# Getting There Together:
# Affordable family-friendly housing as catalyst for partnerships and place making

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## Abstract

*Current national, state, and local planning policies recognize the social, economic and environmental advantages of providing affordable housing suitable for a diverse range of household types in inner Melbourne, and yet these policy goals are largely unrealized. Recent trends in inner-city Melbourne show a diminishing supply of family-friendly housing, which is increasingly difficult for low-to-moderate income households to access.*

*The paper details the potential of an interdisciplinary collaborative research project to act as a catalyst to increased diversity through a placemaking approach. Working with key stakeholders, the project engages design-research and deliberative planning methods in a novel partnership, and aims to identify and overcome perceived barriers to the inclusion of affordable, family-friendly housing on well-placed inner-city locations ripe for urban renewal.*

**Keywords:** family-friendly housing, affordable housing, co-research, partnerships, Melbourne

## Identifying barriers to spatial equity and placemaking in the inner-city

When it comes to the delivery of affordable and diverse housing, there is a growing gap between rhetoric and reality. The Australian Government's National Urban Policy (2011: 20) states as its first 'liveability' goal, "Facilitate the supply of appropriate mixed income housing by encouraging a range of housing types to suit diverse household needs across metropolitan areas". Further, this housing should be located "close to facilities and services, including jobs and public transport, in more compact mixed use development" (idem).

The Discussion Paper underlying the new Melbourne Metropolitan Planning Strategy is in furious agreement with this goal, stating: "Neighbourhoods should cater for people's housing needs over their lifetime… Continuing current trends are unlikely to provide sufficient stock to meet people's needs or widen people's housing choices in the areas they want to live." (Ministerial Advisory Committee, 2012: viii). In fact, "providing

diverse housing in the right locations at a reasonable price" (ibid: 68) is one of three key ideas underlying the principle of a 20 minute city with easy walking, cycling and public transport access to jobs and services.

When it comes to the capital city local government of Melbourne, again the rhetoric states:

> "Our housing has to be suitable for our residents as their needs change over their lifetime. It should be accessible to people from all walks of life… To meet these needs, our housing must be affordable, support diverse communities and be good quality" (City of Melbourne, 2013: 7).

Nor is it government alone that recognizes the values of housing affordability and diversity. In April 2013, an 'Urban Coalition', including the Australian Institute of Architects, National Growth Areas Alliance, Planning Institute of Australia, Property Council of Australia and the Urban Development Institute of Australia, called for a National Infrastructure Fund to support affordable housing, close to jobs and services, through tax-deductable bonds (Urban Coalition, 2013).

The reality is that 92% of new apartments in the City of Melbourne built since 2006 are one or two bedroom units, despite considerable "demand for family-friendly apartments in the City of Melbourne" (City of Melbourne, 2013: 53-54). Conservative estimates of couple families with dependents suggest that they will constitute approximately 8,000 households in the City of Melbourne by 2031, equivalent to 9% of new households and 180 new family households per year. The current very limited supply of three or four bedroom apartments are geographically concentrated in Southbank and Docklands, where there are no public primary schools and limited family-friendly infrastructure such as playgrounds, public open spaces, childcare centres, in addition to community and recreation facilities; furthermore, these dwellings "are only available to those on high incomes" (ibid: 54). So the 25 year project to increase residential density and mix in the inner-city is still incomplete: while numbers of residents have increased, they are from an increasingly narrow age and socio-economic background (Adams, 2008, City of Melbourne, 2013).

This narrowing works against the goal of increasing liveability or placemaking, which in addition to providing housing, aims to support neighbourhoods in developing appropriate land uses, linkages, amenities, and sociability. Placemaking is a process that by its nature is multi-faceted and consultative, and is concerned with creating public space that has economic, health and happiness benefits to users (PPS, 2008).

From an equity promoting perspective, placemaking can "redress social and environmental equity via spatial interventions" (Sutton and Kemp, 2011: 114). Placemaking requires the harnessing of supporting infrastructure, new and existing, that cannot necessarily be provided by commercial developers alone.

The draft metropolitan planning strategy speaks of "two Melbournes – a successful and 'choice rich' inner core and a fringe with few choices – and the growing distance between where people [can] afford to live and where jobs [are] located" (Ministerial Advisory Committee, 2012: 26). In Melbourne, there are presently no areas in the central city or inner suburbs where households in the lower two quintiles of income can afford to buy or rent at the median price (ibid: 35). Despite unmet demand for family-friendly apartment units in the well-serviced inner and middle suburbs of Melbourne and Sydney (Kelly, 2011), there is virtually nothing in the 3 or more bedroom range being built in Australian infill development sites (Rowley and Phibbs, 2012).

A number of reasons for this policy implementation failure have been posited, including higher construction costs for multiple unit housing, absence of an integrated planning approach to address housing intensification, lack of government funding for social housing, lack of supportive planning-related policies (inclusionary zoning, density bonusing), longer planning time-frames and higher risks/uncertainty in the inner-city than on the fringe (linked to resident opposition in some cases), and perceived cultural barriers to acceptance of children growing up in inner-city flats (Rowley and Phibbs, 2012, Fincher, 2007). The unsustainability of restricting low-to-moderate income families to outer suburban neighbourhoods has been graphically documented (Dodson and Sipe, 2008), and so the question remains: how can government, private sector, and civil society break out of the impasse between societal goals and unsustainable, unliveable and unproductive urban outcomes?

'Getting to Yes' is an 18 month collaborative research project (March 2013-August 2014), co-funded by a University of Melbourne internal grant, along with the Victorian State Government, the City of Melbourne, and the Urban Development Institute of Australia. It is intended to bring together some of the major actors, including private developers, local and state government, and social housing providers/advocates, to share in the development of the research and the dissemination of its findings. The question asked in the research is simple: 'What are the major barriers to creating family-friendly affordable housing in inner Melbourne, and how might these barriers be overcome?' The methods stress partnership development and co-research. A survey of local private developers, social housing providers, and planners, supported by the

respective peak organizations, will discover whether there are common views of 'the housing problem' that can be addressed deliberatively. Quantity surveying analysis of family-friendly housing developments in central Melbourne will be contrasted with international best practice developments. An interdisciplinary masters design studio, with active participation by local and state government, developers, social housing and charitable foundation 'clients' will cost out options for family-friendly housing in a part of inner Melbourne (Arden McCauley) slated for intensification.

**Co-research: building relationships across disciplines and sectors**

Inner-city residential development can be considered to comprise three sectors: 1) private commercial residential development, including financiers, developers, design and construction professionals, and real estate/marketing, 2) the not-for-profit social housing associations, which incorporate development activities with long-term housing maintenance and ongoing tenant management, and 3) federal, state and local government, including public housing provision, planning and regulation, and financial support through grants and programs. With direct provision of public housing by government in steady decline throughout Australia over the last two decades, a greater emphasis on maintaining a diverse range of affordable housing options has fallen upon the commercial residential and not-for-profit housing sectors (Beer et al, 2007, Yates et al, 2004). However, building in central city areas is a complex process that involves considerable risks for financiers, developers and construction firms. As a consequence, the commercial residential development industry tends to be both conservative with regard to product innovation and demanding of a higher return on investment. Where there are relatively few firms operating, this can result in a loss of diversity of housing types, tenure options, and household types, as well as reducing housing affordability (Charter Keck Cramer, 2012, Birrell et al, 2012, Burke and Hulse, 2010, Gurran et al, 2008, Coiacetto, 2006). The not-for-profit sector is likewise constrained by having to compete with commercial developers, and the necessity to maintain a property portfolio acceptable to banks (for future financing), state and federal governments, and the needs of their tenant-list, although they are becoming increasingly sophisticated in operating in this environment (Milligan et al, 2013).

Beer et al (2007), and others, have suggested that preferences for a neo-liberal market-based solution to housing affordability and housing diversity have led state and federal governments to rely on 'institutional' (that is, 'directing' not 'doing') planning mechanisms coupled with tax concessions, which have proved largely ineffective (Beer et al, 2007: 13, Burke and Hulse, 2010: 826). If this is the case, then one possible alternative action is to foster a greater cooperation between the 'doing' sectors of the

housing development industry. As King (2001: 7) noted, 'housing systems operate within dynamic open systems', that is, external factors as diverse  as inflation, employment levels, lack of services, poverty, or crime affect local housing demand and so housing problems can rarely be solved through purely 'housing' solutions implemented by a single sector of the housing industry. Providing space and opportunities for partnerships across sectors opens the prospect for reducing the gap in interdisciplinary knowledge that leads to a lack of certainty and an inability to price or assess risk accurately, but also offers the chance to redefine and widen definitions of success in projects. Currently, 'success' is largely confined to sector-specific definitions, and so project success in the commercial development sector, almost exclusively determined by profit margin, fails to adequately engage with wider placemaking objectives of sociability, linkage and (external) amenity. In contrast - success in the not-for-profit sector is concerned about sustainably increasing the stock of affordable housing in appropriately serviced locations, but the low numbers of projects delivered means that the critical mass needed to transform neighbourhoods is missing. This disconnect, as noted above, leads to higher costs, more conservatism in product delivery and a loss of diversity and liveability over the long run.

Examples exist in Melbourne of partnerships between developers and public and social housing providers, such as the redevelopment of the Kensington and Carlton public housing estates, the Nicholson in East Coburg, and the Mariner and Merchant projects in Melbourne's Docklands (DPC, 2013, DHS, 2013, Places Victoria, 2012, HCA, 2013). However, it is not yet apparent that these project specific partnerships have substantially increased the stock of affordable and diverse housing options near jobs and services for low income households, improved local 'human-scale' amenity, or critically, provided a model that might act as a catalyst for broader industry change.

As part of the research methodology, in conjunction with efforts to more fully understand the organisational structure and operating logics of the key firms and organisations active in developing new housing, *Getting to Yes* incorporates a masters-level studio that uses design as a research tool to better understand some of the complex relationships between costs of procurement, development yields, planning tools, occupancy profiles and typologies of mixed-use building design across a range of sites within the Arden Macaulay precinct of inner-city Melbourne. This is a placemaking approach premised on the idea that good places are the product of ongoing processes of assembly, engagement, and negotiation among key actors in specific locales. Unlike most graduate studios, the subject has attracted a mix of students from urban planning

as well as architecture, working intensively together in interdisciplinary teams. In addition, the students are being 'advised' by construction management students, as part of those students cost management courses, on costing and value management issues.  The aim of this hybridisation of studio pedagogy is not only to mimic real-world enablers and constraints on the production of affordable housing, but moreover, to engage industry research partners directly in the production and review of speculative work that is driven by parameters they have provided, with the possibility of reflexive learning. For the City of Melbourne, which has provided suggested sites, the studio allows it to better understand the intersection of planning policies with affordable family-friendly housing procurement.  For Housing Choices Australia, who have provided the design brief, as well as the UDIA and Places Victoria, the studio enables a range of occupancy profiles, construction methods and land-use mixes to be trialled.  For the Lord Mayor's Charitable Foundation, who have also involved themselves in the studio, it provides potential models of affordable housing on real sites to consider, and allows them to have a hands-on learning experience that can inform them about the direction and extent of involvement in future funded projects. Through in-studio presentations, seminars and formative critique, industry partners are becoming part of the teaching team as well as co-researchers invested in the outcomes, without the usual risk or constraints. To date, industry participation has been enthusiastically embraced with in-kind contributions made from all major partners including the giving of time and expertise, and perhaps most importantly, data regarding financing parameters, in-house design guidelines and space standards, and other criteria that determine whether projects are given the green light or not. For students, final outputs will include detailed architectural and urban designs informed by these criteria and cost management parameters, and a greater understanding of the 'real world' of affordable housing practice, as well as exposure to potential employers.

**The importance of ongoing inter-disciplinary and inter-sector dialogue**

While there is no silver bullet to the vexed question of encouraging and maintaining the diversity and liveability of inner-city neighbourhoods with high land and building costs, the potential of partnerships between commercial developers, social housing providers and universities is for a more effective transfer of each sector's strengths across the industry as a whole. In the case of the commercial development sector, this lies in cost discipline, the ability to source private financing and the ability to manage large projects. For the social housing sector, they bring to the table the ability to operate and manage residential buildings over long time frames on tight budgets, and the

experience of matching particular types of dwellings and locations to tenants with specific needs or expectations (again over long time frames). Universities and research institutions can provide a platform where the various sectors can engage and interact in an atmosphere that promotes discussion and learning, while simultaneously encouraging the next generation of planners, developers and designers to consider placemaking as a generator of equity in both its senses: economic and social.

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