

Inner Melbourne - a vast tract of privilege where the elite reproduces itself

By

Adam Terrill, Senior Principal Town Planner, Tract Consultants

Nevan Wadeson, Director Town Planning, Tract Consultants

The Yarra River, snaking its way from Warrandyte to Port Melbourne, was once Melbourne's line of cultural division. But the renaissance of inner city living has supplanted the Yarra for the Ring Road and Eastlink. The rich have descended on the inner suburbs, displacing Victoria Bitter, Commodores and donuts with Peronis, fixies and macaroons. It can be said that Inner Melbourne is becoming a vast area of privilege where the elite reproduces itself.

It shouldn't be this way. This stratification of privilege may lead to a myriad of social problems. Workers live far from jobs, spending too much time and money on transport. Children segregate and grow up knowing only those from the same socio-economic group. People experience minimal economic or social diversity in their lives. It fosters smugness and elitism. It nibbles away at our famous egalitarianism.

Power then concentrates into a small region, with outside areas neglected. As Simon Kuper of the Financial Times puts it 'if they're out in the sticks, nobody powerful will hear them scream'.

Yet the most concerning element of this trend towards inner and middle ring bastions of wealth is that it happens to co-locate the most infrastructure rich areas of the city with the residents who least need them.

Take inner city Kensington - where most can afford multiple cars, yet are blessed with 5 train stations within walking distance. Conversely, those that can't afford a car are forced into areas where public transport is at best scant, or at worst a vague promise on a burgeoning Government list.

Whilst suburban boundaries have always divided class, historically it was more haphazard and patchy. The mansions of Toorak rubbed shoulders with the slums of Prahran. Now, entire regions are becoming monolands of economic sameness. The working class are forced out. The bohemians who first filled and gentrified the inner city are teetering. In some global cities like Paris and New York, even the upper middle classes can't afford the inner areas. These places of exclusivity have become the play pen of the rich.

So what to do? The most practical and economically feasible solution is to create more affordable housing in the inner city. We need a suite of policies and leadership from all levels of Government, touching on planning, industrial relations, transport and property taxes.

In a market economy, inner city land is too expensive for most to afford houses on traditional or even small blocks. That is why apartments are the solution, but they must be more affordable to build. \$600,000 for a decent apartment is too much for most. Apartments must also be designed to suit all demographic groups that traditionally favour houses, such as families and extended families.

Multi-level residential construction costs need to come down by utilising the same efficiencies and streamlined processes that make the detached housing sector so competitive. Unions must be persuaded that more affordable apartments for a wider demographic is both in the public interest and that of its own members. Developers and the building industry must innovate and create new construction techniques whilst committing to diversity of housing stock and sustainability requirements.

How is it possible for a new 2 bedroom apartment in the Vancouver CBD to sell for \$350,000, whereas in Melbourne, its great liveability rival, that same apartment sells for \$550,000?

No doubt the Metropolitan Planning Strategy (MPS) will promote affordable inner city development.

Implementation as ever will be the key to defining its success or otherwise. Early signs are worrying, as the premature introduction of the new residential zones looks like it may undermine the high ideals of the MPS.

Current speculation is that the most restrictive of all zones (Neighbourhood Residential Zone) is to be applied widely, up to 80% of some municipalities. This would put a halt to the strategic and sensible application of density, raising housing prices, and further entrenching our social polarisation.

What about that old chestnut of focussing development into activity centres? Activity centre based housing delivery could be characterised as the 'Greg Norman' of Melbourne planning. Architects love activity centers because there's work in high rise. Planners love them because they make best use of public transport. Residents love them because no one lives there. And politicians love them because residents love them. But ultimately, despite everyone's fondness, they largely fail to deliver.

Land areas are too small, ownership is too fragmented, and construction costs are too high. Charter Keck Cramer estimated that, even during the unprecedented apartment boom of the last few years, only 11 % of housing development occurred in activity centres. Much more was scattered across the inner and middle suburbs outside of activity centres. Its clear therefore that a Metropolitan Strategy that relies too heavily on activity centres to supply the lion's share of housing will fail.

International trends suggest growing popularity of inner urban lifestyles. Edward Glaeser calls it the 'triumph of the city', where global cites like Melbourne become beacons for productivity and prosperity as a result of the magic of agglomeration. If Melbourne wants to avoid a destructive stratification of privilege, the planning framework must support densification across spatially significant areas, matched with a building industry that delivers cost effective mid to high density. The hope is that regardless of whether you favour donuts or macaroons, you'll find a place to call home where you want to live, at each stage of your life cycle.

Thanks to our Conference Day sponsors:

Principal Sponsor: Star News Group

Dinner Sponsor: Smec

Workshop Sponsors: Biosis, South East Water