Abstract. In metropolitan Jakarta, the ability of private developers to mobilize funds and control over large amounts of land gives considerable impact on the making and implementation of a statutory spatial plan for the new town. Notwithstanding, new towns, as products of a huge network of processes that led them to become gradually whole, represent neo-traditional towns grown on the vision, the internal logic and the self-determined aims of real estate companies.

Among several new towns in Jakarta, Kelapa Gading represents an urban growth machine with much greater involvement by business people. This fastest growing sector of the greater economy in Jakarta might be also the greatest innovator when it comes to the entrepreneurial based urban concept. Unlike the old model of city economic regeneration based on public sector subsidy and inward looking business led by local government, Kelapa Gading represents the new model of the new city where private sector takes on the leading role.

This paper examines how the developer had transformed vast unproductive lands in Kelapa Gading into a satellite city of almost 20,000 units of houses, apartments, shop houses and malls. The study was based on the investigation of existing as-built archives as well as exploration of the process through which the township has been created and represented as a new city by a single development company.

It reveals that Sucipto Nagaria, the owner of the company become the main figure who upholding the law in a coherent approach to account properly for the growth, the development, and the morphology of the emerging city. He made careful controls and a step by step process for building up the key factors in the process of city development, both in terms of constant movement and settled formations. As a result Kelapa Gading is a mature township and fast growing city with concentration of residential and retail development. None other part of Jakarta competes with the dynamic city rhythms and elasticity of Kelapa Gading. This is indicates by the high frequency rate of mobility and transition of property ownership in the city. Kelapa Gading represents an entrepreneurial city that recognizes the effect of interaction amongst various components within the economic flow that produce city dynamism.

The paper concludes that the company’s achievement to sustain Kelapa Gading is based on paradoxical talents. The company must adhere to the rigid formulas that govern the city’s profitability, but at the same time it needs to generate continual innovation, in order to stay at forefront of the constantly changing “state of the art” of an entrepreneurial city.

1. First Stage of Development: Starting from Zero

Ever since Marcus Licinius Crassus, the richest developer from ancient Rome, there was a myth that real estate development was a game played by very rich people (Hines, 1988). Sucipto Nagaria, the single figure very well known as the city builder of Kelapa Gading, was not wealthy when he began involving himself in the real estate business. However, as an entrepreneur, he has the sensitivity to notice the opportunities of raw land and then to respond with solutions to transform the land into “crown jewels”.

The forming process of the city began in 1970 when the metropolitan government of Jakarta built the new road of Perintis Kemerdekaan which connected Senen area in the city center to Pulo Gadung in the East of Jakarta. Knowing the direction of growth in surrounding area, Sucipto bought 10 hectares of the swampy land close by the new road. At the time, he acted as a speculator who owns two conditions that must prevail in order to gain profitability in land speculation: the availability of money and the expectation of rising land price. He bought the land without any intention to use it, but to resell it for profit.
He aimlessly started to invest by erecting 30 small detached houses, each was 5 x 18 square meters in size, which was later on called the Kelapa Gading Permai housing complex. During those times, there was an important force he recalled as a blessing in disguise: the absent of competition among the developers. He was the only person who pioneered the development of this no-man’s land. This milestone was precious since afterwards he gained profits when 300 housing units of Kelapa Gading Permai were sold out. In 1976 he established the Summarecon Agung Company. From then on he set up himself to be seriously involved in the real estate business. The company performed as the sole operator to build the city: buy the land, get zoning and subdivision approvals, put in the infrastructure and set up buildings.

2. Second Stage of Development: Setting Up the Stimulus

As the owner of the company, Sucipto started with humble small numbers of houses, but then moved ahead by buying ample land and assuring complete control to develop the housing that would attract the middle class. He upholds with three principles every potential developer should adhere to: first, he stays in "his own backyard" or the area he was very familiar with and intimate; second, he always acquires the right parcel in the direction of growth; third, he starts gradually small and then goes through the entire process of development, i.e. the negotiation for the land, the land acquisition study, the approval and the construction of buildings and infrastructure. The experience of dealing with small land parcels has provided him invaluable lessons about the development without risks, compared to large development efforts. When the process makes a profit, he goes to larger job and then takes the next step.

In 1978 the company conducted an extensive landfill process to modify 30 hectares of swampy land to obtain the soil bearing capacity required. In this stage Sucipto made careful plans and a step-by-step process for developing key factors in establishing the stimulus for the city of which some of his predecessors had overlooked. He developed markets, schools, a commercial and food center, and eventually a sports center in chronological order.

The first step was to set up a wet market close to an already built housing complex. In the next period of development, the company moved the market to the interior area of the housing complex. This was the strategy to put the interior units on the market, since in fact it was more difficult to sell these units. In 1984 the company built Pasar Mandiri - a retail complex anchored by a supermarket and surrounded by variety of stores. Although this pattern is typical of commercial buildings, it was new for Indonesia. The idea copied the concept of ‘market’ such as in Singapore. For the first time and later in subsequent actions, Sucipto applied a shortcut, acting as an imitator rather than an innovator. In building components of the city, he proved himself that imitation seldom requires as much trial and error as innovation does. The former makes up only a fraction of many individual instances, in which new goods and services are added logically to older work.
The second step was building private schools. The company started establishing Tunas Karya School in 1979, followed by Al Azhar Islamic School in 1983. As an Islamic school affiliation, Al Azhar held the brand name as the best Islamic school in Jakarta. Therefore shortly afterward, the school successfully triggered the image of the area and steadily boosted the market for housing units. These encouraged the establishment of other schools such as BPK Penabur, North Jakarta International School, Jakarta Taipei International School, and Don Bosco.

Institutionally, schools and public facilities in Indonesia should become linked to the territorial unit of the district organization, based on the population density of the district. As recommended by Perry (1929), one elementary school is ordinarily required for a population between 5000 and 10,000 persons. It is interesting to reveal that the establishment of the private school in Kelapa Gading has nothing to do with the size of neighborhood, as often measured in the theory of neighborhood design. In Kelapa Gading, the establishment of a private school first - which should not have to be fulfilled as a parameter to embody a comprehensive plan for the establishment of community, instead this acted as the means to advertise the fine features and benefits of the city development that would provide the urban neighborhood with excellent education opportunities.

Building good schools - which means attracting large families with children is a universal and classical principle, yet by no means significantly stimulating great numbers of population. The role of schools is central to establishing an embryo of Kelapa Gading to become a city.

The third step was preparing the commercial center. In 1982 Sucipto started to buy the surrounding land of his initial project, set up land development, and then he took over the construction of 2 kilometers length and 48 meters wide street that he named after Kelapa Gading Boulevard. To gain livability and vitality in 1983 the developer built rows of mixed use buildings known as rukos or shop/office-houses along the boulevard. As had been shown in many parts of cities in Indonesia as well as Asian countries, shop houses were typical of enduring urban elements that not only maintain the economic sustainability of a city, but also retain the energy and liveliness of the inner city (Ellisa, 1998). However, although shop houses represent a novel rearranging of effectively internal space through mixed uses of business and living, such hybrid complexes do not really constitute architectural innovation. Usually, when this type of building stand in line, it contributions to the townscape is nothing more than a dull and anonymous appearance. Therefore, during those times, it was unpopular idea to establish commercial strip with shop houses within real estate housing complexes.

Developers more interested in developing a handsome garden city without being interrupted by the bustling of business activities and the boredom of repetitious façades generated by shop houses.

Nevertheless, the company considered that establishing commercial centers with shop houses was an appropriate scheme since shop houses provide the place for small-scale businesses and enhance entrepreneurship. But encouraging the merchant to rent or purchase units of shop houses and to initiate businesses were not a simple task. Most merchants were doubtful about the threshold of business activity. People demonstrated their skepticism since the commercial development appeared to neglect central place concepts, which offers considerable utility as a planning guideline. The characteristics of shopping behavior, the market area boundary and existing population density during those times hardly stimulated the purchase of goods and the services offered.

As argued by Hartshorn (1980), the entrepreneurial behavior often neglects the principal of the central place concept. An entrepreneur in a market distribution system often adjusts instantaneously to change the business environment. They have ‘perfect knowledge’ of their market and there may be significant time lag between environmental changes and entrepreneurial reactions to those changes. Sucipto was convinced that raising successful commercial center as the primary organ of city development would take a long time and this gradually occurred. Yet the process was full of surprises and was hard to predict - or was even unpredictable, before it has happened. To counter these merchant’s doubt, Sucipto had to exercise various strategies that included financial subsidies and zero rental incentives. The aim was to eliminate the anxiety among merchants that the amount of overhead cost would hinder the probability of break-even or profitable business investments in Kelapa Gading. Sucipto also started to develop low-order convenience goods with low threshold level of
economic support such as copy center, barbershop, drycleaners, drugstore, beauticians, and other convenience grocery stores.

Surprisingly the effort resulted in a successful outcome. Gradually after 20 years, more than 1500 units of shop houses line along the boulevard and make them into longest line of shop houses build by single developer in Jakarta. There are also other 2,000 units of shop houses built by Summarecon in Kelapa Gading city outside the boulevard. Despite the long standing and highly competitive malls and department stores, shop houses along this main boulevard still hold the leading edge as the driving force to trigger the formation of Kelapa Gading as an entrepreneurial city.

But relying merely in commercial and business activities would not guarantee livability. This aspect forced the developer to build the image of the boulevard as a food center. There are three reasons that culinary businesses are considered to be important. First the area needs activity at night to avoid ghost's street syndrome. There are tendencies that commercial centers are characterized by strong day time-night time contrast as a result of their specific functions. The company realized that most business activities take place during weekday business hours, except entertainment and dining that occurs throughout the day. Second, people who live in the housing complex spent most of their whole time outside their homes, as there was no much need to cook at home. Third, most of the inhabitants were small nuclear families and cooking at home was not considered to be efficient.

In 1983 the developer started to persuade the food sellers in Pecenongan, one of the existing famous street foods serving excellent Chinese seafood in Jakarta to relocate their facilities. The location of Pecenongan is close to the National Monument of Jakarta, but far away from Kelapa Gading. In this case, the company employed a short cut through the straight forward reproduction of Pecenongan Kelapa Gading in the form of a parent organization of the original Pecenongan as the formula of a fragmental work. After a long time the struggle to maintain new merchants keep on going with their business, eventually the area become as the most popular food center in Jakarta. Now in the evening and on weekends, restaurants and various businesses along the street and sidewalks have maintained the bustling ambience of the city center of Kelapa Gading.

Figure 2. Development Phases and Map of Kelapa Gading
The company ended the second phase of development by establishing a sports club in 1984. In Jakarta, it was the first fitness center established inside a housing complex, a strategy which then was followed by other developers. During those times, the sport club membership symbolized high class status. Sucipto was inspired by real estates in Kuala Lumpur and Singapore which provided sports club as one of the prime elements in order to achieve affluent buyers. He adopted the same concept and prepared a careful design to establish Kelapa Gading Sport Club to become the biggest sports club in Indonesia at that time. Ever since, Kelapa Gading Sport Club completely boosted the reputation of Kelapa Gading and accordingly increased the purchasing of housing properties by affluent people.

3. Third Stage of Development: Completing the City

As the area of Kelapa Gading grows mature, the increase of population growth and buying power signaled opportunities to derive benefits from the rise of personal and business income. After successfully creating the community shopping center of Pasar Mandiri and the shopping street along boulevard, the developer sought the opportunity for a super-regional center. To begin with Sucipto started with his own words. He initiated the third phase of development of Kelapa Gading city as he said in 1985: “….. I intend to establish a copy of existing Blok M Kebayoran into Blok M Kelapa Gading in ten years and ten years afterward the copy should be better than the original (Kartawijaya, 2005)”.

During 1980s Blok M Kebayoran was one of the most prominent shopping centers in Jakarta, while Kelapa Gading was not more than just embryo of a city. But as the developer, Sucipto believed in himself and his right to guide his own destinies. Driven to be successful, he is an action and goal oriented. He prepared 20 hectares of land along the boulevard that he named Blok M Kelapa Gading. Geographically the land was a well located site, easily reached at the intersection of two major highways in the South and North. The area around the site was not only started to be densely populates but also provided adequate financing since the area's buying power was strong enough.

The company started with establishing a mini market inside the existing Mandiri Market in 1985. Later on, the developer set up one building followed by others, from Diamond supermarket in 1987, Kelapa Gading Plaza 1 in 1990, Kelapa Gading Plaza 2 in 1995, Kelapa Gading Plaza 3 in 2003 and La Piazza in 2005. The malls generated a super-regional shopping complex broadly totaling of 500.000 m2 or 20% of the total shopping mall area in Jakarta. The malls were visited by 30 million people every year and were promoted as the biggest mall in Indonesia (Kartawijaya, 2005).

Finally, the company put effort in strengthening the image of Kelapa Gading as the prominent culinary center in Jakarta. In 2000 the company opened the Gading Food City as the place to meet and relax. Practically speaking, it does not only offer immeasurable types of food, but also offers a peaceful ambiance and greenery for its eating places. In 2002, another food center called Gading Batavia was opened for the public. The area skillfully mixed the content of ‘what to offer’ with the context of ‘how to offer it’. The design of each restaurant bore the imprint of Old Batavia while the ambience of the area replicates the Singaporean Boat Quay by emphasizing an existing canal.

Twenty years later, Sucipto finally proved the truth of his own words. Blok M Kelapa Gading has totally changed the face of the city. The mosquito-ridden swampland was transformed into a 500 hectare mixed use compound, encompassing residential, shop houses, shopping malls, food centers, and various urban facilities. Since 2006 the city developed by Summarecon Company officially changed its name from Kelapa Gading Permai into Summarecon Kelapa Gading. The sculptures set up as gates of the city in the South, the East and the West symbolize the strong correlation between the city and the company.
4. Kelapa Gading Communities

There are three typical forms of community observable in Kelapa Gading: 1) the working-class with moderate income levels 2) the middle class family which exhibit strong family orientation and 3) the very exclusive residential communities. Based on interviews with the management of Summarecon Company, it is generally recognized that neighborhoods go through cycles of growth. When the neighborhood is newly formed, new development is in vogue. When the neighborhood reaches its maturity it will start to decline in property value and business activity. Many neighborhoods will then reach a revitalization stage when neighborhood growth reoccurs. In this case, the development company of Kelapa Gading needs to place a reasonable amount of capital into new structures. Property values and business activities will then reach a new peak. This peak in neighborhood development may then be followed by another period of investor apathy and unstable market conditions. Then again, a new cycle is beginning to occur.

The initial development of the housing complex in Kelapa Gading represented no particular design innovation. The speculative gridiron configurations of local streets were emphasized, presumably to maintain the option of normal sales of building lots, considering that they were established when Kelapa Gading was set up for working class families into moderate income communities. Typically the houses are single story row houses of which each unit is divided by a party wall.

In the subsequence phase of development, which occurred during 1990s, the company supplied single-family semi-detached houses. This was an attempt to provide affordable single-family housing to a large segment of the population. Residents exhibit a strong family orientation which is represented by the family emphasis on privacy and a preference to stay at home. The threshold issues for many families who live in these housing enclaves are the good quality of existing schools as well as the proximity distance to various types of shopping centers and places to relax.

Exclusive housing establishment as the latest phase is predominantly supplied by developer for affluent people. They are the apartments of Wisma Gading Permai and The Summit where the rich are living in a protected environment with all possible services. The developers also established the very exclusive and peaceful housing areas located in the isolated compounds such as Gading Nirvana, Gading Park View, Gading Riviera, Gading Kusuma, Bukit Gading Villa, The Kew and Royal Gading. Each cluster has its own architectural style, such as Gading Kusuma with Classical Modern, Gading Nirwana with Mediterranean, Gading Riviera with American-Stylistic, and Gading Park View with Modern but classical features. All perfect high class western style houses sit silently within manicured lawns or with a tropical garden theme in the foreground. Some clusters have their own swimming pools and playgrounds.

Bukit Gading Villa, often nicknamed as the Beverly Hill of Jakarta, is populated by an exclusive upper-income group and is distinguished by very large lots between 420 – 1,300 square meters each. Luxurious features such as swimming pool and driver as well as maid quarters are very common in every house. Divided into four clusters, Bukit Gading Villa is arranged with a green environment theme and tropical flowers. The design theme of the house follows the owner’s taste, but mostly features the American and the European characteristic to fit owner preferences for all things Western. Bukit Gading Villa is said to be representing ‘the masterpiece’ of Kelapa Gading and is recognized as one of the most expensive housing clusters in Jakarta.

Now after thirty years of evolving from a modest beginning of 10 hectares to the present of 500 hectares, Kelapa Gading has grown into a mature township with a concentration of residential and retail developments. The rich texture of commercial uses and facilities that "everything can be within reach in front of the houses" drove a great population increase in short period. Today there are some 20,000 units of houses, apartments and commercial centers in the city. Populations of some 150,000 people live in various kinds of housing types and form the urban communities in Kelapa Gading.

The entrepreneurial city of Kelapa Gading, however, produced a mono-ethnic enclave. There is no valid measure of residential differentiation in this study, but obviously Kelapa Gading predominantly is inhabited by ethnic Chinese Indonesians. Driven by the developer’s vision to support entrepreneurship, from the very beginning, the ethnic Chinese Indonesians were creating initial Chinese territorial demarcations in Kelapa Gading. Subsequently, Kelapa Gading merely attracted speculators as well as the middle and the upper class
population, which drives an increase in the population of affluent ethnic Chinese Indonesians. Increasing pressures on urban land lead to waves of land speculation that establishes a gap between cheap and expensive land. Therefore within a mono-ethnic enclave, socio-economic status operates as a secondary form of differentiation in Kelapa Gading.

The existing middle and upper-class residences, however, tend to increase the degree of ethnic integration, since a modern lifestyle and common consumption patterns reduce the ethnic differences. In a situation where the members of ethnic minorities are overwhelmingly concentrated in a narrow range of the socio-economic status there may be no effective discrimination in the hierarchy between ethnic identities (Timms, 1971). As a result, although Kelapa Gading was represented mono-ethnic geographies which imposed forms of residential segregation, there is also a sign of ethnic diversity. Nevertheless, the situation is less favorable in some parts of the city, such as in the housing area in Kelapa Nias and in the areas along the main streets which were dominated by shop houses.

5. Concluding Remarks

The city of Kelapa Gading strengthens what Peter Marcuse (2006) argues that in global cities, tradition fundamentally involves the power relations. Private developer with their ability to mobilize funds and their control over considerable amount of land, are influencing the making and implementation of statutory spatial plans for the new town. Borrowing from Christine Boyer (1998), Kelapa Gading represents the ‘City of Spectacle’ where the city was loses its manufacturing base. Boyer argued that the city experimented with new coalitions of public-private investment to produce residential, work, and leisure time spaces in order to support and expand tax incentives to private developers and property owners. Notwithstanding Kelapa Gading as the product of a huge network of process that led the city to become gradually whole, the city represents a neo-traditional town of which the city grows on the vision, the internal logics and the selfs determined aims of a real estate company.

Kelapa Gading was invented by Sucipto Nagaria, a single ordinary figure who upholds the law in a coherent approach to account properly for the growth, the development, and the morphology of the emerging city. He developed the city incrementally and step-by-step. The city constructed by an additive approach, begins with small parts and proceeds from there to form the whole. But it is not really a matter of simple addition, since the process was based on selections of common factors influenced by "the hidden rule" which follows Sucipto’s model of step-by-step development.

Imitation and replication governed the city’s development, since in developing major parts of the city Sucipto observed one from another and then either imitated or replicated the patterns. This can be observed from several components, segments, and ingredients, among others are Gading Batavia which was replica of Boat Quay in Singapore and the commercial center of Blok M Kelapa Gading which was replica of Blok M Kebayoran. His action as imitator of building artifacts practically is enforced by the need for the 'shortcut’, since Sucipto has proven that imitation seldom requires as much trial and error as innovations do. But he was acting as an innovator in defining urban concepts by controlling imitated artifacts as the hardware for fulfilling his vision.

Summarecon Company transformed vast unproductive lands into an entrepreneurial city that recognized the effect of interaction amongst various components within "the economic flows" that produced the city dynamism. As a result, the city is both in constant movement, yet is settled in its formation. Other parts of Jakarta do not compete with the dynamic city rhythms and elasticity of Kelapa Gading. This is indicated by the high frequency of mobility and transition of property ownership in the city. According to Panangian Simanungkalit (2005), a leading property analyst in Indonesia, the ability to change the physical shape to accommodate growth indicates that Kelapa Gading among the most successful real estate developments in the nation.
The company’s achievement to sustain Kelapa Gading is based on paradox between rigid formulas and innovation. The company must adhere to rigid formulas that govern the city's profitability. At the same time a city needs to generate continual innovation, in order to stay at the forefront of the constantly changing ‘state-of-the-art’ status of an entrepreneurial city. In this case, Kelapa Gading has much in common with the development of living organism; it is constantly changing in accordance with its content and function; it avoids stagnation and rigidity.

However, there is a hidden dilemma the company should conquer. Although there was never any actively discriminatory selection process, the developer’s vision to enhance entrepreneurship drove the concentration of ethnic Chinese Indonesian to live in Kelapa Gading. This produced neighborhood community which is mirrored by the disadvantaged aspects of mono-ethnic enclave.

The commercial and public spaces, however, remain as spaces of social mixture and coexistence between diverse socio-economic and ethnic groups. So far, much effort was exerted by the company to elevate the role of public spaces as the crossroads of diverse groups and cultures. For instance, since 2004, the company annually holds JFFS (Jakarta Food Festival and Fashion) Carnival. A carnival identity has been invented through extraordinary montages that emerge from combinatory cultures, which are performed by a parade of illuminated floats or carts, with individuals walking in costume and wearing body paint, as well as a Brazilian festival Mardigras. These festivals and carnivals do not have to commemorate significant occurrences. The company simply motivates inhabitants to embrace and appeal to diverse groups of people to enjoy the event.

It is only a matter of time whether the enhancement of public space can be used not only as the selling point for the commercial purpose, but also to establish the framework for sociability. As an entrepreneurial city, Kelapa Gading is inhabited by highly dynamic and mobile societies, so that there is no doubt that social relations will be constantly fluid. Therefore, purposefully permanent and consistency in utilizing public spaces might be unnecessary. Instead, spontaneity and temporary approach will be a more desire permanency quality to support the process of dynamic and stable growth of Kelapa Gading Summarecon City.

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