



Creating a socially sustainable higher density Sydney

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Introduction

In this presentation I want to concentrate on the social sustainability of urban renewal proposals contained in the Sydney Metro Strategy. At the outset, I can categorically state that I am not against higher density housing or urban consolidation. What I am concerned about is that we do not repeat the mistakes of the past where higher density redevelopment and infill has blighted many suburbs with poor quality housing which few people value to wish to remain in any longer than they have to.

Many higher density Sydney suburbs have been built simply to fail in social terms. We must not allow this to happen again. If higher density housing is to provide 70% of all new homes in Sydney in the next thirty years, then we owe it to our communities to get it right.

We also have to devise ways of dealing with the poor quality outcomes of previous rounds of higher density redevelopment – but that’s another story.

Basics

I take it as axiomatic that a socially sustainable city is one that is more socially balanced, not less, and one that is more socially inclusive, not less.

I also take it as axiomatic that what we plan for and what we build has a critical impact on whether a more socially sustainable city can be achieved.

While I am not a physical determinist, it is obvious that what we build helps shape how well our cities function as a basis for social life. Poor quality urban

design in poor quality neighbourhoods has a negative effect on those who live there. While good design will not solve social problems, it may assist in improving “liveability” and thereby enhance peoples’ lives, rather than depress them.

But the key message of this presentation is not about design. It is to stress that we also have to understand the *context* in which higher density housing is developed, who ends up occupying it and why they are there. Urban designers and planners do not seem to fully appreciate that who owns and who lives in a building largely determines how well it functions as a community.

The drivers of higher density demand

Three things are happening to our cities.

The first, Adelaide excepting, is that our cities are continuing to grow. Immigration has seen to that. For most Australians the cities are where we either want to be or have to be, despite the Seachange phenomena and more recent evidence that suggest young families are now joining the exodus due to housing unaffordability.

For many, our cities are good places to live. Economic opportunities continue to concentrate there and, Seachange notwithstanding, its where most Australians will spend the bulk of their lives – if not their entire lives.

Cities are our future.

The second is the demographic machine that is driving our cities - received wisdom is that there will be more smaller households – lots more couples and singles. More older people, and more younger households and those moving between households or falling out of households. In the process, its almost as if the family is being painted out of the vision of our new cities – or packed off to the fringe.

The third is that our cities are polarising and are likely to continue to do so. Many households – perhaps a third – are doing very well. These are the positive outcomes of a globalised and deregulated economy. House prices are testimony to that. But others – perhaps another third – are falling behind. That’s the downside of a deregulated economy. And house prices are also as much of a problem for these people as they are a boon for the urban winners. That one reason why a quarter of Sydney households rent their homes.

The map of relative income change in Sydney clearly points to the growing imbalance in the social opportunities our cities are generating for their populations. Unemployment trends and disadvantage concentrations all show the same shift – Sydney is polarising across the city. There are clear winners

and losers in this new urban future. Will the Metro Strategy proposal reinforce or moderate this increasing social imbalance in Sydney? On current trends, it may only act to reinforce these divisions and in the process create a new one – that of Sydney divided into high density and low density sectors,

Discussion

Add these three trends together. Do they make for vibrant and sustainable cities of the future?

Of critical importance here is the response of those who have the power to determine what the future of our cities will achieve.

So what is the response of planners – and developers – to this situation. Well, they have certainly recognised the first two of these trends. More people and more smaller households. The logic is to build lots more smaller and higher density dwellings. No real problem with that – our housing stock is imbalanced in relation to the likely demands from the growing populations we need to house. Building smaller homes for the growing population of smaller house holds makes sense at one level.

But where shall we build them? Well where it pays to do so – in town centres and transport corridors. Here, the new urban army of singles and DINKies can all catch trains and buses to go to work and to shop at the deli, sit in pavement cafes and go to the cinema.

And its where the political risks are minimised. 80% of the city will be untouched. The Save our Suburbs lobby will have little opportunity to complain. The development levies can pay for any infrastructure upgrades. And local Councils can see their rates base rising.

It a win – win – win outcome. The logic is impeccable. The planners get the higher density city to accommodate the predicted demographic transition. The architects' pictures look great and the marketeers have done their focus groups. The developers can turn a buck. And the politicians can rest easy and it doesn't cost them a cent.

That's the plan.

So will our new high density town centres and low density suburbs be vibrant? And are they sustainable? And what will future generations make of it all?

Lets look at the macro picture. Two features of the higher density market stand out– its driven by investors and it provides small accommodation.

At present, higher density is primarily a rental market. Its primarily a market for the mobile. Are these markets vibrant and sustainable?

The average renter lives in their home for less than 7 months. So these areas are certainly vibrating – to sound of removals vans. Is this the mark of a vibrant community, or simply a transient, incoherent community, looking to move on and up to somewhere else when they can afford to do so? Do neighbours know each other? What level of social cohesions is developing in these areas? We don't know.

What happens when Gen X and Y matures and finally settles down – well they look for a three bed home. There are few three bed flats in these areas. In fact, there are few families with older children in these areas.

We are building new higher density centres that have effectively excluded children – except in the low income high density rental clusters in the middling suburbs. Children have been the missing component in the design of the higher density urban revolution

But social sustainability suggests that communities need to be balanced and inclusive – that means building for families with children as well. Where are all the three bed child friendly apartments?

But the broader social implications of the roll out of higher density town centres also suggests that the social imbalance at the city wide level may intensify.

We may have little to fear for the future of residents in the high density inner and eastern Sydney, where the middle and higher income market predominates. These people are arguably achieving a life style outcome that suits their circumstances and needs, even if many of them are renting and living here temporarily. It is clear from the recent ABS statistics confirm research we've been doing on housing affordability in Sydney, that as Gen X matures and looks to settle down with a family, they are leaving their inner city flats for the suburbs or beyond.

But these conditions do not apply to everyone. Its noticeable that many of the town centres nominated for renewal and concentration in western Sydney in the Sydney Metropolitan Strategy have Index of Disadvantage scores well below the average.

Five of them have concentrations of some of the most disadvantaged populations in Sydney. What is the obvious outcome of putting more flats into these areas? Without a dramatic change in the nature of demand into higher income home ownership, then we will get more of the same. And these homes will last for 50 or more years.

If we are not very careful, we stand the chance of building in even greater long term social imbalances into our cities through this policy. Its not that high rise is bad in itself, but without understanding the reality of the market it is being produced for, then we are likely to go seriously wrong. No one wants that.

What can we conclude from this brief review?

Six points come out of the above discussion:

Firstly, the close connection between higher density and the rental investment market means that we are not talking about a sector where social stability is the norm. Unless current trends change radically – and they might – apart from selected higher value locations, building higher density has meant building largely for tenants and those on lower incomes, even in the eastern suburbs. Smaller households means single wage earners. In lower cost areas, many renters have very low incomes. Large numbers of low to moderate income flat dwellers concentrated in town centres will have an obvious impact on the economic viability of these communities.

The **second** message is that like pets, buildings are for life, in this case 60 or 80 years – or more. What you build now will have to last for a very long time and be continually reused by a whole range of households. Strata title ensures that once built, the capacity to renew them in the future is going to be fraught with problems. Moreover, nothing can make good a development built in a poor location. While it might look good when brand new, it is only likely to slip rapidly down the property ladder and end up housing those with least choice. So poor development decisions now will be here for a very long time. It pays to get it right first time.

Thirdly, a sector characterised by high proportions of rental means high turn over rates among residents. Churning communities are not obvious candidates for cohesive or socially sustainable communities. So building high density in large concentrations invites a rapidly churning community structure. While this is not necessarily a bad thing – one of the characteristics of ‘vibrant’ and ‘creative’ neighbourhoods may well be a high degree of social turnover – there are clear implications for the management of these areas for local councils. In low cost neighbourhoods, high turn over levels simply means higher levels of social stress and community dysfunction.

Fourthly, if social sustainability means achieving some kind of balanced community, then we are not building higher density housing to support balanced communities. The vast bulk of flats being built at one or two bedrooms. This effectively precludes families from occupying them, unless the children are very small, or the families are too poor to afford anything else. No

wonder young families are leaving the inner city in droves. They can't afford the houses and there are no flats big enough to house them.

Fifthly, in our new higher density city, the role of strata title is going to become a critical issue in the future. By 2030, 45% of homes in Sydney might be managed on strata title. This is not only about removing obsolete buildings, as noted above, but more importantly is about how well the strata title framework will stand up to being the basic community governance vehicle for half the population. So far its done reasonably well. But if investors desert the higher density market for any length of time, then home buyers will have to fill the gap. But a block of resident home owners, all worried about the value of their property, is likely to be a different prospect than a block owned by absentee investors and inhabited by transient population of tenants. Think of the usual neighbour disputes compounded by close proximity living, amplified by the results of poor quality building and magnified by communal decision making.

Lastly, if the higher density market remains effectively driven by investors, not home owners, then the roll out of newly densified town centres will be principally determined by investor sentiment, not end user needs. This is an important point, for while the simplistic link between more smaller households and more smaller dwellings has a logical ring to it, in reality there is no necessary relationship between household demand patterns and who actually determines what is built and for whom in the higher density market.

So what to do?

Can the new higher density city be made more socially balanced and inclusive and therefore more socially sustainable?

Well, at the risk of going against all current planning orthodoxies, I suggest we can make our higher density city more socially sustainable by four simple principles:

1 Avoid cramming more two bed flats into low value town centres or road corridors. We must avoid constructing the slums of tomorrow. Councils must have the ability to simply say no to inappropriate development that will only add to social imbalances.

2 Ensure that there is a mix of sizes and shapes of homes in higher density developments – including larger ones for families, sheltered homes for older people – and build housing that supports the range of family life – the Europeans seems to do it. Even in town centres and the inner city. The corollary is that there should also be a concerted effort to provide higher density inclusive housing in low density suburbs as well – but in a coherent and planned way, not through the *ad hoc* spread of poor quality gun-barrel villas or

random and poorly designed dual occupancies that we have had in the past. This means more better planning, not less.

3 Design matters – although its only part of the picture. Don't think you have solved the problem by simply having an architect design a block of flats, rather than a builder's draftsman. State Planning controls on design need to also include low rise blocks and town house developments. While good design will be a feature of up-market higher density, it won't necessarily be the norm for renewal in low value areas where costs will be cut to the bone. These are the areas where we stand the greatest risk of simply repeating the poor design outcomes of previous decades.

4 And for those places where the local demand for housing means many can't afford to buy or rent at full market value, then lets ensure there is an adequate supply of more affordable homes for sale and rent at a range of price points in a range of locations. Government has to come to the table on this one – it is not the responsibility of the development industry to solve the affordable housing problem on its own. Again, other countries seem to have answers for this issue, why can't we?

Despite the spin and rhetoric, a vibrant and sustainable Sydney needs good quality and inclusive suburbs and centres. It is not clear that our City planners have understood this message. But now come s the task of implementing the Metro Strategy proposals on the ground. There is still time to get the outcomes right. Lets not miss the opportunity to do so. Future generations will not thank us if we get it wrong.

Some ideas for implementing integrated town centre renewal

In order to achieve integrated renewal strategies we would need to link the development with active planning polices that target areas to encourage better quality mixed use and amenity improvements and that offer incentives for this kind of activity. This task has been effectively given to local councils under the Metro Strategy framework.

But who could deliver such a renewal program: public housing authorities, community housing providers, local councils, the private sector, other agencies – or partnerships between all these actors? And what role should local government play – facilitators or active leaders? How would physical renewal be tied into the delivery of social and economic renewal initiatives?

We need to develop a range of innovative planning approaches to address these issues. I suggest that at least five components would be needed to effectively launch integrated local solutions for these stressed middle suburbs:

Firstly, we need to develop integrated **Local Renewal Strategies** as part of the local planning process in areas targeted as at risk of increased social disadvantage. These Strategies would link together both land use and social/economic interventions as part

of an overall approach to tackling the integrated issues of housing, local amenity, social outcomes and access to jobs and services.

Secondly, we need to explore the potential for **Renewal Area Masterplans**. Master planning is deemed appropriate for new suburbs and for the revitalization of older industrial areas and town centers. So why shouldn't councils develop integrated masterplans to guide the redevelopment of declining residential areas, with the objectives of achieving more balanced communities and approaches to achieve these, backed by appropriate planning tools? Most importantly, local government needs to be much more proactive in determining the kinds of communities it wants in its areas, setting out a planning strategy to achieve this and then inviting the public or private sectors to offer options to achieve these outcomes.

Thirdly, we need a new form of local agency to bring resources and actors together to achieve these preferred outcomes. Bureaucratic state agencies, such as those that deliver public housing and social services in Australia, are not well suited to deliver integrated and flexible local outcomes. Local government may lack the resources at present to take on the task. To fill the gap we should consider developing local **Urban Renewal Corporations or Trusts** charged with bringing forward integrated plans for these areas. These would be non-profit, locally constituted and controlled, and arms-length from government, but suitably regulated and publicly accountable. They would act at the local level to deliver outcomes, working with local communities, government and the private sector to implement renewal masterplans. They would need appropriate powers to allow them to undertake the critical process of site assembly and other strategic interventions in line with the local masterplan. In NSW, Landcom might function as the key land assembly partner, managing short term uses of the purchased sites until such time as the full renewal concept can be undertaken.

Fourthly, the issue of resources will be critical. What funding arrangement would be needed to leverage both public and private funds into these kinds of areas? And how much public resourcing would we need? There will almost certainly need to be public investment, but it should be possible to work in partnership with private sector interests to bring about change. Some form of **Local Renewal Fund** funded by State or Federal government or local rates or levies (Section 94 for example) will need to be costed in to assist in leveraging other investment and, in effect, sharing the risk with the private and non-government sectors. At present, considerable public expenditure through grant programs and other interventions flow to these areas, but these are not coordinated and rarely act to support or add value to each other. These could form the basis of such a fund.

Lastly, we need to develop effective **Affordable Housing Strategies** with appropriate funding mechanisms to intervene in the housing markets and provide at least some support for new affordable housing supply to replace the rapidly churning private rental market and provide resources for owners and investors to improve the standard of housing supply.