Social aspects of urban consolidation

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Recently, state and federal governments have pursued policies to increase the density of major Australian cities. A variety of measures have been adopted under what is called 'urban consolidation' policy. These include infill of those undeveloped parcels of land left over from previous periods of development; redevelopment of urban land to higher density, often changing its use at the same time; higher density subdivision of new estates; and dual occupancy developments in older areas.

The policy has been rationalised on three grounds:

• That there are significant economies in the provision of urban infrastructure flowing from higher density of urban development – higher than has traditionally been the case.

• That there are significant damaging environmental consequences arising from the traditional form of urban development, and that there are environmental benefits flowing from higher-density urban development.

• That there is a disjunction between the distribution of household size and the distribution of dwelling size which is inefficient and socially damaging, and that the traditional form of development reduces opportunities for social and cultural development.

There is limited scope in this paper to explore these various arguments, but suffice to say that none of the arguments made by those who attempt to rationalise the policy prescription, stand up well to scrutiny. In this paper I will discuss some of the assumptions underlying the policies which have major economic and social implications, but which have not been made explicit by the proponents of the policy.

All three grounds are predicated on notions of individual and social behaviour which are not fully developed and, I would argue charitably, not understood by the proponents of the policy. To think otherwise would be to accuse the policy proponents of a breathtaking degree of dissembling cynicism and malevolent intent.

This paper discusses the social aspects of the assumptions in the arguments used to support urban consolidation policy – particularly the demographic or quasi-demographic.

A central point which is not often raised is that for urban consolidation to have any appreciable effect in reducing capital outlays for the 'pipe and wire' urban services, the increase in density sought under consolidation policy must be achieved by an increase in density of all aspects of the city. That is, central to the urban consolidation policy is an increase in residential density accompanied by a reduction in provision of open space – parks and playing fields, school playing fields, road and pedestrian space and higher density industrial and commercial activity.

Harrison and McLoughlin have both shown that because only a small proportion of the total area of a city is devoted to residential use, the average increase in
residential density has to be massive to achieve any appreciable saving in city area and therefore in urban services. Other later studies, such as the study carried out for the Australian Urban and Regional Development Review, showed that for a typical subdivision in southeast Queensland, an increase in residential density of 50 per cent could achieve an infrastructures saving of three per cent. Studies by private sector consultants have arrived at similar conclusions in Sydney.

Increasing density or reducing standards in all land uses is essential if the saving in city area is not to be derisory. But then we have to ask: do we want to pursue this alleged saving in infrastructure cost at the cost to our way of life and the nature and character of our cities?

Before answering this question I will explore some of the underlying assumptions of the policy – a shorthand account of what I see occurring. I do not make a physical determinist argument, but I acknowledge that the urban environment is shaped by our activities and, in part, shapes the activities in that it may facilitate or inhibit us in our pursuit of them.

**Assumption 1**

The first unstated assumption is that cities should have highly-centralised radial structures. This assumption might have had some validity up to the mid-20th century, but the scale and ways in which the major cities have grown in the postwar period has resulted in a high degree of decentralisation within the metropolitan areas.

Melbourne and Sydney have both experienced a flight of industry, warehousing, retailing, commercial, recreational and cultural activity, away from the central areas to major sub-centres within the metropolitan area. Some of this ‘decentralisation’ within the metropolitan area was planned, some has been due to the adoption of technologies which gave those activities greater locational freedom – points which I explored in the collection 'Technological Change and the City', (source?) and some has been due to changing social preferences and behaviour.

Major infrastructure investments, particularly public transport, have remained focussed on the historic city centre. Yet these systems have recorded increasing financial losses during a period when the city population has significantly increased. That this has occurred must, to some extent, reflect the reduced importance of the inherited radial structure to the operation of the city as a whole. The radially oriented tram and train services provide a service to the city centre and are available to a relatively small proportion of the population – but the losses on their operation are funded by the whole population. Decentralised activities remain comparatively ignored by such services.

Only about 18 per cent of the workforce work in the city centre. Whereas about twice that many work in the local government area in which they live. That is, a
very high proportion work close to their homes. By 1986 only about 10 per cent of retailing in Melbourne occurred in the CBD. That is, most households also meet their shopping needs close by and find their recreation interests close at hand.

Similarly, political power and government administration remains focussed on the 'centre', even though the historic centre is increasingly some distance from the geographic centre of activity. The daily focus of activities of the great majority of the population, the 'really existing' city most people experience and identify with, differs radically from that of the centrally-biased politicians and administrators.

The employment opportunities in the centre are narrower than they have ever been, and are likely to become even narrower as the centre becomes more specialised.

We cannot expect major changes in the economic or social processes occurring in the city to replace the centrifugal tendencies we have experienced with centripetal tendencies. That is, we cannot expect the economic and social processes which have produced the decentralisation in the metropolitan area to suddenly reverse and produce pressures for centralisation of the city again.

This means that one of the central assumptions of urban consolidation is not supported by any analysis of what has been happening in Australian cities, or what is likely to happen in these cities in the foreseeable future. The adoption of new technology - especially information technology - and the reduced reliance on central place gives households and firms even greater freedom of location; which means they are even less likely to relate to, let alone locate in, the centre.

**Assumption 2**

The second implicit assumption in urban consolidation policy is that, on average, households will be happy to live in smaller dwellings.

The point has been made that there is a mismatch between the distribution of size of households with the distribution of size of dwellings. The claim is that if we can encourage/force households to live in dwellings more 'appropriate to their needs' there will be a reduced demand for infrastructure services. Much is made of the observation that household size has fallen over the postwar period, that there are now more single and two-person households, but that the housing stock has many three-bedroom dwellings. From this it is concluded that we must change the stock of dwellings to more closely match the distribution of household size.

The assumption is that householders are frustrated in their desires to move to housing more appropriate to their needs, or should be prepared to move to
housing which more closely fits their 'needs' each time their apparent 'need' for accommodation changes. One aspect of the assumption is that smaller households are allegedly restrained in their choice of housing; another is that, as their household size increases, for instance, with the arrival of children, they will move to a larger dwelling and, in particular, that they will be prepared to move to a smaller dwelling as the children leave home.

The assumption reveals a breathtaking ignorance of how households actually plan to meet their accommodation needs as they grow, and how they respond when their children leave home or, indeed, how one and two-person households use their accommodation.

The conventional view of the life course of individuals is that most grow up in a family household. They reach a point of maturity and independence where they leave the family home to set up on their own, with friends, or to form a stable relationship (either by marrying or cohabiting). (We note that the age at which they leave the parental home is increasing and that, having left, many subsequently return.) Frequently these children will opt to live in medium-density housing where they value the independence, anonymity and minimum engagement such housing offers. But, as they themselves begin to have children, they seek housing which allows them to 'settle down', as the saying goes.

This 'settling down' is the process which households go through when they begin to establish their roots and become more engaged in the community, providing stability for their children. They usually choose a dwelling at the beginning of this 'settling down' period which they believe will be the place they will raise their children. The dwelling is usually larger than their immediate needs but large enough for their planned family. It is often on a site which is large enough for them to extend their dwelling, if and when, they need and can afford it. Younger families may also provide accommodation for their parents.

Of course, many households move at different stages in their life course. But the majority of households stay in one place for a long time. Much of the evidence about the propensity of households to move is confused by the fact that some households move a lot, and in particular, households comprised of young adults living in rented accommodation tend to move the most.

Meanwhile, the original parents adjust their behaviour as their children leave home. They tend to use the bedrooms freed up for visitors, for their children and grandchildren returning on visits, for a variety of hobbies and activities which they did not have the space to engage in when the family home was more fully occupied. They tend to spend more time developing their garden and pursuing indoor activities. When they retire (and they are doing so increasingly at younger ages) they tend to spend even more of their time in and around their homes and tend to do so until they become quite frail.
One and two-person households frequently follow similar patterns of behaviour. They may not have children or grandchildren to visit but they often have nieces and nephews and other relatives as well as friends to stay. They too pursue hobbies and activities which need space indoors or in the garden.

The reduction in private space by housing households in dwellings smaller than they now occupy assumes that their activities can be happily accommodated in that smaller space, or that they will engage in fewer activities.

Reduction in private space in the form of reduced garden space assumes that households will happily change from their present patterns of behaviour. It assumes, for example, they will engage in less gardening either for beauty or product, have less contact with nature, be content to give up the space in the 'backyard they muck about in', give up the space used for storing the caravan, canoe, boat or trailer, repairing the car, having the occasional barbecue, playing games with the children or grandchildren, having a safe and supervised play area for their children and their friends, having the space for pets or hobbies, or be content to forego the pleasure of growing a tree or two.

The reduction in public space which is an essential element of urban consolidation policy assumes that people will be happy to accept a reduction in their capacity to engage in games or sporting activities. It assumes they will be happy to reduce their passive recreation and enjoyment of parks and gardens.

All the evidence we have about people's behaviour suggests that as living standards rise, they make themselves more comfortable by living in larger dwellings and having gardens so that they can engage in a wider range of activities with greater degrees of personal control. This, surely, is the explanation for the degree of suburbanisation which has occurred in Australian cities and which we observe occurs universally.

A supplementary assumption built into the notion that households will be happy to change their dwellings to achieve some unspecified social advantage is that the transaction costs associated with each move are negligible and will be borne by the individual household. No government championing urban consolidation policies has proposed that households selling one dwelling to buy another should have their stamp duties reduced or waived to facilitate the process. We could conclude from this that the governments are not serious about their pursuit of the policy or do not understand one of its consequences. To the extent that older households are pressured/encouraged to change their dwellings, we may see this effect as the early collection of a tax. To the extent that this falls on households which are still expanding, we may see it as an impost at a time when they can usually least afford it.

Another implicit supplementary assumption is that there are few costs associated with moving from one dwelling to another. that they are not large or that they are outweighed by the benefits the community derives.
These moves are costly. The transaction and movement costs of households moving from one dwelling to another amount to between eight and 11 per cent of the value of the property. The significance of this is that for home owners, these are costs which must be paid for out of the equity households have in their dwelling. Households who own half their dwelling pay about one fifth of their equity in their dwelling for the privilege of delivering the social benefits assumed to flow from greater mobility of households.

Renters have lower movement costs but this is less relevant in a society made up largely of home owners. This is not to say these costs are not significant for the individual household renting accommodation, but that policy directed at encouraging 'efficiency' in the use of housing stock cannot be significant when renters, as a group, comprise a small proportion of the total households. Besides, renters less frequently have 'spare' space.

But there is another and potentially more costly consequence of the policy. We know that the social capital of a society - and ultimately its economic performance and commitment to democracy - is a function of its stability, continuity and developed sense of interdependence and community, reflected in the engagement of individuals and households with, and their participation in, a wide range of social activities. Policies designed to encourage/force households to move dwellings each time there is a perceived change in housing need, destroy that sense of stability, continuity and community because the connection with a wide variety of organisations is broken, and local participation in community organisations and activities falls.

It is appropriate to point out that the heritage value of the housing stock is at risk of being devalued by the wholesale changes wrought on our suburbs and the city by the consolidation process. It sets our past to nought, making it difficult for the present generation to read and understand the culture and values of earlier generations - to know their own history. This cost is not taken into account by the policy's proponents, but the unhindered pursuit of the policy really would signify the end of history.

At our most charitable we would have to conclude that the jury is still out on the assumption that the benefits from encouraging households to change their dwellings as their housing needs, perceived by politicians and their advisers, exceed the costs - the private and, more importantly, the social costs may substantially outweigh them.

**Assumption 3**

The third assumption is that people will be happy with a general reduction in the size of house blocks. The size blocks enamoured of the politicians and their planners in their preferred lot sizes in new developments, or permitted by way of dual occupancy provisions, precludes the growing of reasonable-sized trees. This not only reduces habitat for birds, it also reduces the general amenity of an
area and its capacity to clean the atmosphere and moderate seasonal changes in temperature. That is, it leads to a 'greying' of the city. This is not a reference to an increase in the age of its residents but to the loss of trees – particularly significant in Melbourne which sells itself to the world as a garden city from a garden state. The loss of private-garden trees is exacerbated by the reduction in road reservations including 'nature strips', thus reducing their ability to support street trees. This loss of trees is accompanied by an increase in the amount of concrete.

The reduced lot size also increases drainage and pollution problems because a greater proportion of the area is covered by impervious surfaces – whether they are roofs, paving, driveways or hard standing – which results in greater run-off, which in turn leads to greater pollution of streams and waterways.

The reduction in block size also effectively commits the city to continue the 19th century solution to the disposal of sewage. That is, it effectively forces the city to reinvest in the present reticulated sewerage system as it becomes obsolete, rather than try to develop a modern system which uses less water or which is designed for recycling and resource recovery. This becomes a more serious problem as the city ages and expands and the infrastructure installed in the 19th century simply comes to the end of its life. This is particularly acute in Melbourne, where large elements of the sewerage system now need to be replaced.

The reduction in block size also means a reduced capacity for households to cope with their waste on site. The composting strategies adopted in some cities reduce the waste stream by about 40 per cent, but this opportunity cannot be pursued where the block sizes are too small to use the compost. I mean, what do you do with the compost from a block of flats?

My suspicion is that once people understand that the assumed benefits of reduced block sizes will lead to a major change in the nature of their urban environment they will not be so sanguine about the policy. The opposition to dual occupancy in the leafier suburbs of Melbourne, for example, may be interpreted as evidence that some at least understand that the policy has major implications for their amenity and quality of life.

**Assumption 4**

An assumption of urban consolidation has been that by changing the block sizes and allowing smaller houses we would produce a greater choice of housing sizes and styles. The paradox is that the development process has produced more lowest common-denominator housing, with a lower degree of choice, as each developer attempts to respond to the hype of the planning authorities and the noise of the clique of fashion leaders extolling the virtues of urban consolidation.
Urban consolidation policy has been presented as though it is an equity neutral initiative. It has been presented as though there is no impact on the relative strength of residents. The assumption is that the alleged infrastructure savings will be realised 'across the board'.

The first thing we observe is that the wealthier suburbs are able to preserve their position, whereas those with less power cannot resist the changes forced upon them. This is obvious in the new lower-income suburbs. Whole areas are developed to the new lower minimum standards with small blocks, narrow roadways, reduced open space and school provision, monotonously similar houses cramped together with resulting loss of privacy and amenity. They are not the 'green streets' of the brochures but are the 'mean streets' of tomorrow.

The net effect is that we are now witnessing an increase in polarisation and segregation in the city; whereas we once enjoyed a situation where the minimum standards for development and housing led to suburbs in Australian cities which had a range of households. Now, in terms of composition and income levels, the emphasis on urban consolidation and the adoption of new lower minimum standards is leading to a uniformity in dwelling and household size and income. The lower-income households are inexorably guided into lower-standard areas, but the richer protect their own or buy their way into higher quality environments. The process results in segregation and polarisation of the city.

We could fairly describe urban consolidation as a policy designed to reduce general housing standards. As is the case in all situations where there is disparity in wealth and power, it is essentially the weaker, less wealthy households who bear the cost of the policy. Equally, it is the wealthier members of the community who gain the most advantage of social and cultural services offered by many exercises in inner-city consolidation projects.

At the beginning of this century as we found a new confidence as a nation, we developed a form of housing which was our own. It had a degree of whimsical freedom about it, it was generous in size, light, airy and modern. It provided accommodation which could cope with a variety of activities and demands. It was adaptable and extendable and provided a high level of privacy for its occupants. It was set in a garden in which households could express themselves, improve their standard of living and maintain some contact with nature. It was natural that this style of housing would marry into the garden-city form of development which characterised so many of our suburbs. It suited and expressed the essentially independent and egalitarian nature of Australians and their cities. It was symbolic of a confident new future and was appropriately called the 'Federation House'.

As we approach the end of the century we have governments wedded to urban consolidation policies which are turning our cities into sets of polarised, segregated (and even gated) suburbs, where residents are pitted against one another as some try to change the suburb while others want to defend it. The
suburbs become mean in spirit, grey and reduced in amenity, with a city structure which becomes more centralised and inefficient having dwellings, especially houses, which are cramped and offer little choice and a reduction in privacy. Is this what we will call the 'Republican House'?

I fear that continued pursuit of urban consolidation policies, built as they are on a series of errors of fact, misleading propositions, fallacies and incorrect implicit assumptions, will result in the destruction of what was an incredibly adaptable, environmentally sustainable, quintessentially Australian egalitarian urban form. Once it is gone it will not come back.

So, the answer to the question: ‘do we want to pursue this alleged saving in infrastructure costs at the cost of our way of life and the nature and character of our cities?’, is that even if we assume the savings can be achieved (and I do not believe they can), the cost to our way of life and to our cities is too high. The benefit–cost ratio is less than one.