manager', as defined by Article 3 of the ABU. Although most associations contract profit-oriented maintenance companies, these companies only perform subsidiary roles.

The relationship between the MAs and community-building activities has been continuously debated. In the early stages of the SMB, those activities were clearly separated from MA's businesses. By the 1990s, community-building activities were justified as component elements of condominium management in official SMB commentaries, on the grounds that cooperation and collaboration *with surrounding neighbourhoods* were necessary for efficient management.

The Guidelines for Advancement of Proper Condominium Management (GAPCM) was formulated in 2001 and was based on the Act on Advancement of Proper Condominium Management enacted in 2000. GAPCM defined the management association bylaw as 'the supreme standard for self-government of condominium management'. In 2004, community-building activities *among residents of the condominium*

were eventually written in the SMB as a standard requirement of MAs. In 2005, the MLIT instituted the Guidelines for Standard Condominium Management (GSCM) to complement the SMB with operational advice. The GSCM strongly recommended 'community-building activities' for all MAs.

2.2. The limits of the self-government model

The authorisation of community-building activities in the SMB and the GSCM implies a model wherein condominium management can be made effective through collaboration among unit owners. In short, this represents a 'self-government model' of condominium management. The persuasiveness of this model came from analyses of both successful and unsuccessful cases of condominium reconstruction following the Great Hanshin Earthquake in 1995. However, in the 2010s, official discourse has moved away from this model. Some influential policymakers foresaw the limits of the self-government model and partially succeeded in introducing a new model of management: the 'market-oriented model'.

The MLIT set up the Investigation Committee on a New Condominium Management System in January 2012. The reference material edited by the MLIT identified three phases in the management erosion process: (1) financial difficulty, (2) the degradation of residential structures and facilities, and (3) a decline in asset value. They warned that the 'double ageing' (of residents and buildings) process not only exacerbated the problems faced by management, but also weakened the problem-solving capacities of MAs. According to the Investigation Committee, the ageing of owners and residents provokes two problems: (1) weakening the problem-solving capacities due to a decrease in the number of electable board members of MAs and (2) financial difficulty, as it were, a shortage in operating and long-term reserve funds for MAs as a result of decrease in the disposable income of aged owners. Moreover, these weakened MAs should not be able to solve both financial difficulties and the obsolescence of buildings and equipment. The findings highlighted a vicious cycle of condominium management wherein 'double ageing' causes a decline in asset value, exasperating financial difficulties, which prevents the ability to enact effective measures for counteracting the 'double ageing' process.

The chair and key members of the expert committee, comprised of economists and lawyers, aimed to change management rules in attempt to address these problems. They argued that third-party specialists who receive fees for condominium management should be selected competitively through the market (thus, the 'market-oriented model') because self-governing organisations based on the voluntary, mutual participation of members would not be able to revitalise declining condominiums. They also postulated that unit owners lack the rational motivation to invest their effort in condominium management, which involves complicated but virtually unpaid work, and that the imbalance between the high cost and low reward might lead to unethical activities. Thus, they argued that the requirement for community-building activities should be removed from the SMB.

In effect, this dispute was triggered by two judicial precedents (Sup. Ct. 26. Apr. 2005; Tokyo High. Ct. 7. Aug. 2007) which nullified any mandatory payment of membership fees by MAs for neighbourhood associations. This applies even if the neighbourhood associations hold community-building activities for condominium residents. The grounds for the adjudication was the essential difference between the MAs and neighbourhood associations in terms of organisational principles. While the former assumes the compulsory participation of unit owners, the latter supposes voluntary participation by residents. As the self-government model is based on a coupling of the two types of associations, it is vulnerable to legal dispute.

2.3. Dichotomous views on unit owners

However, the move to update the management system from a self-government model to a market-oriented one suffered a setback in the autumn of 2012. The committee abruptly ceased work because of irreconcilable differences of opinion. While the various stakeholders and experts continued to debate, the committee split into those for and against the abolition of the SMB article that explicitly permits condominium MAs to hold various community-building activities.

The difficulty of developing a consensus on the matter reflected discrepancies in the basic assumptions underlying these two models. The self-government model relies on the assumption that unit owners, as 'citizens', work to conserve common property. On the other hand, the market-oriented model relies on the assumption that unit owners, as 'consumers', behave under the standards of individualised rationality. The following are extracts from the minutes of the last committee meeting (held on 29 August 2012) before the unconventional interruption:

Committee Technical Adviser A (a representative of MAs):

'In my opinion, managing one's possessions by oneself is normal. I'd like to make a point that we are ready to undertake whatever we can, even if condominium management may be rather troublesome. [...] As you know, there are some concepts like residents' self-government. I think that's the basis [of condominium management].' (p. 38)

Committee Technical Adviser B (a representative of condominium developers):

'Because there exists a prevailing recognition of the remarkable importance of management for the maintenance of asset value among condominium unit owners, there are enough diligent candidates for MA board membership. On the other hand, unit owners strictly evaluate the adequate management costs. Thus, we receive many inquiries from potential owners concerning the relative expense of management fees based on comparison with similar condominiums. [...] Presumably, MAs of newly constructed condominiums without any risk of management incompetence might be

expected to avoid taking on third-party specialists. Therefore, I am basically pessimistic about the feasibility of the new management system.' (p. 40)

Committee Member (an economist):

'To begin with, the idea that management by owners themselves can lower the management cost is simply incorrect. Learning how to manage and interviewing interested parties require enormous amounts of unit owners' time. [...] Even if the unit owners themselves spend time and effort on management, MAs should make adequate payment for their activities. If insiders are reluctant or unable to do the job, they ought to pay the same fees to commission someone else to do it. Conversely, MAs should pay insiders the same compensation which is determined for outsiders. In my understanding, even though condominiums with ostensibly low-cost management based on unit owners' labour have been pervasive, they cannot be sustainable.' (p. 41)

The committee resumed in August 2015. After heated discussions for several years regarding the revision of the SMB, in March 2016 the article that overtly endorsed 'community building' was removed. However, the simultaneously revised GAPCM (Guidelines for Advancement of Proper Condominium Management) retains the concept of the 'self-government of condominium management', while also adding new sentences specifying the importance of community building.

In the public discourse of contemporary Japan, the debate over condominium management might be related to fundamental questions over housing. Although the debate seems to have been temporarily settled through political compromise, similar conflicts are certain to erupt. What the debate lacks is a reflection on the framing of the problem. This could be formulated by both empirical study and theoretical concepts. This paper shows some materials based on qualitative research at a large-scale condominium complex in Tokyo. Following this, we propose a sociological framework on housing that refers to the existing literature on housing regimes.

3. A Case Study of Condominium Management

3.1. White Hill: a successful case of the self-government model?

We conducted qualitative research on a MA (2012-2015). The field site was a large-scale (1,872 units; site area: 124,000 m²) housing complex established in 1977 (*c.f.* Table 2. It was designed) as a redevelopment of a post-war R&D site and a pre-war military powder mill of a major chemical company. It is located about 15 km northwest of the centre of Tokyo. In our study, we call this site 'White Hill'.

Today, White Hill is known in both public and academic discourses as one of the most successful

examples of the self-government model of condominium management through its community building activities. In 2005 (*c.f.* Table 2), several urban and housing planners recommended White Hill to a subcommittee of the National Infrastructure Council, which subsequently referred to it as an excellent case of successful community building in its reference material.

Table 2. A Chronicle of White Hill and the Legislative Developments

Year	White Hill	Legislative Development
1962		ABU established
1972	Development plan unveiled	
1976	Construction and sales started	
1977	Occupancy begins and bylaws put into effect	
1980	All units occupied	
1983		ABU and SMB revised
1985	Kurasawa's research	
1986	Bylaws revised	
1989	Seven special committees for modifying facilities (gardens, parking garages, etc.) established under the board	
1994	Voluntary group for garden maintenance organised	
1995		ARCD enacted
1997	Bylaws revised	SMB revised
1998	New parking garage completed	
1999	Voluntary garden maintenance honoured by the minister of construction	
2000		AAPCM enacted
2002	Bylaws revised	AFRC enacted and ABU revised
2003	Bylaws revised	
2004		ABU revised SMB revised and general community-building activities (CBA) newly permitted
2005	Bylaws revised	Sup. Ct. concerning CBA GSCM enacted
2007		Tokyo Sum. Ct. concerning CBA
2008	MA referred to as a best practice by a subcommittee of National Infrastructure Council under the MLIT	
2010	Voluntary garden maintenance honoured with a city greening fund under the MLIT	
2011		SMB revised
2012	Bylaws revised	
2013	Voluntary garden maintenance honoured by the prime minister	
2016		SMB revised and articles on general CBA removed

In the middle of the 1980s, the management of White Hill was investigated by Susumu Kurasawa, a prominent urban sociologist of Japan, and his colleagues (Kurasawa ed., 1986). Kurasawa had proposed two models of problem-solution models in rural and urban neighbourhoods, a 'mutual-aid solution system' and a

'professional solution system.' He focused on White Hill as a typical case of 'professional solution system' in a highly urbanised area. Notably, although Kurasawa recognised the possibility of transitioning from the latter (professional) model to the former (mutual-aid), he dismissed this possibility in the case of White Hill because his study group's comprehensive research could not confirm the presence of any 'apparatus' (*i.e.* an organisation or set of facilities for community-building among the unit owners). In his thinking, this would be indispensable to the irreversible transition between those dichotomous models.

What is interesting is that his observation corresponds to our two models of condominium management: the self-government model and the market-oriented model. Could White Hill be regarded as a typical case of the self-government model or of the market-oriented model? We shall pursue a possible third way, a 'mixed economy model.'

3.2. The organising process of the management association

One clue in this pursuit is the organising process of the White Hill MA. During our interviews with MA leaders, everyone emphasised the effectiveness of their association's highly organised system by showing their organisation charts and a file with a cross-referenced table highlighting differences between their current management bylaws, their former ones and the SMB. From their current organisation charts, we confirmed that the number of board members and the volume of tasks they have to complete have increased by roughly twofold (board members have increased from 11 to 22; the number of tasks from 8 to 20), while extra positions (which they call 'expert advisers' and 'management subsidiaries') have also been established. This contrasts with the original situation examined by Kurasawa. We can consider the increases in both in board members and MA tasks as evidence of the organisation's long-term formation.

Furthermore, not only the transition of their management bylaws, but the narrative created by various key personnel have also confirmed that this highly organised process resulted from their experience in consensus building accumulated during the collective self-provision of housing needs. This process resulted in the creation of assorted organisations and facilities, such as voluntary groups maintaining the extensive gardens, planning the five-storey parking garage, and providing security, among others.

The garden (45,000 m²) is called 'the Forest of White Hill' as a symbol of their proud 'community' or 'hometown'. Initially, the management company contracted various gardening firms to plant and maintain trees and grasses. However, as these began to grow too large in the early 1990s (*c.f.* Table 2), the management company started to negotiate informally with the board of the MA for a gradual takeover of the garden administration, involving unpaid work by the residents. Incidentally, some residents formally or informally demanded that the board dealt with the criminal risk brought on by the darkness created by the trees and tall grasses. According to the call from the board, a volunteer group was organised by several housewives, retired people and business executives who had already begun to prune or weed around their own unit. This group

worked under the highly professional support of several landscape designers recommended and sponsored by their management company. The sedulous activities of the volunteer group rendered results and garnered praise from the MLIT (including its predecessor) in 1999, 2008 and 2010, while in 2013 they were even honoured by the prime minister (*c.f.* Table 2). To date, the presence of this group maintaining its garden has been seen as a highlight of community building among condominium management specialists.

To conclude, we had to accept not the simple transition from a pure market-oriented model to a self-government model, but a hybridisation of the two. This raises the question of how this transition or mixture occurred, and more precisely, how we can identify changes in the mixture of housing resources. We assume no MA should start as a fully-fledged organisation but rather expect it to 'mature' as an organisation to solve problems involving conflicts between the housing interests of its unit owners, and problems arising from the ageing residents and deteriorating buildings (as in the case of White Hill's voluntary garden maintenance group, which was organised to resolve discord between the private management company and the board) or among the residents themselves.

Taking into account the maturing process of the organisation of the MA, we believe it is clear that the 1980s Japanese urban sociologists' declaration of the absence of a community-promoting apparatus at White Hill was premature. However, in more recent years the key players in this MA, as well as almost all housing policymakers and researchers in Japan view the MA as having been highly organised from the start. We regard this as the result of 'maturation' of the MA, which has repeatedly solved problems by mobilising diverse resources.

3.3. Other workplaces

Why or how has this 'maturation' process occurred? In interviews with the key individuals involved in White Hill's condominium management, we noticed that most of them were men who had retired from managerial positions at large companies. In fact, this male-centric board membership was also found by Kurasawa's team and seen as evidence that the unit owners at White Hill had, on the surface, a collective orientation towards market-based solutions. However, through the narratives of our informants, we instead discovered evidence that their professional backgrounds actually enabled them to organise and solve successive problems voluntarily, rather than by relying on market-based solutions.

We should note that the unit owners at White Hill do not belong to the current mainstream professional class but to a historical class that existed at a specific point in time: the class of workers from 'Japan Inc.' that the US economist James Abegglen (1971) described as the essence of the Japanese corporate-dominated society from the 1950s to 60s. We were reminded of this perspective when we heard one informant, a former eminent public official, respond to one of our queries with the formal term 'our company (Jp. *waga-sha*) ...' in reference to their MA. In short, they used this outdated expression to identify their informal, voluntary

relationships by making an analogy to their former business organisations.

Merton (1948) would describe this former official's use of language as a 'supplementary projection', defined as a psychological tendency that "the attributes of individuals' experiences are believed to be typically found elsewhere as well" (Merton, 1948: 197). Such imagery prevailed within the context of 'Japan Inc.' because the interests of individuals, companies and the government were coordinated around a principle of national economic growth that realised the maximisation of individual wealth as well as that of companies and the state. As a result, the more employees were induced to contribute to their companies voluntarily and enduringly, the more likely they were to describe their informal relationships or voluntary organisations via an analogy to their companies, such as the MA of White Hill – even if they could not reconcile the principle with reality.

We hypothesised that this internalised form of consciousness and behaviour motivated the key players to become involved in the MA as much as, or more than, in their companies. For example, when one interviewee, a former administrator of a large-scale construction company, told us that he risked the captious but affectionate complaints of his wife by working until midnight with some board members of MA all of the informants sharing the table nodded heartily as they listened to his narrative.

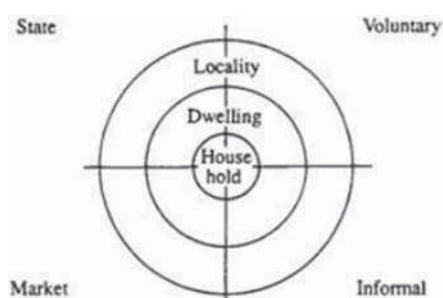
Their voluntary, long-term participation in the MA has improved their ability to solve problems and to satisfy their own housing needs collectively through the accumulation of technical knowledge of law, finance, and consensus building. Even if the members were lay people, they could still gain quasi-expert or professional capacities. Accumulation of human and social capital enables the maturation of the MA. For instance, one of our informants acquired the official licence of 'Certified Condominium Manager' after retiring from the largest commercial bank in Japan. Thus, he became widely known as an expert in condominium management as an executive officer of the Japan National Association of Condominium Managers. Participation in the MA only through rotation has drastically changed his career. The MA could be experienced as another workplace.

In the case of White Hill, the voluntary mutual-aid relationships in the MA were cultivated by participants' envisioning the association as rooted in an economic growth-oriented society Abegglen aptly labelled 'Japan Inc.'. In addition, as in most companies constituting 'Japan Inc.', some inexperienced participants gained near-expert or professional capacities in problem-solving through their voluntary, long-term commitment to the MA. This corporative and successive maturation of housing provision in Japanese condominiums contrasts with, for example, the severe conflicts between homeowners associations, property management firms, and local governments in newly developed residential neighbourhoods of contemporary China. These neighbourhoods have a 'long-standing discriminatory culture against citizen-initiated, non-governmental organizations' (Brandy, Dupuis, and Dixon, 2010: 141).

4. Sociological Perspectives on Condominium Management

4.1. Multiple providers of housing

The mixture of resources for service provision has been discussed in the welfare state literature. Rose (1986), who proposed the concept of welfare mix, pointed out that welfare services are provided by the market, the government and family. They are critical of traditional welfare research that limited its scope to governmental efforts. The concept of welfare mix sheds light on the role of the private market and family. Although the role of the government in the provision of housing is smaller and more indirect than in medical care or education, housing can be discussed as a key element of the welfare state. Kemeny (1992) developed Rose's idea to establish a more suitable framework for analysing housing. He clarified four or five forms of welfare resources and three dimensions of housing. This framework implies a diverse mixture of welfare resources in each dimension.



Source: Kemeny (1992: 78)

Figure 2. Dimensions of Housing and Forms of Welfare

The three concentric rings of **household** (type, stage of family cycle, socioeconomic status, etc.), **dwelling** (type, size, condition, facilities, etc.) and **locality** (local complementary facilities, transport and communication, social characteristics of the neighbourhood, etc.) constitute *in toto* the phenomenon of residence and its impact upon social structure. Each dimension can be characterised by a particular mix of welfare forms, with different degrees of importance for **state**, **market**, **employer**, **voluntary and informal provision**, varying between households locally, nationally, and internationally (Kemeny, 1992: 78–79; emphases added).

This discussion regarding the multiple forms of housing resources has led to the typology of the housing system. Kemeny (1995) identifies two types: 'the dualist rental system' and 'the integrated rental market'. In the former, public rental housing managed by the government almost exclusively for low-income households plays only a residual role, as the rent of private for-profit housing is so expensive that people prefer to

purchase their homes. The system is, therefore, dominated by owner-occupiers. By contrast, in the latter system, voluntary providers have a significant influence. Various not-for-profit providers assisted by subsidies and rent regulation enter the same housing market as for-profit providers. The stable supply of affordable rental housing inhibits the dominance of owner occupation.

Informal providers include not only nuclear families but also extended families, neighbours, and friends. In this context, Pahl's (1984) study on 'self-provisioning' is quite informative. Pahl and his colleagues noticed that a significant number of people assign a notable amount of work towards improving their dwellings. He recognised the prevalence of DIY projects as an expression of a long-term tendency to turn to the local community and home along with weakening employers and the government.

In the context of post-industrialisation, DIY is not merely a hobby. Dwellings can function as reservoirs of surplus labour and insurance in the event of unemployment or loss of income. This observation implies that the growing disparity among households is mediated by the informal work invested in the maintenance and management of one's dwelling. Households that own homes with high resale value and that are able to mobilise an abundant labour force will get richer, and vice versa.

4.2. The transformation and stickiness of housing regimes

Inspired by Kemeny's framework, Schwartz and Seabrooke (2008) distinguished four types of 'residential capitalism': corporatist markets, liberal markets, statist-developmental and familial. These types are classified by their relative deviation from the average OECD levels of mortgage debt to GDP and owner-occupied dwellings as a share of all dwellings. The authors' discussion on varieties of housing finance systems suggests that this diversity derives from the conception of housing embedded in each society. A critical ramification of a society's conception of housing is whether it will be seen as a 'commodity' or a 'social right'.

Table 3. Four Ideal Types of Residential Capitalism in 19 OECD Countries

(#s in each box are unweighted average % level for group for the indicator)		<i>Owner-occupation Rate</i> (average of 1992 and 2002)	
		Low	High
<i>Mortgages as a % of GDP</i> (average of 1992 and 2002)	High	Corporatist Market Mortgage::GDP %: 58.3 Owner-occupation %: 47.0 Social rental %: 20.7	Liberal Market Mortgage::GDP %: 48.5 Owner-occupation %: 70.1 Social rental %: 9.4
	Low	Statist-developmental Mortgage::GDP %: 28.2 Owner-occupation %: 58.3 Social rental %: 16.8	Familial Mortgage::GDP %: 21.6 Owner-occupation %: 75.5 Social rental %: 5.5

Source: Schwartz and Seabrooke (2008: 245)

The 'liberal market' in Schwartz and Seabrooke's typology is compatible with the 'dualist rental system' defined by Kemeny. In societies described as liberal markets, houses are regarded as commercial goods or private assets. A high rate of mortgage debt indicates a fully-fledged housing market connected with the global financial market. In such a market, it is easy not only to purchase homes using mortgage loans, but also to withdraw equity by re-mortgaging *in situ* (Lowe, 2011: 119).

Although both the 'corporatist market' and 'statist-developmental' types focus on housing as a social right, the former is considered to be comparatively open to the financial market. The differentiation between these two types implies that countries with integrated rental markets are undergoing a splintering process. According to Lowe (2011: 157), 'Denmark and the Netherlands in particular have become much closer to the dual rental/home-owning model'. In Denmark, permission given to housing cooperatives to set market pricing for flats triggered a rapid inflation in house prices. In the Netherlands, tax relief for mortgage payments boosted the rate of home ownership while not-for-profit housing associations operating social housing were subjected to several new restrictions under EU competition rules.

In countries described as 'familial', the informal sector is relatively persistent, the housing market is underdeveloped, and housing is not regarded as a social right. The overwhelming dominance of owner occupation and low-level mortgage debt are compatible because borrowing money from or sharing houses with relatives can be effective ways to secure residence. Lowe (2011: 183) notes that in Italy, 'the low degree of liberalisation and high transaction costs means that much less equity is withdrawn from housing'. In Russia, 'housing is largely a frozen asset' (Zavisca, 2008: 383; cited in Lowe, 2011: 187).

The owner occupation rate and the mortgage debt level of Japan, located in the statist-developmental quadrant of Schwartz and Seabrooke's typology, are near the OECD average. This position implies a moderate quality to the Japanese housing regime. Although the commodification of housing and the globalisation of finance have resulted in a convergence with the liberal market regime, differences between regions still persist. The proportion of different housing resources varies across societies. Institutions and customs are intertwined with this process, with the physical and social embeddedness of housing functioning as filters against change.

4.3. A 'mixed economy model' of condominium management

We can reconstruct a portrait of the mixed housing economy using comparative and historical studies on the housing regimes noted above. Housing is not provided by a single source, but from multiple sectors operating according to different principles. This framework is applicable not only to national housing systems, but also to particular properties or neighbourhoods, as hinted in Kemeny (1992). Needless to say, housing resources cannot be confined to the physical construction of buildings. Resources also crucially include the maintenance and management of the residential environment. Maintenance and management

providers are not necessarily the same as the providers of the building itself. Moreover, while providers often change over time.

In light of the discussion so far, condominium management can be regarded as a mixed economy. The 'self-government model' authorised in the SMB and GSCM assumes that MAs operate based on not-for-profit principles. While MAs in the voluntary sector establish contractual relationships with management companies as private for-profit entities, maintenance and management more or less involve collective self-provisioning (DIY) rooted in informal relationships such as with family, neighbours and friends.

The specific mixture of resources differs according to physical conditions (location, scale and property value) and social conditions (the attribution, attitude, and behaviour of owners and residents). In the case of White Hill, we can observe not only the transition of housing resources from 'market' (private company) to 'voluntary' (voluntary group), but also, if we notice the organising process of 'informal participation' for the maintenance of the built environment and the authorisation by the 'state', a mixture of the four dimensions of housing resources.

5. Conclusion: Commodification as process

In order to discuss the relationship between people and the built environment on some abstract level, it may be beneficial to examine the nature of commodity. As stated in the introduction, condominium housing is a commodity. However, commodity is not a fixed status, but rather one that undergoes a 'commodification' process. The concept of commodification also leads us to the opposing concept of 'decommodification.'

Decommodification is a pivotal concept of welfare research (Esping-Andersen, 1990). In a broad sense, it refers to the needs-based provision of goods and services by public sector bodies, such as the National Health Service, and the regulation of the commodification of labour by the government, such as through statutory working hours. In this case, the commodity is converted into a social right. Similarly, as mentioned above, urban sociologists have focused on the unpaid self-provision of goods and services by the informal sector. In this case, the monetary exchange is converted into a barter exchange. Furthermore, Kopytoff (1986) has discussed the concept of 'decommodification.' In this process, things gain 'singularity' (Kopytoff, 1986: 74) or unexchangeability.

The residential built environment is prone to this multi-dimensional conversion. If we adopt a biographical view of housing, a house is born as a commodity provided by a commercial enterprise through the open market and can take on different characteristics as it matures, since the voluntary and informal sectors become deeply engaged in the maintenance and management process.

Decommodified assets can be converted into commodities as commodification is not an irreversible process. Assets can enter, exit, and re-enter the market. The MA leaders of White Hill emphasise a sense of

'hometown' in referring to the symbolic value of the Forest, where they organise a large festival every autumn gathering thousands of people from inside and outside the housing complex. They also talk about the recent trend of unit trading. Vacant units are often bought by the second generation, whose ageing parents live in the original units of White Hill. According to the story supposedly including some kinds of wishes of those storytellers, the second generation grew up there, left the nest and returned to their hometown with new family members. It is believed that this trend maintains the market value of the units.

The reason why the concept of 'community' has been appreciated within Japanese public discourse on condominium management is most likely due to its embracive connotation, which is believed to be appropriate to convey the (desirable) equilibrium among various providers of housing over time. 'Community' is expected to provide the basis for the capability of MAs. On the other hand, the comprehensiveness is inextricably linked to ambiguity. The informal nature encoded in the concept of 'community' has raised criticism among those who value economic rationality and legal compliance. We need to articulate the phenomena encompassed by the term 'community' in order to conceptualise the mixture management and its governance for particular conditions.

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