“Never mind the quality, feel the width”. Why we need to move beyond the numbers game if the Metro Strategy stands any hope of success.

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Paper presented to the Planning Institute of Australia NSW Division Conference People and Places – Planning for Paradise?, Penrith, 12 October

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We hear a lot about the benefits of joined up thinking in the development of government policy. In New South Wales State government circles, the current fashion for ‘whole of government’ interventions is in part a recognition that thinking through the complex and sometimes contradicting policy context of intervention is better than proceeding as if policy was deliverable in a social and economic vacuum. We also hear a lot about the need for ‘evidence based policy’ – making sure new policy interventions are at lest based on some objective appreciation of the evidence for their need, or, better still, evidence drawn from small piloting policies to see if the likely outcomes match the expectations.

We have a new Metropolitan Strategy emerging which unfortunately does not seem to have taken heed of these kinds of more sophisticated approaches to the policy process. Put simply, the Metro Strategy, such as it is, appears to be a series of unrelated announcements about largely unrelated programs and schemes. Nowhere are the links, and the potentially conflicting outcomes, between these programs being drawn out and explained. True, there is considerable talk about integrated transport systems and matching transport infrastructure to the proposed new centres of population. But cities are more than just networks of roads and railways. They also involve people.

True, we do hear about people – in the context of the pressure from the growth of population expected over the next thirty years, the demographic shift to smaller and older households and the resulting need to shoe-horn these additional households into the city boundary. All critically important, of course, but that’s where the critical thinking ends. The solution becomes a simple one – build ‘em fast and build ‘em
high and the new model army of smaller households will simply do the rest. And whose going to pay for the development and infrastructure to make it work? Well, the whole process pretty much pays for itself, through development levies.

So for hard pressed urban planners, high density housing kills two birds with one stone. It accounts for the growth of smaller households that will be powering the expansion of Sydney over the foreseeable future and it also allows pays for the infrastructure needed without too much public spending. A neat trick, you might think, and one that no doubt appeals to Treasury. Unfortunately, justifying higher density urban renewal as an answer to a simple numbers game and to also meet the costs of the process is likely to lead to problems. No one appears to be thinking about the social outcomes this kind of development is likely to lead to. A simple belief in Sydney’s continued economic growth and a reliance on the development industry to deliver the goods, fuelled by glossy images of trendy inner city cappuccino strips, keeps the dream alive.

But this approach to urban renewal shows a blindness to the social and economic context in which higher density housing is produced and consumed. Planning cities really means planning for people, not just numbers of dwellings. But nowhere in the Metro Strategy material released to date is there a recognition that the new urban population of Sydney will have a range of different needs and capacities to pay for their accommodation.

Moreover, the strategy appears to being developed in complete isolation from an understanding of the social processes surrounding a development program as complex and multi-faceted as that being proposed, or of the social outcomes that are likely to eventuate down the track. The failure to find a Social Sustainability Commissioner was no coincidence. There is nothing in the Metro Strategy discussion document released last year that would convince any potential Social Sustainability Commissioner that the job was worth the candle.

Nowhere is this lack of social context more glaring that the proposals currently circulating on what will be the most important component of the Strategy, namely the redevelopment of urban Sydney to accommodate upwards of 420,000 new higher density homes over the next thirty or so years. The bulk of this is expected to be contained in the inner east and central west corridors – perhaps up to 220,000 new flats and townhouses, over half the total expected in Sydney over the next 30 years.

If current patterns of investment in higher density housing are a guide, the bulk of this new stock will be rental housing. Indeed, the whole market is driven by investor sentiment, as the recent developer led furore over the Vendor Sales Tax so clearly indicated. This means two things. Firstly, the economics of renewal and therefore the likelihood of it occurring will be driven primarily by investor sentiment, not household growth. Without the former being positive, there will be little effective demand for such development. Housing supply, and the urban renewal that is being pinned on it, will ebb and flow with investor behaviour, rather than necessarily responding to population growth. Is there any guarantee the investors will be out there to buy into this new expanded market?
Secondly, where will all these households willing and able to rent these units come from? The notion that the growth of small households will simply fill up all these smaller rental units is likely to be misplaced. How much further can the demand for private rental be expanded to cope with the expansion of supply? Without the investors, and willing and sufficient renters, the only option will be to target sales increasingly to home buyers. But this is likely to take a significant shift in the attitude of households to buying these kinds of property. In other words, we need to stimulate a whole new generation of flat owners, perhaps the very Generation X and Ys who until now, have been content to rent and leave the responsibility of paying a mortgage to later. Its by no means impossible, but no one is thinking about it at present. But it also means that developers will need to be much more savvy in how exactly what they are building. Poor quality blocks in poor quality locations, especially those crammed on noisy sites overlooking main roads or rail lines, may no longer be good enough.

But there are other problems with the high density vision for Sydney. It completely ignores the problems that are already emerging in the existing higher density housing stock in the more disadvantaged parts of the city – Auburn, Canterbury, Bankstown and Fairfield to name but a few. We have heard nothing at all from the planners about how the problems of existing higher density concentrations in these areas, now quite evident from any cursory glance at the statistics of poverty and poor housing, are going to be addressed in the future. Councils and their communities will be left to their own devices to deal with the problems of the run down and marginalised populations now living in the outcomes of urban consolidation of the last thirty years. After all, that’s not a planning problem is it, and even if it is, it has nothing to do with the Metro Strategy?

Our new high density vision also appears to ignore the housing market impacts of the new release areas on the fringe in drawing away much of the demand from middle and higher income households in Western Sydney – leaving the older higher density middle belt of suburbs even more skewed towards those on lower incomes – just as the areas are expected to soak up much more higher density housing.

It seems to assumes a limitless demand for such housing from younger more affluent households across the urban area. But any analysis of the social composition of housing demand for higher density housing, especially for rental housing in the areas where the majority of the higher density stock will be developed, show the most likely demand will be from lower income and more disadvantaged populations. And it assumes that the strata title framework that underpins higher density housing will stand the test of both time and consumer acceptance. But it is unclear that this framework is robust enough to deliver an acceptable housing product that many consumers will want to live in over a long period, especially given low design outcomes for much of the lower value stock. Issues surrounding communal living and effective governance of strata titled property in multiple (and often absentee) ownership over the longer term are poorly understood by those planning Sydney’s higher density future. And all this ignores the longer term problem of what you do with a block of flats when it reaches the end of its structural life.

Of course, much of the detail of Sydney’s higher density vision still has to be worked out on the ground. There is a very long way to go and much to be learnt. No one wants urban sprawl. But the worry is that the planning for this high density revolution
has started by studiously ignoring these issues and has so far come up with a series of urban design-led outcomes which look fine on paper and in artists renderings, but simply fail to address the social realities of Sydney on the ground. Once we get down to the nitty gritty of implementing the new higher density Sydney, social reality may come back to bite big time. It would be better to have worked these issues into our thinking now, through some clear evidence based policy development, before its too late. Is there anyone out there who fancies the job of Social Sustainability Commissioner?

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