Renewing the middle city: Planning for stressed suburbs

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**Introduction**

Many of the middle ring suburbs of Australian cities are ageing. Built largely in the four decades between 1930 and 1970, these suburbs represent the result of the first wave of large-scale low density urban expansion of Australian cities. Comparable areas characterise the middle suburbs of Sydney, Melbourne and other Australian cities. And many of these areas are now the locations of the most disadvantaged communities in Australia.

These areas of our cities represent a major challenge to planners. As they move into decline – and some of these areas are well on the way – the solutions to the problems they face will increasingly be sought. State and local planners will need to have solutions that work. To date, little strategic thought has been given to how we might reshape these areas and prevent further decline. However, the solutions to the problems these areas face will need go beyond simple land use planning.

And this is perhaps the real challenge facing those who will be asked to address the decline of the middle suburbs. These areas are extensive – for example the area centred on Bankstown in Western Sydney (including Auburn, parts of Parramatta, Fairfield, Liverpool and Holroyd) and parts of Brimbank, Greater Dandenong and Whittlesea in Melbourne. Land use planning has so far not played a significant role in addressing the problems of these declining suburbs. More importantly, there has been little concerted effort to link land use planning interventions to the social interventions that these areas benefit from, to local social planning, or to a recognition that the housing market plays a key role in generating and maintaining the disadvantage in these areas. Only in areas of public housing are these kinds of connection made. But the real problems of our cities lie well beyond the public housing estates. They now reside in the large areas of lower value private housing that dominate the middle suburbs of our largest cities.

**Defining the problem**

In Sydney, Melbourne and other larger Australian cities, the housing market of the middle suburbs is now experiencing considerable pressure for change. The most important trend is one where the original population is being replaced by households for whom the area offers an affordable housing alternative to the gentrified inner suburbs on the one hand and the increasingly unaffordable “aspirational” urban fringe on the other. The key change is that the inner cities are no longer the location of urban disadvantage. This honour has shifted to the middle suburbs (Randolph and Holloway, 2004 forthcoming; Latham, 2003).

Many households in these areas are first or second generation immigrants from a multitude of backgrounds. Some of these are among the newest arrivals in Australia. The remaining original occupants of the area are now ageing and represent a significant population in many middle suburbs. Others are attracted to these areas by the relatively lower cost housing that these areas offer in an increasingly high cost urban housing
market. Rental investment has shifted out into these areas, again offering low cost, but often also low quality housing opportunities.

At the same time the physical fabric of much of the earlier housing in the middle suburbs is wearing out. A large proportion of the stock in the middle suburbs of Sydney is of fibro construction which is nearing the end of its useful life. Many were only sewered less than thirty years ago – one of the lasting legacies of Whitlam’s brief government. Some still don’t have proper curbing and guttering. Stock obsolescence is a major feature of this area. Other cities have comparable areas of housing of declining quality.

Moreover, housing built to the standards of post-war Australia is no longer appropriate for today’s population demands and needs. Poor quality amenities and often small room sizes, together with poor insulation standards and poor energy and water saving features, for example, mean that many properties are inappropriate by modern living standards.

Finally, these areas were also developed at relatively low density, and much lower densities than new urban fringe developments are currently being rolled out. Yet this density is fixed in place by land uses and plot sizes. But change – and with it densification - is working through these areas following these preserved land division patterns.

The process of *ad hoc* renewal

The current outcome is a largely unplanned and *ad hoc* process of urban change – new investment does occur, but its effects are dispersed and often negative in social terms over the longer run. In many cases, redevelopment is simply building in more disadvantage for the future.

Importantly, the current process of change is overwhelmingly market driven and takes several forms. Some of the original housing stock is “knocked over” to build large plot-hungry “monster homes”. These may offer highly appropriate homes for the upwardly mobile multi-cultural populations in these areas, but are often poorly integrated in terms of street design and often push the limits of plot size.

Other housing, in appropriately zoned areas, has succumbed to the ubiquitous two or three storey block of walk up flats, particularly around rail stations and town centres. Under this form of urban consolidation whole neighbourhoods have been transformed as the typical “gun-barrel” blocks of flats have replaced the low density housing stock. Private rental is a major tenure, together with a low value marginal home ownership sector. These areas are now increasingly the locations of some of the most disadvantaged communities in our cities. The poor amenity flat blocks built during the last two decades and similar buildings that are currently being built will house future generations of what, on current trends, can only be described as slum dwellers.
Other plots are subdivided or strata-ed to produce semidetached town house developments. This provides a useful housing supply for smaller home buyers, often mature or older people whose children have left home, or first home owners. The rest of the original, and aging, housing stock remains, some well maintained, but many falling into disrepair, especially the stock that is rented, or owned by older households with limited disposable incomes.

The result is an unplanned and often disorganized mix of redevelopment that has worked its way through the middle suburbs in a largely random way. Development largely follows developers’ needs and perspectives as plot vacancies arise, rather than the longer term needs of local communities. A process equivalent to the “block busting” that happened in North American cities in the 1950s and 1960s takes over in some cases. Existing owners take fright and sell, speeding the process.

This is not all bad, of course. The more diverse housing mix lends itself to a more diverse population and meets the growing demand from smaller non-family households that are now an increasing proportion of our cities. The older three bedroom family stock, which forms the bulk of this housing that is being replaced, has become increasingly inappropriate. In areas where town centre redevelopment can be made to work, together with densification of housing, a more robust local economy can revitalize suburbs. But where this isn’t happening, or where the revitalization does not reach critical mass quickly enough, then problems intensify.

And the social outcomes are also highly mixed, but often deleterious. Older populations are replaced by more mobile renters and lower income households looking for a toehold in the market. As I noted above, these areas have high immigrant populations, attracted by the relatively low prices and permeable social structure. Households in real poverty are mixed in with generally low to middle income households. This process produces a more diverse social mix, but with no higher end incomes and fewer stable households to hold the community together and bring income to the area. Levels of community stress are often high. And most importantly, those who are upwardly mobile leave to move to the newer suburbs being developed on the urban fringe, or as retirees to coastal locations.

However, little in the way of systematic research has been conducted on these, now ageing, middle areas of our cities or on the policy options that might best address the issues of change and renewal these areas now face. This task is just beginning.

**What are the drivers of change?**

Several studies recently undertaken by the Urban Frontiers Program have begun to unpack the social changes that these areas are undergoing and the drivers behind these changes. This research has shown three aspects of change.

Firstly, there is a growing social polarization within the suburbs of Australian cities, between the older middle suburban areas and the newest fringe developments. Secondly,
this process is being driven by selective migration patterns between the suburbs, with the older areas loosing upwardly mobile populations to the new fringe areas. And thirdly, partly as a result, the existing areas of high social disadvantage are expanding, not only as a result of loosing upwardly mobile households, but also by gaining other lower income households from other suburbs or from overseas (Gleeson and Randolph, 2002; Randolph, Gleeson and Holloway, 2002; Randolph and Holloway 2003a, 2003b, 2004 forthcoming).

As a result, the older middle suburbs have changed in the last twenty years as the older demographic has aged and been replaced by a much more diverse population, both in terms of household structure, socio-economic structure and multi-culturally. The key feature of middle suburbs is therefore a much more highly diverse housing market, and greater concentrations of social problems. These trends contrast to increasingly exclusively ‘monocultural’ new communities in new fringe developments – middle income, couples with children, in car dependent up-scale single family houses – the “MacMansions” of the media exposés (Hawley, 2003). Most of these are established households trading up to the fringe. Few are first time buyers.

These changes are driven on the ground by housing market processes. On the one hand, the process of new fringe development acts to pull the more economically able households away from adjacent older suburbs in search for new housing opportunities and, in part, to seek a new lifestyle away from the perceived problems of the middle suburbs. Many of these are the sons and daughters of the previous generation of ‘battlers’ who moved to the then lower incomes outer suburbs after the Second World War or from overseas (Powell, 1993). As such, this represents a reflection of the maturing of the suburbs of Australian cities and a generational shift in the population born and raised in these areas. The development industry, of course, relies on this filtering-up mechanism to drive its sales on the fringe.

Gwyther (2003) has painted a graphic picture of the search for a new and safer community for many of those moving out to the new fringe, pulled by the positives of a chance for conspicuous consumption among like minded people, and pushed by a perception that the changes affecting older suburban areas are both threatening and unwelcoming. Gleeson (2003) has also commented on the social and cultural context of this move, and the social polarization that has resulted, drawing specific links between the individualised ‘privatopias’ which the new fringe suburbs represent, and the devalued areas with larger reliance on public space and institutions in the older suburbs. The political expression of this move has been analysed forcefully by Latham (2003) in the portrayal of the fringe bound migrants as aspirational, with already clear political outcomes of this in terms of the rightward switch in voting patterns in these fringe areas compared to the older middle suburbs.

In effect, the process of new fringe development is effectively polarising the suburbs. This process is being intensified by the development of blocks of flats around older suburban town centers. To put it bluntly, choice in new housing is limited to a large family house in the new release areas or a flat overlooking a main road or rail line in the
middle suburbs. There is little housing choice in the new suburbs. Anyone wanting a smaller or more affordable home must look for it in the older suburbs. Yet the planning system has so far not recognized this process, appreciated its longer term implications, or attempted to ameliorate its more negative impacts.

We have seen precisely what this process, albeit driven by more extreme pressures, did to North American cities. Similar processes – market led decline generated by out-migration – unthinkable a generation ago, has hit many older cities in the UK in the last decade. In both countries, extensive public interventions have been developed to try to arrest or deal with the negative effects of these polarisation processes.

We are not near this kind of situation in Australia – yet. Immigration and a buoyant economy in our cities means the pressure on land resources so far remains high and our cities are still young by US and European standards. But it is not too difficult to imaging a time, 10 or 20 years hence, when comparable processes emerge in some areas, especially if large-scale land release is allowed on the fringe with no reciprocal attention to the problems of decline in the middle suburbs.

**So, what do we do?**

One of the results of the research we have been doing in these areas has been to expose the lack of clear strategic planning frameworks to deal with these interrelated issues. The focus on urban expansion, on the one hand, and urban concentration and inner city revival on the other, has left the consideration of the problems of the middle suburbs behind.

We need a better understanding of these areas and the processes reshaping them. We need to start to ask ourselves the question of what kinds of communities will be generated by planning decisions affecting these areas. We need to integrate a strategic understanding of the regional drivers of housing market change that affect local planning outcomes. All too often, local planning decisions are made within frameworks set by local government boundaries, but concern the outcomes of processes operating at a regional level, or beyond. Local government planners have been slow to look beyond their own limited horizons to understand the process of change driving their local markets.

For example, what will be the impact of major new fringe development on these kinds of areas? In Western Sydney, what impact will 90,000 new homes in the Bringelly Investigation Area have on the social structure of Fairfield? And what impact is urban consolidation having on polarisation: will more 15 storey blocks of flats in older town centres lead to more balanced community outcomes or will they simply become future “hostels” for disadvantaged renters and concentrate new problems in this area?
To become pro-active in planning for these areas we need to address a number of interconnected issues, all of which need addressing in developing approaches to plan to renew the middle city. These include:

- The physical replacement and upgrading of private housing that is reaching the end of its life.

- Approaches to address the high proportions of poorly maintained owner occupied and rental housing – houses and flats.

- Integrating land use planning and social interventions to tackling the problems of urban disadvantage – concentrations of poverty and high levels of community stress.

- The need for a more effective use of poor quality, underutilized or redundant space, including densification of existing housing, but also poor quality commercial property.

- Programs for the improvement of local amenities and public open spaces, such as streetscaping and enveloping schemes, especially in and around secondary retailing areas.

- Renewal proposals to make these areas attractive to upwardly mobile households – to encourage them to stay in the area to retain higher incomes and build a mixed community rather than move away to the fringe.

- The process of incremental intensification of land uses in low amenity areas with land in multiple and fragmented ownership is the key issue facing many of these older middle suburbs. There is a need to devise mechanisms to address the issue of site assembly to allow more thoughtful and integrated renewal of fragmented residential areas.

- We need to have a longer term mechanism to deal with strata title blocks which need replacement or upgrading which does not simply rely on abandonment before the site can be renewed. This is likely to be a major long-term issue for many areas of the middle suburbs in Sydney.

- We need to explore the kinds of agencies and the level of resources needed to implement integrated renewal programs in these areas.

- And we need planning strategies that link to economic regeneration strategies which can bring in new employment opportunities (creative zoning?) or to link these areas more effectively into job-rich areas.
What if we do nothing?

So the key question is: Should renewal of these areas be left to the market or can we plan to bring coordinated re-investment to renew these areas to bring improved outcomes for residents?

If the market prevails, pockets of disadvantage in older middle suburbs will continue to decline as social problems concentrate and new investment drains further. The run down of these areas will intensify. Its already happening. Do we simply allow a process of piecemeal renewal that will stretch out over decades, leaving long-term blight and deterring serious re-investment? Dealing with the longer term consequences, such as greater social dysfunction, higher social expenditures, increased community stress and potential abandonment, will be more difficult in 10 years or 20 years. Not all part of the middle suburbs will go that way, but some undoubtedly will. Gentrification is unlikely to happen. These areas are not located near any obvious high income employment centers, access is often poor and in any case there are only so many gentrifiers in any city.

So the market will not necessarily move to improve these areas. And in any case, we need to address the issues of social disadvantage facing these communities, not just hope the market will move in to shift them somewhere else.

So if the market will not take up the challenge, who will? In this context public intervention is unavoidable. The issue is how, and how much will it cost? The planning profession has not said much about these areas to date. Many local governments in these areas lack the resources to intervene (and they represent the poorest areas with intense pressure on funds and a relatively low local rates base) or have little idea about how to intervene, even if they want to. Few models exist for this in Australia.

What are the policy options?

If we do want to facilitate renewal of these areas, how do we do it without gentrification to power it along and in the process removing the communities who currently live there? In order to address these issues we need to radically rethink our approach to planning and intervention for these kinds of areas. A key issue will be how to stimulate reinvestment in lower value areas. These are not prime waterfront sites, or old large scale industrial sites or areas that are likely to attract a high income inner city demand.

There is no profit bonanza to be had here, at least not on the scale of other parts of the city. Moreover, renewal in these areas is likely to be higher risk, more protracted, and take place over a long time span. If we need private sector participation, how can the risk be shared and investment produce a return without producing poor quality outcomes. And what kind of development partners would be interested in doing the work?

However, given that many households leave these areas for new or higher value housing options elsewhere, then there could be a local market for middle income housing which
would help bind the community, and slow the turnover of population, and improve the housing stock at the same time. It is only by arresting the exodus to the aspirational fringe suburbs that mixed income communities can be retained in these locations.

In order to achieve integrated renewal strategies we would need to link the development of new market priced and affordable housing options – through interventions to replace the poor quality housing stock or to assist landlords and home owners to improve their properties – with active planning polices that target declining areas to encourage better quality housing and amenity improvements and that offer incentives for this kind of activity.

But who could deliver such a renewal program: public housing authorities, community housing providers, local councils. 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 approaches to address these issues. I suggest that at least four components would be needed to effectively launch integrated local solutions for these stressed 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 poor housing, poor local amenity, poor social outcomes and poor access to jobs and services that characterize these areas.

Secondly, we need to explore the potential for Renewal Area Masterplans. Masterplanning is deemed appropriate for new suburbs and for renewal of older industrial areas and town centers. So why shouldn’t councils develop integrated planning approaches to guide the redevelopment of declining residential areas, with objectives of achieving more balanced communities and approaches to achieve these, backed by appropriate planning tools? Public housing authorities have done this for their estates renewal programs in several States (Randolph and Wood, 2004 forthcoming). So why are we not doing this for the broader renewal of stressed middle suburb areas?

Thirdly, we need a new form of local agency to bring resources and actors together. We should consider developing local Urban Renewal Corporations or Trusts charged with bringing forward integrated plans for these areas. These would be non-profit, and arms-length from non-government. State agencies are not well suited to deliver integrated local outcomes. Local government may lack the resources and they certainly have other issues to focus on. We need locally constituted agencies who can act independently at the local level to deliver outcomes, working with local communities and government to bring change. Examples of these kinds of vehicles are commonplace overseas (for example, Community Development Corporations in the USA and Local Renewal Partnerships in the UK).
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 will need to be costed in to assist in leveraging in 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.

**Conclusions**

The emerging problems of disadvantage facing the middle suburbs in our major cities and the need for a strategic approach to their renewal and revitalization is the major problem facing planners over the next twenty years. But the planning frameworks we have are not well suited to creating appropriate answers. Importantly, local planners can’t do it by themselves. These kinds of renewal effort will need a concerted and integrated approach, with at least a regional perspective. Current local planning policy is far too limited for this purpose. We need new and more strategic tools to approach the problems of integrated urban renewal in our stressed suburbs.

Needless to say, we really do need effective whole of government support for these kinds of integrated renewal strategies. But they must be delivered and coordinated at the local scale, not by a bureaucratic silo – or several silos who never talk to each other effectively, or whose decision making structures preclude locally based decision making. And affordable housing policy needs much further development to get to the stage where real investments can be bought to bear in the form of mixed funded renewal to kick start or underpin broader renewal plans.

Nevertheless, despite the fact that not all the pieces of the jigsaw are place, we need to start work now on developing new policies to address the stressed suburbs of our cities, before the problems really get out of hand. And we will need to invent new piece of the jigsaw as we go along. Critically, this will present a major challenge to planners who must come to the fore to assume a key role in developing strategic integrated approaches to address decline in our older stressed suburbs.
References


