Urban renewal and affordable housing in Sydney: recent experience and future prospects

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Presentation to Warringah Council Affordable Housing Community Committee, 28 May 2015
<table>
<thead>
<tr>
<th>Project</th>
<th>Era</th>
<th>Renewal type</th>
<th>Financing source(s)</th>
<th>Objective</th>
</tr>
</thead>
<tbody>
<tr>
<td>Woolloomooloo, Waterloo</td>
<td>1970s/1980s</td>
<td>Public housing redevelopment</td>
<td>Public</td>
<td>Better public housing, removing slums</td>
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<tr>
<td>Darling Harbour</td>
<td>1980s</td>
<td>Railyard/port renewal</td>
<td>Public/private</td>
<td>Entertainment precinct</td>
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<tr>
<td>Ultimo/Pyrmont</td>
<td>1990s</td>
<td>Inner city brownfield redevelopment</td>
<td>Public/private</td>
<td>Mixed use development, private housing with affordable component</td>
</tr>
<tr>
<td>Olympic Park</td>
<td>1990s-ongoing</td>
<td>Brownfield redevelopment</td>
<td>Public/private</td>
<td>Utilise stimulus of major event to catalyse large-scale renewal</td>
</tr>
<tr>
<td>Minto</td>
<td>From 2002</td>
<td>Public housing estate renewal</td>
<td>Public/private</td>
<td>Replacement of defective estate by mixed tenure/mixed use development</td>
</tr>
<tr>
<td>Bonnyrigg</td>
<td>From 2007</td>
<td>Consortium-led public housing estate renewal</td>
<td>Public/private</td>
<td>Replacement of ‘defective estate’ with major densification potential by mixed tenure development</td>
</tr>
<tr>
<td>Green Square; Rhodes</td>
<td>2000s</td>
<td>Brownfield private housing</td>
<td>Private</td>
<td>Mixed use development, primarily high density housing for sale (small affordable component)</td>
</tr>
</tbody>
</table>
Presentation overview

1. Urban renewal – what, why and how?
2. Public housing regeneration/renewal projects in NSW
3. Planning-led renewal initiatives in Sydney – past, present and future
1. Urban Renewal – what, why and how?
‘Urban renewal’ – what, why and how (1)

• What is ‘urban renewal’?
  – ‘the cumulative physical redevelopment of existing urban areas’ (Roberts, 2005)
  – ‘the process of transforming under-utilised and sometimes degraded or neglected parts of the city into spaces and built environments that meet contemporary living, working or cultural needs’ (SGS, 2014)
‘Urban renewal’ – what, why and how (2)

• Why does urban renewal happen?
  – urban economics dictates that conditions for renewal met when given site ‘under-performing’ or ‘underutilised’ under current use – economic potential unfulfilled
  – Could reflect economic change making a landuse outmoded (e.g. pre-containerisation dockyards)
  – Landowner incentivised to invest in ‘renewal’ to liberate underutilised potential

• Urban renewal pressures in all Australian cities reflect:
  – Ongoing strong population growth – migration + natural increase
  – Urban containment policies
  – Ongoing de-industrialisation combined with the geography of the emerging knowledge economy
  – Embedded speculative dynamics pushing up land values

• All of the above strongly reflected in Sydney
‘Urban renewal’ – what, why and how (3)

• How does urban renewal happen?
  – Primarily through market processes – e.g. individually-commissioned knock-down and rebuild

• Also Govt-initiated
  – Housing-led public housing estate renewal
  – Planning-led renewal/intensification of brownfield sites (or otherwise already developed land)

• This presentation mainly about state-initiated projects involving public housing and/or affordable housing
2. Public housing estate renewal/regeneration
Context for NSW public housing regeneration projects

• Numerous large estates, many built in outer suburban locations [see next slide]
• Made socially and managerially problematic by:
  – Increasingly residualised population (mainly due to narrowed ‘targeting’ in allocations policies)
  – Accumulating impacts of insufficient expenditure on maintenance and modernisation
  – Radburn layouts wasteful and socially problematic – enhanced vulnerability to crime
Public housing estates in Sydney – size and social housing concentration

[Map showing various public housing estates in Sydney with different sizes and social housing concentrations indicated by颜色 and icons.]
The Sydney Property Price Precipice in 2011

Sales Value

Kms from GPO
Radburn estate layouts
Features of NSW large estate renewal projects

• Typical large-scale renewal project/plan involves:
  – Existing estate largely or wholly demolished
  – Moderate to high ‘densification’ (up to threefold)
  – Tenure restructuring on a 70/30 private/social basis
  – CHPs increasingly involved in housing and place management
  – Little control over use of sold dwellings means many occupied as private rental
  – Re-provided social housing sharply reduced – typically by about half
Newly built mixed tenure housing, Bonnyrigg, Western Sydney

New community centre, Minto, SW Sydney

Newly built social housing, Riverwood
Estate renewal, SW Sydney, 2014
3. Planning-led urban renewal initiatives in Sydney – past, present and future
Planning-led renewal – inclusionary zoning in major brownfield redevelopment projects

• Affordable housing target adopted in 1990s Pyrmont-Ultimo renewal (Bldg Better Cities funding catalyst)
• More recently also applied in Green Square redevelopment
• On the plus side, because target relates to rental housing, affordable in perpetuity
• On the minus side, target set at only 3% - output still only in the hundreds
• Developer compliance via on-site provision or commuted sum payment
• In practice all have paid the sum
• Delivery via CityWest Housing – govt-sponsored ‘CHP’
Planning-led urban renewal – UAPs

• Urban Activation Precincts – renamed ‘Priority Precincts’ in 2013 – designed to encourage urban densification in identified locations close to transport nodes

• State Govt government proposes ‘enabling’ adjustments to planning controls (e.g. re-zonings, height controls) – these override existing local environmental plan

• But new controls determined through consultative process involving community and local govt

• 8 UAPs designated 2013 – incl North Ryde, Epping Town Centre, Macquarie Park

• Potential for inclusion of AH targets in UAPs but Govt ignored call for this as ‘standard practice’ requirement
# Planning-led renewal – future possibilities for associated affordable housing

<table>
<thead>
<tr>
<th>Project</th>
<th>Summary</th>
<th>Potential housing target*</th>
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<tr>
<td>Central to Eveleigh corridor</td>
<td>30-year project to intensify landuse of 80 ha of ‘largely underused govt land’ along rail corridor west of Central station</td>
<td></td>
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<tr>
<td>Parramatta Road corridor</td>
<td>Integrated with WestConnex road tunnel, major densification proposed between Sydney Univ and Parramatta</td>
<td>50-60,000</td>
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<tr>
<td>Bays Precinct project</td>
<td>Redevelopment of 80 ha of govt-owned harbour foreshore and disused rail yards 2 km from CBD</td>
<td>16,000</td>
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<tr>
<td>Parramatta North project</td>
<td>Redevelopment of 146 ha of govt-owned land adjoining Parramatta town centre</td>
<td>4,100</td>
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*according to media reports

- Not clear how (or whether) State Govt commitments to ‘housing diversity’ will translate into affordable housing
- But Pyrmont-Ultimo and Green Square precedent for some level of AH quota
- Ministers have suggested a tradeoff between higher density and AH component
Conclusions

• Extensive scope for urban renewal in Sydney in coming decades
• Some potential involving ‘under-utilised’ public housing estates, but recent experience illustrates associated practical and financial challenges
• Modest land values limit scope for renewal of outer Sydney estates via DDC (densification, diversification, cross-subsidy) model
• Substantial momentum underpinning UrbanGrowth agenda on major brownfield renewal projects running forward over decades
• But realising scope for significant AH component will call for effective lobbying to build on existing precedents
Sources/references

Coates, B. *Presentation to UNSW Urban Renewal class*, 17 April 2015


Randolph, B. *Presentation to UNSW Urban Renewal class*, 8 May 2015

