Renewing the West: Prospects for urban regeneration in Sydney’s western suburbs

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INTRODUCTION

[Cities act as] ‘physical and psychological devices for quietly shifting resources from poorer to richer, and for excusing or concealing – with a baffled but complacent air – the increasing deprivation of the poor’ (Stretton, 1970, p. 310)

The current intractability of middle suburban regeneration is central to the achievement of all 15 liveability, sustainability and governance objectives of the national urban policy (Newton et al. 2011, p. 78)

Australia has a history of letting its cities just get on with things. A national urban policy – beyond brief, periodic forays by the Commonwealth Government in Canberra – had been elusive until publication of Our Cities (Australian Government, 2011). Metropolitan planning has been and remains a matter for individual States and Territories. Over the past decade, strategic plans have been put in place in each of the capital cities to shape and direct metropolitan growth over the following 20-25 years. Across Australia those plans share similar challenges and largely similar levels of success in their implementation. They also share an optimism that expects desired ‘policy’ goals to be delivered with the help of only a few levers beyond a steer and some certainty of intent; the mantra has been 'send the right signals, and the market will do the rest'. Over the past 5-10 years, the desired trajectories of Australia’s cities have thus been charted by plans with little clout (Bunker and Searle, 2007; 2009). The outcome has not been 'nothing done' but rather ‘not as much done as had been hoped’ in meeting additional housing requirements through urban renewal activity. Developers and the market have acted as might be expected: only willing to translate strategy into practice if it is economically feasible to do so.

Policymakers' confidence that they could simply leave city growth and development to the market has some foundation. Most of Australia’s major cities have experienced strong demand and growth pressures over the past decade, a trend expected to continue given high levels of immigration and robust economic fundamentals which have seen the country negotiate the global financial turmoil since 2008 better than most. This is not enough, however. City planning frameworks usually also seek to steward transition from low density suburban form to the ‘Compact City’ through encouraging urban intensification around activity or transit centres. The supposed benefits of consolidating the older, ageing suburbs extend further within policy discourse; consolidation is believed to help relieve growth pressures on the sprawling Greenfield fringe, to maximise utilisation of existing infrastructure and to channel funding for reinvestment into suburban contexts where injecting increased populations will help regenerate and revitalise run-down neighbourhoods. In this approach to planning not only are the implementation and delivery of policy ceded to the market, but also any costs or subsidy required.

This paper reports on research that focused on the workings of the drivers, barriers and opportunities shaping the viability and potential of market-led suburban renewal in Sydney’s west as envisaged in the NSW capital’s 2005 metropolitan strategy, City of Cities (Department of Infrastructure, Planning and Natural Resources, 2005) and assessment of likely progress1. The research particularly focused on the prospect for regeneration in and around the many small and medium-sized activity centres in Sydney’s lower value western

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1 The research was funded by an ARC Linkage Grant LP0562419 and the Cities of Penrith, Auburn, Bankstown and Fairfield, the Western Sydney Regional Organisation of Councils and Housing NSW. The support for this research by our Partners is greatly appreciated. The authors take full responsibility for all errors in this report.
suburbs. These typically variegated post-war suburban landscapes of fibro- and weatherboard cottages, townhouses and three-storey apartment blocks have been earmarked for a substantial uplift in dwelling numbers. They are also home to some of Sydney’s most culturally diverse and economically disadvantaged communities, often households financially constrained to relying on private rented housing, drawing upon rent assistance and living in tired walk-up flats constructed during the 1960s and 1970s.

Our interest thus strays from the starting point of Sydney's recent metropolitan strategies: rather than focusing on the (simpler) conversion of ex-industrial or other Brownfield land and ‘urban renewal’, we extended our gaze to consideration of the challenges and opportunities facing existing communities. The focus on Sydney’s ageing suburbs stretching westward from the city and harbour also picks up the swathes of the metropolitan area largely ignored by *City of Cities* and its more recent incarnations (Department of Planning and Infrastructure 2013). Outside key employment locations and sandwiched between Sydney’s ‘Global Arc of Opportunity’ and the growth areas on the urban fringe, these communities and neighbourhoods are sites where a significant contribution to the supply of new homes was expected but where little is in place to help facilitate such change.

The paper is structured as follows. In the next section, we provide a brief overview of the interplay between urban intensification and urban renewal in Sydney’s ageing middle suburbs. We argue that the lack of translation of strategic plans into actual development in recent years reflects the limitation of market-led, market-dependent policy frameworks that simplistically present consolidation policy as a ‘win-win’ arrangement. In developing this position, we hone in on one of the detailed case studies in our research and investigate the feasibility of delivering socially sustainable urban renewal in Cabramatta. Our analysis highlights a series of gaps: an affordability gap which in turn leads to gaps in scheme viability and hence to policy implementation. These gaps raise a number of questions regarding the ability of urban practitioners (and more typically, the urban development industry) to deliver Sydney’s recent metropolitan plans as envisaged, and certainly in ways which can address the city’s spatial justice and equity needs rather than provision of residential stock reduced to a numbers game. They also expose, explored in our concluding discussion, a series of more conceptual issues tied to the role of ‘strategic’ and more coherent, integrated policy approaches in Australian suburban environments. Controversially, we ask the question as to whether the lack of policy engagement seen in recent decades in Australian metropolitan cities provides pointers for a more progressive future which are more nuanced than inevitable calls for large scale ‘joined up’ planning.

**POLICIES OF ‘WIN-WIN’: URBAN RENEWAL AND INTENSIFICATION**

The publication of *City of Cities* in late 2005 provided the context for our interest in the drivers, viability and potential social sustainability outcomes of urban renewal within middle ring suburbs (see Figure 1) and in particular those in the lower income, lower value neighbourhoods in Sydney’s west. These suburban landscapes, caught between the gentrified core and Greenfield release areas on the fringe, represent ‘in-between’ spaces in many ways. On the one hand, policy interest in, and engagement with, these ‘Australian Heartlands’ has fallen between the cracks (Gleeson, 2006). On the other hand, these neglected suburbs represent geographies of considerable policy expectation, where market-led renewal is treated as integral to the wider policy aims of consolidation and densification that constitute the blueprint for Australia’s major cities over the next 25 years. Presenting their policy as a ‘win-win’ approach where renewal is facilitated and dwelling and household growth targets are
achieved. Sydney’s planners, in common with their counterparts elsewhere, expect these existing sections of the urban fabric and their communities to take much of the development strain over the next 25-30 years (see Table 1).

Figure 1: The Inner, Middle and Outer Rings of Sydney’s Metropolitan Geography

Table 1: Indicative Strategic Plan housing targets for Australia’s five main cities

<table>
<thead>
<tr>
<th></th>
<th>Sydney</th>
<th>Melbourne</th>
<th>Brisbane (SEQ)2</th>
<th>Adelaide</th>
<th>Perth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metropolitan</td>
<td>Metropolitan Plan for</td>
<td>Melbourne</td>
<td>The South East</td>
<td>The 30-Year Plan for</td>
<td>Directions</td>
</tr>
<tr>
<td>New dwellings</td>
<td>740 000 (by 2036)</td>
<td>600 000 (by 2028)</td>
<td>754 000 (by</td>
<td>258 000 (by 2040)</td>
<td>328 000 (by 2031)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2031)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Infill/Fringe</td>
<td>70/30</td>
<td>53/47</td>
<td>50/50</td>
<td>52/48</td>
<td>47/53</td>
</tr>
</tbody>
</table>

2 These targets may currently (February 2014) have been superseded or in the process of review and are provided for illustrative purposes.

3 Southeast Queensland (SEQ) includes significant urban areas around the Gold and Sunshine Coasts
Showing their age, these ‘netherworlds of the private rental market, studded with decrepit housing stock and generally wearing the mantle of public neglect’ (Gleeson, 2006, p. 46), represent one manifestation of the market-led, market-reliant planning orthodoxies which have shaped Australia’s cities in recent decades. Sifted and sorted like a clichéd bid-rent curve, Sydney’s socioeconomic geographies have reworked the relative homogeneity and equity encapsulated in the suburban form and function afforded by the post-war ‘Australian Settlement’ (Gleeson and Low, 2000; Kelly, 1992; Randolph and Freestone, 2012). Deferral to market dynamics, and transition to private-sector rent subsidy for low income groups, have helped exacerbate the suburbanisation of disadvantage (Badcock, 1984; 1997; Baum and Gleeson, 2010; Randolph, 2002; Randolph and Holloway, 2004; Wulff and Reynolds, 2010; Yates, 2002; Yates et al, 2006; Randolph and Tice, 2014 forthcoming)). Although significant population declines and devalorisation of housing stock in inner areas were seen until the early 1980s\(^4\), the now near-complete gentrification of the inner suburbs of Australia’s capital cities (Bridge, 2001; Engels, 1999; Kendig, 1984; Rofe, 2009) parallels this structural repositioning of lower income households into the suburbs.

Whether conceptualised through the down-filtering and lifecycle analogies of the Chicago School or rent gap hypothesis (Park et al., 1925; Smith, 1978)\(^5\), these low density, middle ring suburbs are increasingly seen as ‘under-utilised property assets’ (Newton et al., 2011, p.1), where the relative proportion of total value represented by a property increasingly comprises the land rather than any built structure on that lot. The difference between unimproved and improved values has narrowed and with this, the likelihood and viability of redevelopment of those sites to higher densities. A focus on the proportion of total value made up by the land rather than existing ‘improvements’ situated on that land suggests different life stages and capital investment cycles apparent in given areas. Newton et al. (2008) have labelled this the Property Redevelopment Potential Index (PRPI). Inner city areas, where substantive urban intensification has already taken place, have already exploited their redevelopment potential, while the PRPI is low in the youthful suburbs of recently released areas on the urban fringe. In between, the middle ring comprises suburbs considered ‘ageing’ or ‘maturing’ have a high PRPI. In their study of redevelopment potential in Melbourne, Newton et al. (2008) suggest that over 240,000 properties in this zone had PRPIs greater than 0.8, a level at which market-led turnover of becomes more attractive.

Although urban intensification goals are a core guiding component of current metropolitan strategies, policy settings encouraging consolidation in existing areas have a longer trajectory (Bunker, 1989; Searle, 2004; Troy, 1996). In Sydney, the reworking of existing built form through renewal has been in progress since at least the 1930s (Spearritt, 2000) and by the late 1940s, densification was being encouraged through metropolitan planning in order to control and contain urban population growth (Winston, 1957). In recent decades, planning controls have encouraged both subdivision and creation of dual-occupancy lots or strata gun-barrel development. Infill development has tended to pick off larger lot sizes, and fostered a changing suburban landscape characterised by gradual accretion rather than substantive intervention.

\(^4\) For example, the population of inner city LGAs Leichhardt, Marrickville, Randwick, Sydney, Waverley and Woollahra in metropolitan Sydney collectively declined by over 100,000 (18 per cent) between 1954 and 1981, despite an increase in the number of dwellings (Spearritt & DeMarco, 1988).

\(^5\) Not only between inner districts but also potentially the outer fringe of the city (Pinnegar et al., 2010) – the middle suburbs are identified as a key arena for change.
As Birrell *et al.* observe, local property owners and builders act as ‘opportunistic players in the sense that the location of their investment depends on where properties come up for sale and their judgement of whether the market price for the detached house in question will allow a profitable redevelopment’ (2005, p.6). As a result, residential dwelling additions have been overwhelmingly provided by uncoordinated, opportunistic and often ‘informal’ activity (Goodman *et al.*, 2010).

In seeking to both extend expectations on the middle ring to accommodate anticipated growth and advocate the more strategic concentration of those additions, planning frameworks identified a typology and hierarchy of centres across their respective metropolitan areas. In Sydney’s case, *City of Cities* captures the myriad centres from the Central Business District down to village centres that may comprise just a handful of shops and have a half-hourly bus service. Arguments supporting the concentration of residential growth around nodes have drawn upon compact city debates, supporting a breadth of complementary benefits including reducing the need for Greenfield development, reduced dependence on private vehicles and commensurate increased use of public transport, improving access to employment opportunities, maximising use of existing urban infrastructure, and improving energy, water and building sustainability outcomes attributed to higher density living. The centres themselves benefit from an injection of new investment, a better mix of housing options, and larger customer bases for local shops and services. Proposed solutions are couched in expectations that more informed, better-actioned urban design-led solutions can deliver the increased densities required. Indeed, the 400 metre ‘Pedshed”, defining the desired zone for renewal around existing urban centres with existing transport infrastructure, was the key conceptual urban design model that underpinned *City of Cities* centres schema (see Figure 2).

**Figure 2: Walking catchment schematic – the ‘Pedshed’, Sydney 2036**

(Source: DP&l, 2010)
Inevitably, also, the negotiation of local politics plays its part in the pursuit of organised, strategic consolidation. A desire to direct growth towards identified centres, and in so doing away from and thereby protecting other residential areas, pays heed to the complex and often confused negotiations between individual and collective/community interests – particularly those of middle class owner occupiers in established neighbourhoods – which are integral to urban growth management. This is most explicitly expressed in proposed strategies for Melbourne, where the solution to focusing residential growth in the city’s existing urban footprint translates into encouraging densities up to 6-8 storeys high along tram corridors and, in turn, helping to preserve the lower density, leafy streets between these canyons on the city’s grid from development pressures, thus enhancing their attraction and value (Adams, 2009). The likely social outcomes from this ‘ghettoisation’ of the city by dwelling form are not pursued in this design-led vision of our urban future.

Early assessment of whether the strategic steer to concentrate intensification suggests limited progress to date. In a study of residential additions in the City of Monash (an established middle ring suburb of Melbourne), Phan et al. (2008) highlight that the large majority of infill has been outside the 400m/800m ‘walking catchments’ of the activity centres identified in the Melbourne plan, and work by Chandra et al. (2009) identified little change in residential intensification around these intended foci since the inauguration of Melbourne 2030 in 2002. Similarly, data presented in Sydney’s 2010 plan update (Department of Planning and Infrastructure, 2010) indicates an increase over the last ten years in additional dwellings located outside identified centres.

Table 2 highlights how those relative proportions relate to the target numbers across the hierarchy of centre types outlined in City of Cities. While expectations placed on the larger centre types (the CBD, regional cities, specialised and major centres) align with recent patterns in supply, a higher level of activity is envisaged to take place in local centres distributed more widely across the suburbs. What is evident from the Table is the failure of the actual output to match expectations for these smaller centres and a significant ‘leaking’ of new development into suburban areas beyond the identified centres. The expectation to locate half of all new dwellings anticipated for existing areas (230,000 of the total 445,000; from a third over the last five years) in these smaller centres represents a step change in the historical trajectories and path dependencies seen. The data in Table 2 suggest this is unlikely to be achieved under current policy settings. While the metropolitan strategy for Sydney is currently under review and the NSW State government has retreated from naming any specific sub-regional targets for projected dwelling needs (see below), these dwelling forecasts nevertheless reflect prevailing assumptions that existing centres and corridors will remain the focus of renewal activity into the future.

Although we did not have the benefit of these actual figures at the commencement of our research, it was identified amongst the research team and our partners – Local Government Authorities (LGAs) located in the middle ring and NSW Department of Housing – that attempts to channel growth into the walking catchment of these centres raised a multiplicity of challenges not readily acknowledged in the plan itself. As would be expected, our LGA partners had an intimate understanding of their localities, the community and neighbourhood histories, an appreciation of housing needs, quality of stock and local market constraint, and – as planning consent authorities – a strong understanding of site potential, development potential and market response. A balanced perspective to possible urban renewal also drove interest: the LGAs were keen to see reinvestment in what are some of the most socially and economically disadvantaged parts of urban Australia considered in ways that recognised the
role they played as affordable and entry housing markets for lower income households. Urban
renewal simply through gentrification was not desired.

Table 2: Proportion of additional dwellings required within existing areas by centre typology

<table>
<thead>
<tr>
<th>Centre Typologies</th>
<th>Examples</th>
<th>City of Cities (to 2031)</th>
<th>Last 6-10 years</th>
<th>Last 5 years</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Dwellings per cent</td>
<td>Dwellings per cent</td>
<td>Dwellings per cent</td>
<td></td>
</tr>
<tr>
<td><strong>Strategic Centres</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Global city,</td>
<td>Sydney City,</td>
<td>90,000</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td>regional cities,</td>
<td>Parramatta,</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>specialised</td>
<td>Liverpool, Penrith</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>centres</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Major centres</strong></td>
<td></td>
<td>Strathfield,</td>
<td>45,000</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Burwood</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Local Centres</strong></td>
<td></td>
<td>Cabramatta,</td>
<td>230,000</td>
<td>52</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Auburn</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Outside Centres</strong></td>
<td></td>
<td>Suburban areas (not</td>
<td>80,000</td>
<td>18</td>
</tr>
<tr>
<td></td>
<td></td>
<td>near centres)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: DIPNR, 2005; Department of Planning, 2010

**CABRAMATTA AS A CASE STUDY**

Across the four local government areas represented through the research partners, five case
study areas each including two precincts for focussed case study analysis were identified.
Each of the ten focused case study precincts typically comprised 1-2 streets with
approximately 30-40 existing lots. Collectively, they represented a range of possible
scenarios from low density ‘fibro’ dwellings within proximity to activity centres, to precincts
where previous rounds of renewal had produced an already relatively dense urban landscape
of tired 2-3 storey walk-up blocks. Our research employed a multi-stage approach, applied to
each of the case study areas and then drawn together to inform metropolitan-wide
considerations. This included: preparation of detailed community social and economic
profiles and trends from Australian census data; detailed analysis of building approvals and
development approvals data by LGA; analysis of housing market trends (both strata and non-
strata) and sales activity since 2001/02 using NSW Valuer General’s property price records;
and a series of ‘walk-by’ surveys in each of our precincts to map current dwelling types,
nature of construction, estimated age and an assessment of quality and condition. In order to
establish the profile of market demand for the medium and higher density housing envisaged
as outcomes of the urban renewal process, a series of specially Census tabulations for a
number of indicative renter and purchaser types in the local markets (see below) were
commissioned from the Australian Bureau of Statistics.

Building upon this background analysis, the second stage of the research involved interviews
with builders, small-scale developers and local planners active in each of our case study
areas. Our discussions aimed to gain insight into the process of undertaking renewal in our
case study locations, including site acquisition, financing the development and experiences of
the planning system (see Ruming et al. (2010)). Crucially, we wanted to understand how sites
were assessed in terms of potential yield, how each cost element was incorporated into
feasibility assessments, how risks associated with different stages of the planning and
construction process were understood and negotiated, and what kind of profit margin they
(ideally) worked to. We also wanted to know how they interpreted the local market, how the resulting product was accordingly pitched, and the price points feasible in the localities in which they operated. In each of our case study areas, a hypothetical development was worked through – using an existing building or group of buildings within the precinct, a specified lot size, and with regard to current planning frameworks – in order to understand both the relatively clear-cut as well as the often hazy components feeding into the economic viability of renewal.

For the purposes of this paper, of the five study areas we have taken Cabramatta town centre as an illustrative case. Cabramatta was identified as a ‘town centre’ within original City of Cities centre typology. The characteristics of the built form found within its walking catchment encapsulate many of the defining features shaping the middle ring suburban centres stretching out to Sydney’s west. Like many of Sydney’s post war suburbs (and in contrast with Melbourne and other Australian cities), Cabramatta saw quite substantial densification during the 1960s and 1970s when individual dwellings on large lots were replaced with walk-up ‘gun-barrel’ blocks typically comprising 10-16 units. Figure 3 delineates the case study area chosen around Cabramatta railway station (based on Census small area tracts) with building densities in terms of units per block and the two focused survey precincts chosen for more detailed analysis.

**Figure 3: Boundaries used for Cabramatta case study**

[N.B. Shaded lots indicate strata titling; black outlined lots indicate selected precincts for detailed modelling]
Separate houses make up 36.1 per cent of all residential stock in the Cabramatta postcode (compared to a metropolitan average of 57.1 per cent), medium density dwellings, 26 per cent (17.4 per cent) and residential blocks of three or more storeys, 32 per cent (17.3 per cent). A breakdown of tenure demonstrates the high proportion of households renting privately at 33.8 per cent (compared to the metropolitan average of 24.7 per cent), 24.8 per cent outright owners (30.1 per cent), 24.6 per cent purchasing their home (31.1 per cent) and just 3.5 per cent (4.5 per cent) renting from the State Housing Authority (Housing New South Wales) or a community housing provider. House price data for median strata prices (approximating to a 2-bedroom unit) in the period of analysis fell from $205,000 in 2004 to $170,000 in 2006 before picking back up to $200,000 by 2009 (rpdata.com). Indices of deprivation (SEIFA) are high and household incomes low relative to metropolitan averages. The suburb is also home to a highly diverse population – over 80 per cent of households speaking a language other than English at home – and is recognised as a focus of the city’s Vietnamese community.

For an illustrative assessment of renewal potential for this paper, we present the analysis of Focussed Survey Area 1 in Figure 3 (to the west of Cabramatta town centre) and within it, a walk-up block typical of this area (‘5 Middle Suburb Avenue’ – see Figure 4).

Figure 4: ‘5 Middle Suburb Avenue’

Source: The authors

The first stage of analysis in assessing the renewal potential of this site considered current planning provisions and assumed that lot amalgamation was not possible. Given the already relatively high density on the site, it was estimated that improved layout and design may enable three additional units to be provided through redevelopment. The cost frameworks applied, and as outlined in Table 3 below, were intended to offer an approximate figure for discussion with stakeholders involved in renewal activity, rather than an attempt to calculate precise calculation on a development which in reality would be shaped by a myriad variables including holding costs, the time taken to pass through the approvals process, interest payable on financing, etc. It is inevitable that these values fail to capture the site/scheme-specific nature of the development process, or indeed take into account costs associated with the uncertainties which may be faced at any (or all) stages of design, construction and sales.
Table 3: Calculation of development feasibility, 5 Middle Suburb Avenue

<table>
<thead>
<tr>
<th>Indicative costs, redevelopment under existing frameworks</th>
<th>Medium Density residential (B)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Address</strong></td>
<td>5 Middle Suburb Avenue</td>
</tr>
<tr>
<td><strong>Site size (m²)</strong></td>
<td>1633</td>
</tr>
<tr>
<td><strong>Total site cost</strong></td>
<td>$2,460,000</td>
</tr>
<tr>
<td><strong>Type of dwelling</strong></td>
<td>Unit</td>
</tr>
<tr>
<td><strong>Number of existing dwellings (at $205,000)</strong></td>
<td>12</td>
</tr>
<tr>
<td><strong>Number of dwellings feasible under current planning frameworks</strong></td>
<td>15</td>
</tr>
<tr>
<td><strong>Land cost per site</strong></td>
<td>$164,000</td>
</tr>
<tr>
<td><strong>Cost of construction per dwelling (assuming 85m² units @ $1500 per m², plus site remediation/preparation)</strong></td>
<td>$140,000</td>
</tr>
<tr>
<td><strong>Developer charges per dwelling</strong></td>
<td>$20,000</td>
</tr>
<tr>
<td><strong>Sales, marketing, tax liabilities</strong></td>
<td>$20,000</td>
</tr>
<tr>
<td><strong>Cost excluding holding costs, profit margin</strong></td>
<td>$344,000</td>
</tr>
<tr>
<td><strong>‘Open market’ value (22 per cent margin)</strong></td>
<td>$420,000</td>
</tr>
<tr>
<td><strong>Expected market value per dwelling</strong></td>
<td>$235,000</td>
</tr>
<tr>
<td><strong>Estimated ‘loss’ per dwelling</strong></td>
<td>-$185,000</td>
</tr>
</tbody>
</table>

Our assumptions are also highly simplified in that they are seen simply as a total of individual market values of existing dwellings on the site and do not take into account the actual costs, including substantive relocation, disruption payments and holding charges that would be incurred even where buy-out of existing owners and renters were relatively straightforward. Nevertheless, although different interviewees placed different emphases on particular cost elements as case studies were worked through, the overall figures arrived at can be seen as realistic. Compared to other attempts to benchmark these costs in Australian cities (Urbis, 2011), our modelling appears conservative, however are largely in line with those drawn upon by Newton et al. (2011). Despite this, as Table 3 indicates, the gulf between estimated costs and anticipated returns is readily apparent. Given existing densities on the site, it is unsurprising that redevelopment falls short in terms of economic viability. However, across all ten case study precincts, only one – comprising a cluster of ageing fibro dwellings in a neighbourhood where renewal had already commenced, facilitated by medium density zoning provisions – was considered viable for redevelopment. In all other precincts, interviewees reinforced the findings of our feasibility analysis: redevelopment was not viable by a substantial margin.

In teasing out the barriers to renewal beyond those headline costs, a number of issues were consistently raised. Whilst costs tied to government levies and charges or the inefficiencies and uncertainties of the planning system and have long become a focus for calls for reform (see for example Productivity Commission, 2011), our interviewees highlighted the complex challenges of redevelopment once one moves away from the relative simplicity of Greenfield (or indeed inner city ‘Brownfield’ development). Crucially, the economic case, or lack of, for renewal, is compounded by the realities of addressing change within the context of existing built form, patterns of ownership, and existing community needs and interests. The dual challenges of ‘vertical’ and ‘horizontal’ fragmentation of urban spaces, and interests held within those spaces, can be seen. In the case of the latter, bar gradual acquisition whether through proactive (coercive) or more passive means, there are few mechanisms available to facilitate the amalgamation of lots.
Overcoming vertically fragmented ownership is made extremely difficult by the complexity of residential strata law, presently requiring 100% of owners to agree to major change, including dissolution of the strata plan itself. Strata arrangements have ensured that individual owners within blocks determine decisions and finances tied to the overall strata plan (Easthope and Randolph, 2009). The challenge of acquisition for renewal is further compounded by the mixed tenure characterising many of these apartment blocks, particularly in lower value/lower income markets where a majority of properties are tenanted. The task of unravelling varied ownership interests, and indeed protecting renters’ interests within the renewal process, is simply too difficult for most stakeholders to contemplate.

However the greatest challenge identified by those with an intimate knowledge of the localities in which they operate was the constraint represented by levels of housing affordability shaping local market capacities. The disparity between price points required to make the development ‘stack up’ and the capacity of local households, who comprise the majority of those who would purchase or rent, property at those prices, curbs developer interest with the outcome that policy expectations have largely failed to translate in practice.

Importantly, these postwar suburbs in Sydney are not, as yet, subject to extensive gentrification, whereby new-build development may potentially command higher values from prospective buyers out-priced and displaced from markets closer to the centre. Local authorities in these locations also often emphasise the role these relatively affordable markets play within the wider metropolitan housing context, and place strategic weight in ensuring such a role continues. Our Cabramatta example highlights this substantive affordability gap. In many of the existing walk-up blocks, it is common for private renting to be the majority tenure, and for many households to be in receipt of Commonwealth Rent Assistance (CRA). In effect, market values respond to the rents that can be met by local households, often under high housing stress and with little leeway (even in fairly tight supply conditions) for a significant premium to be commanded by newer stock. In such markets, rental yield, rather than expected future capital gains, is likely to be more important in determining investment decisions, and the market is unlikely to place much of a premium (and certainly not the required premium) on these new dwellings6.

The common response to addressing the affordability gap is density. Enabling and facilitating intensification, for example through relaxed Floor Space Ratio (FSR) requirements of density/height bonuses, represents a core component of the compact city thesis guiding metropolitan strategies. As such, the next stage in our redevelopment potential model for each of our case study precincts involved ‘suspending’ current restrictions on building height and density and assumed the potential for site amalgamation. Although this again puts to one side (rather than addresses) the complexities involved in fragmented ownership, the aim was to explore the extent to which each precinct could accommodate increased densities and the potential impact this might have on development and construction costs.

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6 Estimated market values post-renewal considered current asking prices in the locality (domain.com.au) and an assessment of the trajectory of recent actual sales (through use of NSW Valuer General’s data). Given the low level of new development of this kind in Cabramatta in recent years, comparative sales of property types proposed through renewal activity are limited; however, Fairfield town centre, approximately 4km to the northeast has seen more extensive higher density development. Market values for properties with a similar number of bedrooms demonstrated no more than 10-15per cent variation between older stock and recent development.
Three key principles shaped our approach to this modelling component, the results of which are shown in Figure 5 for one of the case study areas studied (Precinct 1). Firstly, redevelopment needed to demonstrate current best practice urban design and building massing and cost considerations reflected NSW SEPP65 guidelines in this regard. For example, site consolidation enabled buildings to be given better orientation to the street, and promote better solar/shade and cross-ventilation. Provision of a pocket park within the centre of the precinct enabled massing up to 6 storeys, with building heights then stepping down to 2-3 storeys in order to reflect the surrounding built environment. Secondly, rather than simply seeking to provide the maximum number of additional dwellings possible and – reflecting current high occupancy levels, with many existing flats lived in by families with children – provision of a better mix of property size (i.e. a significant proportion of 3-bedroom flats) was stipulated. Thirdly, recognising the imperative not simply to cause displacement of existing households, the modelling sought to deliver at price points affordable to indicative purchaser and rental markets in the locality.

Figure 5: Visualisation of potential redevelopment, Cabramatta Focused Case Study Area 1

From top left, clockwise: (top left) existing 2D building footprints, Middle Suburb Avenue; (top right) 3D massing, existing buildings; (bottom left) possible building footprints through redevelopment, to

[Note: The text continues with a reference to the SEPP65 guidelines, which are not transcribed here for brevity.]
SEPP65 principles [yellow = 2-3 storeys, orange = 3-4 storeys, red = 4-6 storeys]; (bottom right: 3D massing, redeveloped precinct. Images produced by Dr J. Barton.

Under this scenario, 218 existing dwellings (principally 1- and 2-bedroom flats) would be replaced by 213 1-bed, 333 2-bed and 139 3-bed units (a total of 675) across the renewal precinct: a net gain of 466 dwellings and density uplift of a little over 3:1. Construction costs were again based upon prevailing standard industry benchmarks (Rawlinsons, 2009), accounting for the additional build costs associated with residential structures of four or more storeys\(^8\), and that buildings would be finished using medium- to high-quality materials. As outlined in Table 4, this produced a modelled cost price per apartment type, to which was added developer charges and levies, sales and marketing costs, and 22 per cent profit, to provide an indicative open market price point which these apartments would need to achieve. Again, these figures are likely to be on the conservative side. Furthermore, the modelled price points required across the product mix do not accommodate provision of social or community housing as a component part (say, 15 to 20 per cent) of the overall redevelopment: something which would, and should, be a policy imperative\(^9\).

<table>
<thead>
<tr>
<th>Modeled Cost Price</th>
<th>Modeled Open Market Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Bed</td>
<td>2 Bed</td>
</tr>
<tr>
<td>$152,051</td>
<td>$243,281</td>
</tr>
</tbody>
</table>

One might expect that development costs per unit would be driven down, and, in turn, the anticipated open market value needed to be achieved by the developer would be reduced, through this level of intensification. As identified in Table 4, the modelled open market cost of properties made available through the renewal process, at a little over $200,000 for a 1-bed flat to around $450,000 for a 3-bed flat, stretch the price points achieved on equivalent sized, similarly located property (median unit prices in Cabramatta were $200,000 in 2009 (myrpdata.com)). Although these values are less than the modelled price points on the renewal scenario tied to existing lot and planning regulations, they would still require a price premium greater than the market might accommodate, despite the substantive density uplift simulated through the modelling.

In order to determine in more detail the extent of the affordability gap still present, our analysis used localised income structures\(^10\) for three different indicative groups in order to determine ability to meet those price points. These three cohorts were: single person households currently renting; young couples aged between 24 and 39 with at least one dependent child; and those households currently purchasing a property – this last group were included as a means of benchmarking the required price points against actual recent purchasing activity in the area. In all cases, household incomes at the 40\(^{th}\) percentile (at the Statistical Sub Division) were taken to be indicative of first time purchaser entry points.

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\(^8\) Higher construction costs are typically identified for residential development of 4 or more storeys as a result of a number of factors: concrete construction requiring unionised labour, additional service and infrastructure (underground parking, lifts) and increased communal space provision. These higher costs also often carry through into higher ongoing strata fees.

\(^9\) Not least in our example here, where 42 of the 218 dwellings lost in the renewal process are currently occupied by social housing tenants). Also, did not want to get into complexities at this stage of incorporating mixed subsidy opportunities e.g. NRAS

\(^10\) Incomes derived from 2006 Census data by statistical subdivision uprated by CPI to 2008.
To assess whether properties were affordable to rent or purchase, this stage of our analysis utilised the 30/40 measure often applied in Australia, where households in the lowest two quintiles (incomes at 40th percentile or less), spending more than 30 per cent of those incomes, are defined as being in housing stress (Yates and Gabriel, 2006; Yates et al, 2007). In the case of purchase, a 15 per cent deposit is assumed on a home loan taken out over 30 years at the prevailing standard variable rate\(^{11}\). In determining rental affordability, the potential rent possible for each property type was calculated using similar criteria and assuming that expected yield for investors would be equivalent to the prevailing Sydney metropolitan average. As Table 5 illustrates, for equivalent expenditure as a proportion of income, households are able to access better (whether in terms of size, quality, location etc.) rental housing than if they were to purchase.

### Table 5: Maximum purchase and rental values for three indicative household groups, Cabramatta Focused Case Study Area 1

<table>
<thead>
<tr>
<th>FAIRFIELD LGA</th>
<th>40(^{th}) percentile 2008/09</th>
<th>Gross income per week</th>
<th>Maximum purchasable value</th>
<th>Maximum value of rental property @ 30per cent of income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cabramatta</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single person</td>
<td>$595</td>
<td>$120,000</td>
<td>$190,000</td>
<td></td>
</tr>
<tr>
<td>Young couple/child</td>
<td>$1120</td>
<td>$190,000</td>
<td>$295,000</td>
<td></td>
</tr>
<tr>
<td>Current purchaser</td>
<td>$1215</td>
<td>$218,000</td>
<td>$350,000</td>
<td></td>
</tr>
</tbody>
</table>

Constraints cut across all groups, and while renting offers access to 2-bedroom properties for young couples and those currently buying, purchase of a flat within the renewed precinct – even for these households with higher incomes – is restricted to 1-bedroom units. Larger units, more suitable for families and key to providing a mix of housing options across the community, would, based upon the parameters set here, be out of reach, either to rent or purchase, across all three groups.

While this formulaic approach to assessing housing affordability suffers a number of limitations, however, these broad-brush calculations are arguably effective in demonstrating the magnitude of the affordability gap faced by these indicative groups in meeting sustainable housing costs. The end result of extensive intervention on this scale might lead to a reduction in overall costs per unit provided (compared to redevelopment without site amalgamation and substantive intensification), a significant increase in the number of dwellings accommodated within existing urban areas, and renewal of ageing walk-up blocks. However, the resulting product mix and price points required to make such schemes viable encounter the purchaser and renter capacities of the local housing market, and consequently struggle. The affordability gap effectively becomes an implementation gap: developers are not going to build supply where there is little prospect of achieving adequate returns on investment. The scale of the gap also highlights that improving planning efficiencies and putting downward pressure on construction costs are only one part of the required debate: rather than housing affordability per se, the primary issue at stake in many parts of Sydney’s lower income, lower value west is the need for increased provision of affordable housing.

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\(^{11}\) SVR at time of research 8.5 per cent
RESPONDING TO THE IMPLEMENTATION GAP

Why would people buy a new villa for $330,000 when they can buy [the house] next door for $238,000? (Planning consultant)

You have land costs, development costs, holding costs and you need to sell the units for more than $350k, but you can buy the original house for $240k. That is the scenario. (Developer)

The limited progress seen towards steering an increasing proportion of the required dwelling growth through urban intensification around activity centres raises a number of arguably straightforward conclusions, but also a number of more deep-seated considerations. In the case of the former, limited response from the market highlights a gulf between strategic intent and feasibility in practice. Despite clear policy intentions expressed in the metropolitan plans of Australia’s principal cities, this failure in translation offers the most straightforward expression of the affordability gap discussed above. A market-led, market-dependent planning system requires the market to deliver its policies; if the market cannot do so, or simply finds it too risky given the complexities and uncertainties involved (and particularly where less challenging, more predictable opportunities exist), those policy aims go unmet.

In the case of larger developers, with the sums not stacking up, they choose not to build in such locations. For individual or small-scale builders, squeezing out the necessary margins is more likely to be undertaken on a site-by-site basis, reflecting a calculation of lot size, the nature of available financing, and in-depth understanding of ‘what works’ in those local markets. The result is little progress towards strategic planning objectives and where new stock does come on stream, it tends to do so in a highly fragmented and uncoordinated manner. This is not a critique of the principles of urban intensification per se, but rather the optimistic, normative assumptions underpinning the frameworks whereby such outcomes are to be delivered. The envisaged ‘win-win’ – more dwellings provided in existing neighbourhoods; ageing built form regenerated – has instead often translated into inactivity, with little indication or suggestion that modest levers or more favourable economic conditions would help turn on the renewal tap.

Responses to this challenge have tended to be couched in expectations that more informed, better-actioned urban design-led solutions can deliver, whether through intensification along transit corridors (Adams, 2009), or through a more coordinated approach to small-to-medium scale residential infill (Murray and Khor, 2011; Newton, 2010; Newton et al, 2011). Across our case studies, affordability constraint amongst local households, in turn ultimately determining economic feasibility, was the core driver dictating viability considerations. In the context of the ageing walk-up block in Cabramatta, our modelling reiterated the extent of the challenge faced: even with density uplifts and building massing at the high end of community acceptability, and with many of the costs and political ramifications tied to disruption through change on this scale not even factored in, the feasibility of redevelopment was slim. While this may logically lead to calls to bridge the gap through better targeting of measures (such as reduced development costs; foregone levies and charges, or place-based coordination of subsidy and expenditure streams), it also suggests that intensification on this scale remains, in most contexts, insurmountable under current conditions.

The drivers and potential responses to these structural impediments are inevitably subject to complex debate. In terms of stimulating more take-up on the fringe, debate has focused predominantly on questions of supply: rates of land release, blockages in the planning
pipeline, and the level of government-imposed levies and charges (Demographia, 2012; Moran, 2007). In existing areas, similar demands for a more efficient and effective planning system (streamlining the DA process, time taken for assessment) are joined by calls for greater public-sector leadership in order to address the barriers perceived as preventing the market from doing its job.

In the run up to the 2011 NSW state elections which heralded the arrival of O’Farrell’s Coalition Government, intentions to revisit a number of the fundamental components underpinning City of Cities were signalled, for example the indicative allocations of proposed residential development between existing and Greenfield areas (from a 70:30 split to ‘more like’ 50:50 (Crawford, 2011). Indeed, a full review – and development of a new metropolitan strategy – was confirmed in May 2012 with the launch of a Discussion Paper, Sydney over the next 20 years (Department of Planning and Infrastructure, 2012). In setting out the task for a new approach, the paper reflects that ‘without strong structures to ensure transparency and accountability in the way plans are implemented, Sydney’s strategies and plans have not always translated into action on the ground’ (ibid., p. 5). Commitment to intensification in and around centres has also been opened for debate, with responses invited as to ‘whether our centres are the right places for new housing, jobs and transport’ (ibid, p.10).

As well as calling for measures purported to improve efficiencies and enable the market to deliver the desired outcomes, responses to the limited translation of intensification policies in practice have also demanded greater government involvement and intervention. In late 2009, the Property Council of Australia published The Urban Renewal Lifeline in which a 10-point action plan, including ‘leadership at the federal, state and local level’, ‘clear identification of urban renewal areas’, ‘facilitat[ion of] site amalgamation’ and ‘reform of strata title laws’ (PCA, 2009, pp. 8-9). In bringing together sites, the document identifies a need for a ‘compulsory acquisition tool tied to urban renewal...to allow the ability to unlock land’, to be enabled by encouraging ‘sufficient development capacity in local planning instruments to allow the private sector to use market based mechanisms to acquire sites from sitting land owners at a fair value’ (PCA, 2009, p.9).

Such frameworks have few precedents in terms of application in predominantly residential areas: the equivalent of Compulsory Purchase Order (CPO) or eminent domain powers have rarely been utilised outside major infrastructure projects, and much of the debate to date as to how such plans may be put into practice somewhat reflects this lack. There is little acknowledgment – despite community concern, conflict and opposition to development being no stranger to Australia (Lewis, 1999; Rescei, 2009) – of the additional complexities, costs, politics and justice considerations involved in negotiating the acquisition and demolition of peoples’ homes. As a result, emerging frameworks tend to be unhindered by pre-empting and accommodating those challenges. In NSW, strata termination laws are being reviewed with the aim of reducing the proportion of owners required to agree to plans for dissolution to enable redevelopment (from the current 100 per cent). First mooted in Sydney 2036 (Department of Planning, 2010), plans for area-based Urban Renewal Authorities with greater provisions to facilitate land acquisition, amalgamation and affordable housing provision consolidated around the establishment of the Sydney Metropolitan Development Authority (SMDA) and parallels similar developments in other Australian States (Davison et al., 2012). In NSW, the transformation of Landcom, NSW’s long established government land development agency, into UrbanGrowth NSW in 2013, with a much greater focus on enabling large scale integrated urban renewal and infrastructure projects, is also a reflection of this trend.
CONCLUDING DISCUSSION

The affordability – and consequent implementation – gap identified in our research points to challenges for urban policy and the strategic planning of Australian cities. Intensification can offer uplift, extracting value and thus potentially enabling additional housing to be provided at lower price points. However, the sums fail to add up in the ‘lower value’ markets which structure development economics in Sydney’s ageing middle suburbs away from a few of the larger hubs (notably Parramatta). Feasibility calculations become all the more challenging beyond the relative ease of Brownfield redevelopment where the complexity of retooling areas with existing stock – and existing communities – comes into play. This is inevitably the long-term planning task ahead, and will increasingly rise to the fore as many of the walk-up suburban blocks reach an age where substantial renewal or redevelopment is required and the financial and governance structures are not in place to positively facilitate such activity. The implementation gap also gives rise to a number of conceptual debates that provide our focus in this concluding discussion, structured around a provocative question: is a more strategic approach actually an appropriate solution to renewing our ageing middle suburbs?

A logical – and somewhat predictable – response has been the clarion call for a more coordinated and comprehensive response to local area renewal, demanding policy interest and intervention accompanied by a degree of public subsidy. The authors have themselves called for the need for more effective place-based renewal masterplans, new mechanisms to help consolidate land and amalgamate sites, and above all frameworks driven by social justice and sustainability commitments (Randolph, 2008; Randolph et al., 2010). Acknowledging that the market alone is not going to renew Australia’s lower value middle suburbs – certainly where preserved and/or enhanced affordable housing provision is advocated – necessitates a substantive change both to planning assumptions and Treasury expectations. To date, development feasibility remains seen as a matter of extracting ‘surplus’ value through planning gain – certainly in higher value markets. However the corollary – that significant public funding might be needed to sustain and underpin lower value market driven urban renewal over time – is more novel in the Australian context. Arguably it highlights the need for a fundamental rethink – in terms of the role of subsidy and intervention, and frameworks for land acquisition, ownership and governance – on a scale with little or no systematic precedent.

Therein lays a crucial limiting factor within current urban debate. The neoliberal retreat of government, of intervention, and public subsidy has withered the capacity of policy makers and practitioners to help negotiate urban change. This is especially so where socially driven outcomes are both appropriate and desired. Notwithstanding a number of high-profile public housing renewal programmes, Australian cities have increasingly disengaged with ‘obsolescence’ (and thus the political challenges attached to such discourses) in recent decades. As a well-housed nation with a relatively youthful housing stock, strong population growth and economic conditions, there has been little debate – and an equivalent level of policy interest – that specifically raises the need for public investment in, or responsibility in the stewardship of lower value, predominantly private sector, neighbourhoods. It is clearly advantageous that Australia’s middle ring suburbs to date have not exhibited the levels of disinvestment faced by the ‘First Suburbs’ in the US (Lee and Leigh, 2007; Puentes and Warren, 2006; Short, Hanlon and Vicino, 2007) or those of post-industrial European cities (Cole and Nevin, 2004; Ferrari and Lee, 2010; Pallagst et al., 2009). However, this absence means that proactive, long-term policy commitment and understanding is thin, whilst
expectations placed upon the future role of these neighbourhoods in growth management terms is high. Furthermore, even where the need for public intervention is apparent, the actual basis on which government seeks legitimacy to do so is far less so. In the absence of obvious signs of urban ‘squalor’, such as abandoned streets or widespread decay (although this is not to say there are not local indication of this in Sydney’s suburbs), what is the public case for intervention through the acquisition of property, possible social displacement and handing over sites to private developers (or working in ‘partnership’) in order to facilitate densification? To help address metropolitan housing affordability constraints by improving the supply of affordable housing? To offer greater choice and quality within local housing markets? To improving sustainability outcomes by raising building standards and reducing the required land-take on the fringe? To support the reactivation of declining suburban centres and to maximise infrastructure use? To counter the citywide social-spatial inequalities which have been allowed to prevail in recent decades?

Put simply, Australia’s suburbs are likely to experience significant change within existing areas, involving existing communities, in the coming decades, and the effective silence and failure of urban policy to strategically engage with such issues in recent history would appear to leave us exposed. However, here we return to our provocative question from another angle: regardless of the capacity to turn urban policy ‘on’ in Australia’s suburban heartlands, to what extent should strategic policy engage? Oft-voiced recommendations for more ‘holistic’, ‘integrated’ and ‘joined-up’ responses in order to facilitate place-based urban renewal are hard to dispute: it sounds preferable to fragmented, discordant and poorly coordinated expenditure and activity. However, such strategies are less easy to implement than to recommend. Complex partnership working tends to be accompanied by equally complex contractual and governance frameworks, agency arrangements and financing structures to enable change in contexts hitherto neglected (Pinnegar, 2006). Even where the need for comprehensive intervention is unquestioned, and where a longstanding trajectory of place-based renewal involving existing communities can be mapped, it does not make delivery on the ground any easier.

This is not to shy away from the need for public intervention or programs to coordinate activity and expenditures to encourage more sustainable and equitable renewal outcomes in Australian cities. But it does suggest that such responses may sit uncomfortably within, or more correctly fail to take into account or reflect, the messy and partial responses which have defined and infused the trajectories of Australian cities’ middle suburbs. Big government and big development have demonstrated only patchy interest in these neighbourhoods in recent years: arguably it was ever thus, and those suburbs have continued to evolve and adapt true to their fragmented, more local and heterogeneous histories.

So how do renewal frameworks couched less in transformation, more in terms of working with this longstanding granularity, manifest? A number of pointers can be put forward here. Firstly, rather than pushing for the clustering and concentration of new development around transit-oriented centres under the Compact City ideal, more encompassing stewardship policies for Australia’s middle suburbs should also acknowledge the on-going, incremental renewal taking place across neighbourhoods (Birrell et al., 2005; Phan et al., 2008; Pinnegar et al., 2010). This form of small-scale, dispersed reinvestment in suburbs flies under the planning policy radar, yet as highlighted in breakdown of Sydney’s new supply in existing areas between 2006 and 2010 (Table 2, above), accounted for 40 per cent of stock additions.
One response, discussed by Newton et al. (2011), is to enable greater strategic coordination of this fragmented phenomenon. Their proposal for local ‘holding and redevelopment’ companies to collectivise these interests is worth exploring, although remains underpinned by feasibility considerations that assume the potential to extract ‘value’ from low density sites through modest intensification. They also tend to frame understanding of the potential market for infill development in terms of owners and purchasers, and regard the affordability question in terms of medium density properties’ value for money vis-à-vis the existing detached home-with-land of the prospective downsizer. This component of demand is undoubtedly an important driver of suburban change, albeit just one part. However, Newton et al’s proposals are less clear in addressing the often quite substantive affordability/implementation gaps that shape and constrain need and demand patterns in lower income/lower value markets in much of suburban Australia, highlighted in this paper.

Secondly, vehicles to facilitate renewal and ongoing support for lower value areas may achieve a greater degree of success where they reflect the built form, community, financing and development trajectories that have shape those localities. For example this points towards approaches that respond to the parameters determining the requirements and capacities of small and medium scale builders who remain – and are likely to continue to remain – the principal built environment providers in Australia’s middle suburbs. It also suggests that the rental investment market will continue to play an important role in these markets (Randolph, 2006; Yates, 2001). What might transitioning structures, involving small-scale investors, strata companies, existing owners, and residents eligible for Commonwealth Rent Assistance (CRA), look like? On one level, it may involve a compact which ties public subsidy flows towards building upgrade costs, climate change adaptation, or preservation of affordable rent levels. On another, it may comprise arrangements facilitating more effective management and coordination of dwelling transactions, whether in terms of owners’ selling, investment purchase, leasing and so forth.

Thirdly, where change through renewal raises the spectre of displacement within existing communities, then approaches will be best served through transparency and a start and end point defined in terms of social justice. This is often remarked, but not easily translated in practice. Breaking down the urban intensification-renewal nexus enables the objectives of policy interest in suburban renewal to be more clearly articulated. There has been increasing interest in the potential use of more co-operative or community-equity models whereby the prospective benefits of renewal are shared by those most affected by the transitioning process. These include exploring models such as Community Land Trusts (CLTs) (Jacobus and Lubell, 2007), and frameworks that aim to capture a greater degree of mutual interest at the neighbourhood level (Rowlands, 2011). Both hold out the prospect of enabling more inclusive forms of site acquisition for urban renewal (Randolph et al, 2010), for example in terms of allocating an equivalent new property in the redeveloped site in place of the old, or a share of any profits that might accrue over the long term from the renewal process. While initial framed in terms of strata renewal, this principle might well be extended more broadly.

While such arrangements offer prospects for less ‘top down’ processes for negotiating change, expectations need to be tempered by recognition that the actual application to date of such vehicles has been rather modest and have typically relied upon quite distinct context-specific factors in order to take hold. Conflict between individual and collective interests, as well as public and commercial interests, will also remain an inherent part of determining the nature and role of policy engagement. Nevertheless, Australia’s suburban history and contemporary context introduces an important perspective to the assumed benefit of complex,
integrated, strategic vehicles at the expense of smaller-scale, more organic, incremental approaches to medium density renewal. It might also be envisaged that less complex, less risky policy engagement in stewarding renewal may gain some traction within ‘localism’ agendas. However, it also promotes a pragmatic shift away from both optimistic assertions that planning can always deliver a ‘win-win’, and from Treasury expectations that public expenditure must ‘transform’ rather than simply mitigate, sustain and steward. The former helps unravel a key constraint tying up current metropolitan strategies, although does so without providing the answer as to where growth should be accommodated. The latter demands a step change in government interest in and commitment to the suburban ‘heartlands’ (Gleeson, 2006), and decisions regarding the role of policy in helping shape and sustain the housing outcomes for many of the country’s disadvantaged private-sector renters and lower income owner occupiers.

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