

Flexible Growth Scenarios in Melbourne: Impacts and opportunities of diversified dwelling supply

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Introduction

Prior to COVID-19, Melbourne's population grew at unprecedented rates and the proportion of growth to be accommodated by infill housing escalated. At each milestone, actual growth outstripped population projections, leaving strategic plans in a state of 'catch up', often resulting in the expansion of the urban growth boundary.

Between 2000–2030, for instance, the city's population was expected to increase from 3.4 to 4.4million, subsequently updated to 5million with 53% of housing-need to be delivered through infill redevelopment (Vic Govt, 2003 & 2008). Melbourne exceeded 5million in 2018 (ABS 2020); the growth boundary expanded in 2010 and again 2012 (VPA nd). Another doubling in population from 4million in 2012 to 8million 2051 (Vic Govt 2014), was later revised to 9 million (VIF 2019). Of the 2 million additional dwellings now needed, an infill target of 70% is aspired (Vic Govt 2017).

Accommodating the enormous influxes in population and providing jobs near to where people live has preoccupied Melbourne's strategic plans. However, during COVID-19, population growth abruptly slowed. The momentary oversupply of housing did not curb rising dwelling costs, challenging assumptions that supply was key to mitigating Melbourne's dwindling affordability (Towell & Krispin 2021). Commentators also suggest that the flight from the city (when economic centres shut-down) will continue beyond the health crisis as work-from-home becomes a permanent feature of the 'new normal' (Dalzell & Ryan 2021).

Covid-19 underscores the vulnerability of growth-oriented housing policies and casts uncertainty over the viability and timing of conventional development approaches. Population surges (upward and downward) and new live-work patterns point to the need for greater diversity and flexibility of infill housing supply.

The Type, Distribution and Speed of Melbourne's Housing Supply

Urban consolidation has seen Melbourne's housing supply fall into two broad categories: high-density redevelopment in urbanised centres and transit nodes; low-density fringe expansion. The prevailing land-value model has led to an uneven distribution of urban renewal (Nygaard et al. 2021), amplified by concentrated investment in nominated zones, such as Major Residential Sites (MRS). The cost and complexity of large-scale, high-capital development has been historically slow to realise in middle and outer suburbs, while amenity and services continue to lag in growth areas.

Despite strategic policy, market-led development has persisted outside priority development zones. Swift built form changes via small, ad hoc redevelopments have

occurred across established suburbs. *Plan Melbourne 2017–2050* acknowledges that redevelopment of low-density suburbs has been unplanned in the past (Vic Govt 2017) and research shows its adverse impact on the quality and sustainability of suburban living (Murray et al 2015). However, if strategically coordinated, the speed and distribution of small-scale infill offers potential short-term supply advantages and a vehicle for diversifying long-term outcomes.

Scenarios for Future Growth: Two-speed Infill Redevelopment

This paper presents a series of speculative growth scenarios in Melbourne that test how medium-density infill models can respond to short- and long-term housing needs. The scenarios employ a multi-scalar, design-led research method that simultaneously examines:

- The physical outcomes that can be achieved at a built-form level;
- Strategic planning directions at suburb and regional levels;
- Population and housing distributions at suburb, region and city scales.

Three comparative scenarios explore the type and volume of housing that middle ring suburbs will need to accommodate, relative to other development activity across the city: Business as Usual (65% infill 35% fringe); Best practice (70% infill 30% fringe); and Ambitious (75% infill 25% fringe).

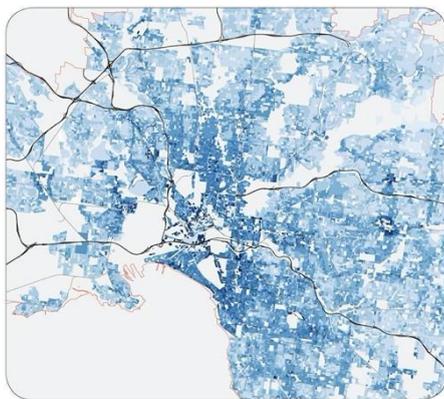


Figure 1: Metro, regional, suburb and site scales of investigations (Source: Authors)

Findings

Major renewal initiatives promise large volumes of housing in the long-term, but the cost and complexity of higher-order intensification will likely be realised in the latter stages of the scenarios. What they contribute to the abatement of immediate housing pressures is much less certain. Similarly, opportunistically expending MRS to alleviate immediate housing pressures discounts their long-term value as alternative uses (e.g. schools, amenity) and eliminates possibilities for integrative development. Whereas, conserving valuable sites for future needs reciprocally increases housing demands in other locations. The design-led investigation reveals opportunities for a new tier of intensification around localised transit and community infrastructure networks.

The comparative growth scenarios offer a decision-making framework about future dwelling distributions and indicate the inputs and stakeholders required to coordinate development in established suburbs. The multi-scalar spatial evidence has potential to inform new planning instruments, and support short- and long-term execution of current initiatives, such as the 20-minute Neighbourhood, Big Housing Build and Future Homes Project (Vic Govt, 2020).

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