Planning for Urban Change in the Inner & Middle (Greyfield) Suburbs of Melbourne

Presentation to: U3A
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Overview of Presentation

1. What’s the problem?

2. Models for urban infill transition in the ‘greyfields’

3. GtG Project: locating & engaging precincts

4. Audience feedback
Metro [Melbourne] Challenges:

- Melbourne’s current & forecast high population growth + demand for housing
- Housing supply lagging demand….increasing gap
- Housing affordability….capital city housing prices world leading…….
  Melbourne among least affordable globally
- Housing mix…..undersupply of medium density housing
- High cost of delivering inner/middle suburban medium density housing
- Urban sprawl…greenfield continues to be where most new housing built
  → significant economic, environmental & social costs
- Suburbanisation of social and economic disadvantage (concentration of
  lower income h’holds; poor access to public transport, tertiary education,
  specialist health; concentration of social problems)
- Key urban infrastructures ageing; retrofitting & greenfield development lagging
  → developing hybrid urban infrastructures for energy, water and waste
- Ecological footprint among highest globally (high resource consumption + CO2)
- *Plan Melbourne* …. no strategy for regenerative intensification in established,
  underperforming suburbs apart from activity centres (and transport arterials)
Both sides of politics committed to a ‘Big Australia’….and big ‘cities’

Melbourne’s population forecast to double in 45 years
Population shares by zone, Melbourne

Estimated actual and projected future annual population growth by Melbourne region

Source: Chris Loader (chartingtransport.com)
Challenge = **retrofitting** Brownfield and **Greyfield infill sites** - at precinct scale

**Capital City Metro Plans**

**Infill**

**Targets:**

~ 50-70%

Objective = redirect population + housing investment inwards rather than outwards

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**Objective** = the established (middle) suburbs need to **better perform** as locations for accommodating additional population & new housing (and jobs)
Liveability ≠ Sustainability: Melbourne’s Large Ecological Footprint

Australian Capital Cities

Source: Newton (2012)
Housing and Transport Contributions to Ecological Footprints in Australia, North America and Europe: a reflection of land use and transport planning

**Housing:** Large dwellings require more energy to heat & cool household; Trojan horse for household consumption

**Transport:** (ICE) Car Dependency; High VKTs; High Consumption of Petroleum / Fossil Fuels

Source: Townsend (2006)
Australia: Global house-price leader – a reflection of land use rules?

The Economist house-price index

House-price index | Prices in real terms | Prices against average income | Prices against rents | Percentage change
--- | --- | --- | --- | ---
Q1 1980=100 |  |  |  |  
1980 |  |  |  |  
1990 |  |  |  |  
2000 |  |  |  |  
2010 |  |  |  |  
1,500 |  |  |  |  
1,250 |  |  |  |  
1,000 |  |  |  |  
750 |  |  |  |  
500 |  |  |  |  
250 |  |  |  |  
0 |  |  |  |  

Sources: The Economist; Australian Bureau of Statistics; OECD; ONS; Standard & Poor’s; Thomson Reuters; national statistics
Landscapes of Relative Accessibility: Melbourne

Access to public transport

Access to jobs

Access to tertiary education
Housing market: constrained inner/middle city housing supply increasing costs and suburbanising social disadvantage
Greyfields are characterised by occupied residential areas that are physically and technologically obsolescent, environmentally poor performing and where the asset value resides in the land rather than the building (Newton, 2010; *Built Environment*).
>30% housing stock in established inner / middle suburbs represent “Greyfield” built environments:

- physically, technologically and environmentally poor performing (but occupied) dwellings
- economically under-capitalised/under-utilised asset

• where > 80% total property value is vested in the land; indicating high redevelopment potential
RESIDENTIAL REDEVELOPMENT POTENTIAL BY MUNICIPALITY

Redevelopment Potential Index (RPI) = Land Value/Capital Improved Value

City of Melbourne

Boroondara

Stonnington

Maroondah
Stages in the housing life cycle of a metropolitan region

<table>
<thead>
<tr>
<th>Intensive</th>
<th>Re-generating</th>
<th>Ageing</th>
<th>Maturing</th>
<th>Youthful</th>
</tr>
</thead>
</table>

- **Localities with maximum utilization of site value; high intensity development (eg. CBD high rise apartments)**
- **Significant regeneration underway; old stock with high re-development potential being replaced by new housing at higher yield**
- **Locality indicative of an ageing housing market, where most value is bound up in the land**
- **Locality indicative of a maturing housing market, little re-development occurring at this stage**
- **New residential development dominant in locality**

Source: Newton et al 2011
Most residential redevelopment can be expected to continue to occur outside current designated development zones … as fragmented, sub-optimal ‘knock-down-rebuild’

Activity centres and transport corridors are both necessary but not sufficient instruments for meeting infill targets and delivering more compact cities. They are not acting as the ‘twin magnets’ planning policy has articulated.

Currently there is no operational model for medium density residential precinct redevelopment in the Greyfields [ in Neighbourhood and General Residential Zones]
What’s happening with urban infill in Melbourne?

• Net new housing infill below 50% [Plan Melbourne (PM) target 53%; PM Refresh 70%]

• Brownfields (BF):Greyfields (GF) ratio of new dwelling construction running approximately 45:55

• Types and scale (YIELD) of dwelling projects vary significantly between BF & GF:
  GF: 27% 1:1  50% 1:2-4 units
  BF: 17% 1:50-100  56% 1:100+ units

• Public transport access level (PTAL ) is not a magnet for attracting higher levels of infill; households remain attached to cars and developers to offering car parking

• CBD is only activity centre attracting significant rate of new housing

• Type of infill housing varies by area socio-economic status:
  Above ave. SES locations: 1:1 replacement; high rise apartments dominate
  Average-to-Below ave. SES locations: 1: 2-4 and 1: 5-9 projects dominate
Medium density **precinct scale** redevelopment significantly under-represented in urban infill projects

### Residential infill yields of Projects, Melbourne, 2004-2010 (% total infil)

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2-4</th>
<th>5-9</th>
<th>10-19</th>
<th>20-49</th>
<th>50-99</th>
<th>100+</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td>Brownfield</td>
<td>1.3</td>
<td>0.5</td>
<td>0.7</td>
<td>2.8</td>
<td>4.1</td>
<td>5.9</td>
<td><strong>19.2</strong></td>
<td>34.4</td>
</tr>
<tr>
<td>Greyfield</td>
<td><strong>17.9</strong></td>
<td><strong>32.3</strong></td>
<td>6.3</td>
<td>2.3</td>
<td>3.2</td>
<td>2.3</td>
<td>1.3</td>
<td>65.6</td>
</tr>
<tr>
<td>Totals (%)</td>
<td>19.2</td>
<td>32.8</td>
<td>7.0</td>
<td>5.1</td>
<td>7.3</td>
<td>8.2</td>
<td>20.5</td>
<td>100.0</td>
</tr>
<tr>
<td>(N)</td>
<td>21,947</td>
<td>37,614</td>
<td>8,029</td>
<td>5,833</td>
<td>8,309</td>
<td>9,374</td>
<td>23,487</td>
<td>114,593</td>
</tr>
</tbody>
</table>

Source: Newton & Glackin (2014; *UP&R*)
Cantankerous cities: intensification, neighbourhood change and resident reaction
Appeals to VCAT, 2007–2012, by municipal council area, Melbourne: Planning needs to be better than this......

Source: Newton & Glackin (2014)
Precinct regeneration offers the prospect for the (re-)design of more sustainable, resilient, low carbon neighbourhoods:
• Housing (variety, affordability, yield)
• Energy (low/zero carbon; distributed generation)
• Water (integrated stormwater/ rainwater/ greywater; water sensitive design)
• Waste (optimise recycling, reuse, food composting)
• Mobility and health (more walkable)
• Neighbour contact (community spaces, gardens)

……that mesh with an evolving transition in urban character from ‘suburban’ to ‘urban’ through better design
Innovation Arenas for Initiating Greyfield Precinct Regeneration

Source: Newton et al 2011
How all this works on the ground.

- Land is being redeveloped everywhere.
- In lots of instances its creating bad outcomes.
- People are starting to capitalise on this by selling their land together for more money.

- And now there is the potential to use lot amalgamation for all sorts of social and environmental benefit.
- The big questions is: “what NARRATIVE will drive people to work together?” or rather “what would YOU consider as a viable option for lot amalgamation?”
We have tools to show WHERE it is practical and viable.

High redevelopment potential in Maroondah, near train stations and hospitals, with low land slope.
And here are the properties with high RPI around us NOW!
We have tools to show WHAT can be developed - and its benefit

Redevelopment scenario in Maroondah to gain maximum: open space, walkability, stormwater capture and housing choices.
We have numerous process to show HOW to develop precincts

**State commitment**: Senior partners in state government and local government who are committed to this process.

**Planning reform**: New statutory process (zones and overlays) that allow landowners to benefit from lot amalgamation.

**Legal frameworks**: Allowing landowners to work together fairly and equitably, as well as to protect the rights of all landowners.

**Choices and options**: Alternative funding pathways for precincts (sell land, hold land, joint venture, reverse mortgage, new dwelling + profit, etc.)

**Market Information**: Economic viability analysis tools to illustrate the cost and potential outcomes of different redevelopment models.
Developers of retirement living projects could be missing out on huge opportunities by ignoring the desires of the baby boomer generation.

Lynn Masson-Forbes, the founder of South Australian-based Seniors Real Estate Specialists, says that developers are focused on multi-unit retirement villages while what baby boomers want are smaller compounds that are situated in the wider community.

"The tsunami of baby boomers that are about to retire are looking for very different types of housing and at the moment their only options are a retirement village or a courtyard apartment," she told Property Week.

What the research shows, she said, is that “baby-boomers want to own the house, they want to be involved in the design of the house and they want to live in the general community, not necessarily in retirement villages.”

In an ideal situation, she suggests that baby boomers could buy manageable blocks that could hold 6–8 houses suitable for their needs, which they could hold under community title “rather than living in retirement villages with over 100 units.”

What’s driving this is a change in perception by baby boomers. “They don’t think that they are old at 65, instead they are looking to start a new form of life.”

The opportunity for developers is to work alongside retirees to design more diverse types of accommodation with Masson-Forbes stating that developers that do this will reap the benefits.
And this is where you come in.

• You are the land owners and control what happens on your land

• Individually you may not much say about your locality

• BUT as a group of landowners you could have far more say over developments on amalgamated lots.

• So the big questions are:
  • What do you think your housing decisions will be in the future, and
  • What would tempt you towards joining with your neighbours to regenerate your houses together?
Housing decisions for older Australians - what are your plans?

• Age in place: Higher wealth/lower income? Draw down on home equity? Prospects for home care?

• Sell and move to a retirement village/hostel arrangement

• Sell individually and shift locally to smaller newer property (existing or from plan) in same municipality/suburb/area; Q: similar price points for selling and buying (ie little extra cash after transaction)

• Sell individually and shift to smaller newer property (existing or from plan) in different municipality/suburb/area; Q: different price points for selling and buying (ie gain a cash benefit as well as downsize)

• Sell with neighbours (double sale price) for precinct scale medium density and buy into new development in same neighbourhood

• Sell with neighbours (double sale price) for precinct scale medium density and move to another/different area
Future design of your space and locality

Other than financial and housing security, what else would tempt you to join a project?

- Common space?
- Private space?
- Economic sustainability?
- Greater access to services and transport?
- Greater levels of passive surveillance?
- Shared resources?
- Less expensive water and energy bills?
- As a way to shape your locality for the better?
- Anything else?