Final Report

Housing and community in the compact city

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Executive summary

In 2002, the Victorian Government released its *Melbourne 2030* urban planning blueprint, which advocated significantly increased residential densities across Melbourne. One of the aspirations of this plan is to provide housing opportunities for less well off households. However, there is already evidence of growing concentrations of social disadvantage within Melbourne. This report addresses the extent and causes of such concentrations. The analysis is intended to provide an informed basis for city planners and housing policy makers interested in this issue.

A key challenge has been to identify whether the *Melbourne 2030* compact city policy is already, or may over the next thirty years, alter the existing spatial pattern of social disadvantage. Will established areas of social disadvantage continue as the primary sites for future concentration, or will new sites of concentration emerge?

In this context, the study initially examined the possibility of new concentrations of social disadvantage emerging in suburban fringe locations. This possibility arose from the policy stipulation in the *Melbourne 2030* document that fringe estates should achieve densities of 15 dwellings per hectare. In the Positioning Paper it was hypothesized that housing estates with this density, if aimed at the lower end of the housing market, could become the future slums of Melbourne. This strong proposition was based on preliminary studies of several recently established high-density fringe estates aimed at the low-income segment of the housing market. The social make up of these estates had changed in the direction anticipated. If high residential density is becoming a marker of social stigmatization in some low socio-economic areas, then new high-density fringe subdivisions might emerge with these characteristics.

However, consideration of a number of housing-market and demographic developments led to a reconsideration of this hypothesis. The recent escalation of broadacre prices on the suburban fringe and a shift in market strategy by developers towards more expensive design-intensive master-planned estates suggested that fringe concentrations of the socially disadvantaged would be less likely than in the past. It was not so much that our original hypothesis (that low-income, higher-density fringe may emerge as new areas of residualisation) was misguided, but rather that the conditions in part created by the *Melbourne 2030* policy had made strong fringe concentrations of social disadvantage less likely.

The analysis further showed that household growth to 2030 will be predominantly composed of older persons. Analysis of their movements in the recent past indicated that they have a low propensity to move residence, particularly to inner-city apartments. This suggests that the scale of dwelling growth that will occur in ‘activity centers’ will be likely to fall far short of that expected in current urban policy settings.

It was concluded that much of the additional housing built to accommodate Melbourne’s extra 680,000 households over the next thirty years will occur as infill in existing suburbia. Such dispersed infill already provides for about one third of Melbourne’s additional housing stock. This infill takes the form of *ad hoc* ‘dual occupancy’, as well as flats and town houses. Although the latter is often aimed at the more expensive end of the market, flats and units often occur in low-income areas and are targeted towards the lower end of the housing market (especially households needing to rent).

Residential densification had been proceeding during the 1990s in the form of *ad hoc* infill within established suburbia. This provided a basis for analysis at the Statistical Local Area level and for the selection of a number of small-scale case study areas to explore the possible impact of residential densification upon the concentration of social disadvantage. As to the location of low-income infill, our hypothesis was that much of it will be concentrated in early post-war working class areas, where the housing stock is considered outdated and is often run down. The liberalization of the residential building code in Melbourne during the 1980s, the early 1990s, and more recently, means that small investors may continue to be attracted to such relatively cheap areas as locations for higher-density unit investment.

A cross-sectional analysis of the residential population of Melbourne, at the SLA level, suggested five categories of housing zones to aid the analysis. These categories are descriptive and are derived from an examination of the social characteristics of these areas, together with a consideration of the nature of the predominant housing stock. These categories were as follows:

High amenity near-city suburbs include locations that surround the CBD to the east and south of the city. All are largely composed of housing constructed prior to World War II — thus all have a heritage element. Competition for residential access to these areas is high, something which is reflected in these areas' high dwelling prices. In part, these areas are in demand because of their proximity to top-end, new-economy jobs.

Transitional near-city locations share much in common with the former group. However, until recently their residents have included large numbers of low-income householders, including migrants. In all these locations there was a substantial in-migration of high income and professional residents during the 1990s. In other words they have been subject to 'gentrification'.

Holdenist low-amenity areas include suburbs that were built after World War II. They contain housing that was orientated to the needs of moderate to low-income families of the time. Much of the housing is now considered out dated. For the purposes of this study, they include locations predominantly built in the 50s and 60s, as well as some more recent low-cost, family-oriented housing in outer suburbia. These locations attracted our attention as potential sites for the concentration of social disadvantage. Areas within this category were central to the analysis.

Middle class suburbia consists of locations that are also orientated to families seeking new housing on the fringe of the time, in the 1950s through to the 1980s. What distinguishes these suburbs from the former group is that they were largely built for a middle class market.

The final category was labelled *Outer suburbia.* These locations include areas that are part of the current suburban frontier. This allows a test of which particular income and occupation groups are moving to the frontier.

This framework was used to explore the pattern of dwelling construction by type and cost and for analysis of residential movement patterns in Melbourne between 1991 and 2001.

The SLA level analysis of internal migration data corroborated earlier research that mobility is a crucial factor in the spatial differentiation of affluent persons and low-socio-economic persons within Melbourne. Residential churning is a central factor in

determining the distribution of low and high socio-economic persons. Concentrations of low-income residents largely reflect competition for residential and housing amenity, as mirrored in housing prices. Such residents have no choice but to locate in lower-priced areas because of their limited financial resources.

The research examined in detail the residential movement of professionals and blue-collar workers over the 1996 to 2001 period. In the case of professionals, there were strong net gains in established *High-amenity near city* and *Transitional near city* areas (former working-class areas with high growth in middle-class residents). In the case of blue-collar workers, there were losses from *High amenity near-city* and *Transitional near city* areas. The destinations of blue-collar movers from these areas included some established *Holdenist low-amenity areas* within Kingston and Frankston. However, the main destinations were outer suburban locations.

As far as domestic residents are concerned, there is little net inflow of low-income men into *Holdenist low-amenity Suburbia*. Low-income males pushed out of high-amenity and transitional suburbia do not appear to have been locating there in significant numbers. Suburban fringe destinations were more common. Notwithstanding this, *Holdenist low-amenity* areas appear to have been increasingly characterised by low-income populations as a consequence of residential movement. The cause was not a net influx of low-income domestic residents, but rather a lower rate of net exit of low-income males by comparison with middle and higher income males. There were much larger net losses (as a percentage of the 1996 stock of residents) of males in the middle and higher income categories from *Holdenist low-amenity* areas.

The settlement pattern of migrants was distinctive. Recently-arrived overseas migrants (those arriving between 1996 and 2001) tended to locate according to their income, in areas that were consolidating as either affluent or low-income. A high proportion of recently-arrived, low-income migrants settled in *Holdenist low-amenity areas*. In doing so, they added significantly to the low-income populations of some of these areas, including Greater Dandenong and Hume-Broadmeadows.

As was the case for the movements of low-income male residents, female lone parents were not relocating in significant numbers in the *Holdenist low-amenity* areas over the 1996 to 2001 period. The only exceptions were Sunshine, Kingston and Frankston. The apparent disinclination on the part of female lone parents to move into the other Holdenist areas listed may be associated with the predominant Anglo-Celtic background of female lone parents. They, like the low-income males of similar background, appear to be avoiding areas with high ethnic concentrations. Most are moving to middle or outer suburban areas. It is probable that they are locating in the pockets of relatively low-priced housing still to be found in these suburbs. The study suggests, therefore, that ethnic or cultural preference may be acting as an additional factor in determining the movement and location of low-income residents, rather than simply the availability of cheap housing alone.

The SLA level analysis also focused upon whether there is any evidence of construction of low-cost infill which was designed to meet the needs of less-affluent and low-income households. The data show that there was a significant increase in flats and townhouses during the second half of the 1990s in the *Holdenist low-amenity* areas. This growth accounted for 15 per cent of the total growth in such dwellings in Melbourne between 1996 and 2001. Housing construction cost data supports the hypothesis that the dwellings in question were catering for less affluent households.

Building costs in the 11 months to 2004 were estimated to be well below those of high-amenity and 'transitional' gentrifying *suburbia*.

An examination of neighbourhood level changes in the proportion of dwellings rented between 1996 and 2001 in Melbourne also supports this argument. Despite there having been only a slight decline in the proportion of occupied private dwellings rented (not including state housing authority rental) in the Melbourne Statistical Division between 1996 and 2001, there were marked neighbourhood level declines in dwelling ownership in many neighbourhoods in *Holdenist low-amenity* areas.

The analysis showed that the neighbourhoods where there were increases in rental tenure tended to be located in collection districts (in Holdenist low-amenity areas) where the average household income was equal to or less than the MSD figure. The study also demonstrated a close link between the growth in *ad hoc* medium-density infill and increased rental in some *Holdenist low-amenity* CDs. A high proportion of the collection-district level increases in rental tenure in *Holdenist low-amenity* areas occurred in infill-style dwellings.

Case studies

A second stage of analysis involved the selection of a small number of case study areas for a detailed examination of social, labour market and housing data at the Collection District (neighbourhood) level.

The analysis of the case study areas showed that some middle-suburban *Holdenist low-amenity* neighbourhoods are being socially 'reassigned' in the process of physical refurbishment, either increasing the affluence and status of the neighbourhoods concerned or, in some cases, the reverse. In some *Holdenist low-amenity* neighbourhoods infill housing is attracting more affluent households. Such upward social transition within *Holdenist low-amenity* suburbia is a form of gentrification. As of the 2001 Census, these areas had a dual social character, reflecting their relatively modest or low socio-economic history and the recent incursion of more affluent residents.

At the same time, socio-economic disadvantage was becoming more entrenched in some *Holdenist low-amenity* neighbourhoods. Direct observation suggests that the character of recent residential infill in these areas has helped reinforce their low-socio-economic character. In some cases, the proportion of dwellings rented was well above the Melbourne average and was increasing. It is likely that this infill is being designed for and targeted at households with no alternative but to rent such accommodation in these neighbourhoods.

In some cases, rather than cheap, higher-density dwellings being part of a mix of dwellings types and dwelling sizes, cheap infill had reached a point where such dwellings had begun to dominate the built character of the neighbourhood.

A number of policy implications are highlighted by the study.

One is that, because of the likely role of *ad hoc* infill in established suburban areas in the provision of future housing, the *quality* and *location* of additional housing supply will be largely unplanned. This outcome may have undesirable consequences in the sense that it will tend to concentrate households with limited resources in low-amenity housing areas. Such concentration of social disadvantage can become a compounding factor in the perpetuation of disadvantage.

Another related outcome of low-income, rental-orientated infill is the emergence of neighbourhoods with a high level of residential transience. This outcome would be contrary to the expectation that increased residential densities will engender a stronger sense of community and local identity. Instead of the creation of a rich social mix, as is the aspiration of current urban policy, the outcome may be a social narrowing of many neighbourhoods.

The study also suggests the emergence of a greater social contrast at the neighbourhood level within some *Holdenist low-amenity* suburbs. The outcome may be a more spatially fragmented suburban mosaic. Although it might be argued that a greater social mix of proximate neighbourhoods would be socially advantageous, much would depend upon the degree of stigmatisation and social exclusion attached to residual neighbourhoods.

Concentration of disadvantaged households, particularly in the suburban *Holdenist low-amenity* areas of Dandenong and Sunshine is likely to present serious challenges for the local civil, educational and welfare institutions. They have to cope with high demands for their services in a context where resource allocations are limited because of the low-income base of the community.

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1 UNDERSTANDING THE DISTRIBUTION AND CONCENTRATION OF SOCIAL DISADVANTAGE IN MELBOURNE

1.1 Introduction

The focus of this study is an exploration of the factors that help shape the uneven spatial distribution of social disadvantage in Melbourne. Of special interest in this context is residential movement by different social groups, the characteristics of the built environment, especially housing stock, and the relationship of housing to job availability.

A related consideration is the potential influence of current compact city policy upon the spatial patterning of social disadvantage within Melbourne over the coming decades. The 1990s was a watershed in the adoption of compact city policies by federal and state governments in Australia. These policies share a common set of concerns relating to the economic cost of urban expansion, environmental degradation and the perceived negative cultural consequences of low-density suburban 'sprawl'. In keeping with this trend, in 2002, the Victorian Government adopted a compact city policy, which postulated that, if environmental sustainability is to be realised, and future urban infrastructure costs curtailed, a less automobile dependent, more localised and higher-density urban form has to be implemented on a metropolitan-wide scale.

A number of measures were proposed to implement compact city objectives. One measure is the enforcement of an urban growth boundary (UGB), a periodically revisable outer limit to suburban expansion. The UGB is intended to limit residential development in fringe areas to only 31 per cent of additional households in the period 2001-2030. An assumption of the policy is that new housing on the suburban frontier will remain affordable to persons of modest income. This constraint on outward suburban expansion is closely linked to the expectation that a high proportion of Melbourne's future population growth (41 per cent) will be absorbed in a large number of high-density 'activity centres', most of which are located in commercial/transport nodes within existing suburban areas.

In addition, strong community development claims were made in defence of the policy. In keeping with much of the academic literature on the benefits of compact city policy, the Victorian Government assumes that a more compact city will provide new housing, which is accessible to low-income households. This expectation is linked to the idea that there is now a need for more diverse forms of housing to reflect the demographic shift to smaller households, especially one and two person households.

Although compact city policies often emphasise a number of expected social benefits from urban consolidation, there has been little recognition of the growing spatial differentiation, characterized by a concentration of social disadvantage, which now characterises Melbourne and Sydney. In this context, the compact city policy assumption that increased residential densities, along with a greater diversity of housing types will lead to improved housing affordability as well as 'diverse' and 'sustainable' local communities, needs closer examination.

Australian and overseas experience shows that such community development claims, for example, regarding the creation of diverse, coherent local communities

cannot be taken at face value in terms of socio-spatial equity. Urban reconstruction, whether as a result of the *ad hoc* gentrification of an area or the application of new-urban design principles, has often resulted in 'diversity' of residents, but from within a very restricted part of the socio-economic spectrum. Recent research has shown that, in practice, the ideal of creating neighbourhood 'diversity' has resulted in a relatively homogenous mix of middle-class occupations[1]. Similar observations have been made of new urban-inspired neighbourhoods in the U.S.[2]. Scepticism about the prospects of new-urban developments being likely to deliver mixed neighbourhoods with affordable housing has also emerged in Australia. The East Perth urban village project provides an example. When 75 per cent complete in 2001, the project was promoted as a 'world class 21st century urban village', providing for a 'diverse range of people' with 'mixed residential developments and affordable housing'[3]. By 2003, however, the project had largely failed to meet its social-equity objectives, particularly in the provision of 'affordable housing'[4]. The authority that managed the project considered the provision of a significant proportion of 'affordable' housing unconducive to attracting private investment[5].

Therefore, one challenge is to identify whether the Victorian Government's compact city policy is likely to alter the existing spatial pattern of social disadvantage in Melbourne.

Our initial questions were: Will established areas of social disadvantage continue as the primary sites for future concentration, or will new sites of concentration emerge? In this context, the project initially focused upon the possibility of new areas of social residualisation emerging in suburban fringe locations. In the Positioning Paper, it was hypothesized that fringe housing estates with a density of 15 dwellings per hectare (as stipulated in the Victorian compact city policy), if aimed at the lower end of the housing market, could become significant sites of concentrated social disadvantage.

This initial focus of the research was based on preliminary studies of several recently established high-density fringe estates aimed at the low-income segment of the housing market. The social make up of these estates had changed in the direction anticipated by the residualisation thesis. If high residential density is becoming a marker of social stigmatization in some low socio-economic areas, then new high-density fringe subdivisions might emerge with these characteristics.

However, a number of considerations emerged which suggested that this type of higher-density, lower socio-economic development may not continue in suburban fringe locations and that a modified hypothesis was necessary.

An important alternative outcome may be residential infill in established suburban areas. Infill development can take a number of forms. It can involve the construction of an additional dwelling in the yard of existing house. It can involve the demolition of an original dwelling and the construction of several dwellings in its place. Infill can also occur on remnant vacant land or as a result of the sale of public land. Such infill

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1 Butler, T. and Robson, G. 'Social capital, gentrification and neighbourhood change in London: a comparison of three south London neighbourhoods', Urban Studies, vol. 38 no. 12, pp. 2145-2162, 2001

2 Marshall, A. 'Suburb in Disguise', www.alexmarshall.org/am_articleFolder/SUBURB_IN_DISGUISE.htm, 2001

3 Morgan, T., 'East Perth has become a 'classy' urban village of the 21st Century', Australian Property Journal, November, 2001

4 Crawford, E., 'Equity and the city: the case of East Perth redevelopment', Urban Policy and Research, vol. 21 no. 1, pp. 81-92, 2003

5 ibid.

can occur across a wide spectrum of housing types, from high quality, multi-level apartments or town houses in green settings, which are pitched at affluent buyers, to small, cheaply constructed, closely-packed multiple units with no green space. The latter possibility could transform some neighbourhoods into rental areas pitched at low-income persons. Another alternative for low-income persons may be the rental of dilapidated early post-war housing in some *Holdenist low-amenity* areas, where there may be little or no infill.

The grounds for modification of the initial thesis are as follows. Enquiries were made into the impact of the Urban Growth Boundary (UGB) upon broad acre land prices on the suburban fringe. Broad acre prices within the UGB have approximately doubled since the introduction of the UGB. The full impact on prices to end consumers may take several years to become apparent. Nevertheless, there is evidence of significant price increases for house/land packages in many fringe locations, including in Cranbourne where preliminary investigation had revealed evidence of social residualisation in some high-density locations. The implication is that low-income households will not be able to afford to settle on the suburban fringe. As explained in Chapter 3, this conclusion is corroborated by a preliminary analysis of First Home Owner Grant data, obtained from the Victorian Revenue Office.

Although property developers on the suburban fringe have experimented with marketing options over recent years, it now appears that the low-income option, of relatively cheap, tightly packed separate detached houses, is giving way to higher quality and more expensive master planned estates with larger houses. Some master-planned estates include building covenants, which prescribe very large minimum housing sizes. The implication is that developers are pitching their product on the fringe primarily to the replacement, rather than the first homeowner market. These master planned estates may be required under current compact city policy to meet high-density (15 per hectare) standards. However, if housing prices are high, this will exclude lower-income households. It also implies that some of the problematic social consequences originally postulated, including stigmatization of these estates, will be reduced. Observations in the field in high-density sections of Roxburgh Park (City of Hume) confirm these expectations.

Developments such as the ‘Hunt Club’ in the City of Casey, the proposed Aurora Estate in the City of Whittlesea, the Greenvale Reservoir area in the City of Hume, and the Watervale Boulevard area near Delahay, in the City of Brimbank, all illustrate this upward shift in market orientation. Our investigation of new housing in Melbourne’s outer suburbs suggests a strong trend towards very large dwellings, despite lot sizes that are relatively small by historical standards. In Craigieburn in Melbourne’s north, for instance, the average size of new dwellings in 2003 was 20 squares; nearly double the size of early post-war homes.

Further, at the 2001 Census 48 per cent of households in Melbourne had a weekly income of less than $600. The implication of this fact for housing affordability and for the location of low-income households is highlighted further by the boom in residential property prices in Melbourne (as in other major cities in Australia) that occurred prior to and since the 2001 Census. For the Melbourne metropolitan area, the mean price of both houses and units/apartments rose by 68 per cent for the period 1996 to 2001. Given the impact of the Victorian Government’s UGB policy and associated land/housing price inflation in fringe areas, it seems unlikely that low-income households will be accommodated on the fringe to the extent originally hypothesized.

An examination of internal migration data and data relating to the propensity to move for different age groups also suggested that the assumption that large numbers of people would readily exchange their low-density, separate detached suburban dwellings for an apartment lifestyle in multi-purpose 'activity centres' may be over optimistic.

Taken together, the above considerations suggested the possibility that the housing markets in many established middle suburban areas, including many lower socio-economic areas, would become more highly competitive, as the more affluent and the poor, alike, sought out housing opportunities within the established suburban landscape.

Thus, an alternative hypothesis is that low-income households will be accommodated in early post-war working class suburbs being transformed by high-density infill development. Even in the highly competitive housing market of the late 1990s and early 2000s, housing prices in these areas tended to be relatively low, reflecting outdated dwelling styles and the need for refurbishment in some areas.

1.2 Approaches to spatial differentiation in metropolitan settings

The following brief review of theories on the urban social differentiation process sets the scene for the analysis.

The price of housing has escalated rapidly across all of Australia's metropolises since the mid-1990s. The largest increases have occurred in established suburban settings, especially those well located in relation to inner city employment and amenities. As a consequence, low-income earners (whether because of low earning power, unemployment, welfare dependence as a single mother, a disabled condition or other circumstance) are experiencing increased difficulties finding affordable rental accommodation or an affordable first home, especially in inner city areas. Even employed persons seeking to purchase a first home have experienced a sharp drop in their financial capacity to realise this aspiration.[6] There are large numbers of metropolitan residents in the younger age groups living in Melbourne (as elsewhere) who are likely to be affected by this situation. One indication is the income levels of males in the 25-44 age group. According to the 2001 census counts, 35.9 per cent of all males aged 25-44 living in Melbourne were in receipt of incomes less than $600 a week ($31,200 per year) and 32.3 per cent of the same group living in Sydney. Few of the men in this income band would be able to afford to finance the purchase of a house in Melbourne and Sydney by the early 21st century.

The situation summarised above is not new. A similar phenomenon occurred during the late 1980s property boom. As in the recent boom, the price of housing located in the inner city and well placed suburban locations increased at a greater rate than housing in outer suburban areas. *A Guide to Property Values 2003* for Melbourne shows this outcome. Over the decade 1994-2003, the median house price in inner and middle suburban areas of Melbourne increased by over 160 per cent. House

[6] Productivity Commission, *First Home Ownership*, Report No. 28, 31 March 2004, Productivity Commission, 2004, p. 35

prices on the periphery of these areas also increased substantially, but at lower rates.[7]

These developments have contributed to what has become the dominant thesis concerning the impact of changes in housing affordability on the spatial differentiation of metropolitan residents. This is that the less affluent are being pushed towards cheaper outer suburban locations. Some of the commentators in the late 1980s who thought this was the case were worried that such persons were also being exposed to additional disadvantages, including long distances from employment sites and inferior access to services (such as education, health and community facilities) on account of their frontier location. As noted in the Positioning Paper for this project, such concerns were influential in left political circles in the 1980s and early 1990s[8]. They contributed to the Federal Labor Government's Better Cities program in the early 1990s. One objective of this program was to encourage urban consolidation projects within established suburbia which would provide affordable housing closer to employment and community services.

The idea that established suburban property has been priced out of the range of low-income households and thus is a potent factor in promoting the movement of such households to the suburban frontier remains influential [9].

There has been evidence to support this assertion, at least until the rapid rise in housing prices in the last few years (to 2004). As noted above and further developed later, these price increases have put much of the new housing on the fringe out of reach of first home owners.

Nonetheless, during much of the 1990s, many land developers and builders did cater for the low-income end of the first-home-owner housing market. They provided low-cost housing, sometimes on small lots of 500 square metres or less — a density of around 15 lots per hectare (by the time space for roads and open space are taken into account). This is the density which current urban policy proposes should become the norm for outer suburban development in future[10].

As acknowledged, when the research began, it was influenced by these developments. An examination of some of these high-density estates indicated two developments since their construction[11]. One was that the occupants of this housing had changed over the five or ten years since the housing was first occupied. The percentage of renters had increased as had the number of households who were singles, sole parents or otherwise disadvantaged. The other was that the physical appearance of the estates had deteriorated. This was thought to be related to the original nature of the development. The houses were constructed on such small lots that this left little space for conventional suburban landscaping. There was no room for tall canopy trees or shrubs. The cramped nature of the housing and narrow streets meant that there was a clutter of parked cars often located on front lawns. It was also thought that the decline in the physical appearance was connected to the changing characteristics of the residents. That is, the low-amenity of the estates

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[7] Department of Sustainability and Environment, *A Guide to Property Values 2003*, 2004, p. 42

[8] Ernest Healy and Bob Birrell, *Housing and community in the Compact City*, Positioning Paper, AHURI, p. 6

[9] *Melbourne 2030, Housing Draft*, Department of Infrastructure, October 2002, p. 5

[10] *Melbourne 2030, Planning for Sustainable Growth*, Department of Infrastructure, October 2002, p. 63

[11] Birrell, B. and Rapson, V. Cranbourne in 2001, Prepared for the City of Casey, Centre for Population and Urban Research, Monash University, February 2003.

tended to lead to relatively low housing prices and thus making the houses in the estates more accessible to low-income households. These issues are explored in detail in the case studies at the end of this report.

The areas in question appeared to becoming 'residuals' in the sense that they provided housing that was affordable to those at the low end of the housing market who suffered financial and social disadvantage. They had become so because of the characteristics of the housing. On the one hand, these observations tended to confirm the theory about the role of the outer suburban frontier as a 'sink' for such persons. However, on the other hand, they also raised the possibility that one impact of the adoption of compact city policy might be to exacerbate this trend because of the requirement that municipalities ensure that their strategy plans incorporate provision for more high density outer suburban estates.

1.3 Reservations

From the early 1990s, the argument about the role of fringe locations in absorbing the less affluent gained much of its acceptability from the alleged association with limited job opportunities. It would be a serious matter if the less affluent had no choice but to locate in low-cost housing on the fringe where they were further disadvantaged by limited access to employment opportunities.

However, recent research on this issue does not support any strong association in Melbourne between job opportunities and any concentrations of low-income people on fringe estates[12]. Nor, as argued by the late Chris Maher, is the generalisation correct that persons moving to outer suburbia are necessarily disadvantaged. As Maher showed, most of the household movers to the frontier did so for life style reasons.[13] They wanted a new home. This is still a widely shared aspiration, especially amongst persons from moderate income lower-white-collar and blue-collar backgrounds. Such persons dominate the ranks of those moving to South-east outer suburban corridor locations, including the relatively affluent area of Berwick.

Those moving to new housing on the frontier, which they have purchased, have to be able to afford the entry price (the required deposit and the income necessary to finance the mortgage). During the 1990s, this criterion still left home ownership on the frontier within the reach of modest-income families, especially for homes on small lots like those described above. But at least at the time of purchase, the owners would normally have to be employed in order to meet the mortgage requirements. Moreover, as O'Connor and others have since shown, it is incorrect to characterise outer suburban locations as lacking access to employment. Such characterisations ignore the recent spatial pattern of growth in Melbourne. Most new jobs in Melbourne are located in the suburbs[14]. For example in the case of the largest outer suburban corridor, that to the Southeast through Casey and Cardinia, the residents have relatively easy access to the rich employment areas of Knox, Monash, Dandenong

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[12] R. Birrell, K. O'Connor, and V. Rapson, 'Explaining spatial concentrations of the poor in metropolitan Melbourne', *People and Place*, vol. 7, no. 1, 1999, pp. 53-64

[13] C. Maher, 'Residential mobility, locational disadvantage and spatial-equality in Australian cities', *Urban Policy and Research*, vol. 12, no. 3, 1994, pp. 185-191

[14] Kevin O'Connor and Virginia Rapson, 'Employment in city and suburban Melbourne: the changing relationship', *People and Place*, vol. 11, on. 4, 2003, pp. 41-52

and Kingston[15]. This is a major reason why, even in the case of the relatively low-income Cranbourne area, employment levels of adult males living in Cranbourne are higher than for Melbourne has a whole[16].

This discussion leads to the working hypothesis that, to the extent that outer suburban areas have become zones of concentration of less affluent households, it is not because of any lack of employment. Rather, it is other characteristics of the housing or the areas they are located in, including, as suggested above, the physical nature of the housing (lot size, style and amenity of the housing). This is not to deny the existence of a locational premium in the price of housing situated in or near to inner Melbourne, its amenities and easy access to 'new economy' employment opportunities. Professional people, in particular, tend to locate in such settings because of these attractions and other qualities, notably the rich array of private schools and high performing government schools. The point is that such attractions are not central to the preferences of moderate income blue and lower-white-collar families. For many such families, a frontier location in a new house, within commuting reach of middle suburban employment, is appealing.

A good example relevant to this argument is the Doveton area in the City of Casey on the border of the city of Dandenong. Doveton was originally developed by the state housing authority in the 1960s to provide homes for workers in nearby industries[17]. By the mid-1990s, the residents of Doveton were relatively disadvantaged. There were many age pensioners, probably reflecting the initial settlement period of the 50s and 60s. But of those in the working ages, high proportions were not in the labour market and were dependent on welfare assistance[18]. It is true that some of the factories that originally attracted working families to Doveton became casualties of industrial restructuring, including the GMH and International Harvester plant. But this is not sufficient explanation for the accumulation of poor residents. The coincidence of social disadvantage and job loss in this area may be accidental.

A more plausible alternative explanation derives from evidence of movement patterns of householders. There is a high degree of residential churning in Melbourne as in other Australian metropolises. Census counts indicate that around a third of the residents of each Statistical Local Area (SLA) move from their original residence five years earlier to another SLA[19] [20]. There is no basis for assuming that those who lose their employment simply stay put. However, this is the assumption of Gregory and Hunter, who believe aggregations of disadvantaged persons are attributable to industrial restructuring. [21] In any case, as noted above there has been rapid employment growth in suburban Melbourne, including in the Dandenong area itself, as well as in nearby Kingston and Monash. Since the vast majority of outer suburban

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[15] ibid.

[16] Alison Taylor and Bob Birrell, 'Communities on the metropolitan periphery: the Sunshine Coast and Cranbourne compared', *People and Place*, vol, 11, no. 1, 2003, pp. 42-53

[17] Lois Bryson and Ian Winter, *Social Change Suburban Lives, An Australian Newtown 1960s to 1990s*, Allen & Unwin, Sydney, 1999

[18] Bob Birrell, *Doveton – A socio-economic Review*, City of Casey, unpublished, 2000

[19] O'Çonnor, K., and Healy E., *The Links between housing markets and labour markets*, Prepared for the Australian Housing and Urban Research Institute, 2002.

[20] Birrell, B., OÇonnor, K. and Rapson, V., 'Explaining spatial concentrations of the poor in metropolitan Melbourne', *People & Place,* vol. 7 no. 1, 1999, pp. 53-63.

[21] B. Gregory and B. Hunter, 'Increasing regional inequality and the decline of manufacturing', in P. Sheehan, et al, eds. *Dialogues on Australia's Future*, Victoria University, Melbourne, 1996, pp. 309-324.

workers travel to work by car, these jobs are accessible to those living in Dandenong (including Doveton).

Previous analysis suggests that Doveton has become a refuge for households who, for reasons such as single motherhood, have little choice but to live in the relatively low cost housing available in the area[22]. This is partly because a minor share of the original housing stock is still available for rental by the public housing authority, and partly because the houses that are in private hands are small, dated in style and building fabric (in most cases an early form of concrete construction was utilised). The area also suffers from the associated stigma deriving from its origin as a public housing estate[23].

As a result of these considerations, the research for this project is built around the hypothesis that a key determinant of housing price and thus any tendency for disadvantaged persons to concentrate in particular areas is the characteristics of the housing in these areas. One example referred to above is the small lot developments built on the frontier over the past decade or so. Another possibility, not so far mentioned, is the modestly-priced detached housing which was built on the suburban frontier in Melbourne during the 1950s and 1960s. This stock now also appears dated in style and amenity (small kitchens and living areas, outmoded appointments and so on). This housing will subsequently be referred to as *Holdenist*, to mark its association with the early post-war period of rapid suburban expansion, when the Holden was the car of choice of many modest-income households[24].

[22] Birrell, B. and Rapson. V. Doveton A socio-Economic Review, Report prepared for the City of Casey, Centre for Population and Urban Research, January 2000.

[23] Ian Winter and Lois Bryson, 'Economic restructuring and state intervention in Holdenist Suburbia: understanding urban poverty in Australia', *International Journal of Urban and Regional Research*, vol. 22, no. 1, 1998

[24] The term 'Holdenist' was coined by Winter and Bryson in 1998 as a description of low-income suburbs around manufacturing suburbs, such as Dandenong in Melbourne. Although this paper uses this definition as a starting point, the meaning is extended to include more recently established, low-income areas with modest housing. Such areas are sometimes near the suburban fringe.

1.4 Research strategy

This research seeks to provide a better understanding of the factors that contribute to the 'residualisation' of particular areas – the process whereby low-income persons with poor labour market prospects and multiple social problems become spatially concentrated. Our guiding hypothesis is that the housing or social characteristics of locations are important determinants of which areas become less favoured. Once an area begins to stigmatise, those residents who have the necessary financial resources to move out will tend to so. As a consequence, the value of housing tends to decline relative to more favoured areas. At the same time, people who have limited resources are likely to gravitate to the area, largely because there are limited alternative housing options for such people. This process can occur in areas that are relatively well located in terms of access to jobs. The proposed research will explore the role of the built environment, particularly in relation to residential densities and local amenity, including the physical aesthetics of neighbourhoods, in shaping attitudes to particular residential areas.

The specific questions addressed in the study to test the above hypothesis, are listed below.

1. Why do certain urban areas become characterised by a process of residualisation – characterised by high concentrations of low-income persons, depressed housing prices, multiple social problems and poor labour market outcomes, while other initially similar areas do not?

2. Can the process of residualisation be satisfactorily explained by the loss of jobs in the areas in question?

3. Is limited residential mobility a factor in the development of spatial concentrations of serious social and economic disadvantage?

4. Once an area comes to be characterised by a gravitation of people with limited means and depressed housing prices relative to other metropolitan locations, can this set in process a cycle of disadvantage and stigmatisation with further deleterious consequences?

5. What is the potential for suburban fringe locations to become residuals? Can residential density be a significant factor in the residualisation process?

6. What are the implications for the preceding questions of recent metropolitan planning changes?

7. What is the role of the built environment – residential densities, local amenity and physical aesthetics of neighbourhoods -- in the process of residualisation?

Chapter 2 explores the processes of residualisation in established areas of social disadvantage within Melbourne. As a prerequisite to further analysis, Chapter 3 examines the likely outcome of current Victorian Government compact city policy in relation to the dwelling types that may result from the policy and the probable location of additional housing within metropolitan Melbourne over the coming decades. After this, the insights gained from the analysis of established residual areas in Chapter 2 are tested in Chapter 4. Here, housing construction data is examined in relation to the type, estimated value and location of dwellings. Chapter 5 deals with the

selection of neighbourhood scale case study locations, which are analysed in Chapter 6. The case study areas are selected with a view to examining the relationship between increasing residential densities and the concentration of social disadvantage at a fine spatial scale in established suburbia.

More specifically, the approach adopted to explore these questions involves the following steps:

A. An exploration of the *role of residential movement and the characteristics of movers into less favourable locations* by examining the rate of movement and characteristics of people who move in, out and stay behind in residential areas. This includes the *identification of such areas in established suburbia where less affluent households are concentrating*. This part of the research involves an examination of the internal migration data for the 1996 to 2001 period. The net residential movements of men aged 25-64 years are examined at the Statistical Local Area (SLA) level and income is used as a key indicator of the concentration of disadvantage. The internal migration and other data used provides a *dynamic* insight into the communities that appear to be undergoing residualisation. This stage also involves the definition of a typology of SLAs comprising the Melbourne Statistical Division, based on considerations of socio-economic status, amenity, the nature and age of housing stock and time of establishment.

B. Building on the insights gained in the preceding steps, a number of small-scale case study locations are selected. Using Collection district level data from the 1996 and 2001 Censuses, housing characteristics and the social characteristics of the residents in each of these locations are examined in order to assess whether there have been any changes over time which are consistent with the 'residual' thesis. A broad range of social and housing indicators are used to help identify community characteristics that contribute to the residualisation process at the local level. In particular, any significant changes in dwelling tenure are noted. This stage involves a consideration of current Victorian Government compact city policy in so far as it is likely to contribute to social residualisation.

C. Building on the insights gained in the preceding steps, a number of small-scale case study locations are selected. Some cases studies are *Holdenist* areas where infill has been developed for the low-income market. These are compared with other *Holdenist* case study areas where there has been higher quality development. Using Collection district level data from the 1996 and 2001 Censuses, the social characteristics of the residents in each of these locations is examined in order to assess whether there have been any changes over time which are consistent with the 'residual' thesis. A broad range of social and housing indicators are used to help identify community characteristics that contribute to the residualisation process at the local level. In particular, any significant changes in dwelling tenure are noted. The case studies provide a basis for examining possible links that may exist between increasing residential densities and socio-economic disadvantage or decline. This stage involves a consideration of current Victorian Government compact city policy in so far as it is

likely to contribute to greater *ad hoc* residential infill in established suburban settings.

D. Analysis of secondary data relating to case study areas has been complemented with field work observation of the social and physical characteristics of the case study subdivisions. These observations include such characteristics as the extent of congestion, accumulated clutter, the state of maintenance of the housing stock and the condition of gardens.

2 RECENT EVIDENCE ON THE SPATIAL DIFFERENTIATION OF THE RESIDENTS OF MELBOURNE

In this section, data is examined to test the hypothesis that, during the 1990s, low-income persons were concentrated into low-cost, low-amenity areas within the Melbourne housing market according to their capacity to pay. This helps provide a basis for the subsequent selection of case study areas for a more fine-grained analysis of the relationship between the spatial concentration of low-income persons and housing market developments, including the residential infill process.

The following broad brush analysis examines the movements of men aged 25-64 over the 1991 to 1996 and 1996 to 2001 periods. The analysis is based on three weekly income levels for these men: less than $600, $600 to $999 and $1000 plus. Since the hypothesis is that the quality of housing and community amenity is reflected in market price, whether for dwelling ownership or rental, income is a key factor in shaping the distribution of persons through the metropolis. Male rather than female income has been used because the former is a more reliable indicator of the capacity of singles and couples to compete in the marketplace.[25]

A structure was required to test the hypotheses sited above. A cross-sectional analysis of the residential population of Melbourne, at the SLA level, suggested five categories which are used in the tables below. These categories are descriptive and are derived from an examination of the social characteristics of these areas, together with a consideration of the nature of the predominant housing stock.

The categories are:[26] [27]

1. *High amenity near-city suburbia*

   These are locations that include and surround the CBD to the north and south of the city. All are largely composed of housing constructed prior to World War II — thus all have a heritage element. Competition for residential access to these areas is high, something that is reflected in these areas' high dwelling prices. In part, these areas are in demand because of their proximity to top-end, new-economy jobs. Although some of these areas functioned as settlement nodes for non-English-speaking migrants in the early post-war period and were stigmatised as lower working class before the war, they are now largely in accessible to low-income persons. Despite this, some pockets of low-income persons

[25] For women in families, their personal income as reported in the Census is not a good indicator of their position in the housing market because if women do not work full-time their housing situation will mainly reflect the income level of their male partners.

[26] The locations identified in the following tables do not identify every SLA separately. This is a consequence of the high cost of census matrices, which cover a large number of locations as well as a range of social and economic characteristics of the residents. As a result, some locations that ideally would have been kept separate have been grouped with neighbouring areas. One example is Whittlesea (C) – South which recent analysis suggests is a significant Holdenist area but was grouped in the Census matrix with Whittlesea (C) – North and Nillumbik which do not display Holdenist characteristics.

[27] These SLA categories were derived from secondary data analysis based on socio-economic variables relating to income, occupation and family type as well as housing market characteristics, including levels and type of dwelling construction and property values. Internal migration data was also used to ascertain which areas were gaining in low-socio-economic concentrations and which were becoming more affluent.

remain, as in state housing authority housing estates found in the Local Government Area of Melbourne (Carlton).

2. *Transitional near-city suburbia*

   These locations share much in common with the former group. However, until recently their residents have included large numbers of low-income householders, including migrants. In all these locations there was a substantial in-migration of high income and professional residents during the 1990s. In other words they have been subject to gentrification. For example, this category includes Moreland - Brunswick, an old inner suburban, former working class area, which has been undergoing significant growth in more highly educated and affluent residents over the past decade. It is expected that this influx of more affluent persons has resulted in greater competition for housing and a net outflow of less affluent persons.

3. *Holdenist low-amenity suburbia*

   All of these locations were built after World War II. They contain housing that was orientated to the needs of moderate to low-income families of the time. Much of the housing is now considered out dated. For the purposes of this study, they include locations predominantly built in the 50s and 60s, as well as more recent low-cost, family-oriented housing in outer suburbia (as in Frankston, Hallam and Cranbourne). These locations attracted our attention as possible residual sites. The escalation of property prices during the 1990s and early 2000s, together with increasingly competitive housing markets in gentrifying inner suburban areas and the possibility of more expensive housing in fringe areas may lead to the concentration of low-income persons in these areas.

4. *Middle class suburbia*

   These locations are also oriented to families seeking new housing on the fringe of the time, whether in the fifties through to the 1980s. What distinguishes these suburbs from the former group is that they were largely built for a middle class market.

5. *Outer suburbia*

   These locations include areas which are part of the current suburban frontier. This allows a test of which particular income and occupation groups are moving to the frontier.

Table 2.1 Distribution of unemployed males 15 yrs and older relative to male labour force 15 yrs and older, 1996 and 2001

	location quotients# unemployed males relative to male labour force 1996	location quotients# unemployed males relative to male labour force 2001	Quotient change * **
HIGH AMENITY NEAR CITY SUBURBIA			
Bayside - Brighton	**0.6**	**0.6**	**0.1**
Bayside - South	**0.7**	**0.7**	**0.0**
Boroondara - Camberwell N.	**0.6**	**0.6**	**0.1**
Boroondara - Camberwell S.	**0.6**	**0.6**	**0.0**
Boroondara - Hawthorn	**0.7**	**0.9**	**0.2**
Boroondara - Kew	**0.6**	**0.7**	**0.1**
Glen Eira - Caulfield	**0.9**	**0.9**	**-0.1**
Glen Eira - South	**0.8**	**0.7**	**-0.1**
Melbourne - Inner	**0.4**	**0.7**	**0.3**
Melbourne - Remainder	**1.2**	**1.3**	**0.1**
Melbourne - S'bank-D'lands		**0.8**	
Port Phillip - St Kilda	**1.5**	**1.1**	**-0.3**
Port Phillip - West	**1.0**	**0.8**	**-0.1**
Stonnington - Malvern	**0.6**	**0.7**	**0.1**
Stonnington - Prahran	**0.9**	**0.9**	**-0.1**
TRANSITIONAL NEAR CITY SUBURBIA			
Yarra - North	**1.5**	**1.3**	**-0.2**
Yarra - Richmond	**1.5**	**1.2**	**-0.2**
Banyule - Heidelberg	**0.9**	**0.8**	**0.0**
Banyule - North	**0.7**	**0.6**	**0.0**
Darebin - Northcote	**1.4**	**1.3**	**-0.2**
Hobsons Bay - Williamstown	**1.1**	**1.0**	**0.0**
Maribyrnong	**2.0**	**1.9**	**-0.1**

Moonee Valley - Essendon	1.1	1.1	0.0
Moonee Valley - West	1.0	0.9	-0.1
Moreland - Brunswick	1.7	1.5	-0.1
Moreland - Coburg	1.4	1.3	-0.2
HOLDENIST LOW AMENITY SUBURBIA			
Darebin - Preston	1.5	1.6	0.1
Hobsons Bay - Altona	1.2	1.3	0.1
Brimbank - Sunshine	1.8	2.0	0.2
Casey - Cranbourne	0.8	0.9	0.1
Casey - Hallam	1.0	1.1	0.2
Casey - South	0.8	0.7	-0.1
Frankston - East	0.8	0.7	-0.1
Frankston - West	1.2	1.2	0.0
Gr. Dandenong - Dandenong	1.5	1.6	0.1
Gr. Dandenong Bal	1.4	1.6	0.1
Hume - Broadmeadows	1.6	1.9	0.2
Kingston - North	0.9	0.8	0.0
Kingston - South	0.9	0.8	-0.1
Monash - South-West	1.2	1.2	0.1
Moreland - North	1.5	1.4	-0.1
MIDDLE CLASS SUBURBIA			
Manningham - East	0.5	0.5	0.0
Manningham - West	0.7	0.7	0.0
Maroondah - Croydon	0.7	0.7	0.0
Maroondah - Ringwood	0.8	0.8	0.0
Monash - Waverley East	0.7	0.7	0.1
Monash - Waverley West	0.8	0.9	0.1
Whitehorse - Box Hill	0.8	0.9	0.1

Whitehorse - Nunawading E.	0.8	0.7	-0.1
Whitehorse - Nunawading W.	0.8	0.8	0.0
OUTER SUBURBIA			
Brimbank - Keilor	1.2	1.3	0.1
Cardinia - North	0.8	0.6	-0.1
Cardinia - Pakenham	0.7	0.8	0.1
Cardinia - South	0.8	0.6	-0.2
Casey - Berwick	0.5	0.6	0.1
Hume - Craigieburn	0.7	0.9	0.1
Hume - Sunbury	0.7	0.8	0.1
Knox - North	0.8	0.8	0.0
Knox - South	0.5	0.6	0.1
Melton - East	0.7	0.8	0.0
Melton Bal	1.1	1.2	0.2
Mornington P'sula - East	0.8	0.8	-0.1
Mornington P'sula - South	1.6	1.2	-0.4
Mornington P'sula - West	0.9	0.8	-0.1
Nillumbik - South	0.5	0.5	0.0
Nillumbik - South-West	0.6	0.5	0.0
Nillumbik Bal	0.6	0.7	0.1
Whittlesea - North	0.7	0.7	-0.1
Whittlesea - South	1.1	1.2	0.1
Wyndham	0.9	0.9	0.1
Yarra Ranges - Central	1.1	1.1	0.0
Yarra Ranges - North	1.0	0.8	-0.2
Yarra Ranges - South-West	0.7	0.7	0.0

Source: ABS, 96 Cdata and Census Basics 2001.

if location quotient equals 1, the SLA share is in proportion to that of the male labour force

If location quotient is less than 1, the SLA share is under-represented relative to the male labour force

* SLAs where unemployed males were over-represented in 1996 and 2001 relative to SLA share of MSD male population 15+ years and became more over-represented between 1996 and 2001,marked in red

** SLAs where unemployed males were over-represented in 1996 and 2001 relative to SLA share of MSD male population 15+ years in 1996 and 2001,marked in yellow

The above categorisation was shaped by analysis of measures of well-being. The changing level of unemployment was found to be useful as a guide to categorisation. Table 2.1 illustrates this.

The table shows which SLAs were either under or over-represented in their respective shares of Melbourne's population of unemployed males (older than 15 years), relative to the Melbourne Statistical Division (MSD), in 1996 and 2001[28].

In most cases, the SLAs comprising the *High amenity near city* suburbia category are under-represented in their respective shares of unemployed males. These being more affluent areas with expensive housing, this is not surprising[29].

Although a number of SLAs comprising the *Transitional near-city* category were over-represented in their shares of unemployed males in both 1996 and 2001, the degree of over representation trended downward in this period. This trend is consistent with an influx of a more affluent, professionally-trained population.

As noted above, the areas of greatest interest for the present study fall within the *Holdenist, low-amenity* category, as they are central to exploring the factors that influence the concentration of social disadvantage. Table 2.1 shows that 10 of the 15 SLAs comprising this category were over-represented in their respective shares of unemployed males in both 1996 and 2001. Seven of the 10 SLAs increased their relative shares during this period.

The data in Table 2.1 indicate that the suburban *Holdenist low-amenity* areas focussed upon in the analysis below were showing signs of becoming socially disadvantaged from the mid 1990s. In turn, the data support the view that these areas are of particular interest in the study of housing outcomes for the socially disadvantaged.

[28] In Table 2.1, for a given Local Government Area (LGA), a quotient of 1 means that male unemployment is represented in the same proportion as for the Melbourne Statistical Division (MSD). A quotient of less than 1 means that the LGA is under-represented compared with the MSD. A quotient of greater than one means that the LGA concerned is over-represented in its share of male unemployed relative to the MSD norm.

[29] The two exceptions, Port Philip – St Kilda and Melbourne Remainder, do not fit the pattern for reasons that are easily explained. As noted above, each category has borderline cases that might logically have been included in another category. St Kilda is a case in point. While being a prominent sea-side area, with an increasingly expensive housing market, St Kilda has a history of being a bohemian area and has been characterised by transitory resident population. Something of this character persists. This SLA might just as easily been included in the *Transitional near-city* category. Melbourne Remainder, within the very hub of the MSD, also has residential pockets with a transitory, lifestyle orientated population, similar to St Kilda, as well as a number of high-rise state housing authority estates with socially disadvantaged residents and high unemployment rates. These estates survive in an increasingly affluent context.

2.1 Spatial differentiation as indicated by movement patterns based on male income

Because there is a degree of diversity within each of the five categories identified above, there is some fuzziness associated with broad generalisations about population movements over the decade specified in Tables 2.2 and 2.3. Nonetheless, there are a number of clear cut patterns. Both domestic residents (persons already present in Australia as of 1991 or 1996) and overseas-born persons who were living overseas at the beginning of the two periods in question are redistributing through the city to a significant degree. The locational categories help in understanding what is behind this redistribution.[30] The following are the most significant trends, beginning first with domestic male residents aged 25-64:

- As would be expected, given the escalation in the price of housing in the High *Amenity Near-City Suburbia*, there is a substantial net loss of males in the less than $600 per week category in both the 1991 to 1996 and 1996 to 2001 periods. To the extent that high amenity near city suburban areas are gaining in the number of male residents aged 25-64 years, it is men earning more than $1,000 per week.

- There was a similar pattern to that described above in many of the locations included in the *Transitional Near-City Suburbia* category. For the first few decades after World War II each of the sites within this category was an important location for less affluent residents, particularly migrants. By the 1990s this pattern ceased. There was a significant net loss of men in the less than $600 per week category between 1991-1996 and 1996-2001. By the second half of the nineties, signs of gentrification also appear which are linked to the sharp price increases for property in these areas.[31] These are seen in the substantial gains in higher income men in some of the locations in the 1996-2001 (Table 2.3), notably Hobson's Bay and Maribyrnong. Elsewhere this trend shows up in a sharp decline in the net exodus of high income men evident in the early period, as is the case for Coburg and Brunswick.

- The *Middle Class Suburbia* areas are notable for their stability. To the extent that there is any discernible change towards any particular income category of men, it is towards a slight net loss of the lower income group. This probably reflects the sharp increase in property prices in these areas, particularly in the second half of the 1990s.

The patterns described above are consistent with the proposition that the housing market is sorting out the residents of Melbourne according to their capacity to pay for higher priced housing located in areas of higher amenity. The less affluent are vacating these high amenity areas and being replaced by the more affluent. This finding prompts the question: where are the displaced persons going?

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[30] In interpreting Tables 6a and 6b , it should be kept in mind that the tables cover all domestic movers, including those leaving Melbourne for other Victorian or interstate locations and those locating in Melbourne from such places. In the 1991 to 1996 period Melbourne experienced a substantial net loss through intra and interstate migration. This loss was not repeated in the 1996 to 2001 period. As a consequence, the earlier period tends to show higher net losses and lower net gains for each locality listed than is the case for the later period.

[31] See *A Guide to Property Values – Data & Analysis from the Records of the Valuer General* – Victoria, 2001 Edition.

The main location in both the 1991-1996 and 1996-2001 period was *Outer Suburbia*. In this regard, three areas stand out. Tables 2.2 and 2.3 shows that they are Melton and Wyndham, Rest of Hume (Craigieburn and Sunbury), Casey- Berwick and in the 1996-2001 period, Mornington Peninsula. In each of these areas there was a large net gain of men in the less than $600 per year category who had moved to these areas relative to the numbers in this income group who reported in 2001 (or 1996) that they lived in these areas in 1996 (or 1991). The only other significant location is Casey-Cranbourne which, though currently experiencing significant new housing construction, nevertheless contains large tracts of housing built a decade or more ago. As indicated below, these tracts show Holdenist characteristics. These findings do not refute the Maher thesis about frontier development. Though movers to *Outer Suburbia* include many low-income residents, most of the net movement, as can be seen from Tables 2.2 and 2.3 is amongst men in the middle and higher income brackets.

This raises issues about how these low-income men could afford to go to outer suburbia. Part of the answer may be that the period to 2001 precedes the peak of the residential property boom. House prices had not yet reached their peak. A further part of the answer, which will be examined in more detail below, may be that, in the period 1996 to 2001, much investment in housing was by investors, an outcome of which was a significant increase in the proportion of dwellings rented in some fringe areas. If housing investment was with a view to capital gain, then rental prices in some fringe areas may have remained relatively low, despite the speculative boom.

At least as far as domestic residents are concerned, there is very little net inflow of low-income men into *Holdenist low-amenity Suburbia*. Low-income males pushed out of high-amenity and transitional suburbia do not appear to have been locating there in significant numbers. As the tables show, there is actually a net loss of males resident in Australia in the less than $600 per week category for all the Holdenist locations listed in both periods, with the exception of Frankston, Hallam and Cranbourne. This is a puzzling result, since all of the Holdenist areas include tracts of relatively low priced detached housing. It is worth noting, however, that in several *Holdenist low-amenity* SLAs, the rate of net loss declined in the 1996-2001 period compared with the 1991-1996 period. This is evident for example in Brimbank – Sunshine, and in the City of Greater Dandenong. Conversely, the net gain of men in the less than $600 per week category declined in the fringe areas of Casey – Berwick and the Mornington Peninsula. This may indicate an early trend in the greater retention of low-income men in *Holdenist low-amenity* areas.

There were much larger net losses (as a percentage of the 1996 stock of residents) of males in the middle ($600-$999) and higher income ($1000 +) categories from *Holdenist low-amenity* areas. These net losses were particularly evident in Sunshine, Broadmeadows, Moreland North, Monash South West and the two Dandenong areas. There appears to be a particular rush for the exits amongst the more affluent domestic residents of these areas, presumably because they have the financial capacity to make such a movement. There are also notable losses of the high income $1000+ category of males in all the remaining locations within the Holdenist category, except Kingston. Data not included within Tables 2.2 and 2.3 show that there are very few in-movers in the $1000+ category to any of these Holdenist areas, including to Cranbourne which is an important growth area. The net losses recorded in the tables are a consequence of high rates of out-movement of males in this income category.

Table 2.2: Males aged 25-64 in 1996 who reported living in area in 1991 by weekly income (individual), and net movement 1991-1996 as per cent of these

Location	Males aged 25-64 reporting in 1996 that they lived in area in 1991 by weekly income				Net domestic 1991-96 movement as % of those reporting living in area in 1991			
	<$600	$600-$999	$1000+	Total	<$600	$600-$999	$1000+	Total
HIGH AMENITY NEAR CITY SUBURBIA								
Melbourne	5,076	2,071	1,745	9,110	-25	-8	13	-14
Port Phillip	10,899	4,782	3,660	19,804	-7	2	5	-2
Stonnington	9,042	5,349	6,101	21,008	-10	-7	2	-6
Booroondara	12,950	8,998	10,697	33,452	-11	-6	7	-4
Bayside and Glen Eira	21,445	12,568	10,285	45,336	-5	0	6	-1
TRANSITIONAL NEAR-CITY SUBURBIA								
Yarra	10,511	4,264	2,971	18,137	-11	-4	-1	-8
Hobsons Bay	11,079	5,209	1,934	18,746	-2	0	13	0
Maribyrnong	10,741	3,279	864	15,326	-11	-12	-9	-11
Moonee Valley	15,088	7,826	3,729	27,318	-7	-6	3	-5
Moreland Coburg	7,753	2,856	907	11,868	-7	-6	-14	-8
Moreland Brunswick	6,860	2,518	1,096	10,683	-12	-14	-19	-12
Banyule and Darebin	34,708	16,151	7,000	59,484	-6	-6	-7	-6
HOLDENIST LOW-AMENITY SUBURBIA								
Brimbank Sunshine	13,944	4,573	1,016	20,101	-7	-20	-25	-10
Hume Broadmeadows	11,044	3,948	1,090	16,614	-5	-11	-19	-7
Moreland North	7,164	2,702	672	10,857	-5	-15	-24	-9
Monash South-West	6,226	2,663	870	9,974	-10	-12	-16	-11
Greater Dandenong - Dandenong	9,589	3,676	907	14,551	-10	-20	-29	-14
Greater Dandenong – Balance	13,839	4,955	1,031	20,400	-16	-25	-35	-19

Kingston	17,333	8,898	3,750	30,753	-4	1	-3	-2
Frankston	13,858	8,236	2,861	25,596	0	-3	-10	-2
Casey – Hallam	5,641	3,057	1,120	10,149	12	7	-12	7
Casey - Cranbourne and South	6,461	3,779	924	11,514	21	18	-3	18
MIDDLE CLASS SUBURBIA								
Manningham	13,264	8,185	6,106	28,262	-7	-9	-4	-7
Whitehorse	16,422	10,680	6,363	34,288	-6	-4	-5	-5
Maroondah	11,062	7,756	3,644	23,029	-3	1	-6	-2
Rest of Monash	14,968	9,608	6,331	31,647	-11	-13	-10	-12
OUTER SUBURBIA								
Melton and Wyndham	13,098	8,731	3,305	25,873	8	9	-2	7
Rest of Hume	5,182	3,632	1,499	10,667	21	28	7	21
Brimbank Keilor	10,329	4,448	1,625	16,887	8	12	1	8
Nilumbik and Whittlesea	22,138	11,223	4,929	39,400	0	2	-1	0
Knox	15,943	11,361	4,957	33,001	-2	2	-4	-1
Yarra Ranges	18,657	10,567	3,985	34,233	-4	-2	-8	-4
Cardinia	5,716	2,917	1,044	9,992	2	6	0	3
Casey – Berwick	3,671	2,747	1,126	7,725	41	54	33	45
Mornington Peninsula	13,521	6,626	3,057	23,833	4	4	2	4

Source: ABS, Census 1996, customised matrix held by CPUR

Table 2.3: Males aged 25-64 in 2001 who reported living in area in 1996 by weekly income (individual), and net movement 1996 to 2001 as per cent of these

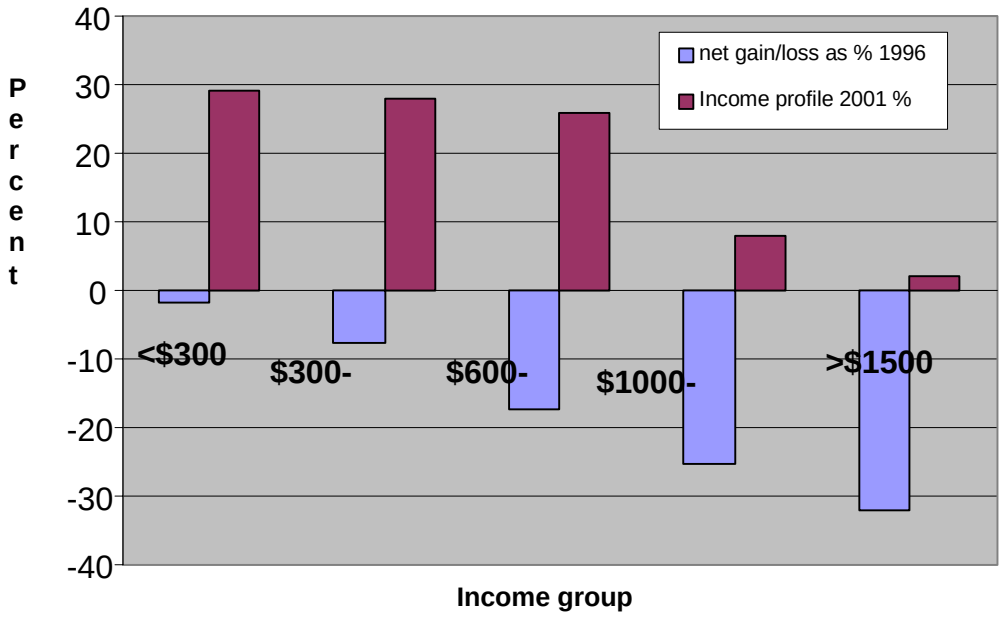
Location	Males aged 25-64 reporting in 2001 that they lived in area in 1996 by weekly income				Net domestic 1996-01 movement as % of those reporting living in area in 1996			
	<$600	$600-$999	$1000+	Total	<$600	$600-$999	$1000+	Total
HIGH AMENITY NEAR CITY SUBURBIA								
Melbourne	3,366	2,210	3,710	9,530	-12	6	10	1
Port Phillip	8,043	5,127	7,236	20,988	-11	2	12	0
Stonnington	6,175	4,810	9,477	20,984	-9	-2	2	-2
Booroondara	9,261	7,630	16,034	33,696	-9	-5	5	-1
Bayside & Glen Eira	15,525	12,422	17,424	46,681	-6	-1	7	0
TRANSITIONAL NEAR-CITY SUBURBIA								
Yarra	7,718	4,324	5,755	18,301	-12	-2	4	-4
Hobsons Bay	8,741	5,940	4,203	19,589	-4	5	10	2
Maribyrnong	8,058	3,984	2,107	14,725	-8	0	10	-3
Moonee Valley	10,911	7,961	7,360	27,137	-7	-5	2	-4
Moreland Coburg	5,641	3,278	2,092	11,420	-11	0	-2	-6
Moreland Brunswick	5,085	2,640	2,263	10,328	-9	-6	-2	-7
Banyule and Darebin	26,042	17,505	13,732	59,246	-5	-2	-3	-4
HOLDENIST LOW-AMENITY SUBURBIA								
Brimbank Sunshine	11,380	5,865	2,029	20,102	-3	-13	-23	-8
Hume Broadmeadows	8,933	4,894	2,150	16,689	-5	-17	-27	-11
Moreland North	5,312	3,135	1,419	10,278	-3	-5	-8	-4
Monash South-West	4,437	3,032	2,012	9,787	-10	-7	-7	-8
Greater Dandenong - Dandenong	7,437	4,493	1,755	14,237	-8	-17	-28	-13
Greater Dandenong - Balance	10,261	5,760	1,961	18,727	-9	-18	-28	-13

Kingston	13,027	10,152	7,284	31,472	-4	3	4	0
Frankston	10,637	9,097	5,694	26,419	3	3	-7	1
Casey – Hallam	5,210	4,036	2,216	11,890	2	-2	-8	-1
Casey - Cranbourne and South	6,100	5,528	2,509	14,659	8	4	-13	2
MIDDLE CLASS SUBURBIA								
Manningham	9,521	8,125	9,218	27,649	-3	-7	0	-3
Whitehorse	12,235	10,057	10,946	34,070	-6	-2	1	-3
Maroondah	8,450	8,149	6,681	23,998	-3	3	-1	0
Rest of Monash	10,646	8,934	9,293	29,630	-7	-9	-3	-6
OUTER SUBURBIA								
Melton and Wyndham	11,595	10,620	7,128	30,477	11	15	6	11
Rest of Hume	5,048	5,012	3,406	13,949	20	22	13	18
Brimbank Keilor	9,243	6,615	3,746	20,315	7	6	-1	5
Nilumbik and Whittlesea	18,042	13,840	9,643	43,058	1	2	0	1
Knox	12,310	12,397	9,522	35,325	0	5	0	2
Yarra Ranges	14,011	11,579	7,730	34,542	1	3	-2	1
Cardinia	4,529	3,604	2,243	10,793	3	8	5	5
Casey – Berwick	3,954	4,507	3,291	12,160	27	44	25	32
Mornington Peninsula	10,650	7,727	6,030	25,260	14	12	13	13

Source: ABS, Census 2001, customised matrix held by CPUR

The tentative conclusion flowing from this analysis is that the *Holdenist low-amenity* areas listed are becoming increasingly characterised by low-income populations as consequence of movement. The cause is not a net influx of low-income domestic residents, but rather a lower rate of net exit of low-income males by comparison with middle and higher income males. Figure 2.1 illustrates the point for the SLA of Hume-Broadmeadows. It shows that as of 2001 the area was notable for the tiny proportion of male residents whose income was in the higher income categories, $1000-1499 and $1500+ by 2001. It also indicates that a significant factor in this situation was that there were net losses of domestic residents over the five year period 1996 to 2001 of around 30 per cent in these income categories.

Figure 2.1 Broadmeadows, men 25-64 years, residential net gain/loss by weekly income 1996-2001 and income profile 2001



Source: ABS, 2001 Census customised internal migration matrix and BCP Broadmeadows 2001.

2.1.1 Overseas-born arrivals

The preceding discussion does not include information about the location of recently arrived overseas migrants. Because approximately half of Melbourne's current population growth is attributable to overseas migration, the characteristics and settlement patterns of these migrants has the potential to influence the overall spatial distribution of Melbourne residents. The extent of this influence is explored below via an analysis of settlement patterns of persons overseas in 1996 who were living in Melbourne in 2001. Unfortunately there is no information on persons who left Melbourne for overseas destinations over the same periods. Thus, the overseas-born figures in Table 2.4 overstate the overseas impact relative to domestic movers. Nevertheless, this should not be a major problem since the rate of out-migration to overseas destinations of residents living in Melbourne in 1996 is far lower than the rate of in-migration of persons living overseas and resident in Melbourne in 2001.

As Table 2.4 shows, overseas-born persons who lived overseas in either 1991 or 1996 added very little to the base population of *Outer Suburban* residents who reported in 2001 that they lived in these localities in 1996. For example, in the case of Casey – Berwick, persons overseas in 1996 added only four per cent to the Berwick population of persons who indicated that they lived in the area in 1996. Of these, most were born in main-English-speaking countries. However, in sharp contrast with the movement of adult males described above, significant numbers of persons overseas in 1996 moved into the *Holdenist low-amenity* suburban locations. The great majority of these movers were born in non-English-speaking (NES) countries. The main concentrations were in Monash South-West and Greater Dandenong. Another significant locus was Maribyrnong and Brunswick. These latter two locations are classified as *Transitional near-city* suburbia. As noted, though changing, these areas still retain large NES migrant communities. The high rate of settlement of such migrants in the period 1996-2001, despite the gentrification of these areas, reflects their transitional nature. There are still neighbourhoods where poorer ethnic communities are located. It is likely that the migrants moving into these areas were sponsored through the Family Reunion or Humanitarian programs.

Table 2.4: Persons aged 5+ who reported in 2001 that they lived in area in 1996 and persons who were overseas in 1996 as per cent of those in area in 1996

Location	Persons aged 5+ who reported in 2001 that they lived in area in 1996	Persons who were overseas 1996 as % of persons aged 5+ who reported in 2001 that they lived in area in 1996 by birthplace			
		Australia	Main English Speaking Countries	Non English Speaking Countries	Total
HIGH AMENITY NEAR CITY SUBURBIA					
Melbourne	27,509	3	6	29	38
Port Phillip	58,979	3	4	5	12
Stonnington	69,231	2	3	5	10
Booroondara	125,185	2	2	4	8
Bayside and Glen Eira	172,001	1	2	3	7
TRANSITIONAL NEAR-CITY SUBURBIA					
Yarra	53,064	3	3	4	9
Hobsons Bay	68,316	1	1	2	4
Maribyrnong	94,561	1	1	2	4
Moonee Valley	49,925	1	1	6	8
Moreland Coburg	42,159	1	1	3	4
Moreland Brunswick	33,021	1	2	7	10
Banyule and Darebin	210,180	1	1	3	4
HOLDENIST LOW-AMENITY SUBURBIA					
Brimbank Sunshine	69,862	0	0	4	5
Hume Broadmeadows	59,699	0	0	4	5
Moreland North	39,581	0	0	4	4
Monash South-West	33,483	0	1	11	13
Greater Dandenong – Dand.	50,189	0	1	9	10

Greater Dandenong - Balance	64,032	0	1	6	7
Kingston	111,688	1	1	3	4
Frankston	96,115	0	1	1	3
Casey – Hallam	42,976	0	1	4	5
Casey - Cranbourne & South	51,646	0	1	2	3
MIDDLE CLASS SUBURBIA					
Manningham	96,802	1	1	3	5
Whitehorse	123,631	1	1	4	5
Maroondah	85,183	0	1	1	2
Rest of Monash	104,497	1	1	4	6
OUTER SUBURBIA					
Melton and Wyndham	107,014	0	1	1	3
Rest of Hume	69,976	0	0	3	4
Brimbank Keilor	49,397	0	1	2	3
Nilumbik and Whittlesea	149,148	0	1	2	3
Knox	123,300	0	1	1	3
Yarra Ranges	122,636	0	1	0	2
Cardinia	39,029	0	1	0	1
Casey – Berwick	42,756	0	2	1	4
Mornington Peninsula	103,256	0	1	0	2

Source: ABS, Census 2001, customised matrix held by CPUR

Main English Speaking countries include the United Kingdom, Ireland, New Zealand, USA, Canada and South Africa

This movement pattern is adding significantly to the low-income population of the Holdenist areas listed. To explore this issue the focus switches to the movements of males aged 25-64 by income. A striking example is the case of Greater Dandenong – Dandenong. Tables 2.2 and 2.3 showed that there were net losses of low-income males through the movement of domestic residents in the case of Greater Dandenong – Dandenong of ten per cent between 1991 and 1996 relative to the stock of persons who reported living in the area in 1991 and eight per cent between 1996 and 2001 of those who reported living in the area in 1996. However, as shown

in Table 2.5, overseas arrivals to Greater Dandenong - Dandenong over the period 1996-2001 more than counteracted these losses, particularly in the 1996 to 2001 period when they added the equivalent of 14 per cent of the stock of men with incomes of less than $600 who were living in the area in 1996. Because relatively few overseas-born males in the higher income bands settled in Dandenong during the 1990s, the effect was to weight the community living in Dandenong in the low-income direction.

Table 2.5: Overseas-born males aged 25-64 in 1996 and 2001 who reported living overseas as per cent of total males in income group at time of previous Census (see Tables 2.2 and 2.3 for numbers)

Location	1991-1996				1996-2001			
	<$600	$600-$999	>$999	Total	<$600	$600-$999	>$999	Total
HIGH AMENITY NEAR CITY SUBURBIA								
Melbourne	12	8	14	12	25	13	14	18
Port Phillip	10	6	8	9	8	9	12	10
Stonnington	7	5	9	7	10	7	7	8
Booroondara	6	3	5	5	8	4	5	6
Bayside and Glen Eira	6	4	7	6	6	4	7	6
TRANSITIONAL NEAR-CITY SUBURBIA								
Yarra	7	4	4	6	7	7	6	7
Hobsons Bay	3	2	3	3	4	3	3	4
Maribyrnong	10	2	1	8	10	4	4	7
Moonee Valley	4	2	1	3	4	2	2	3
Moreland Coburg	4	2	1	3	5	3	3	4
Moreland Brunswick	10	4	3	8	11	6	5	8
Banyule and Darebin	5	2	2	4	5	3	2	4
HOLDENIST LOW-AMENITY SUBURBIA								
Brimbank Sunshine	5	2	1	4	5	3	1	4
Hume Broadmeadows	5	2	1	4	6	2	1	4

Moreland North	6	1	2	5	6	2	3	5
Monash South-West	12	5	5	9	13	7	6	9
Greater Dandenong – Dand.	10	3	2	8	14	6	2	10
Greater Dandenong – Bal.	9	3	2	7	8	3	2	6
Kingston	4	3	2	4	4	4	3	4
Frankston	2	1	1	2	3	2	1	2
Casey – Hallam	6	3	2	5	6	4	3	5
Casey - Cranbourne & South	3	2	0	2	4	3	1	3
MIDDLE CLASS SUBURBIA								
Manningham	4	2	5	4	5	2	5	4
Whitehorse	5	2	2	3	6	3	3	4
Maroondah	2	1	2	2	2	2	2	2
Rest of Monash	4	3	4	4	5	3	5	4

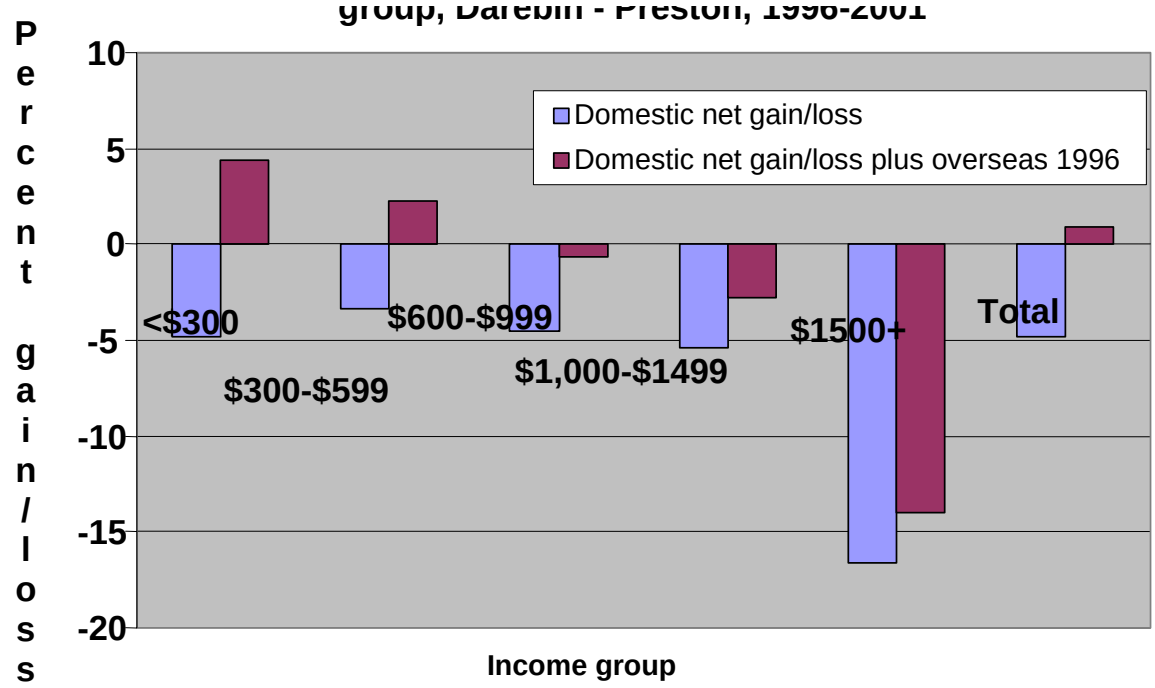
OUTER SUBURBIA								
Melton and Wyndham	3	1	1	2	3	2	2	2
Rest of Hume	2	1	2	1	3	2	1	2
Brimbank Keilor	5	2	1	4	5	2	2	4
Nilumbik and Whittlesea	3	1	2	2	3	1	2	2
Knox	2	2	2	2	3	2	2	2
Yarra Ranges	1	1	1	1	1	1	1	1
Cardinia	1	1	1	1	1	1	1	1
Casey – Berwick	4	2	3	3	3	3	3	3
Mornington Peninsula	1	1	2	1	1	1	2	2

Source: ABS, Census 1996 and 2001, customised matrices held by CPUR

Table 2.5 indicates that recently arrived migrants had a similar, if not quite so large an impact on other *Holdenist low-amenity* areas, including Brimbank – Sunshine and Hume – Broadmeadows.

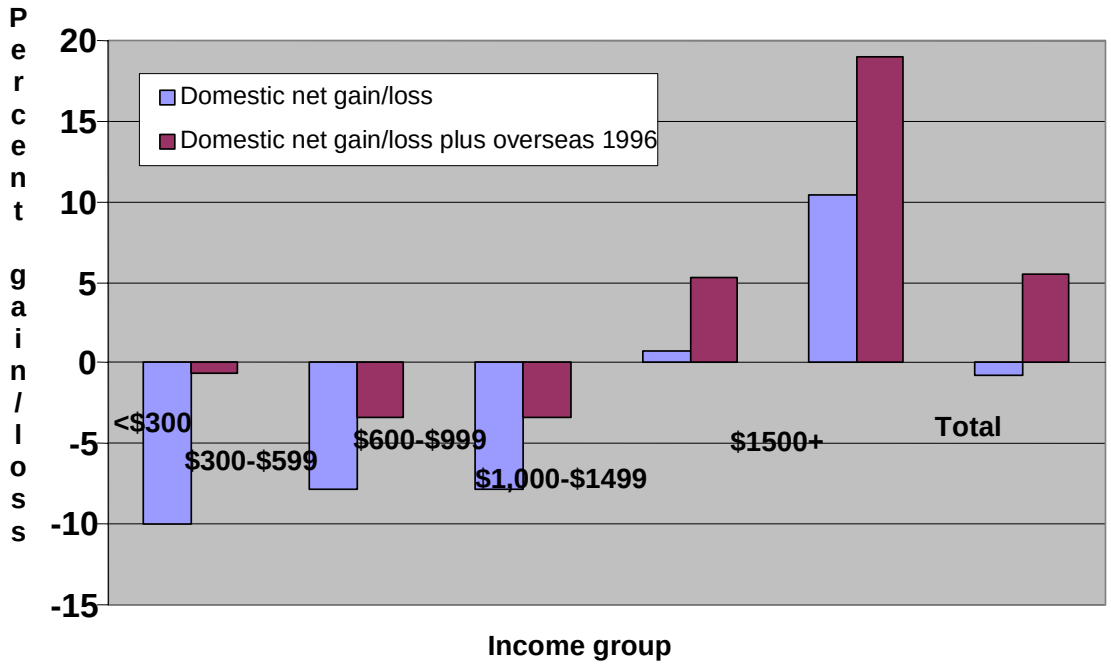
A further example of this is shown in Figure 2.2 for Preston. Preston is part of the municipality of Darebin. Darebin was included with the inner North-western suburb of Banyule for the analysis above and was thus categorised as *transitional*. However, data held for just the 1996-2001 period allowed a closer analysis of Preston. Although undergoing a great deal of social change, Preston still largely fits within the *Holdenist low-amenity* category in that it consists of modest houses, mainly built in the post-World War-Two period. Figure 2.2 further illustrates the pattern of change described above. As with other *Holdenist low-amenity* areas, over the period 1996-2001, there is a net loss of all male income groups due to movement of domestic male residents, though with much greater percentage net losses in the higher income groups. However, when persons who were overseas in 1996 are added by income group the effect is to turn these net losses in the lower-income categories (up to $300 and $300 - $599) into net gains. On the other hand, because those who were overseas in 1996 do not add much to the higher income categories, they have little impact on the losses of higher income residents from domestic movements. The overall impact of these movements is to accentuate the concentration of low-income residents in Preston, just as was seen to be the case for Greater Dandenong – Dandenong.

Figure 2.2 Net gain/loss (as % 1996 population), men 25-64 years by weekly income group, Darebin-Preston, 1996-2001



The reverse effect is shown in Figure 2.3, which shows the outcome for Booroondara (Camberwell South and Camberwell North). There are significant net losses of low-income men from these locations and significant gains for high income men through domestic movement over the period 1996-2001. The overseas movement into Camberwell produces precisely the opposite effect to that shown for Preston. Settlement of males overseas in 1996 in these locations adds an additional element to the concentration of high income males.

Figure 2.3 Net gain/loss (as % 1996 population), men 25-64 years by weekly income group, Boroondara – Camberwell Sth and Nth, 1996-2001



Why are lower-income persons tending to concentrate in *Holdenist low-amenity* locations? The hypothesis is that it is likely to be the state of the housing in these locations. Much of it was built in the 50s and 60s and is now dated and low in amenities by the standards expected today. As a consequence, persons with the resources to move and update their housing arrangements tend to do so. Thus, the greatest rates of net outflows are from the higher-income group. A further factor that may influence the concentration of low-income persons in *Holdenist* areas, which is explored below, is the more affordable residential infill housing that is being constructed in these areas.

However, the net exodus of low-income resident males shown above is more difficult to explain. This net exodus seems to be most acute in areas where there are high ethnic community concentrations. For example, the exit rates for domestic low-income males are high in both parts of Greater Dandenong but not in Frankston. Part of the answer to this puzzle may lie in the observation that Greater Dandenong has a high-NES-birthplace concentration; Frankston does not. It may be that the high-NESB character of some *Holdenist low-amenity* areas represents an additional dimension of the way in which low-income concentrations have been occurring in Melbourne. Cultural identification on the part of movers and non-movers may be an additional factor in explaining the patterns of net residential out movement for low-income males observed in the above data. A disaggregation of internal migration data by birthplace sheds further light on this issue.

In the case of Dandenong, there has only been a small increase in the dwelling stock between 1996 and 2001 (See Table 4.2 in Chapter 4). The implication is that the overseas in-movers are replacing domestic residents who are moving out. A disaggregation of internal migration data by place of birth suggests that low-income domestic residents are seeking a setting more in tune with their cultural background. If so, the rate of net loss should be higher for the Australia-born and Main-English-

speaking-born (MESB) residents in Holdenist areas than for the NESB-born residents. This expectation is born out by detailed analysis of the net losses. Table 2.6 shows the outcome for Greater Dandenong - Dandenong. The table shows that for the low-income (less than $600 per week) category and moderate income ($600-999 per week category) the rate of net losses of the Australian-born and MESB residents was well above that for the NES-born residents over the 1996 to 2001 period. Though not shown in the text, a similar pattern is evident in the other Holdenist areas with high-NESB concentrations. This phenomenon has also been shown to have occurred through Western Sydney locations where there are high concentrations of low-income NES-born males.[32]

Table 2.6: Males aged 25-64 years, net domestic movement and number who lived overseas in 1996, by birthplace group and individual weekly income, Greater Dandenong – Dandenong, 2001

Weekly income and birthplace	Reported in 2001 that lived there 1996	Over-seas 1996	Total 2001	Net moves	Net % 1996	Over-seas % 1996
Males aged 25-64 with a weekly income of less than $600						
Australia	2,732	17	2,494	-329	-12	1
Main English Speaking Countries	586	39	565	-82	-14	7
Non-English Speaking Countries	3,925	1,025	4,979	-144	-4	26
Total	7,437	1,094	8,262	-568	-8	15
Males aged 25-64 with a weekly income of $600-$999						
Australia	2,021	0	1,626	-408	-20	0
Main English Speaking Countries	431	32	364	-102	-24	7
Non-English Speaking Countries	1,975	248	2,011	-252	-13	13
Total	4,493	280	4,073	-759	-17	6
Males aged 25-64 with a weekly income of $1000+						
Australia	887	6	638	-260	-29	1
Main English Speaking Countries	201	4	136	-72	-36	2
Non-English Speaking Countries	650	38	537	-157	-24	6

[32] Ernest Healy and Bob Birrell, 'Metropolis divided: The political dynamic of spatial inequality and migrant settlement in Sydney', *People and Place*, vol. 11, no. 2, pp. 65-87

Total	1,755	48	1,331	-486	-28	3
Total males aged 25-64						
Australia	5,823	26	4,944	-1,020	-18	0
Main English Speaking Countries	1,264	81	1,122	-259	-20	6
Non-English Speaking Countries	6,840	1,382	7,902	-586	-9	20
Total	14,237	1,505	14,723	-1,875	-13	11

Source: ABS, Census 2001 customised matrix held by CPUR

The data, therefore, suggests that ethnic stigmatisation may be acting as an additional factor in shaping patterns of low-income concentration within Melbourne. This factor may help explain the observation made in Chapter 1, that low-income males who have been pushed out of more affluent inner suburbs often by-passed *Holdenist low-amenity* areas in favour of selected fringe locations.

The data on the overseas-born indicate that there was a substantial number of overseas-born persons in the higher-income categories as well. They tend to settle in the higher amenity near city suburban areas and in some middle class suburbia settings, most notably Manningham and Rest of Monash. There does not seem to be any significant outward movement of residents that could be associated with the inflow of overseas-born arrivals as was described above for the Holdenist areas.

2.1.2 Select movement indicators

The data collected for this project allow further analysis of some of the characteristics of movers by selected occupation and family status which shed further light on the findings described above. These data are shown in Table 2.7.

The female lone parent (with a child aged 0-14) group is an excellent indicator of the pressure of housing-market price increases on the locational pattern of the less affluent. This is because female lone parents are, for the most part, a highly disadvantaged group since most depend on the Parenting Payment Single and associated other family payments as their main source of income.[33] The table shows that the rate of loss of female lone parents in 2001 who were resident in the *Higher amenity near-city* Suburbia and the Transitional near-city Suburbia locations is high. For example, in Yarra the loss was equivalent to 16 per cent of the stock of female lone parents who in 2001 said that they lived in Yarra in 1996. There were similar net losses from Maribyrnong of 15 per cent and 21 per cent from Brunswick. If the escalating price of property in these areas is the explanation, it is to be expected that these lone parents would have located in areas with lower housing prices.

These expectations are confirmed by Table 2.7. However, as was the case for the movements of low-income male residents described above, female lone parents are not relocating in significant numbers in the *Holdenist low-amenity* areas. These areas actually experienced net losses of female lone parents over the 1996 to 2001 period.

[33] Bob Birrell and Virginia Rapson, *The Location and Housing Needs of Lone Parents*, AHURI, 2001

The only exceptions were Sunshine, Kingston and Frankston. In the case of Sunshine and Frankston, part of the explanation is that these areas contain substantial public housing estates, as at Braybrook in Sunshine and The Pines in Frankston. The apparent disinclination on the part of female lone parents to move into the other Holdenist areas listed may be associated with the predominant Anglo-Celtic background of female lone parents. They, like the low-income males of similar background, appear to be avoiding areas with high ethnic concentrations. The table shows that most are moving to middle or outer suburban areas including Maroondah, Keilor, Rest of Hume, Berwick and Mornington Peninsula. It is probable that they are locating in the pockets of relatively low-priced housing still to be found in these suburbs. An example of this outcome is detailed in the case studies below.

Further, as highlighted below, there were marked increases in the proportion of dwellings rented in many fringe neighbourhoods between 1996 and 2001, possibly an outcome of the speculative housing boom of the late 1990s and early 2000s. Speculative housing purchase during this period was by no means restricted to affluent areas. As the expectation on the part of speculators may have been for capital gain, rather than for rental return, the increased supply of rental properties in these areas may have remained relatively affordable for low-income persons.

The other movement indicators shown in Table 2.7 provide a further context for the ideas being explored. Two indicators of occupational movement are shown. One is that for all employed professionals (male and female) and the other is for all employed blue collar workers. There are strong net gains of resident professionals over the period 1996-2001 in both the high amenity near city suburban and Transitional near-city suburban areas. These gains are consistent with the gentrification tag applied above to these areas. Persons who became professionals during the period 1996-2001 or were already employed as professionals in 1996 and resident in Australia show a high propensity to move to these inner or near city locations. Table 2.7 does not show the movement pattern of persons overseas in 1996. However the earlier discussion of overseas movers (see Tables 2.5 and 2.6) indicated that such persons also added significantly to the populations of these areas during the period 1996-2001. Table 2.6 shows that most of these persons indicated relatively high incomes. There was a group of low-income persons as well, many of whom are likely to have been overseas students.

Table 2.7: Persons who reported in 2001 that they lived in area in 1996, net domestic flow as per cent of these, selected indicators

	Persons who reported in 2001 that they lived in area in 1996				Net domestic flow			
	Persons aged 5+	Profes-sional	Blue collar	Female lone parent	Per-sons 5+	Profes-sional	Blue collar	Female lone parent
HIGH AMENITY NEAR CITY SUBURBIA								
Melbourne	27,509	7,006	1,568	540	13	9	5	-29
Port Phillip	58,979	11,700	4,622	1,040	1	12	-6	-21
Stonnington	69,231	13,490	3,878	819	1	5	-6	-9
Booroondara	125,185	24,579	6,607	1,461	2	2	-3	-8
Bayside and Glen Eira	172,001	25,046	14,075	2,518	0	5	-4	-6
TRANSITIONAL NEAR-CITY SUBURBIA								
Yarra	53,064	11,219	4,747	1,260	-1	11	-17	-16
Hobsons Bay	68,316	5,091	10,678	1,457	1	13	-1	4
Moonee Valley	94,561	11,185	10,946	1,638	-2	2	-5	-5
Maribyrnong	49,925	3,961	7,248	1,394	-6	17	-9	-15
Moreland (C) - Coburg	42,159	3,624	5,289	801	-6	8	-7	-9
Moreland (C) - Brunswick	33,021	5,185	3,666	630	-2	9	-10	-21
Banyule and Darebin	210,180	23,002	26,436	4,198	-2	2	-3	-5
HOLDENIST LOW-AMENITY SUBURBIA								
Brimbank (C) - Sunshine	69,862	2,892	13,544	1,650	-7	-17	-8	0
Hume (C) Broadmeadows	59,699	2,458	10,615	1,663	-10	-23	-11	-6
Moreland (C) - North	39,581	2,079	5,722	817	-2	-3	-4	-2
Monash (C) - South-West	33,483	3,613	4,830	607	-4	-6	-8	-14
Gtr Dandenong – Dand.	50,189	2,636	9,581	1,084	-12	-26	-10	-5
Gtr Dandenong - Balance	64,032	3,077	13,305	1,353	-12	-26	-11	-3

Kingston	111,688	9,465	16,472	1,952	0	5	2	5
Frankston	96,115	6,531	16,126	2,619	0	-5	4	9
Casey – Hallam	42,976	2,449	8,385	1,044	-3	-9	1	-12
Casey - Cranbourne & Sth	51,646	2,341	11,185	1,482	1	-7	8	-2
MIDDLE CLASS SUBURBIA								
Manningham	96,802	12,843	9,323	1,062	-2	-4	-2	-10
Whitehorse	123,631	16,425	12,897	1,837	-1	3	-4	-3
Maroondah	85,183	8,549	12,212	1,620	1	0	2	10
Rest of Monash	104,497	13,888	11,328	1,184	-3	-5	-5	3
OUTER SUBURBIA								
Melton and Wyndham	107,014	6,633	18,986	2,944	10	6	15	5
Brimbank (C) - Keilor	69,976	4,210	12,727	1,307	6	-2	8	10
Rest of Hume	49,397	3,451	8,426	1,094	16	9	23	11
Nilumbik and Whittlesea	149,148	12,277	25,027	2,601	1	-3	4	5
Knox	123,300	10,516	20,046	2,330	2	1	6	3
Yarra Ranges	122,636	10,268	21,153	2,593	0	-3	3	2
Cardinia	39,029	2,696	7,451	859	3	-1	5	3
Casey – Berwick	42,756	3,017	7,403	914	30	27	38	27
Mornington Peninsula	103,256	7,462	14,684	2,329	9	10	11	11

Source: ABS,Census 2001, customised matrix

The contrast with the *Holdenist low-amenity* areas is striking. Though these areas have never held large numbers of professional residents, their number is further declining through net migration losses. In the case of the two Dandenong areas, and Hume - Broadmeadows, between 1996 and 2001 there was a net loss of more than 20 per cent through movement into and out of these areas on the part of persons employed as professionals in 2001 relative to the stock of such persons living in these three areas in 1996. This finding has particular relevance for the discussion of the residualisation phenomena later in this report. So far, the findings indicate that these Holdenist areas are a) increasing their share of low-income males – because a lower proportion of residents amongst this group are leaving by comparison with residents in receipt of higher incomes, and b) gaining large numbers of low-income overseas-born males, most of whom are of non-English-speaking-birthplace origin. The hypothesis explored later is that when a community becomes composed of high

proportions of people with relatively low resources and low proportions of persons with high resources, it becomes more vulnerable to social stress, perhaps producing a downward cycle of further deterioration.

In the case of blue-collar movement, Table 2.7 shows that the losses of employed blue collar workers in the High Amenity and Transitional near-city locations is a mirror image of the gentrification gains described above. Again there appears to be little movement of blue-collar workers to the Holdenist areas notable for high ethnic concentrations. Indeed, these Holdenist areas exhibit significant net losses of such employed persons. Instead, some are moving to the other Holdenist areas, notably Kingston, Frankston and Casey Cranbourne and some (not shown in the table) are moving away from Melbourne (to elsewhere in Victoria or interstate). The main direction of movement of blue collar workers is to other outer suburban areas particularly Melton and Wyndham, rest of Hume and Casey Berwick.

2.1.3 Summary

To summarise, the research to this point has identified existing concentrations of low-income residents and shown that high rates of residential mobility are a key determinant of the concentration of low-income, socially disadvantaged persons within Melbourne. Some early post-war low-amenity suburbs have become the locations of concentrations of social disadvantage. The research shows that these areas often have a greater net loss of higher-income residents than low-income residents, resulting in a relative concentration of social disadvantage despite a net loss of residents. This outcome is exaggerated by the arrival of overseas-born low-income persons who often settle in these areas and by the pattern of movement of employed blue-collar workers who tended to avoid *Holdenist low-amenity* areas in favour of outer suburban locations. At the same time, a number of older suburbs pre-war suburbs close to central Melbourne, characterised by a rapid influx of professionally trained residents, have also experienced a net loss of low-income residents, including lone parents. These displaced low-income residents from 'transitional near-city' areas have, by and large, by-passed established mid-suburban, low-amenity areas in favour of selected outer suburban locations.

The next stage of the study, which begins in Chapter 4, examines the relationship between this pattern of spatial differentiation and spatial differences in housing type and construction levels. First, however, it is necessary to consider the likely impact of compact city policy upon Melbourne's housing market, particularly with respect to the location and type of housing that is likely to occur in the future. It was stated at the outset that the initial focus of the study were some suburban fringe locations that appeared to be emerging as potentially significant concentrations of social disadvantage. Indeed, the data examined in this chapter, for the periods 1991-1996 and 1996-2001, helped justify this original focus. However, on further consideration, a number of developments in the Melbourne housing market, including factors relating to adoption of compact city policy, suggest that the patterns of movement and concentration of low-income persons that were discernable during the 1990s may not continue in the same extent in the coming period. In Chapter 3, therefore, the assumptions of the Victorian Government's compact city policy, concerning the types of housing that will be built to accommodate a rapidly growing population and where it will be built are scrutinised. This scrutiny is not conducted from an ideological point of view, but pragmatically. This is because the type of housing that is constructed, its affordability and its location, will be significant in shaping the spatial patterning of social disadvantage in Melbourne.

3 WHAT TYPE OF DWELLINGS WILL ACCOMMODATE POPULATION GROWTH AND WHERE WILL THEY BE BUILT?

3.1 The implications of urban policy on low-income housing outcomes

An issue from the point of view of the concentration of urban social disadvantage is whether housing on the suburban fringe will remain affordable to low-income persons. The preceding analysis of men with weekly incomes of less than $600 showed that the fringe was accessible to some extent during the 1990s. However, within the past four years housing prices have increased sharply in Melbourne, including in many fringe areas. In part, this increase was a result of sustained low-interest rates and a speculative housing boom which, having gathered momentum during the late 1990s, came to a peak in the early 2000s. If fringe areas, which have been accessible to low-income persons in the past, become less accessible, then the patterns of low-income mobility towards the fringe observed in the data analysed in Chapter 2 may not continue.

If this were to occur, low-income persons would be directed to other locations. They may need to seek out housing in established low-amenity areas, areas which they had previously by-passed. Such persons may find themselves competing for housing opportunities with other segments of the housing market, such as first home buyers, also affected by increasingly expensive fringe housing.

The likelihood of activity centres being able to accommodate the high proportion of population growth expected by government is also an issue that is relevant to housing outcomes for the low-income and socially disadvantaged over the coming decades. This issue is relevant to the present study because, if activity centres do not house the high proportion of the additional population to the extent expected (41%), then these additional residents also will have to be accommodated in less dense housing within established suburban areas.

Cumulatively, decreased affordability on the fringe and the failure of activity centres to develop of the scale expected, may have unforseen consequences for the availability of affordable housing for low-income persons, including the ways in which the socially disadvantaged are concentrated within established suburban areas.

Potentially, a situation in which low-income persons have no choice but to compete for marginal housing opportunities in a more highly competitive middle suburban housing market may lead to the emergence of new spatial patterns of concentration of low-income persons and the socially disadvantaged. Although it seems unlikely that the existing major concentrations of disadvantage in Melbourne will not persist, new and novel forms of concentration may arise in addition to these. This possibility is one focus of the case studies examined in the Chapter 5.

In the remaining sections of this chapter, we examine whether development on the suburban fringe will remain affordable for modest-income first home buyers. The question of activity centre development is then examined. Finally, we consider the propensity of persons to move residence according to age and household type. Compact city policy assumes high rates of residential mobility amongst older residents. If this condition is not met, then, again, housing demand in established suburban areas, including *Holdenist low-amenity* areas, may be significantly altered with repercussions for persons on low-incomes.

3.2 Housing on the fringe – how accessible?

There is no doubt that house and land prices in greenfields estates have escalated sharply. According to Urban Development Program (UDP) 2003[34], the average increase of vacant house block prices over the period 1998-2002 was 55 per cent in the West of Melbourne (Brimbank, Melton and Wyndham), 55 per cent in the North (Hume and Whittlesea) and 60 per cent in the South (Casey and Cardinia). By 2003, according to the advice of major developers in the area, the median price of residential blocks in Cranbourne, an area that in the past had provided relatively cheap entry for first home owners, was over $100,000 and new house and land packages over $200,000.

This price escalation has already had a measurable impact on the access of first home buyers to new housing on the suburban fringe. Table 3.1 shows an estimation of the proportion of houses purchased in outer suburban locations that are attributable to first home buyers. It is based on data supplied by the Victorian State Government Revenue Office, which has been matched against construction data from the ABS.

Table 3.1: Paid applications for First Home Owners Grants (FHOG) for new dwellings, distribution in Melbourne and as percentage of Building Approvals, Melbourne, 2000-01 to 2003-04

	2000-01	2001-02	2002-03	2003-04 (part)
Location of FHOG for new houses (% of MSD total)				
Core	2	2	3	4
Inner	3	3	4	4
Middle	22	22	19	17
Outer	72	73	74	76
Total	100	100	100	100
Number	2,948	10,952	7,002	3,349
Total building approvals for new residential dwellings				
Core	5,656	5,573	7,245	3,331
Inner	2,701	3,179	2,780	1,917
Middle	6,690	8,672	8,061	4,877
Outer	14,082	22,553	20,133	11,538
Total	29,129	39,977	38,219	21,663

[34] Department of Sustainability and Environment (Victoria) *Urban Development Program Report 2003*, 2003, p. 21

FHOG for new homes as per cent of building approvals				
Core	1	5	3	4
Inner	4	10	9	6
Middle	10	28	17	12
Outer	15	35	26	22
Total	10	27	18	15

Source: State Revenue Office Victoria, unpublished data on First Home Owners Grant applications; ABS, Building Approvals by Statistical Local Area

As might be expected, the table shows that most first home buyers who have purchased new houses are locating in the outer suburban area. It also shows that the proportion of new houses constructed in outer suburbia which, according to Table 3.1, are being purchased by first home buyers has dropped sharply from the peak year of 2000-2001. Changes to the operation of the first home buyer's scheme, including the drop in the subsidy after 2000-2001, means that these findings cannot be regarded as a conclusive demonstration of the impact of the recent rise in prices for first home buyers. However, they do support similar findings of other studies, including that of the Productivity Commission [35]. Some academic housing market analysts have also pointed to the increasingly exclusive character of fringe developments. Bill Randolph, of the University of Western Sydney, argues that the concentration of social problems in middle suburban areas in Melbourne and Sydney stands in contrast:

> …to the increasingly 'monocultural' new communities in new fringe developments – middle income, couples with children, in car dependent up-scale single family houses – the "McMansions" … Most of these are established households trading up to the fringe. Few are first time buyers.[36]

Interviews with developers and outer suburban municipal officials[37] also support the latter conclusion. They say that, currently, most purchasers of new house and land packages on the frontier are 'trade-up' purchasers — that is purchasers who are moving after selling an existing house.

Has the implementation of compact city policy had anything to do with this escalation of prices and apparent reduction in access on the part of first home buyers? It might have if the UGB, introduced in late 2002, has reduced developer's access to

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[35] Productivity Commission Inquiry Report, First Home Ownership, Melbourne, March 2004, p. 35

[36] Randolph, B., Renewing the middle city: planning for stressed suburbs, http://www.urbanfrontiers.uws.edu.au, [accessed January 2004, p. 4

[37] Interviews with Mr Chris McNeill, Assistant Director, Urban Development Institute of Australia, 16 April, 2004; Tuesday June 1, 2004.
Interview with Mr M. Lenarduzzi, AV Jennings Homes, June 25, 2004.
Interview with Mr R. Pradalen, Australand, 31 Sept. 2004.
Interview with Mr A. Lennon, PEET and Co., 16 July 2004.
Interviews with town planning professionals, City of Hume,
Interviews with town planning professionals City of Casey, 9 Sept. 2003; 12 Dec. 2003; June 10 2004.

broadhectares embodying development rights. UDP 2003 argues that compact city policy is not implicated. In a footnote it notes that during early 2003 various claims were made that land prices increased sharply after the introduction of the UGB. It argues that any implied causation is incorrect. Rather, the main factor in land price increases was 'the strength of demand for housing, including the extensive pre-sales'[38].

Our discussions with major outer suburban land developers support the UDP 2003 conclusion. The rise in land and house prices did precede the announcement of the current compact city policy. The underlying cause for these price rises was the sharp increase in demand for housing on the frontier. This increased demand led to very high building approval levels throughout the main development corridors. As a consequence, stocks of available lots were depleted, thus contributing to shortages and to subsequent price increases. As noted, behind this building boom other factors were at work, which have had a national impact (quite independent of compact city policy), including low interest rates and easy access to finance – factors which are spelled out in a recent Productivity Commission's report on First Home Ownership in Australia[39].

Nevertheless, the issue from the point of view of affordability of new housing on the suburban frontier is whether the recent boom will subside. If it does not, then the goal of current compact city policy, of reducing the proportion of Melbourne's new housing on the suburban frontier, is likely to be achieved, if only because many first home buyers will not be able to afford to locate there. This is not an issue that can be resolved in this report.

However, in the absence of change in policy regarding the placement of the UGB, developers will be faced with significantly higher underlying costs for broadhectares zoned for development purposes. Since the announcement of the Melbourne 2030 compact city policy in late 2002, the price for such land has approximately doubled from around $250,000 per hectare to around $500,000 per hectare. This observation is based on broadhectare land transactions within the UGB, reported to us by developers and local government officers working within the UGB. These respondents have indicated that there was a competitive scramble for such land after the announcement of the UGB, thus the escalation of price.

Municipal urban planning officers from the City of Cardinia, in Melbourne's eastern fringe, stated that 50 hectare parcels of land, which cost in the vicinity of $250,000 about 3 years earlier, were bringing between $500,000 and $550,000 in 2004. This increase was explained in terms of developer anxiety about the uncertainty of supply within the UGB[40].

The implication is that, if this price level holds, it will add an extra $50,000 to the base costs of developers per lot (assuming yields of ten lots per hectare). This, plus other cost increases, including increases for additional environmental features (such as dual water systems), means that developers will not proceed with new estates in the medium term unless they are assured of block prices of at least $100,000 (that is the base raw land cost of some $50,000 plus another $50,000 or so for the production of the block). Recent five star energy conservation requirements in residential building construction are also likely to add to the cost of housing to the end consumer. In

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[38] Department of Sustainability and Environment (Victoria) *Urban Development Program Report 2003*, 2003, p. 21

[39] Productivity Commission Inquiry Report, First Home Ownership, Melbourne, March 2004.

[40] Interview, John Holland and Phil Walton, urban planners, City of Cardinia, April 23, 2004.

these circumstances, it is hard to see any significant decline in the costs of producing outer suburban houses.

The Victorian Government could intervene by extending the UGB. The stated policy is that, when the supply of broadhectares within the UGB falls below 15 years, it will take this action. Nonetheless, the Government is unlikely to rush into extending the UGB given its stated policy (discussed above) of limiting the role of the frontier in providing for the anticipated expansion in household numbers expected over the next thirty years.

Major developers have already responded to this situation by focussing more on 'Master Planned' estates. That is, they are pitching their product away from the lower end of the market (first home buyers) towards a more expensive product, orientated towards the replacement or 'trade-up' market.

In a discussion with a senior representative from Peet and Company in July 2004, it was stated that developers look to a time frame of up to 8 to 10 years for the acquisition and development of residential land. The Peet and Co. representative thought that the UGB had pushed up the price of broadacre land. However, he also considered that the impact of the UGB on land prices would not be simply short-term. The potential for a longer-term impact of residential property prices was significant. It was acknowledged that the company used design covenants extensively in new developments which, amongst other things, stipulated construction quality, materials used and minimum dwelling sizes. The company's current fringe market was primarily for the 'trade-up' buyers who were, in his opinion, purchasing their second or third dwelling[41]. At the time of the interview, the price of the cheapest blocks of land available at Point Cook was around $120,000.

The Victorian Director of A.V. Jennings, Mr M. Lenarduzzi, also believed that the first home market was contracting in outer suburban locations and that developers would move up market in reaction to land scarcity[42].

Significantly, the developers of many new subdivisions in fringe areas use covenants to prohibit dual occupancy development[43]. This restriction is in part aimed at preserving the up market character of the original subdivision design.

Developer efforts to shift fringe development up market may also have been a result of the speculative environment of the late 1990s and early 2000s. Some urban planning professionals interviewed expressed the view that purchaser concern with capital gains and property resale values had led developers to focus on marketing larger dwellings and to invest more design features into an area[44]. Covenants with restrictions on further increases in densities and subsequent ad hoc development, therefore, may have been appealing to property buyers concerned with resale value.

This upward shift in subdivision design and marketing is evident even in areas like Cranbourne, which in the past heavily catered towards first home buyers. A notable example is the large Hunt Club estate located just to the north of commercial centre of Cranbourne. This estate features elaborate landscaping (ornate entrance, ornamental lake) and large houses priced well out of the typical first home owners

[41] Interview with Anthony Lennon, Peet and Co. 16 July 2004.

[42] Interview with Mr M. Lenarduzzi, AV Jennings Homes, June 25, 2004.

[43] Discussion with Knowles Tivendale, Officer, City of Greater Dandenong, November 4, 2004.

[44] Interview, John Holland and Phil Walton, urban planners, City of Cardinia, April 23, 2004.

range. This form of up-market development stands in sharp contrast to the type of low-cost, higher-density fringe subdivision in Cranbourne that had initially led the authors to focus on the prospect of fringe locations emerging as major sites of social disadvantage (See Duff St case study area in Chapter 6). Some of these low-cost subdivisions in Cranbourne had already reached the 15 dwellings per hectare target, advocated in the Victorian Government's compact city policy literature (See Aerial Photograph 4, Chapter 6).

The conclusion is that, given present policy settings, the Victorian Government will achieve its objective of limiting the share of dwelling construction in fringe areas to levels well below those of the past. A potentially important consequence of such an outcome for the future location of concentrations of social disadvantage is that many low-income persons in need of cheap rental accommodation, as well as less affluent would-be home buyers, will be diverted elsewhere in their search for affordable housing. Competition for affordable housing in some established suburban areas may be intensified as a result of more highly-priced fringe development.

As noted, the extent to which established suburban areas, including early post war low-amenity areas, become subject to increased competition as Melbourne's population grows by an additional 1 million persons over the next thirty years or so will also depend upon whether the current activity centre initiatives develop as expected. This issue is examined in the next section.

3.3 Housing in activity centres - will they develop as expected?

As noted in Chapter 1, the Victorian Government's compact-city policy aspires to locate some 41 per cent of the additional households needing to be housed in Melbourne by 2030 in 'activity centres'.

However, it is unlikely that activity centres will play an important role in providing 'affordable' housing in Melbourne. The main reason is that it is expensive to build apartments in and around established commercial centres. It is difficult to aggregate the land for such buildings and construction costs tend to be high. Such buildings, if three storeys or more in height, are classified as commercial and thus are subject to high wage rates and restrictive building union work rules (relative to conditions on outer urban estates or small infill developments).

Melbourne's demographic outlook casts further doubt on the role of activity centres in accommodating a large share of Melbourne's household growth. Those optimistic about activity centres tend to assume that the recent boom in inner city flat construction is an indication of a major cultural shift[45], impacting upon housing preferences and an augur of things to come. However, the inner-city flat boom was distinctive in both age and family type. An examination of the households who have moved into these apartments indicates that couples without children and singles, aged between 25 and 34 years, were the two largest household types to take up apartment living in inner Melbourne between 1991 and 2001[46].

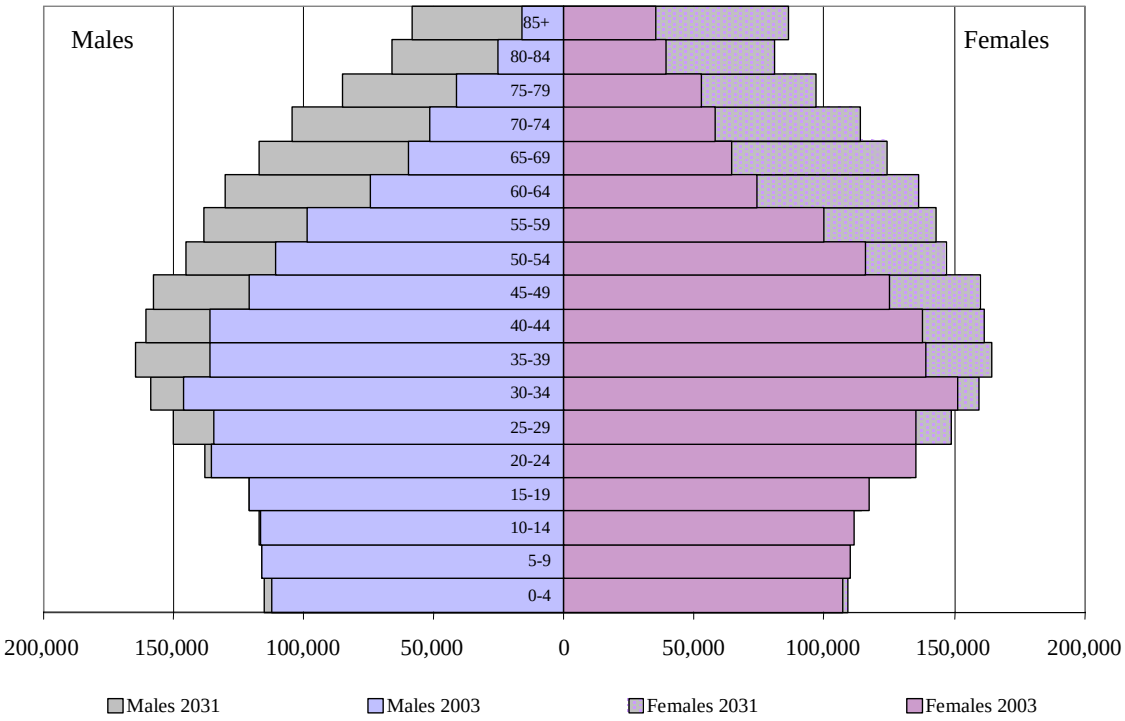
During the 1990s, there was a large cohort of persons in their twenties – that is the group most likely to have an interest in an apartment. By 2003, persons aged 30-34

[45] Department of Infrastructure (1998), *From Doughnut City to Café Society*, Melbourne

[46] Birrell, B., O'Connor, K., Rapson, V, and Healy, E., *Melbourne 2030, planning rhetoric versus urban reality*, Melbourne, Monash Univeristy ePress, 2005, p. 04-8

years constituted the largest five year age cohort in Melbourne. One consequence is that the size of the cohort aged in their twenties over the next decade will stabilise. The implication is that this stabilisation (assuming no change in taste) may mean that the scale of demand for apartments will not undergo the rapid growth experienced during the 1990s. Figure 3.3 illustrates the projected demographic change by sex and age between 2003 and 2031.

Figure 3.3 Population 2003 and Projected Population 2031, Age and Sex, Melbourne



Source: Australian Bureau of Statistics, Estimated Resident Population, 2003; Department of Sustainability and Environment, Victoria in Future 2004 Projections, 2031

The consequence is that, over the next thirty years, most of the growth in households in Melbourne will be amongst households headed by persons in the older age groups. As shown in Table 3.2, there will only be a 10.4 per cent growth in households headed by a person aged 15-34 years by 2031 compared with 51.8 per cent total household growth. Only 5 per cent of the additional households in Melbourne between 2001 and 2031 will be amongst those whose household head is aged 15-34 years. This is potentially significant because very few older couples or couples with children moved into apartments located in Inner Melbourne.

Table 3.2[47] provides a projection of household growth by age group and household type over the period 2001-2031.

[47] These projections were developed by applying the household by age structure ascertained in the 2001 Census to ABS population projections data. This data is held by CP&UR and was developed for this project.

Table 3.2: Household projections by age of householder, increase by type of household and age of householder (%), Melbourne 2001-2031

		Age group of householder						
		15-34	35-44	45-54	55-64	65-74	75+	Total
TOTAL HOUSEHOLDS ('000s)								
2001	Households	325	295	262	179	136	118	1,316
2031	Households	358	372	363	332	285	287	1,997
	Increase	34	77	101	152	149	169	682
Per cent of the increase in number of households (682,000) in 2031								
Total households		5	11	15	**22**	**22**	**25**	100
Estimate of group households		1	0	0	0	0	0	2
Lone person households		3	4	4	**6**	**6**	**12**	**35**
Couple without children		3	2	2	**10**	**10**	**8**	**36**
Couple with children		-4	3	5	5	3	2	14
Lone parents		0	2	3	2	2	2	12
Other family		1	0	0	0	0	0	1
Total family households		1	8	10	16	15	12	62

Source: Prepared from Interim Population Projections supplied by DSE *

The projected outlook is very striking. Some 71 per cent of the projected growth in households in Melbourne will be amongst couples without children and singles. But most of this growth will be amongst older households. Some 75 per cent of the growth in these couple without children and single households will be amongst household heads aged 55+. Table 3.3 shows the propensity of households to move by age group and family type over the period 1996-2001. It indicates that this propensity is low for households over the age of 55 years and that it diminishes with age. This record is consistent with Australian discussions of the issue. Diana Olsberg and her colleagues conclude in their recent AHURI Positioning Paper that:

> The preferred option of most older Australians is to remain in their homes for as long as possible and until their changing circumstances necessitate a move to an assisted care environment. …Few people adjust their housing

after retirement unless they eventually can no longer drive or maintain their homes[48] [49].

In the absence of changes preferences, the above data imply a limited interest in apartment living on the part of these older households.

[48] Diana Olsberg, Julia Perry. Sol Encel, Lester Adorjany, *Ageing–in-Place?* AHURI Positioning Paper, June, 2004, p. iii

[49]This view is also corroborated by Wulff, M., Healy, E. and Reynolds, M., the Housing Preferences and Choices of Small Households, Report prepared for Department of Sustainability and Environment, Victoria, June 2003.

Table 3.3: Propensity of households to move by age of reference person, households where reference person reported in 2001 that they had lived in Melbourne in 1996

Household type	Age of household reference person							Total
	15-24	25-34	35-44	45-54	55-64	65-74	75+	
	Total households							
Couple family without children	8,657	52,678	24,589	33,104	58,719	54,855	35,112	267,714
Couple family with children	2,963	66,771	147,475	127,375	53,379	17,126	5,271	420,360
One parent family	3,262	17,988	34,269	32,148	14,298	9,083	9,597	120,645
Other family/ Group household	10,817	18,657	7,350	5,365	3,913	3,179	2,964	52,245
Lone person household	9,281	38,721	39,440	38,065	36,213	41,005	56,799	259,524
Total households	34,980	194,815	253,123	236,057	166,522	125,248	109,743	1,120,488
	Per cent who moved							
Couple family without children	91	83	56	34	24	17	12	39
Couple family with children	88	64	41	22	15	11	10	34
One parent family	80	70	49	34	23	15	14	41
Other family/ Group household	81	79	54	38	29	18	12	60
Lone person household	73	74	52	39	32	21	13	38
Total households	82	73	46	29	23	17	13	38

Source: ABS, Census 2001, customised matrix

Movement was to any other address within Australia and includes moves within Melbourne. It does not include those who overseas as they would not have been counted in the 2001 Census.

If, as the above data suggest, older householders will stay put in established suburban settings, wouldn't this mean a substantial demand for housing in activity centres by younger persons and others – given that they would have little choice but to take up the dwelling options there? A major limiting factor against such an outcome is the high cost of multi-level apartment construction in Victoria. Construction costing data from building services firm, Rider Hunt, in 2004 indicated that the cost of building high-rise apartments is virtually independent of location within Melbourne. The 'commercial' status of such construction means that construction unions in Victoria charge higher rates of pay and apply stricter work place conditions than are applicable on smaller residential projects. Rider Hunt estimates that, as of 2004, the selling prices of a 60 square meter one bedroom apartment (with a 10 square meter balcony), an 80 square meter two bedroom apartment (with a 15 square meter balcony) and an 105 square meter three bedroom apartment (with a 20 square meter balcony) would be in the rages of $324,500-409,200, $401,500-479,600 and $544,500-629,200, respectively[50].

Recent market research by SGS Economics and Planning corroborates the view that demand for apartment living in designated activity centre and transit city locations is likely to be limited. Four hundred respondents in the eastern region of the Melbourne metropolitan area were surveyed with a view to ascertaining the potential demand for apartment living for three distinct market segments – owner occupiers, investors and renters. Notwithstanding some differences between the three market segments, the overall latent demand for apartment living within this region was found to be only 8,900 medium to high-density residential units, or 1.8 per cent of existing households[51].

3.3.1 Implications for housing demand over the 2000-2030 period

The household projections for Melbourne shown in the previous section indicate that most of the growth in households will be amongst older persons who are couples without children, or singles. The record over the recent past is that they have a low propensity to move.

If most of the older households living in established suburbia stay put, the implication is that there will be relatively few vacancies open for new younger households and for others seeking affordable housing. Prices are also likely to remain firm because of the competition for entry.

Where then are newer households and other households going to locate? Those interested in apartment living should not have too much trouble finding such accommodation in inner Melbourne. As shown in Table 3.2, there will be very little growth over the next 30 years in households headed by persons aged less than 35 who are the main market for apartment living. Another reason is that there will be a significant movement out of the existing apartment stock on the part of the big cohort of young singles and couples who have bought or are renting new, inner city apartments built over the past decade. This is because couples contemplating starting a family usually move out of apartments located in the inner city to more conventional suburban settings.

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[50] Birrell, B., O'Connor, K., Rapson, V, and Healy, E., *Melbourne 2030, planning rhetoric versus urban reality*, Melbourne, Monash Univeristy ePress, 2005, p. 01-15

[51] SGS Economics and Planning, Quantifying future demand for apartments in suburban activity centres, *Urbecon*, July 2005

For the majority of the households who are looking to move into a detached home (especially those of blue- and white-collar background), the conventional option of movement to a new home on the frontier is likely to be more difficult than in the recent past. Because of high costs and limited availability, it is also doubtful whether the next cohort of young couples beginning the family building stage of their lives will find activity centre settings appealing or affordable. Apart from the price issue, they may not wish to raise a family in a bustling commercial and transport hub.

Should access to detached housing in existing suburban areas be limited, the remaining options are housing on the frontier or infill. New housing on the frontier will be in demand given these circumstances. But, issues of price (discussed above) and accessibility to inner and middle-suburban employment and amenities (including high performing schools) will constrain this option.

3.4 Infill - the silent option

The implication of the above analysis is that much of the additional housing built to accommodate Melbourne's extra 680,000 households over the next thirty years will occur as infill in existing suburbia. Though this possibility is not discussed in the Victorian Government's compact city policy documentation, such infill already provides for much of Melbourne's increasing housing stock. As acknowledged in UDP 2003, around 35 per cent of additional dwellings in Melbourne currently derive from 'dispersed infill'[52]. This infill takes the form of *ad hoc* 'dual occupancy', as well as flats and town houses, with the latter often aimed at the more expensive end of the market, and flats and units targeted towards the lower end of the housing market (especially households needing to rent).

The more expensive end of the infill market may meet the needs of those wanting to live in high-amenity areas, but who cannot afford (or want) the detached housing available. Such housing is likely to contribute to the 'gentrification' of some areas (as described below). The other end of the infill market addresses the needs of those unable to afford conventional detached housing whether in existing suburbia or on the suburban frontier. As to the location of this infill, our hypothesis is that much of it will be concentrated in *Holdenist low-amenity* suburban areas, particularly areas where the housing was of relatively low quality on account of its dated style and standards. Small investors may well be attracted to such relatively cheap areas as locations for higher-density unit investment. In areas where infill development becomes extensive and is geared to a low-income rental residential population, localised residualisation may be the outcome.

Another possibility is that some of these low-value areas could become 'residuals' even without the addition of higher density infill, with the extant early post-war separate detached housing stock becoming increasingly poorly maintained and characterised by low-income rental.

[52] Department of Sustainability and Environment (Victoria) *Urban Development Program Report 2003*, 2003, p. 17

3.5 ResCode and *ad hoc* infill

When the Bracks Labor Government came to power in Victoria in 1999, it inherited a highly-charged urban policy environment. The previous Kennett Liberal Government had pursued a policy of increased residential densities since 1992. It had weakened the regulatory restrictions on residential development, particularly as they related to higher-density dwellings. Although municipal governments could apply for variations to the application of the building code, this could only be done for specific sites, not whole neighbourhoods. This situation of greatly liberalised building and planning controls and weakened local governments had created an environment in which speculative development, based on higher residential densities, flourished. A vigorous protest movement had emerged in opposition to these policies. Prominent amongst the criticisms that emerged was the destructive effect of urban consolidation upon streetscapes and neighbourhood character[53].

The Kennett government established an inquiry in 1998 to investigate the outcomes of the residential building code. The report that resulted from this Inquiry, published after the Bracks government came to power[54], conceded that poor and insensitive residential design had occurred in an environment of speculative excess. Nevertheless, the Committee endorsed the essentials of the Kennett government urban policy agenda. It recommended that local governments identify areas to be deemed suitable for substantial, incremental, or minimal residential density change. Some localities, presumably, would incur residential densities considerably in excess of the previous benchmark, while others might remain virtually immune from density change.

The subsequent Bracks government was keen to distance itself from the planning policies of the Kennett years. It therefore placed responsiveness to 'neighbourhood character' at the centre of urban policy. According to Labor, it would 'restore the balance' and ensure that planning conformed to the values of the community, particularly in relation to neighbourhood character[55]. Labor's early urban planning policy document, ' State Planning Agenda – A Sensible Balance' stated:

> These commitments responded to widespread public concern that the previous government's residential development controls…have not sufficiently protected the valued character of many residential areas. The emphasis on urban consolidation outweighed consideration of the intrinsic value of our streets and suburbs. [56]

Nevertheless, the policy document also stated that urban development strategies needed to be 'creative'; dwelling design should be encouraged to broaden the 'spectrum of housing types' to meet both 'current and future needs' [57]. The 'future preferred character' of an area also needed to be considered, so as to determine which areas would undergo 'greater or lesser' change. In practice, this would mean that factors relating to infrastructure capacity, population trends and changing housing needs would inform council decisions as to which areas would be most appropriate for residential density increases.

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[53] Lewis, M., *Suburban Backlash: the Battle for the World's Most Liveable City*, Blooming Books, 1999, p. 186

[54] Standing Advisory Committee, Review of the Good Design Guide and VicCode 1, March 2000

[55] Department of Infrastructure (Victoria), *State Planning Agenda – A Sensible Balance*, 13th December, 1999, p. 2, 8

[56] ibid., p. 12

[57] ibid.

The incoming Bracks government was thus trying to balance two competing objectives, that is the demands of local communities for neighbourhood preservation and the imperatives of achieving savings on government infrastructure spending and the settlement of a larger population. ResCode was designed to achieve this compromise.

On the face of it, ResCode might seem to inhibit infill. In reality, ResCode offers little protection against it. Developers were required to 'respond' to the existing neighbourhood character. They had to complete a neighbourhood character study as part of the application process. However, ResCode leaves a great deal of latitude as to how neighbourhood character is identified and how judgements are made as to whether such character is adversely affected so as to preclude a dwelling approval. In the real world of municipal and VTAC responses to development applications, it seems that ResCode does not preclude opportunistic infill.

Two possibilities exist. One is where infill is already present. Another is where an area is predominantly composed of detached housing. In the first case, if an area has already undergone a degree of medium-density infill, this is likely to be considered part of the neighbourhood character and thus further infill would be regarded as appropriate. Since by 2001, only about 34 per cent of Melbourne census collection districts contained no flats, units or apartments and nearly 30 per cent had more than the Melbourne average[58], the implication is that ResCode offers no protection against further infill in a majority of neighbourhoods.

In the second case, our interviews with municipal planners indicate that, as long as the stipulated setbacks and building design and fabric are consistent with the surrounding detached housing, councils cannot reject a dual occupancy or multiple unit development. In practice, there appears to be no basis for rejection of such an application just because the area's 'character' is that of detached housing. Such applications are routinely approved, even in areas like the city of Monash, which prides itself on its 'garden city' character.

3.6 Conclusion

The role of infill in Melbourne's future housing market will depend in part on the price structure and marketing of suburban fringe developments, the likely future demand for apartment living in central Melbourne and the uncertain prospects for the development of activity centres.

The above analysis suggests that housing development in fringe areas may become more expensive in future, thus limiting the extent to which the fringe will provide a viable option to moderate-income first home buyers and low-income persons seeking affordable rental accommodation. As a consequence, some first home buyers may need to turn their attention to established middle suburbia to seek out affordable housing opportunities. These are unlikely to be available in activity centres.

It is concluded that *ad hoc* infill within established suburban areas will play a major role in the provision of housing in the coming decades, an outcome that is not contemplated within the current compact city policy framework. An examination of ResCode, the regulatory code governing residential infill, shows that it will not substantially impede a process of rapid *ad hoc* infill.

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[58] Australian Bureau of Statistics, Census Basics 2001.

Therefore, the findings of this chapter suggest that, by studying the recent experience of *ad hoc* infill development, we may gain an insight into the implications of compact city policy for the spatial distribution of housing outcomes for low-income persons and the socially disadvantaged over the coming decades. The following chapter explores the infill process during the 1990s and early 2000s by examining data relating to construction activity in Melbourne.

4 IMPLICATIONS FOR HOUSING STRUCTURE AND CONSTRUCTION LEVELS

The preceding analysis indicates that there is likely to be increased pressure on infill housing in established suburban Melbourne in the future.

Two broad patterns are anticipated. One is that townhouse and flat construction will expand in the higher amenity areas, especially those included within the *High Amenity* and *Transitional Near-City* and *Middle-Class Suburban* locations identified above. Prices for detached houses in these areas are already in the half million dollar plus price category. Given the expectation that most of the present occupants will stay in place over the next thirty years, it is anticipated that prices will remain high. Semi-detached housing will offer an alternative for the moderate to well-off first home buyer and others wishing to locate in these areas. Thus pressure for infill housing in these areas is likely to be sustained over the ensuing decades.

The second pattern relates to moderate to low-income persons who cannot afford to rent or buy detached or semi-detached housing in affluent near city locations and who also find themselves priced out of housing on the suburban fringe. The most likely alternative is relatively low-cost detached, semi-detached or unit dwellings in *Holdenist low-amenity* suburbs. In the competitive housing environment that is anticipated, demand for infill housing (dual occupancy, flat or unit development) would therefore be expected to increase.

The issue for consideration in this chapter is -- what does the recent record of infill housing construction in Melbourne tell us about these possible pathways?

There has been a considerable amount of new semi-detached infill housing development in Melbourne over the past decade or so. As noted, UDP 2003 estimates that this infill currently accounts for around 35 per cent of dwelling construction in Melbourne. An analysis of the location and price of these dwellings should yield some clues about the possible ways in which the provision of *ad hoc* infill may relate to the spatial patterning of social advantage and disadvantage in Melbourne in the future.

4.1 Infill construction activity 1991 to 2003

It is not easy to provide information on the location and characteristics of residential infill. Currently, the definitions of dwelling types used by the Australian Bureau of Statistics understate the extent of residential infill. This understatement results from the ABS classifying dual occupancy development, where there are no adjoining walls, as separate detached dwellings. In such cases, the dwellings are simply recorded as separate detached. Therefore, situations in which two or more dwellings replace an original dwelling on a conventional housing block are not identifiable as infill. A recent study by the ABS in Western Australia helps provides an insight into the potential extent of the undercount involved. The study, which involved a close examination of dwelling approvals in Perth, between 1998-1999 and 2000-2001, concluded that, if separate, but closely-grouped dwellings were included, some 31 to 32 per cent of dwelling approvals were medium and higher-density, compared with

only around 20 per cent, as measured according to the standard definitions.[59] Further, a recent study by Buxton and Tieman, which examines dwelling approvals in the City of Boroondara for the years 2002-2003, shows that when detached dwellings were included in the count of medium-density dwelling approvals, the proportion of total medium-density dwelling approvals increased from 50 to 70 per cent.[60]

Nevertheless, the change in the number and share of townhouses and flats in different areas over time is a guide to the level of infill construction. This is available from successive censuses. For the more recent period since 2001, building-approval data provides information on the number of townhouses and flats constructed, as well as an estimated building cost indicator. These data are used to explore the location of infill housing in the context of our earlier categorisation of SLAs in Melbourne.

Table 4.1 provides an overview of the numbers of detached and non-detached houses in Melbourne over the 1991 to 2001 period. The table shows that there has been a significant increase in the number of townhouses and flats over this period. However, despite a small decline, by 2001 nearly three quarters of occupied dwellings in Melbourne were detached houses.

Table 4.1: Structure of occupied private dwellings, Melbourne 1991, 1996 and 2001, number and per cent

	1991	1996	2001	1991	1996	2001
Separate house	870,032	914,953	986,844	76	74	73
Townhouses and flats	253,741	281,239	336,784	22	23	25
Other dwellings	10,262	9,659	9,986	1	1	1
Not stated structure	10,064	28,435	11,003	1	2	1
Total	1,144,099	1,234,286	1,344,617	100	100	100

Source: ABS, Census 2001, Time series

In order to explore the locational issues raised above, two more detailed tables of housing numbers have been prepared for the period 1991-2001 and for 2001-2004 respectively. These are Tables 4.2 and 4.3. The focus is on non-detached housing because that form of housing relates directly to the infill issues being explored. The data in Table 4.2 provide information on the growth in the numbers of townhouses and flats in Melbourne by SLA over the periods 1991 to 1996 and 1996 to 2001. The data are drawn from the ABS Census counts for 1991, 1996 and 2001. The table shows the net gains in the number of such houses by SLA for the two five year periods as well as annual average gains for each period. Table 4.3 provides similar

[59] ABS, 'Housing, special article – a view of housing density in Perth', Western Australian Statistical Indicators, 2002

[60] Buxton, M & Tieman, G. *Urban Consolidation in Melbourne 1988 – 2003*. Melbourne, RMIT, 2004. For a discussion of these issues, see Birrell et al., *Melbourne 2030 – planning rhetoric versus urban reality*, Melbourne, Monash University ePress, 2005

information for the period 2001-2002 to 2003-2004. However, it has been drawn from building approval statistics provided by the ABS. Though the data in Table 4.3 are not strictly comparable with the Census data, they have enough in common to make possible an assessment of whether there have been any major changes in the pattern of townhouse and flat construction since 2001. Table 4.3 provides additional information, also drawn from the building approval data, on the estimated building costs of each non-detached dwelling for which a permit has been issued. The Census data used for Table 4.2 do not provide such information. These building costs data are a useful supplement because they enable an assessment of the relative cost of non-detached dwellings by location. Their value is that they indicate the type of housing market the new houses are directed towards.

Table 4.2 confirms the importance of the inner-city flat boom during the second half of the 1990s. For the period 1996-2001, the table shows that 46 per cent of the total net growth in the number of townhouses and flats in Melbourne occurred in the *High Amenity Near-City Suburban* area. The table also shows that this flat boom was spread widely within this group of locations, with notable increases in Port Phillip and Stonnington. Table 4.3 shows that the boom in flat construction peaked in 2002-03, particularly in the City of Melbourne. Though building approvals for flats and townhouses ebbed sharply in Inner Melbourne and Docklands after this time, construction activity continued at a high level throughout the rest of the *High Amenity Near-City* suburban area into 2003-04. One interesting development in the light of the hypothesis that pressure for infill is likely to spread across these suburban locations is that construction activity increased in the areas of Boroondara – Camberwell South and Bayside – Brighton since 2001-2002, both areas where the dominant dwelling type is detached housing.

The strength of infill pressures since the early 1990s is also shown in the record of townhouse and flat construction in the *Transitional Near-City Suburban* areas. For the 1996-2001 period, there was a net growth of 8,054 dwellings, or an average of 1,611 extra dwellings per annum. This activity has continued since mid-2001. Indeed, the proportion of new building approvals for non-detached houses in these localities relative to all Melbourne in the 11 months to May 2004 was 17 per cent (compared with 14 per cent for the period 1996-2001). Several areas, including Maribyrnong, Essendon, Brunswick and Preston, show increased building rates relative to the 1996 to 2001 period. The average value data for dwellings approved since 2001-02 in these areas (as shown in Table 4.2) has increased sharply. The implication is that new infill is catering for relatively affluent households. This outcome is consistent with trend towards gentrification discussed in the earlier analysis.

By contrast, the record of infill in *Middle Class Suburbia* is that there has been a distinct drop-off in construction since mid-2001. This is most marked in Manningham – West, where the number of building approvals for medium and higher-density dwellings declined from 268 in 2001-2002 to 161 in 2003-2004. Maroondah – Ringwood and Monash – Waverley East also experienced significant declines, although from a smaller base. It is unlikely that this decline reflects reduced demand for such housing in these locations. The decline in Manningham West, in particular, is linked to the slowdown in building approvals in the high-density Doncaster precinct and thus reflects the oversupply of such apartments in Melbourne, rather than a lack of interest in infill semi-detached housing. Also, some of the apparent buoyancy of infill construction through *Middle Class Suburbia* during the 1990s is attributable to the one-off availability of various public sites, including redundant schools sold off by successive governments for housing purposes.

It is more difficult to interpret the non-detached dwelling record for *Outer Suburbia*. This is because it is not possible to separate construction on new estates from that involving demolition and redevelopment of sites. Most of this construction is probably in the form of infill, given that the main locations were Brimbank - Keilor, Whittlesea South and Knox North. As indicated earlier, parts of *Outer Suburbia* could have been classified in the *Holdenist low-amenity* grouping, including Whittlesea South and Brimbank – Keilor, as these areas have both an older, established and a fringe component. It is notable that the estimated construction costs of non-detached housing in these areas were relatively low, thus more accessable to low-income households. These are potential sites for infill construction, where detached dwellings currently predominate.

Table 4.2: Number of townhouses and flats, Melbourne Statistical Local Areas, 1991, 1996 and 2001

	1991	1996	2001	1991-1996	1996-2001	1991-1996	1996-2001
HIGH AMENITY NEAR CITY SUBURBIA							
Melbourne - Inner	485	1,040	4,796	555	3,756	111	751
Melbourne S'bank D'lands	82	1,218	2,524	1,136	1,306	227	261
Melbourne - Remainder	11,728	13,943	17,395	2,215	3,452	443	690
Port Phillip - St Kilda	21,329	21,382	23,608	53	2,226	11	445
Port Phillip - West	9,416	9,626	13,167	210	3,541	42	708
Stonnington - Prahran	16,415	16,556	19,015	141	2,459	28	492
Stonnington - Malvern	7,201	7,673	8,181	472	508	94	102
Boroondara Camberwell N	2,815	3,275	3,707	460	432	92	86
Boroondara Camberwell S.	4,038	4,236	4,509	198	273	40	55
Boroondara - Hawthorn	8,195	8,394	9,103	199	709	40	142
Boroondara - Kew	3,740	4,044	4,474	304	430	61	86
Bayside - Brighton	3,435	3,913	4,462	478	549	96	110
Bayside - South	4,099	4,874	5,564	775	690	155	138
Glen Eira - Caulfield	15,502	16,374	17,737	872	1,363	174	273
Glen Eira - South	2,000	2,384	3,193	384	809	77	162
Total	110,480	118,932	141,435	8,452	22,503	1,690	4,501
Per cent of Melbourne	44	42	42	31	41		

TRANSITIONAL NEAR CITY SUBURBIA							
Yarra - North	14,301	15,010	16,534	709	1,524	142	305
Yarra - Richmond	6,653	7,102	8,444	449	1,342	90	268
Hobsons Bay - Altona	1,722	2,183	2,945	461	762	92	152
Hobsons Bay Williamstown	2,324	2,919	3,397	595	478	119	96
Maribyrnong (C)	6,488	6,783	7,814	295	1,031	59	206
Moonee Valley - Essendon	11,164	11,616	12,661	452	1,045	90	209
Moonee Valley - West	784	1,035	1,661	251	626	50	125
Moreland - Coburg	2,563	3,017	3,453	454	436	91	87
Moreland - Brunswick	8,038	8,525	9,298	487	773	97	155
Darebin – Northcote*	6,914	7,419	8,091	505	672	101	134
Banyule - Heidelberg	4,567	5,151	5,729	584	578	117	116
Banyule - North	1,578	1,845	2,311	267	466	53	93
Total	67,096	72,605	82,338	5,509	9,733	1,102	1,947
Per cent of Melbourne	26	26	24	20	18		
HOLDENIST LOW AMENITY SUBURBIA							
Brimbank - Sunshine	2,271	2,533	3,199	262	666	52	133
Hume - Broadmeadows	1,607	1,783	2,202	176	419	35	84
Moreland - North	2,407	2,653	3,171	246	518	49	104
Darebin – Preston*	5,835	6,360	7,547	525	1,187	105	237
Monash - South-West	3,065	3,834	4,858	769	1,024	154	205
Gr. Dandenong – Dand.	4,796	4,689	5,744	-107	1,055	-21	211
Gr. Dandenong Bal	4,488	5,208	5,451	720	243	144	49
Kingston - North	7,993	8,851	10,185	858	1,334	172	267
Kingston - South	3,892	3,911	5,185	19	1,274	4	255
Frankston - East	184	531	797	347	266	69	53

Frankston - West	4,285	4,954	5,945	669	991	134	198
Casey - Hallam	674	1,001	1,258	327	257	65	51
Casey - Cranbourne	1,004	1,283	1,591	279	308	56	62
Casey - South	33	44	58	11	14	2	3
Total	36,699	41,275	49,644	4,576	8,369	915	1,674
Per cent of Melbourne	14	15	15	17	15		
MIDDLE CLASS SUBURBIA							
Manningham - East	59	59	46	0	-13	0	-3
Manningham - West	2,398	3,122	4,568	724	1,446	145	289
Whitehorse - Box Hill	4,750	5,356	6,462	606	1,106	121	221
Whitehorse Nunawading E	1,857	2,087	2,616	230	529	46	106
Whitehorse Nunawading W	2,028	2,894	3,689	866	795	173	159
Maroondah - Croydon	2,172	2,631	3,527	459	896	92	179
Maroondah - Ringwood	2,689	2,859	3,612	170	753	34	151
Monash - Waverley East	471	1,044	1,315	573	271	115	54
Monash - Waverley West	1,866	2,474	3,099	608	625	122	125
Total	18,290	22,526	28,934	4,236	6,408	847	1,282
Per cent of Melbourne	7	8	9	15	12		
OUTER SUBURBIA							
Wyndham - North	1,459	1,643	1,970	184	327	37	65
Brimbank - Keilor	898	1,258	2,629	360	1,371	72	274
Whittlesea - South	1,047	1,516	2,443	469	927	94	185
Nillumbik - South	228	538	911	310	373	62	75
Knox - North	2,754	3,395	4,675	641	1,280	128	256
Yarra Ranges Sth-West	1,450	1,737	1,953	287	216	57	43
Casey - Berwick	648	1,078	1,601	430	523	86	105

Mornington P'sula - South	1,712	2,049	2,285	337	236	67	47
Mornington P'sula - West	1,740	2,218	2,782	478	564	96	113
Rest of Outer Suburbia	3,405	4,109	5,637	704	1,528	141	306
Total	15,341	19,541	26,886	4,200	7,345	840	1,469
Per cent of Melbourne	6	7	8	15	13		
MELBOURNE	**253,748**	**281,237**	**336,788**	**27,489**	**55,551**	**5,498**	**11,110**

Source: ABS, Census 2001, Time Series

* Darebin (C) - Preston has been included in Holdenist Low Amenity Suburbia as it could be separated in these data and has the characteristics of this group.

Includes both occupied and unoccupied semi-detached row, terrace or townhouses, apartments and flats.

(a) In 1991, 'Manufactured Home Estates' and 'Accommodation for the Retired or Aged (self-care)' have been excluded. These dwellings were Non-private dwellings in 1991.

(b) In 2001, Serviced Apartments and persons living in Serviced Apartments have been included. These dwellings were Non-private dwellings in 1991 and 1996.

Table 4.3: Building Approvals for Other Residential Building, Melbourne

	Number of dwellings				Average value $'000s			Value as % of Ave. $ MSD		
	2001-02	2002-03	2003- 04	Total	2001-02	2002-03	2003-04	2001-02	2002-03	2003-04
HIGH AMENITY NEAR CITY SUBURBIA										
Melbourne - Inner	233	1,025	460	1,718	89	172	104	52	86	54
Melbourne S'bank D'lands	2,030	1,948	841	4,819	308	348	312	181	173	161
Melbourne - Remainder	1,005	1,822	1,203	4,030	155	181	168	91	90	87
Port Phillip - St Kilda	231	419	146	796	162	232	174	95	115	90
Port Phillip - West	331	1,178	630	2,139	241	303	435	142	151	224
Stonnington - Prahran	339	238	139	716	249	269	331	146	133	170
Stonnington - Malvern	175	53	84	312	180	364	268	106	181	138
Boroondara - Camberwell N.	69	49	28	146	195	222	274	115	110	141
Boroondara - Camberwell S.	36	142	110	288	147	205	352	86	102	181
Boroondara - Hawthorn	55	115	349	519	243	173	236	143	86	121
Boroondara - Kew	35	72	19	126	179	193	345	105	96	178
Bayside - Brighton	105	82	206	393	274	299	268	161	149	138
Yarra - North	232	223	181	636	142	162	145	84	80	75
Yarra - Richmond	100	158	376	634	129	174	211	76	87	108
Bayside - South	114	94	106	314	242	193	188	142	96	97
Glen Eira - Caulfield	250	217	213	680	199	188	193	117	93	99
Glen Eira - South	107	263	65	435	135	182	164	79	90	85
Total	5,447	8,098	5,156	18,701	228	246	242	134	122	125
Per cent of Melbourne	51	63	53	56						

TRANSITIONAL NEAR CITY SUBURBIA										
Hobsons Bay - Altona	83	60	127	270	79	121	129	47	60	66
Hobsons Bay - Williamstown	139	97	137	373	123	144	179	72	71	92
Maribyrnong (C)	306	313	227	846	137	162	152	81	80	78
Moonee Valley - Essendon	197	240	213	650	142	200	206	83	99	106
Moonee Valley - West	72	61	64	197	109	106	127	64	53	65
Moreland - Coburg	114	139	129	382	102	137	139	60	68	72
Moreland - Brunswick	237	166	131	534	130	130	157	77	64	81
Darebin - Northcote	174	111	102	387	99	148	175	58	73	90
Darebin - Preston	171	263	306	740	96	104	128	57	52	66
Banyule - Heidelberg	200	75	196	471	130	119	179	76	59	92
Banyule - North	67	29	54	150	104	123	144	61	61	74
Total	1,760	1,554	1,686	5,000	120	144	158	70	71	81
Per cent of Melbourne	17	12	17	15						
HOLDENIST LOW AMENITY SUBURBIA										
Brimbank - Sunshine	90	52	73	215	82	96	115	48	48	59
Hume - Broadmeadows	57	33	127	217	82	89	87	48	44	45
Moreland - North	113	185	117	415	102	98	117	60	49	60
Monash - South-West	107	166	132	405	109	122	114	64	61	59
Gr. Dandenong - Dandenong	109	38	60	207	75	92	112	44	45	58
Gr. Dandenong Bal	55	49	142	246	85	105	119	50	52	61
Kingston - North	137	71	93	301	138	143	172	81	71	89
Kingston - South	73	53	99	225	135	172	191	79	86	98
Frankston - East	8	90	44	142	81	68	152	47	34	79
Frankston - West	79	89	86	254	102	144	129	60	72	66

Casey - Hallam	20	18	10	48	106	141	113	62	70	58
Casey - Cranbourne	18	55	83	156	94	102	105	55	51	54
Casey - South	-	2	6	8	-	175	160	-	87	82
Total	866	901	1,072	2,839	103	113	126	61	56	65
Per cent of Melbourne	8	7	11	9						
MIDDLE CLASS SUBURBIA										
Manningham - East	-	-	8	8	-	-	125	-	-	64
Manningham - West	268	249	161	678	168	177	165	99	88	85
Whitehorse - Box Hill	79	165	72	316	145	87	163	85	43	84
Whitehorse - Nunawading E.	50	124	63	237	122	125	153	72	62	79
Whitehorse - Nunawading W.	34	46	28	108	146	145	169	85	72	87
Maroondah - Croydon	64	58	133	255	94	102	83	55	50	43
Maroondah - Ringwood	95	26	15	136	104	116	138	61	58	71
Monash - Waverley East	61	15	30	106	127	142	168	75	71	87
Monash - Waverley West	128	171	154	453	139	147	143	82	73	74
Total	779	854	664	2,297	140	137	141	82	68	73
Per cent of Melbourne	7	7	7	7						
OUTER SUBURBIA										
Wyndham - North	113	170	107	390	75	82	101	44	41	52
Wyndham - South	25	33	136	194	132	131	196	78	65	101
Melton - East	121	252	160	533	87	93	96	51	46	50
Brimbank - Keilor	260	168	106	534	79	105	126	46	52	65
Hume - Craigieburn	70	12	14	96	94	91	136	55	45	70
Hume - Sunbury	32	59	22	113	92	110	117	54	55	60
Whittlesea - North	49	40	82	171	93	129	109	54	64	56
Whittlesea - South	66	46	58	170	75	138	111	44	69	57

Knox - North	274	110	91	475	99	107	117	58	53	60
Knox - South	192	123	2	317	107	115	125	63	57	64
Yarra Ranges Sth-West	55	58	35	148	117	121	92	69	60	47
Cardinia - Pakenham	28	29	58	115	84	85	118	50	42	61
Casey - Berwick	58	97	47	202	92	120	110	54	60	57
Mornington P'sula Sth	243	97	53	393	73	139	148	43	69	76
Mornington P'sula West	76	48	61	185	120	147	128	71	73	66
Rest of Outer	110	96	104	310	83	88	138	71	73	66
Total	1,772	1,438	1,136	4,346	90	107	125	53	53	65
Per cent of Melbourne	17	11	12	13						
Melbourne SD	10,624	12,845	9,714	33,183	170	201	194	100	100	100

Source: ABS, Building Approvals

The record for medium-density infill housing in the *Holdenist low-amenity* suburban sites is of particular interest for this study. The focus is on whether there is any evidence of construction of low-cost infill which is designed to meet the needs of less-affluent and low-income households. As argued above, it was thought that the escalation of housing prices on the fringe may have effectively excluded many first home buyers from preferred alternative sites on *the Outer Suburban* frontier. Table 4.2 shows that there was a significant increase in flats and townhouses during the second half of the 1990s in the *Holdenist low-amenity* areas. This growth accounted for 15 per cent of the total growth in such dwellings in Melbourne between 1996 and 2001, slightly higher than the proportion in the *Transitional Near-City Suburban* areas in the same period. The focus of this activity included both the high ethnic areas of Monash South-West and Greater Dandenong - Dandenong as well as those areas that are not notable for ethnic settlement, as in parts of Kingston and Frankston West. To the north of Melbourne, Darebin – Preston experienced high levels of infill development. Infill growth in Moreland – North was also significant, but on a lesser scale. Since mid-2001, the pace of this building activity has subsided though not to the same degree as occurred in Middle Class Suburbia.

The housing construction cost data in Table 4.3 support the hypothesis that the dwellings in question were catering for less affluent households. Building costs were estimated to be an average of $126,000 in the 11 months to May 2004, well below those of the *High Amenity* and *Transitional near-city suburbia*. When the cost of land is added to the equation, it leaves the prices of flats and townhouses in the *Holdenist low-amenity* areas well below those of other locations.

The hypothesis is that much of the residential infill occurring in *Holdenist low-amenity* areas is meeting the housing needs of low-income households and may be a factor in the continued concentration of social disadvantage. This hypothesis is further explored in the sections below through a detailed examination of changing tenure patterns at the neighbourhood level within Melbourne between 1996 and 2001. Of particular interest is the possibility of an association between infill activity and increases in the proportion of dwellings that are rented in *Holdenist* low-amenity neighbourhoods.

4.2 Infill and changing tenure patterns in *Holdenist low-amenity* areas

The study is now focused upon what is happening to the distribution of low-income and socially disadvantaged persons at a fine spatial scale and understanding how this distribution may be influenced by the growth of *ad hoc* residential infill.

As noted above, residential infill varies considerably in size and quality and thus meets the needs of a variety of housing market segments. It can be associated with gentrification, such as with quality townhouse developments. Or, at the other end of the spectrum, it may take the form of blocks of flats and rows of units, small in size and targeted to a low-income clientele, including those in need of cheap rental.

The expectation is that the latter form of development is likely to be prevalent in some *Holdenist low-amenity* areas, as well as some locations in outer suburbia, where there is competition for affordable housing by low-income households. It is also expected, therefore, that in some low-income areas infill development is associated with an increase in the proportion of dwellings being rented.

It is significant that the low-interest rate environment of the 1990s does not appear to have alleviated low-income rental demand. Contrary to the claims of some housing market commentators[61], the low-interest rate environment and liberalised lending practices of the decade to 2002 did not make housing purchase an option for a greater proportion of low-income households. Reserve Bank research shows that, by 2002, these favourable borrowing conditions had not led to a wider spread of owner-occupation in Australia.[62] Despite a dramatic increase in average household debt from 1997, of which approximately 83 per cent was housing debt (by December 2002), there was no increase in the proportion of households owning their own home by the end of the decade to 2002.[63]

Although borrowing for owner-occupation remained the largest component of housing debt, a significant new development during the 1990s, particularly from mid-decade, was borrowing for investment in housing - that is, existing homeowners purchasing additional dwellings. By 2003, about 30 per cent of the stock of housing loans was for such investor housing (compared with 18 per cent a decade earlier)[64]. Berry and Dalton report that, by early 2003, the proportion of new mortgage lending for investment in housing, as opposed to lending for owner occupancy, had increased to 45 per cent.[65] Whereas the annual growth rate of borrowing for owner-occupier housing averaged 13.4 per cent over the decade to 2003, the average for investor housing over the same period was 21.6 per cent.[66]

This analysis is supported by a 2004 Nielson Media Research survey, which found that many baby-boomers have been favouring property investment over superannuation savings as a means of financing their retirement.[67] One in every ten

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[61] *The Age*, What goes up must come down – a boom in house prices has not made us any wealthier, Aug. 17, 2005, p. 19

[62] Reserve Bank of Australia, Bulletin, 'Household debt: what the data show', March 2003

[63] Reserve Bank of Australia, Bulletin, 'Household debt: what the data show', March 2003, p. 1

[64] Reserve Bank of Australia, Bulletin, 'Do Australian households borrow too much?', April 2003, p. 8

[65] Berry M. and Dalton, T. ' Housing prices and policy dilemmas: a peculiarly Australian problem?', *Urban Policy and Research*, vol. 22 no. 1, March 2004, p. 75

[66] Reserve Bank of Australia, Bulletin, 'Do Australian households borrow too much?', April 2003, p. 10

[67] Sydney Morning Herald, 'One in 10 baby boomers now a landlord: survey', March 17, 2004

people surveyed aged between 40 and 54 years was found to be a landlord. These 400,000 persons, it is claimed, accounted for a large proportion of the baby-boomer generation.[68] Reserve Bank of Australia analysis of property investors, using the 2002 HILDA survey[69], reached a similar conclusion. As a conservative estimate, it found that 10.3 per cent of Australian households owned investment properties.[70] The Reserve Bank also concluded that many baby-boomers had resorted to investment in the housing market to help fund their retirements.

The housing boom of the 1990s, with its rapidly growing investment component meant that many lower-income persons continued to be shut out of home ownership because of escalating housing prices, despite the favourable borrowing conditions. By mid-2003, the proportion of new mortgage lending for first home buyers had shrunk to 14 per cent, from 25 per cent in 2001.[71] In 2003, the Reserve Bank expressed this outcome in the following terms:

> *The stability of the aggregate home-ownership rate suggests that the increased availability of credit was largely capitalised into housing prices rather than generating a wider spread of owner-occupation.*[72]

An important question for the present study is, has this boom in investor housing purchase influenced the supply of, and demand for, low-income rental property in low-amenity areas? Data from the 2002 HILDA Survey indicate that 61 per cent of households with an investment dwelling received rental income from their investment.[73]

Two questions arise in regard to these developments: a) has the boom in investment housing from the late 1990s contributed to infill housing in Holdenist low-amenity areas and b) has such infill facilitated the concentration of the socially disadvantaged?

There is a long-standing link between the location of flats, units and apartments and the concentration of rental tenure. This link has been particularly strong in *Holdenist low-amenity* areas and may have intensified over the past decade. Figures 4.1a and 4.1b illustrate the relationship between the proportion of dwellings rented and the proportion of dwellings that are medium density. Figure 4.1a shows this relationship for CDs in *Holdenist low-amenity* areas in 2001. Figure 4.1b describes the relationship for the City of Greater Dandenong, which is a major *Holdenist low-amenity* area within Melbourne. In Dandenong, there is a strong association between the proportion of dwellings rented and the proportion of dwellings that are medium or higher density. The higher the proportion of dwellings rented, the higher the share of dwellings that were medium-density tended to be. Although this relationship is a long-standing one, an important question is whether the rapid increase in medium-density residential infill during and since the 1990s has been linked to an increase in the

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[68] ibid.

[69] Household Income and Labour Dynamics in Australia Survey (HILDA), compiled by the Melbourne Institute of Applied Economic and Social Research. Here, investment property refers to dwellings that are not the owners' primary residence and which yield a rental income flow.

[70] Reserve Bank of Australia, Bulletin, 'Residential property investors in Australia', May 2004, p. 52

[71] Cited in Berry M. and Dalton, T. ' Housing prices and policy dilemmas: a peculiarly Australian problem?', *Urban Policy and Research*, vol. 22 no. 1, March 2004, p. 75

[72] Reserve Bank of Australia, Bulletin, 'Household debt: what the data show', March 2003, p. 5

[73] Cited in: Reserve Bank of Australia, Bulletin, 'Residential property investors in Australia', May 2004, p. 56

proportion of dwellings rented in low-income, *Holdenist low-amenity* areas and, thereby, to greater localised concentrations of social disadvantage.

This link does not necessarily hold for areas where the infill activity is associated with gentrification. That this is the case is illustrated by Figure 4.1c, which shows the relationship between medium and higher-density development and rental activity for the City of Yarra. As shown in Tables 4.2 and 4.3 above, much of the medium to high-density infill in recent years has occurred in *Transitional Near-City* areas where professional and other more affluent persons are moving into the area, many of whom appear to be purchasing their properties.

Figure 4.1a Proportion of dwellings rented by proportion of dwellings medium and high density, 'Holdenist low- amenity suburbia', collection districts, 2001

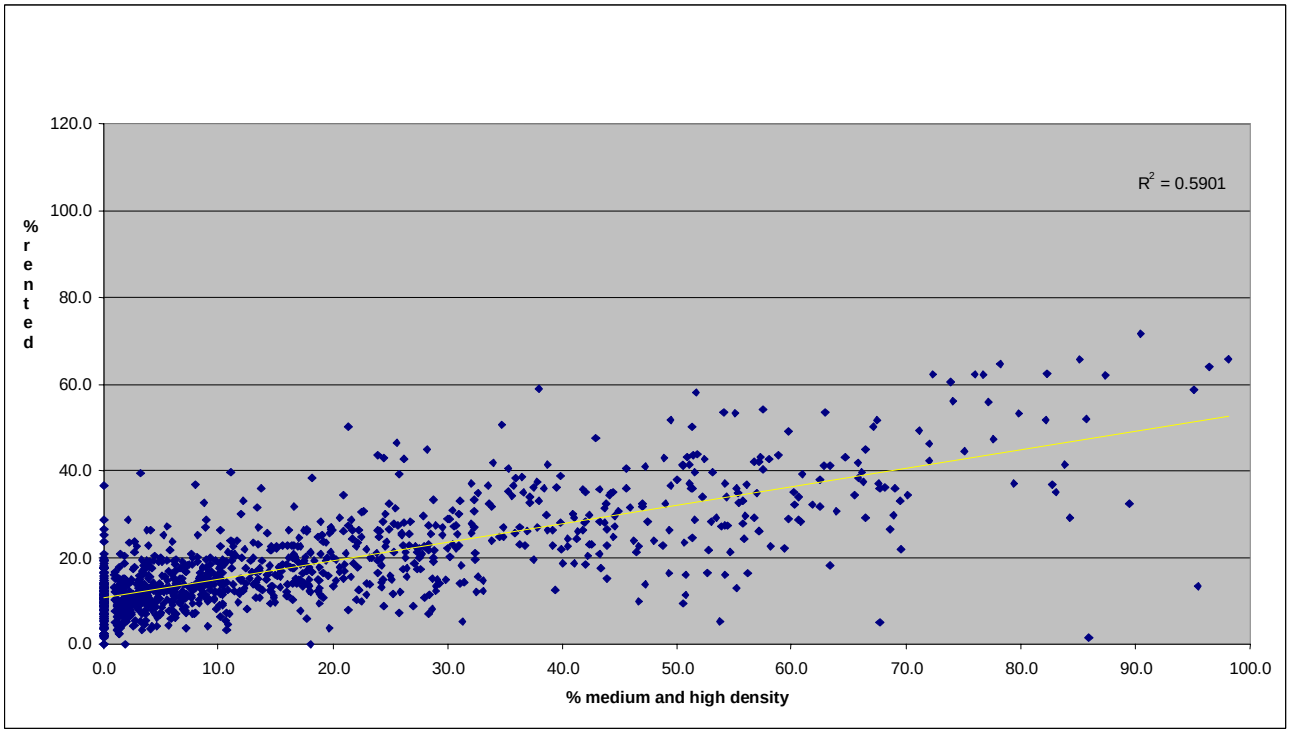


Figure 4.1b Proportion of dwellings rented by proportion of dwellings medium and high density, City of Greater Dandenong, collection districts, 2001

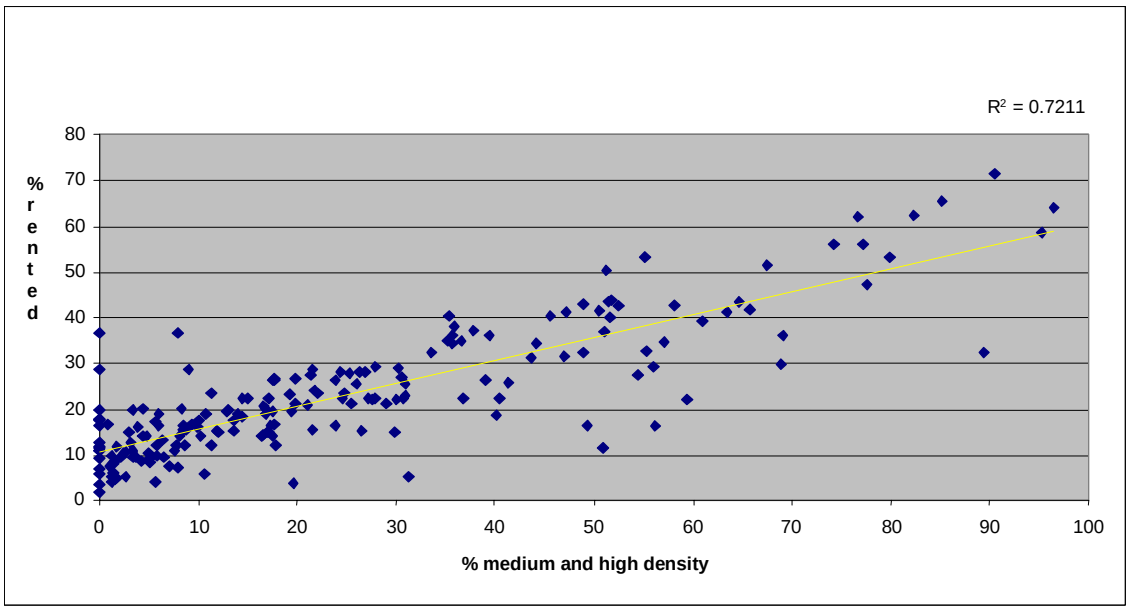
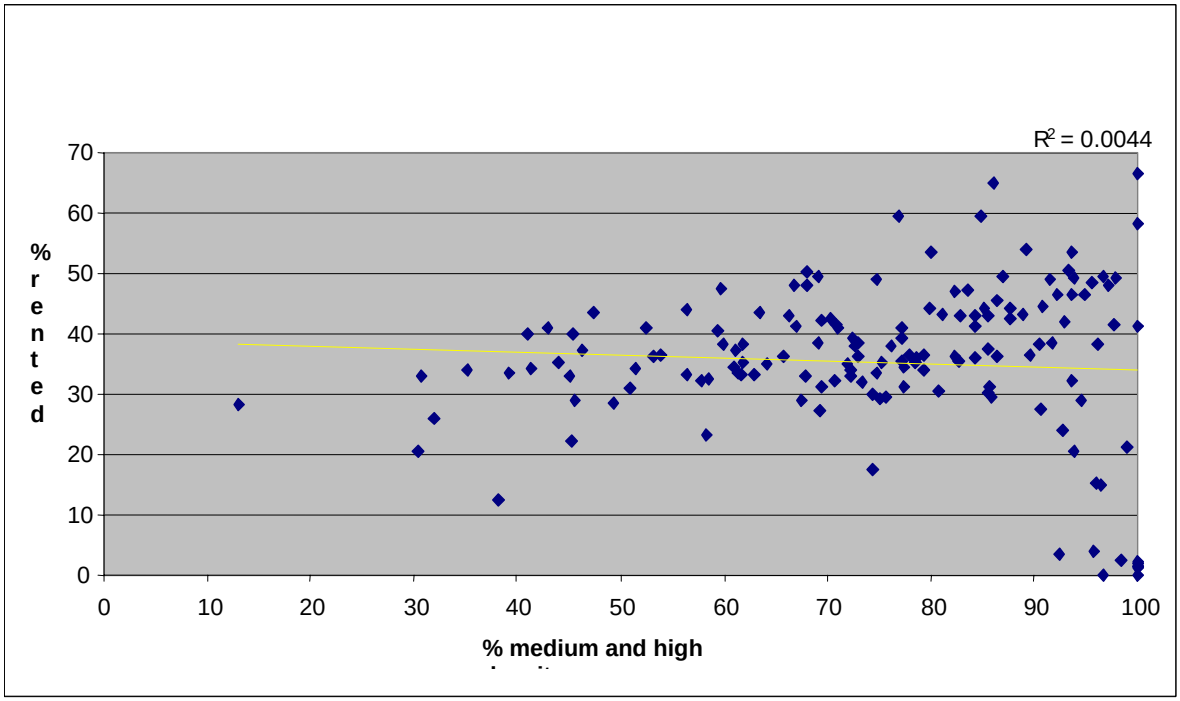


Figure 4.1c Proportion of dwellings rented by proportion of dwellings medium and high density, City of Yarra, collection districts, 2001



Although the proportion of dwellings rented in the city of Yarra is high in many neighbourhoods (CDs), there appears to be no significant association between this and the proportion of dwellings that are medium-density -- flats, units or apartments.

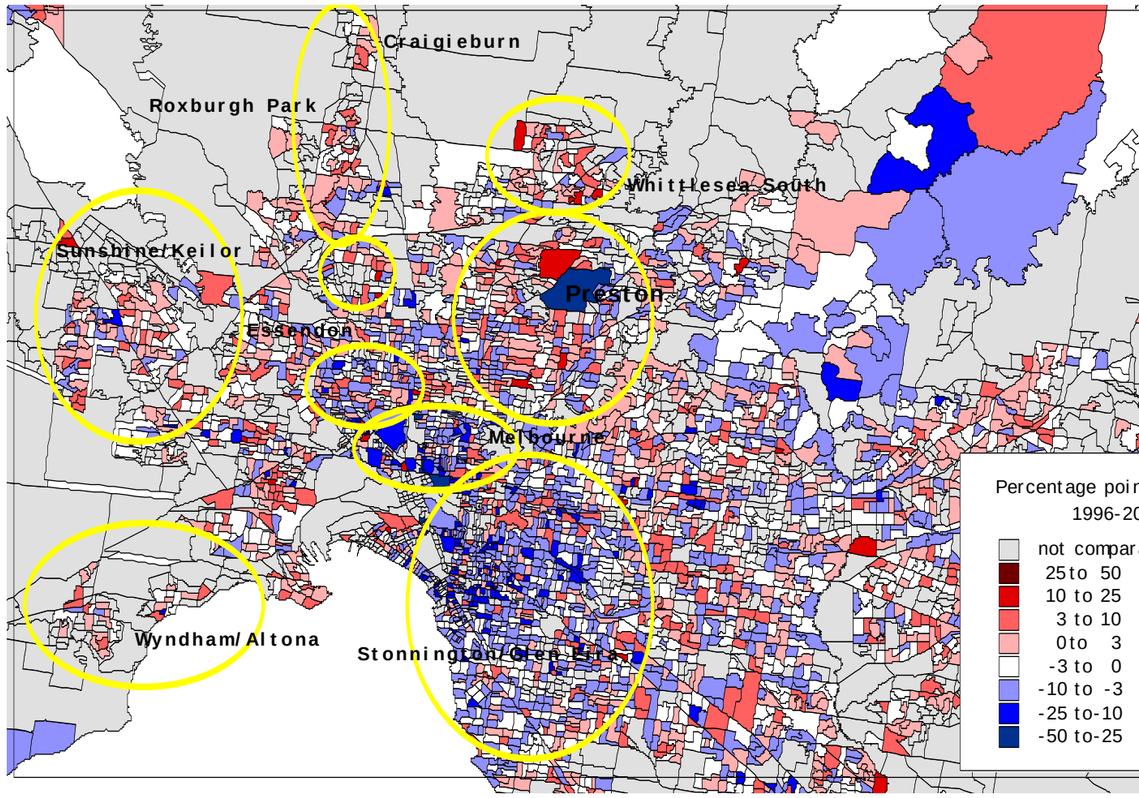
As seen above, the outcome for *Holdenist low-amenity* areas is quite different. This difference suggests that there may be a link between *ad hoc* infill activity in low-income, low-amenity neighbourhoods and the concentration of socially disadvantaged persons.

4.2.1 Rental change at the neighbourhood scale 1996-2001

An examination of neighbourhood level changes in the proportion of dwellings rented between 1996 and 2001 in Melbourne also supports this argument. Despite there having been only a slight decline in the proportion of private occupied private dwellings rented (not including state housing authority rental) in the Melbourne Statistical Division (MSD) between 1996 and 2001 (by -1.1 percentage points, from 20.7 per cent to 19.6 per cent), there were marked neighbourhood level declines in dwelling ownership in many neighbourhoods in *Holdenist low-amenity* areas. These declines in the proportion of dwellings being owned or purchased in *Holdenist* areas contrasts with the increased dwelling ownership rates within the affluent and transitionary near-city areas.

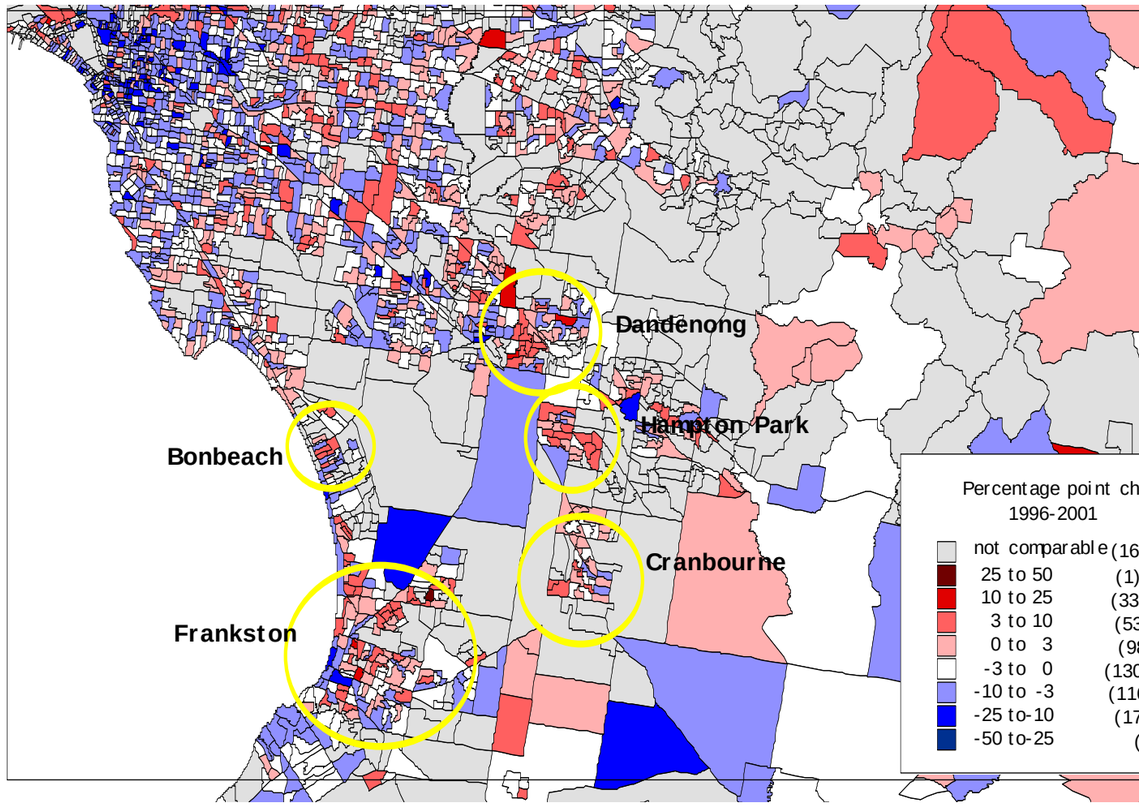
Figures 4.3 and 4.4 indicate which CDs experienced an increase or decrease in the proportion of dwellings rented between 1996 and 2001, as well as the degree of change in the proportion of dwellings rented.

Figure 4.3 Percentage point change in proportion of private dwellings rented 1996 - 2001, Melbourne collection districts, (comparable CDs only)



Sources: ABS Cdata 96 and 2001 Census Basics.

Figure 4.4 Percentage point change in proportion of private dwellings rented 1996 - 2001, Melbourne collection districts, (comparable CDs only)



Sources: ABS Cdata 96 and 2001 Census Basics.

Figure 4.5 **Increase in proportion of dwellings rented (1996-2001) in collection districts with median weekly household income equal to or less than MSD average (2001), Melbourne (Northeast)**

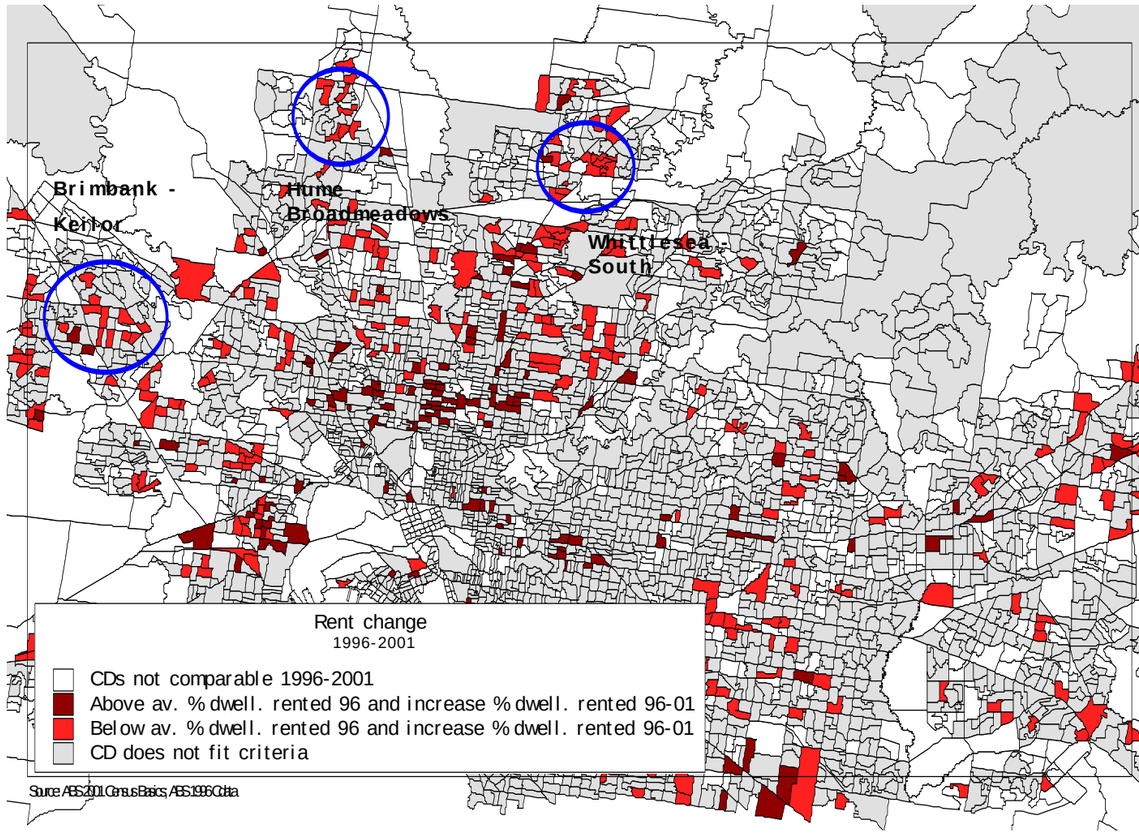
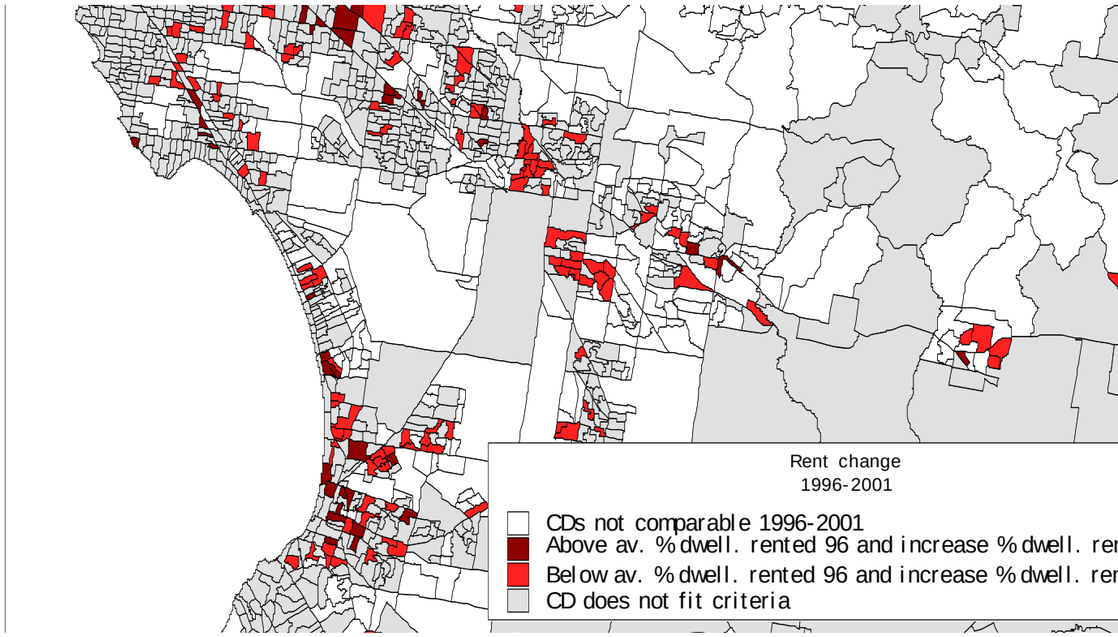


Figure 4.6 **Increase in proportion of dwellings rented (1996-2001) in collection districts with median weekly household income equal to or less than MSD average (2001), Melbourne (Southeast)**



Source: ABS 2001 Census Basics; ABS 1996 Cdata

Figures 4.3 and 4.4 show that there was a decline in rental tenure within a suburban arc reaching from the *High-amenity near city* areas of Stonnington, Bayside and Glen Eira, through the *Transitional near city* areas of Yarra and parts of Moreland – Brunswick and further north-west to the affluent mid-northern area of Moonee Valley – Essendon (the three predominantly blue areas circled in Figure 4.3). These data are consistent with the hypothesis that the relative decline of the proportion of dwellings rented in these more affluent areas is a consequence of the owner purchase of townhouses or apartments built as infill in recent years. Another contribution to the decline of rental tenure in some locations within the gentrifying 'transitional' areas may be the out-movement of former low-income renters from these areas. This is consistent with the findings of the SLA level analysis above, where it was found that, in the second half of the 1990s, some of these areas experienced a net loss of low-income men. For example, in Moreland - Brunswick, where there was a net loss of male residents through internal migration, the relative loss was less for high-income men.

By contrast, there was a significant increase in the proportion of dwellings rented between 1996 and 2001 in many *Holdenist low-amenity* CDs. Areas where there are clusters of CDs with increased rental tenure in *Holdenist* locations are circled in Figures 4.3 and 4.4. Clusters of such CDs are found in Darebin, Moreland, Hume, Brimbank, and Whittlesea to the North and West, and in Dandenong, Frankston and Kingston to the South and Southeast.

The increase in the proportion of dwellings rented in *Holdenist low-amenity* CDs is further illustrated in figures 4.5 and 4.6. Whereas Figures 4.3 and 4.4 show which CDs had increases or decreases in the proportion of dwellings rented, and the magnitude of these changes, figures 4.5 and 4.6 provide a different insight into localised rental change in this period. Two categories of *Holdenist low-amenity* CDs are identified. One is characterised by above average (1996) and increasing proportions of dwellings rented (1996-2001). The other consists of CDs that underwent an increase in the proportion of dwellings rented (1996-2001), but which were below the MSD proportion of dwellings rented in 1996. Further, the focus is on CDs, which were either equal to or below the MSD median household income in 2001. The latter category of CDs is of interest in considering the relationship of rental tenure to the growth of medium-density infill, even though the increase of rental tenure is from a relatively low base. Some of these CDs fall within near-fringe areas in Roxburgh Park and Craigieburn in the City of Hume, parts of Whittlesea South, Delahay in Brimbank – Keilor, and Cranbourne in the City of Casey. Similarly, the suburb of Hampton Park within Casey stands out as an area of increased rental from a below average base. Some of these near-fringe areas, including Brimbank- Keilor and Whittlesea South, contain established older *Holdenist* suburbs. As noted above, some fringe SLAs have established, *Holdenist* near-fringe components, which may be subject to low-income-orientated *ad hoc* infill development. These established near-fringe components of *Holdenist low-amenity* areas to the north of Melbourne are indicated in Figure 4.5. Direct observation confirmed, for example, that low-income infill dwellings were being built in the older parts of Brimbank - Keilor. A number of modest early post-war dwellings were being marketed on the basis of their redevelopment potential for medium-density unit style dwellings.

Table 4.4 provides a detailed insight into the social and labour market circumstances of residents in one example of the areas in question. It includes the CDs circled in Brimbank – Keilor in Figure 4.5. The table shows that, in most of these CDs, there was an increase in the proportion of non-detached dwellings and an increase in the

proportion of dwellings rented. The residents in these CDs tend to be disadvantaged. This is shown via several indicators, including the proportion of families on low-income, the proportion of males aged 25 to 44 years on very low income, and the proportion of males aged 45 to 64 years who were not in the labour force. The data support the view that the investment-orientated housing boom of the late 1990s and early 2000s, and the associated escalation of housing prices, contributed to an increase in rental tenure in many low-amenity CDs such as those identified in Table 4.4.

Table 4.4 Near-fringe established *Holdenist low-amenity* collection districts within the City of Brimbank by selected housing market and social indicators, 1996 and 2001

CD code	SLA	Percentage point change in the proportion of semi-detached dwellings, flats, units and apartments, 1996-2001	Per cent private occupied dwellings rented in 2001	Percentage point change in private occupied dwellings rented, 1996-2001	Median weekly individual income, 2001	Per cent family households with weekly household income <$500, 2001	Per cent males, 25-44 years with weekly individual income <$300, 2001	Per cent of males 45-64 years not in labour force, 2001
2130206	Brimbank - Keilor	26.1	5.8	2.6	$200-$299	19.8	17.6	29.1
2130208	Brimbank - Keilor	5.3	7.7	2.6	$300-$399	16.7	16.7	32.0
2130309	Brimbank - Keilor	0.0	11.0	3.3	$300-$399	24.4	21.4	34.8
2130315	Brimbank - Keilor	0.0	9.2	2.7	$200-$299	22.9	22.3	27.4
2130401	Brimbank - Keilor	3.6	17.3	2.8	$200-$299	32.9	40.7	36.5
2130403	Brimbank - Keilor	4.7	37.4	2.2	$200-$299	36.4	35.5	47.3
2130407	Brimbank - Keilor	2.3	23.2	3.0	$200-$299	26.9	29.9	36.0
2130408	Brimbank - Keilor	2.9	17.3	2.6	$200-$299	30.0	24.2	42.2
2130413	Brimbank - Keilor	9.2	21.5	2.8	$200-$299	30.8	36.4	47.9
2130504	Brimbank - Keilor	9.0	21.3	6.0	$200-$299	35.8	20.0	46.5

Brimbank - 2130506 Keilor	**2.5**	16.4	**2.7**	**$200-$299**	**26.4**	**24.4**	**36.5**
Brimbank - 2130507 Keilor	0.0	12.8	**2.1**	$400-$499	13.9	**24.8**	**24.1**
Brimbank - 2130512 Keilor	**2.2**	8.9	**3.1**	**$200-$299**	**31.3**	**26.5**	**47.9**
Brimbank - 2130602 Keilor	**9.9**	18.0	**5.8**	**$300-$399**	17.3	**20.1**	**29.2**
Brimbank - 2130704 Keilor	**14.6**	**24.2**	**12.5**	**$300-$399**	16.7	**20.5**	**21.9**
Brimbank - 2130708 Keilor	1.4	4.9	**2.4**	$400-$499	17.4	**15.4**	19.4
Brimbank - 2130709 Keilor	0.0	7.9	**5.9**	**$300-$399**	14.7	**23.7**	18.2
Brimbank - 2130713 Keilor	**5.8**	9.8	**2.2**	**$300-$399**	**18.7**	8.9	**31.9**
Brimbank - 2130411 Keilor	-6.8	**20.7**	**5.7**	**$200-$299**	**33.7**	**20.4**	**26.3**
Brimbank - 2131603 Sunshine	**5.4**	**39.0**	**3.5**	**$200-$299**	**41.4**	**43.7**	**46.3**
MSD	2.0	19.6	-1.1	$400-$499	17.5	13.7	20.5

Sources: ABS 2001 Census Basics; 96 Cdata; 2001 Time Series data

As implied above, the data in Table 4.4 also indicate that, in some CDs, there is a link between localised increases in rental tenure and medium-density *ad hoc* infill. The majority of CDs listed in Table 4.4, which had an increase in the proportion of dwellings rented between 1996 and 2001, also had increases in medium-density dwellings – semi-detached dwellings, flats units and apartments. However, at this point, the extent to which infill housing in *Holdenist low-amenity* areas is being rented has not been demonstrated directly. There are a number of possibilities. One is that medium-density *ad hoc* infill in these low-amenity CDs is being purchased by owner-occupiers who cannot afford to purchase in more expensive areas, in which case low-income renters become confined to the remaining housing stock within the locality or elsewhere, including early post-war detached dwellings. A second possibility is that infill is being purchased by investors who rent out infill dwellings to low-income tenants. A third possibility, of course, is a combination of these outcomes.

In the next section, data relating to dwelling type and tenure, for 1996 and 2001, are examined to ascertain with greater certainty if there is a link between rental increase and medium-density dwellings in *Holdenist low-amenity* CDs.

4.2.2 The link between ad hoc infill and increased rental tenure in Holdenist low-amenity areas

In many of the CDs shown in Figures 4.7 and 4.8, more than 50 per cent of the increase in the number of dwellings rented occurred in medium-density housing[74]. This is the case in a number of CDs within Brimbank – Keilor, Moonee Valley - West, Moreland – North, Moreland - Coburg, Darebin – Preston, Hume - Broadmeadows and Whittlesea – South, located in the North and Northwest of the MSD. To the Southeast of the MSD, similar CDs are found in Greater Dandenong, Casey – Cranbourne, Casey – Hallam, Kingston – South and Frankston – West. In these figures, only CDs are shown which had an increase in the proportion of total dwellings rented between 1996 and 2001 and in which there was growth in the proportion of medium-density dwellings rented. Although the absolute numbers of the additional dwellings rented in CDs (1996-2001) is sometimes small, the proportional increases are often significant[75].

This pattern of tenure change is only shown for CDs in *Holdenist low-amenity*, *Outer suburban* and *Transitional, near-city areas.* Transitional areas have been included because, as noted above, some *Holdenist low-amenity* locations occur within the *Transitional* categories analysed at the SLA level in the previous chapters. This allows the inclusion of parts of Moreland – Coburg and Darebin – Preston, which are important to the analysis of the implications of infill in *Holdenist low-amenity* areas.

The data illustrated in figures 4.7 and 4.8 corroborate the implication from the data in Table 4.4 above, of a close link between the growth in *ad hoc* medium-density infill and increased rental in some *Holdenist low-amenity* CDs. In turn, this may mean that some neighbourhoods in low-amenity areas where there is a high level of infill development may become host to a disproportionate number of low-income households and individuals.

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[74] Some CDs show that medium-density dwellings accounted for more than 100 per cent of the growth in the number of dwellings rented between 1996 and 2001. This is because, in some cases, while there was a decline in the number of separate detached dwellings rented, the increase in the number of medium-density dwellings rented was more than enough to compensate for this. Here, medium-density includes semi-detached dwellings (including row-terraces) and flats units and apartments. The calculation is only provided for CDs in *Holdenist low-amenity, Outer suburban and Transitional near-city* areas.

[75] Relatively small absolute changes can have a significant proportional effect because the number of dwellings in a CD is usually around 200 to 300.

Figure 4.7 Proportion of rental growth which occurred in medium-density dwellings in areas where the proportion of dwellings rented increased between 1996 and 2001, Melbourne collection districts (Northwest).

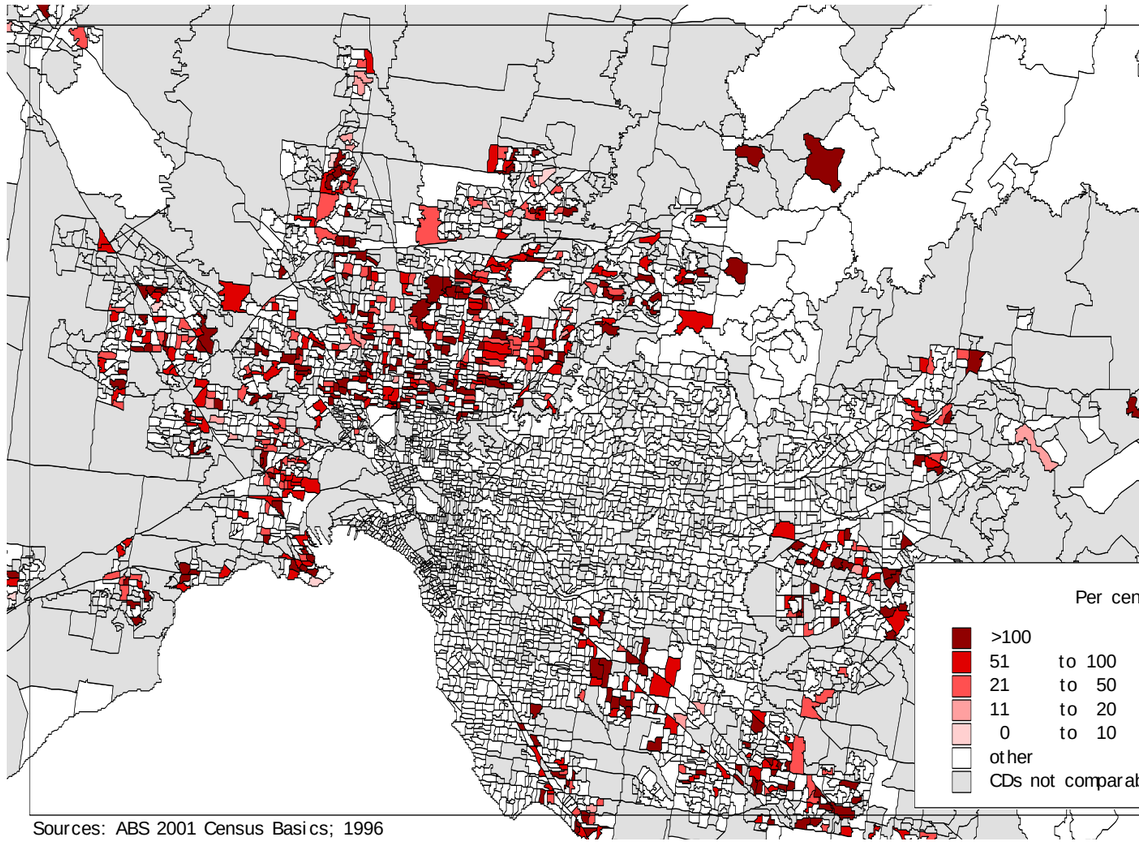
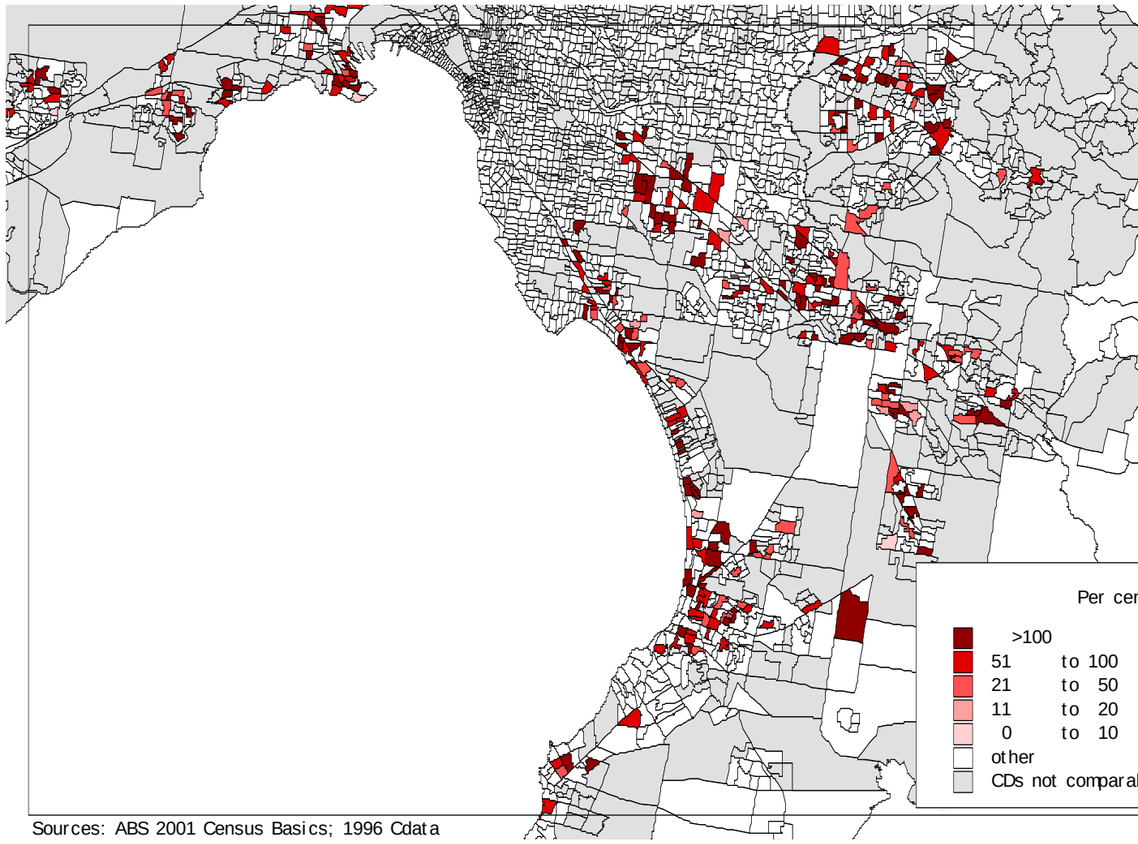


Figure 4.8 Proportion of rental growth which occurred in medium-density dwellings in areas where the proportion of dwellings rented increased between 1996 and 2001, Melbourne collection districts (Southeast).



Sources: ABS 2001 Census Basics; 1996 Cdata

4.3 Conclusion

The data examined in this chapter indicate that the *Holdenist low-amenity* areas identified in the preceding chapters have been subject to increased, relatively low-cost residential infill from the mid-1990s. Further, an examination of dwelling tenure change in *Holdenist low-amenity* neighbourhoods shows that many neighbourhoods had marked increases in the proportion of dwellings rented during the 1996 to 2001 period. In addition, it was found that, in many CDs in *Holdenist low-amenity* areas, the growth in rental tenure in medium-density housing accounted for a significant proportion of the total rental tenure increase. These findings support the possibility of a link between the development of medium and higher-density residential infill and the concentration of social disadvantage in some *Holdenist* neighbourhoods. The case studies examined in Chapter 5 further explore these linkages.

5 CASE STUDIES

The principal focus of the remaining analysis is upon a small number of neighbourhood-scale case study areas, typically comprised of a loose grouping of Collection Districts (CDs)[76]. Three of the five case study areas are within *Holdenist Low-Amenity* SLAs that were identified in the above analysis as locations where low-income and disadvantaged persons were thought to be concentrating.

5.1 Case study areas

The five case study areas selected together with the collection district chosen within these areas are listed in Table 5.1. Three of the areas chosen are in *Holdenist* low-amenity middle suburbia (in Moreland-Coburg – North and Darebin – Preston). The other two are located in a transitional area undergoing strong gentrification (Moreland – Brunswick) and a fringe low-amenity area (Cranbourne), where relatively high-density, low-income housing subdivisions appeared during the 1990s. The Cranbourne CDs are included to illustrate the type of area that initially drew our attention to the possibility of localised residualisation in fringe areas. The case study areas have been selected to represent a range of outcomes that can occur in association with *ad hoc* infill and, in the Case of Cranbourne, higher-density greenfields development.

24 While some 5,800 CDs were used to comprise the Melbourne Statistical Division for 2001, about 4,200 CDs, or 72 per cent, had a high degree of comparability between 1996 and 2001. Therefore, when data is compared for 1996 and 2001, the comparison is limited to this subset of 2001 CDs.

Table 5.1 Collection districts comprising case study areas, Melbourne

Case study area 1 Moreland - Brunswick	Case study area 2 Moreland (C) - Coburg	Case study area 3 Moreland - North	Case study area 4 Darebin - Preston	Case study area 5 Casey - Cranbourne
2320201	2321606	2321002	2331109	2340403
2320202	2321609	2321003	2331110	2340404
2320203		2321011	2331304	2340405
2320205		2321101	2331305	2340406
2320301		2321103	2331306	2340410
2320306		2321203	2331307	2342307
2320307		2321305	2331308	2342308
2320404			2331310	
2320405			2331609	
2320406				
2320408				

With the exception of the neighbourhoods located on the suburban fringe in Casey – Cranbourne and the *Transitional near-city* area of Moreland-Brunswick, these CDs fall within established middle-suburban *Holdenist low-amenity* areas. They were either established or consolidated as working class areas after the Second World War. Although the housing stock would now be considered to be out-of-date and small by many (usually 10 to 12 squares), these locations are conveniently located in terms of access to the CBD via the Tullamarine freeway, to the shopping districts of Sydney Road and to public transport.

The locations of the CDs chosen are shown in Figures 5.1 and 5.2. Although data relating to each of the CDs shown in Table 5.1 is presented in the tables below, particular focus is given to those that are highlighted.

The locations were chosen to explore the relationship between spatial redistribution of social disadvantage and the occurrence of *ad hoc* residential infill. According to the analysis in Chapter 4, these are areas where one would expect to find strong competition for low-income housing, and therefore where localised concentrations of social disadvantage may have resulted.

Figure 5.1 Selected collection districts for case study

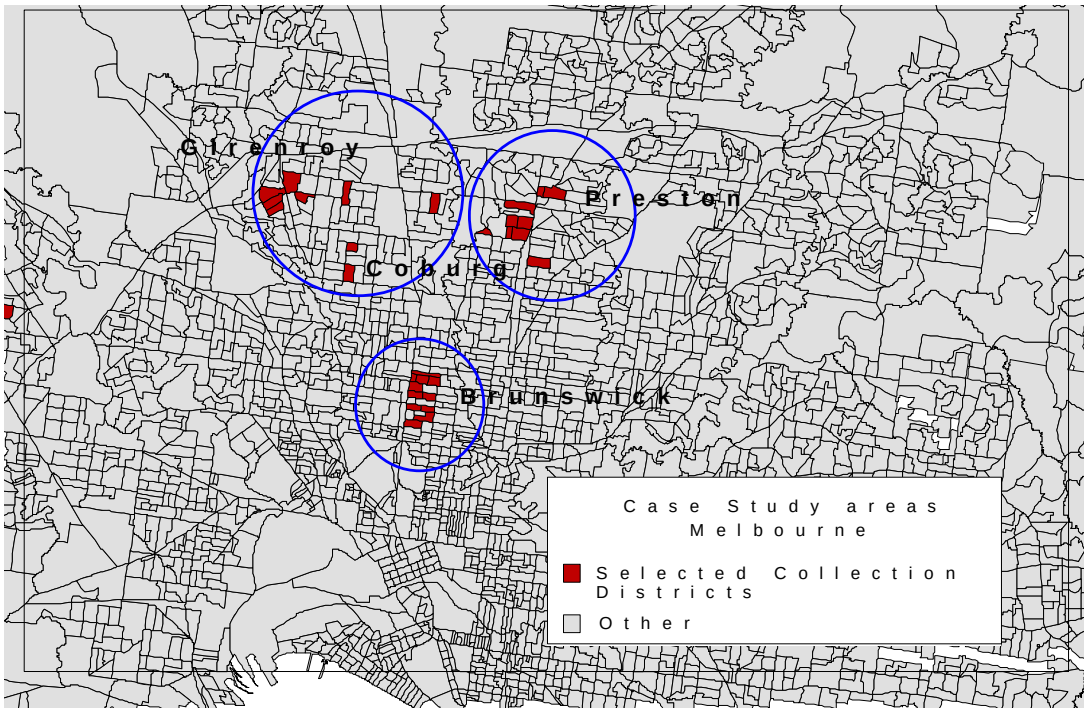
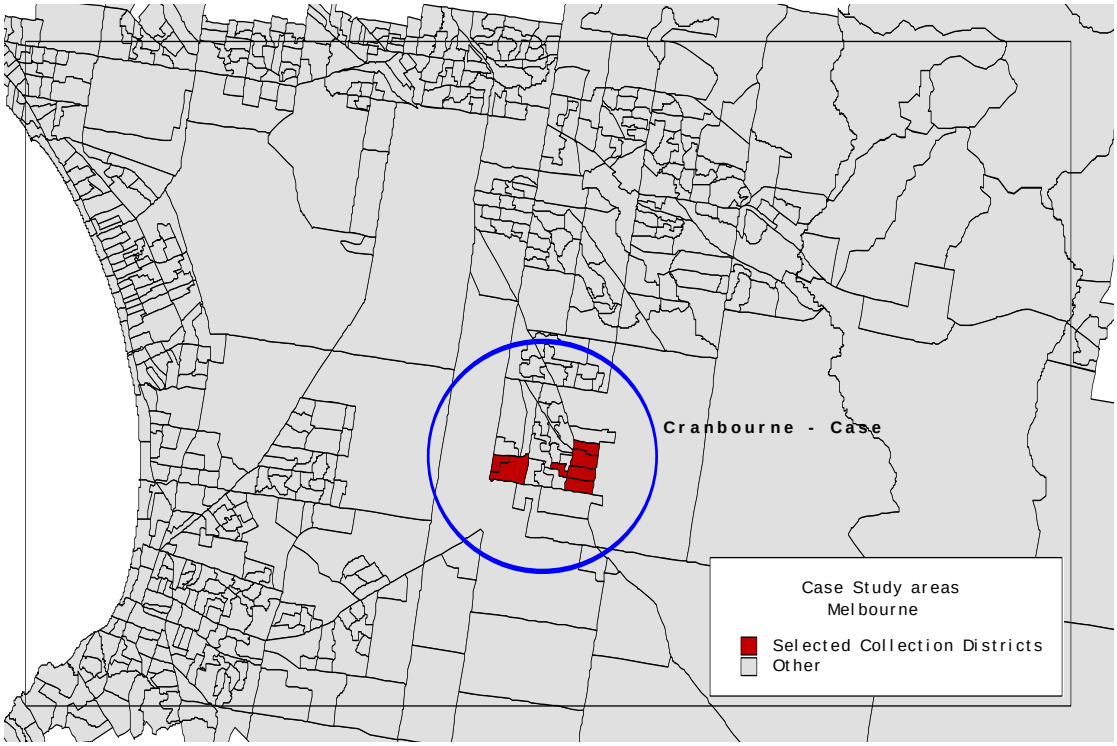


Figure 5.2 Selected collection districts for case study



One of the difficulties of SLA level analysis is that there are often substantial local differences in housing and social characteristics within SLAs. One purpose of the case studies is to bring the research down to a local level in order to better illustrate the patterns of concentration of relative affluence and disadvantage identified more broadly at the SLA level in the above analysis.

The case studies are used to describe the trends in the socio-economic make-up of the communities concerned by reference to selected key indicators of well-being. These are the proportion of family households headed by lone parents, and the proportions of males aged 25-44 who are unemployed, not in the labour force or working part-time. The occupation of employed males is also examined. The above social and labour market indicators are then considered in light of housing tenure and housing type changes in the areas examined.

Each of the areas was visited and observed closely in order to assess the physical state and character of the housing. The photographs accompanying the text attempt to visually distil these observations.

5.2 Case study area 1: Moreland – Brunswick

The first neighbourhoods examined are within the 'Transitional near-city' area of Brunswick. Brunswick is relevant to the thesis that the current compact city policy may contribute to a significant shift in the spatial patterning of the socially disadvantaged in Melbourne. The CDs chosen within Brunswick include high-rental areas, which are 'transitional' in that they are changing from a largely low and moderate-income working class population to one that is more affluent and professional-based. Such 'urban gentrification' occurs incrementally, in part depending upon a generational shift, as the incumbent resident population passes away to create residential opportunities for an ascendant, younger middle class. However, the gentrification process also involves direct displacement of lower-income residents. This displacement hypothesis is consistent with the SLA level data examined above, which show a disproportionate net loss of low-income men from Brunswick between 1996 and 2001 (Chapter 2, Table 2.3).

Brunswick is an old inner-northern suburb, dating from the mid 19th Century. The residential and class character of Brunswick was closely tied to the development of its local industrial and commercial base from an early date. While Sydney road, the main arterial thoroughfare grew as the principal focus of retail activity, quarrying, brick and pottery making and a range of light manufacturing, including clothing and footwear were interspersed in close proximity to residential development. Brunswick was a location of heavy southern European migrant settlement in the early post Second World War period and, as the SLA level analysis above indicates, it is still a settlement point for recent arrivals (See Table 2.4). In the post Second World War period, Brunswick gained a reputation as a 'migrant' area and has maintained that reputation to some degree. The negative impact of tariff reduction upon local manufacturing during the 1980s and 1990s, along with the ageing of the early post-war working class population, has contributed to the suburb's transition to a 'cosmopolitan café society' area dominated by professionals. Notwithstanding this, Brunswick is still characterised by an intergenerational and class mix, with real estate

developers and the professional class ‘cherry picking’ the more attractive, heritage-laden sites for neighbourhood ‘regeneration’.

As indicated, the heritage character of Brunswick’s housing stock is attractive to the urban professional class (Images 1 and 2), much of which had become dilapidated and therefore relatively affordable. The founding dwelling stock is largely a mix of small separate-detached and semi-detached houses. Densities, therefore, were high by the standard of early post Second World War suburbanisation. A large proportion of the early housing consists of modest weatherboard or brick worker’s cottages. Nevertheless, localised class distinctions were discernable from an early date and were reflected in local differences in building quality, as well as block and dwelling sizes. These early distinctions appear to have helped shape the geography of recent urban gentrification.

Image 1

Image 2

From the 1970s, there has been an increase in the construction of higher-density blocks of flats. Such flats are found throughout Brunswick and there are concentrations in some locations within the case study CDs (Image 3).

Image 3 **Image 4**

Currently, multi-dwelling developments, as well as semi-detached dwellings, are being added to the inherited medium and higher-density housing stock (Image 4).

Medium and higher-density dwellings, therefore, comprise a large share of the total dwelling stock, a characteristic that distinguishes Brunswick from the rest of the Moreland municipality and the Melbourne Statistical District (MSD). Table 5.2 shows that in 1996, almost half of all housing stock in Moreland-Brunswick was semi-detached or flats, units or apartments.

Table 5.2 Dwelling type, Melbourne, Moreland and Moreland SLAs, 1986, 1991 and 1996

	Separate detached			Semi-detached and flats, units apartments etc.			Other dwellings			Total dwelling	
Numbers	**1986**	**1991**	**1996**	**1986**	**1991**	**1996**	**1986**	**1991**	**1996**	**1986**	**1991**
rne (SD)	740698	807395	850034	203767	224501	249418	10546	8726	8545	971547	1049047 1
ıd City (SSD)	36943	37046	35985	10575	11642	12960	507	342	423	48861	49314
ıd (C) - Brunswick	8693	8687	8357	6925	7211	7783	210	139	204	16113	16172
ıd (C) - Coburg	14942	14898	14449	2100	2330	2757	239	163	182	17478	17511
ıd (C) - North	13308	13461	13179	1550	2101	2420	58	40	38	15270	15631
Per cent											
rne (SD)	76	77	75	21	21	22	1	1	1	100	100
ıd City (SSD)	76	75	72	22	24	26	1	1	1	100	100
ıd (C) - Brunswick	**54**	**54**	**50**	**43**	**45**	**47**	**1**	**1**	**1**	**100**	**100**
ıd (C) - Coburg	85	85	82	12	13	16	1	1	1	100	100
ıd (C) - North	87	86	82	10	13	15	0	0	0	100	100

Source: ABS, IRDB, 1999 release total includes not stated

Table 5.3 shows the proportion of medium and higher-density dwellings, in 1996 and 2001, within the collection districts selected. There is considerable variation around the Brunswick average at the neighbourhood level.

Table 5.3 Moreland - Brunswick, occupied private dwellings, proportion separate detached and semi-detached, flats, units and apartments, 1996 and 2001

CD	1996	2001	1996-2001	1996	2001	1996-2001
	Per cent of occ. priv. dwell. that were separate detached		% point difference	Per cent of occ. priv. dwell. that were semi-detached, flats, units, apartments		% point difference
2320201	33	49	16	62	44	-18
2320202	51	51	0	49	48	-2
2320203	50	59	9	50	41	-9
2320205	69	50	-19	24	50	26
2320301	48	51	3	48	46	-2
2320306	44	48	5	54	50	-5
2320307	44	40	-4	50	58	8
2320404	36	32	-4	64	67	3
2320405	68	73	4	32	27	-4
2320406	57	45	-12	39	55	16
2320408	9	11	2	86	86	0
MSD	**75**	**74**	**-1**	**22**	**23**	**1**

Source: ABS, 96Cdata, 2001 Census Basics

* Including unoccupied dwellings and discounting CD land area by 30 % to allow for open space, roads etc.

Even in CDs where there has been a decline in the proportion of medium and higher-density dwellings, the CDs remain above average for this type of housing in 2001[77]. Densities in Brunswick are already far in excess of the dwelling density of 15 dwellings per hectare, the benchmark figure for outer suburbia stipulated in compact city policy.

Notwithstanding the historically-high dwelling densities in Brunswick, the further increase in densities in some CDs reflects the development of up-market multi-dwelling complexes and distinct medium-density enclaves. The consequence is that the dwelling options within these CDs which remain accessible to lower-income households are narrowing.

The transitional class character of Brunswick is reflected in a number of social indicators. The data in Tables 5.4, 5.5 and 5.6 show the change between 1996 and 2001 for selected variables relating to family type, labour force status, dwelling tenure and occupation.

While eight of the selected CDs had greater than the MSD proportion of families that were lone parent with children under 15 years of age in 1996, only three CDs were above the MSD figure by 2001. Of the three CDs that were still above average in 2001, two had declined in the proportion of families that were of this type. The data suggest that lone parent families with dependent children are being priced out of these neighbourhoods.

[77] It should be remembered that some of the proportional gain in separate detached dwellings which has occurred in some CDs has resulted in an increase in dwelling densities. This is because of instances where a separate detached house is replaced by more than one separate detached house on a block of land. Because of this, there is no perfect relationship between housing type and density change.

Table 5.4 Moreland - Brunswick, collection districts by selected social market indicators, 1996 and 2001

		1996	2001	1996-2001	1996	2001	1996-2001
CD	Per cent total h'holds that were family h'holds	Per cent family h'holds that were lone-parent with child. <15 yrs		Percentage point difference	Per cent male labour force 25-44 yrs that was unemployed		Percentage point difference
2320201	58	18	14	-4	18	20	2
2320202	49	16	6	-10	10	9	-1
2320203	53	9	3	-6	10	13	3
2320205	56	8	6	-3	13	2	-11
2320301	55	7	6	-1	17	11	-6
2320306	57	2	5	3	13	5	-7
2320307	59	7	5	-2	11	4	-7
2320404	52	10	3	-7	19	12	-7
2320405	56	10	7	-4	11	8	-4
2320406	61	6	8	2	14	14	1
2320408	54	14	13	-2	6	12	6
MSD		**7**	**8**	**0**	**8**	**6**	**-2**

Source: ABS, Cdata 96 and Census Basics 2001

Table 5.4 also indicates that the proportion of males aged 25-44 years who were unemployed declined significantly in about half of the CDs listed. This observation is also consistent with the characterisation of Brunswick as a transitional area where low-income persons have fewer affordable housing options as 'gentrification' proceeds and are gradually displaced to other areas.

Table 5.5 Moreland - Brunswick, selected collection districts by proportion of occupied private dwellings rented, 1996 and 2001

	1996	2001	1996-2001
CD	Per cent of occupied private dwellings in private rental (not incl. state housing authority rental)		Percentage point difference
2320201	38	48	10
2320202	39	44	5
2320203	32	39	7
2320205	25	28	2
2320301	47	42	-5
2320306	32	33	1
2320307	40	37	-3
2320404	43	47	4
2320405	25	31	6
2320406	37	41	4
2320408	61	63	2
MSD	**21**	**20**	**-1**

Source: ABS, Cdata 96 and Census Basics 2001

Gentrification in Brunswick is associated with a high and increasing proportion of dwellings rented in some neighbourhoods and may reflect a transient component to the influx of affluent persons (Table 5.5). The increased competition for Brunswick housing stock by professionals and other more affluent persons has led to significant increases in the proportion of dwellings rented in some neighbourhoods. While the case studies below show that elevated levels of rental tenure are associated with the concentration of social disadvantage in some neighbourhoods in low-amenity parts of Melbourne, increased rental activity in 'gentrifying' areas like Brunswick appears to be more often associated with a middle-class transition.

Nevertheless, even within Brunswick, concentrations of low-income persons are evident in neighbourhoods that remain of little interest to persons moving into the area. An examination of male unemployment data for the selected CDs highlights this process.

Although unemployment for males aged 25 to 44 years declined in percentage point terms in seven of the 11 CDs shown in Table 5.4, unemployment increases occurred in two of the CDs: CD2320201 and CD2320408. In these two CDs, the proportion of lone-parent families with dependent children remained well above the Melbourne average.

Collection district 2320201 was distinctly less attractive with dilapidated dwellings set amongst equally run down factories and warehouses. Images 5 and 6 are from this location.

Image 5

Image 6

Such areas are not of interest to middle-class individuals and remain run down. However, as larger property developers become interested in broader-scale redevelopment in gentrifying areas, these neighbourhoods may eventually be developed for an affluent market.

The high and growing proportion of professionals in these CDs is shown in Table 5.6. This outcome is consistent with the data in Table 2.7 (Chapter 2) above, which show a net gain in professionals within Moreland – Brunswick through internal migration between 1996 and 2001. By contrast, Table 5.6 also indicates that there was a significant net loss of blue-collar workers throughout the CDs idnetified. The above average decline in the proportion of intermediate production and transport workers, and labourers in the majority of the CDs selected (relative to the MSD as a whole) is a further indication of the gentrification of Brunswick.

Table 5.6 Moreland - Brunswick, selected collection districts by selected occupations, employed males over 15 years of age, 1996 and 2001 per cent)

	1996	2001	1996-2001	1996	2001	1996-2001	1996	2001	1996-2001
CD	Prof.	Prof.	Percentage point difference	Int. Prod.& Trans.	Int. Prod.& Trans.	Percentage point difference	Lab. & Rel.	Lab. & Rel.	Percentage point difference
2320201	20	31	11	15	6	-9	8	0	-8
2320202	24	32	8	7	6	0	10	4	-5
2320203	30	36	6	6	4	-2	6	8	2
2320205	26	37	10	4	7	3	8	4	-4
2320301	18	34	17	13	10	-3	14	3	-11
2320306	33	34	1	14	13	-1	7	6	-1
2320307	24	27	3	10	8	-2	13	9	-4
2320404	19	33	13	15	12	-3	12	9	-3
2320405	23	28	5	11	7	-4	10	12	2
2320406	19	24	5	16	10	-6	9	10	1
2320408	17	29	12	23	17	-6	19	9	-9
MSD	**17**	**19**	**1**	**13**	**12**	**-1**	**8**	**8**	**0**

Source: ABS, Cdata 96 and Census Basics 2001

To summarise, the case study data for Brunswick illustrate that the gentrification pattern identified at the SLA level is played out unevenly at the neighbourhood level. The changing residential patterns in this *Transitional near-city* area reflect the influx

of relatively affluent middle-class persons. The infill occurring in these areas largely reflects their aspirations and purchasing power. One consequence is that lower-income persons, including lone parents, blue-collar workers and labourers, are being excluded from these housing markets.

Nevertheless, poorer residents remain in Brunswick, in neighbourhoods that remain unattractive to middle-class residents, at least for the time being. The Brunswick case study neighbourhoods suggest that, in *Transitionary near-city* areas, such concentrations do not occur in areas characterised by recent infill, but where established dwellings are dilapidated and not perceived as an opportunity by middle-class persons.

5.3 Case study area 2: Moreland – Coburg (CDs 2321606 and 2321609) and Case study area 3: Moreland – North (CD 2321003)

The two case study areas dealt with here are located in suburban regions that are of particular interest in examining the thesis that middle-suburban areas are likely to be subject to infill pressures associated with the impact of compact city policy. The two areas are analysed together because of their proximity and similar history of early post-war development. They, nevertheless, currently have different social trajectories.

Within the classification template established in Chapter 2, Moreland-North was classified as *Holdenist low-amenity* and Moreland-Coburg as *Transitional near-city*. Historically, they nevertheless have much in common, though parts of Coburg are closer to the heart of Melbourne and appear more subject to gentrification pressures than is the case for Moreland-North (as is shown below).

There are two possibilities in regard to housing outcomes within established middle suburbia in this part of Melbourne. If a neighbourhood becomes part of the 'gentrification' frontier, then it will move in the direction described above for Brunswick, although the rapidity and extent of the transition may not be as great. On the other hand, if the infill is directed at lower-income households in the form of small, relatively cheap higher-density units, the outlook is an accumulation of low-income and disadvantaged households. Some neighbourhoods may display aspects of both scenarios. In such cases, the occurrence of mixed social and housing attributes may be a reflection of the transitional state of the neighbourhoods examined, rather than a stable coexistence of distinct socio-economic groups.

In the main, the housing stock in each of these areas consists of early post Second World War housing of modest weatherboard or brick veneer construction and size. It was occupied by working class people of modest means, many of whom worked in manufacturing operations that had moved to or were established in greenfield fringe locations in Melbourne's northern suburbs after the war. These suburbs expanded rapidly as part of the post-war economic long-boom and in association with the post-war baby-boom generation.

The family-orientated, predominantly detached dwellings in these areas were typically built on generous blocks of land, which allowed for a front and back yard, as well as a driveway along one side. This ample provision reflected the rising living standards of the era and the expectation of private car use.

By contrast, during the 1990s, there was an upsurge in the construction of higher-density dwellings. As shown earlier (see Table 4.2), the number of town houses and units in Moreland-Coburg increased from 2,563 in 1991 to 3,453 in 2001 and in Moreland-North from 2,407 to 3,171.[78] The CDs selected for study (shown in Figures 5.1 and 5.2) include some where the proportion of higher-density dwellings was relatively high, as was the proportion of dwellings which was rented.

We have no way of knowing who the investors in this rental stock were. However, it is likely that they included small-scale investors who were encouraged to take advantage of the low-interest rate environment and the favourable capital gains and negative gearing taxation arrangements which prevailed during this period.

In sections 5.3.1 to 5.3.3 below, changes in housing, tenure, dwelling type and selected socio-economic characteristics in specific CDs within Moreland – Coburg and Moreland – North are examined. This analysis involves the use of relevant secondary source data and information gathered through direct observation in these neighbourhoods.

5.3.1 Moreland – Coburg, CD2321609

CD2321609 is situated only 10.5 kilometres from the Melbourne CBD. The proportion of lone-parent families with dependent children in this CD increased significantly between 1996 and 2001. Nevertheless, though the area is still predominantly working class, there were signs of socio-economic improvement on the male labour force indicators. The proportion of males in part-time work and who were unemployed declined. The proportion of males who were not in the labour force also declined from more than twice the MSD figure in 1996 to just above the MSD average in 2001. Although these improvements in the labour market position of males may in part reflect the strong job creation that occurred during this period, the data also suggest a CD in a state of social transition.

These contradictory characteristics are partly reflected in the changing nature of the housing stock. The housing in this CD consists of a mix of basic early post-war separate detached dwellings, which are sometimes rundown with little care given to yards and garden, and a range of infill dwelling types, as well as some new separate detached dwellings. The development of newer dwelling stock in the midst of basic and sometimes dilapidated older dwellings suggests a bifurcated neighbourhood housing market at this point in time, accommodating both low-income and more affluent families and individuals. The images below illustrate the contrast of dwelling types found in just one street (Plymouth St) within this CD. We see remnants of early post-war detached houses (Image 7), earlier rudimentary unit-style infill (Image 12) and some later more substantial infill (Image 9) targeted to a better-off market.

[78] These figures refer to housing stock.

Image 7

Image 8

Image 9

Image 10

Image 11

Image 12

Similar contrasts in dwelling type and socio-economic character are found in Warwick St within the same CD. As the images show, infill is well advanced, but varied in its market appeal. The initial infill, probably dating to the 1970s is rudimentary (Image 12), while some later infill is a little more up-market (Image 11). Some other more recent infill, however, is also rudimentary (Image 10).

The data in Table 5.7 (p119, columns 2 and 3) suggests that there may be a link between the growth of infill housing and increased rental tenure. The proportion of occupied private dwellings rented in this CD increased from 21 to 33 per cent between 1996 and 2001. In the same period, the proportion of occupied private dwellings that were semi-detached, flats, units or apartments increased from 50 to 54 per cent. However, the rapid growth of rental tenure relative to growth in medium-density dwellings suggests that the increase in the proportion of dwellings rented within this CD was not confined to medium-density infill.

The boom in investment in residential property of the late 1990s may help account for this outcome. Notwithstanding this possibility, the increase in rental tenure within this neighbourhood may have reflected the occupational shift that was also occurring. Table 5.9 (p121) indicates an increase in managers, administrators and professionals and a decrease in intermediate production and transport workers and labourers. The shift towards a more skilled residential population may also help explain the improvement of labour market indicators for this CD, shown in Table 5.8. However, the relatively buoyant labour market circumstances of the late 1990s were also likely to have been a factor in this improvement.

A contradictory development in this CD was an increase in the proportion of lone-parent families with dependent children between 1996 and 2001. The availability for rental of early post-war detached dwellings and older units may explain the growth of lone-parent families in a neighbourhood that otherwise appears to be undergoing a form of gentrification.

These observations support the hypothesis that many established suburban areas, including *Holdenist low-amenity* areas, are being subject to increasing competition for housing and that infill development in such areas is now a factor in determining whether an area is either raised socio-economically or becomes a focus for increased concentrations of disadvantage.

5.3.2 Moreland – Coburg, CD2321606

This neighbourhood is situated further south, is only 9.6 kilometres from the CBD and is well situated in terms of access to public transport and access to the Tullamarine Freeway and thereby to the city and beyond.

This CD also exhibits signs of socio-economic transition. This neighbourhood had more than double the MSD level of medium and high-density dwellings in both 1996 and 2001 and above MSD levels of dwelling rental for these years (Table 5.7). While labour indicators show some increase for males in the more highly-skilled and elementary clerical occupations, as well as a decline in semi-skilled and unskilled occupations, the proportion of males aged 25 to 44 years who were either unemployed or not in the labour force increased (Tables 5.8 and 5.9). At the same time, the proportion of families that were lone parents with dependent children also increased. Cheaper, recently-built infill and older low-income dwellings in the CD, as shown in Images 15 and 16, respectively, may help account for this increase. However, the recent development of more expensive infill suggests that lower-socio-economic persons and households will find it difficult to afford to stay in the area as older housing stock continues to be supplanted by newer dwellings.

Like CD2321609, the housing in this neighbourhood is in a state of transition. The early post-war *Holdenist* housing stock (Image 13) is being supplanted with medium and higher-density dwellings, which vary considerably in size, quality and affordability. Although infill that has occurred within the last decade predominates (Images 14 and 15), some infill from the 1970s and 1980s is also evident (Image 16). Image 17 shows an example of the more expensive infill. Most of these more recently built dwellings are well outside the range of lower-income households.

Image 13

Image 14

Image 15

Image 16

Image 17

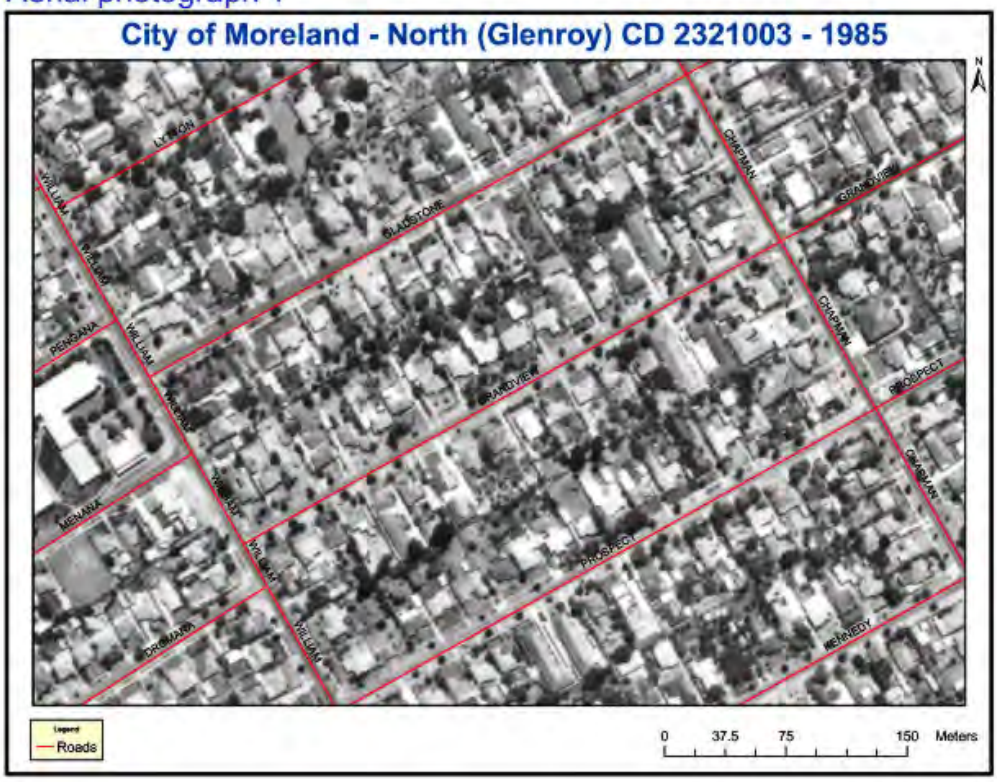
The two CDs examined in detail above appear to be in a state of social transition, each exhibiting contrasting social characteristics. While the proportion of families that were headed by lone parents with dependent children increased in these CDs, the proportion of residents who were managers, administrators or professionals increased. Movement in male labour market indicators was more equivocal, indicating a degree of labour market precariousness for some male residents. Recent infill construction in this neighbourhood reflected this social mix, catering to both lower-income and more affluent persons.

5.3.3 Moreland – North, CD2321003

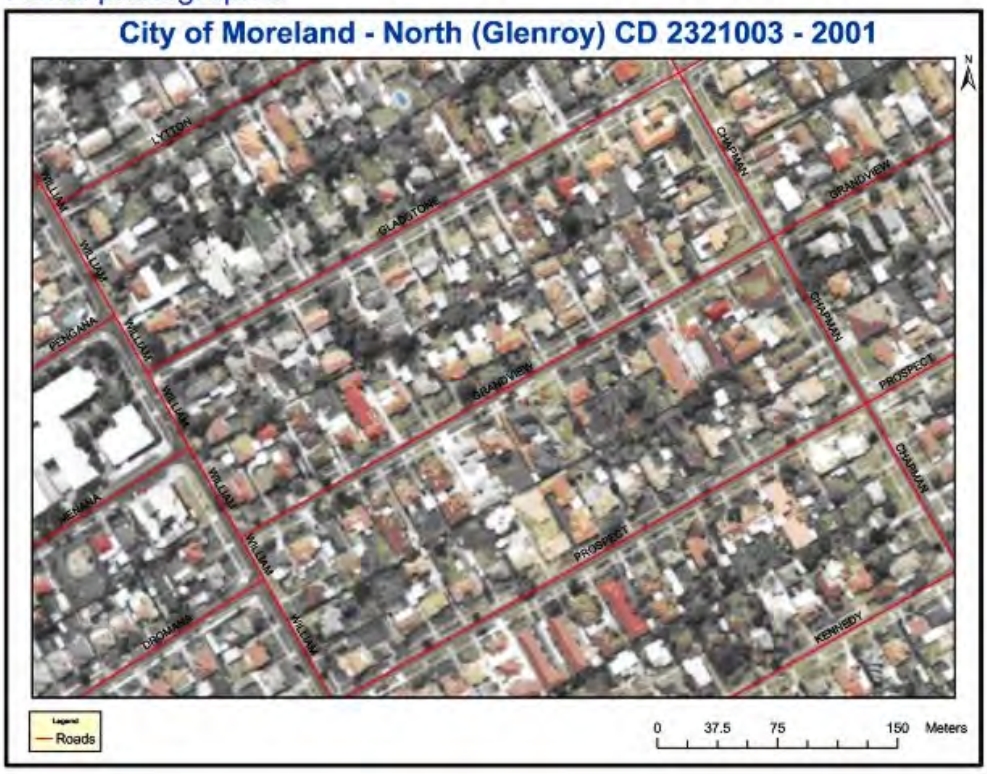
The preceding CDs in Moreland – Coburg are characterised by a mix of cheap and more expensive infill housing. By contrast, the infill in this CD illustrates is directed almost exclusively at lower-income households. One possibility is that some of these households may have been displaced from more expensive areas, including 'transitional' gentrifying areas or *Holdenist low-amenity* areas undergoing some socio-economic improvement.

This collection district is located in the suburb of Glenroy, 12.6 kilometres from the CBD. Glenroy developed rapidly in the early post-war years and housed a mainly working-class, family-orientated population. While much of the housing stock is well maintained, some has become run down (Images 18 and 19). The large blocks characteristic of the original suburban subdivision, together with the close proximity of the CD to a local strip shopping centre and the Broadmeadows railway line, have made this neighbourhood an attractive proposition for *ad hoc* infill. Aerial photographs 1, 2 and 3 below show the extent of residential infill that had occurred prior to 1985 (blue dots) and between 1985 and 2001 (red dots) in the close vicinity of this CD.

Aerial photograph 1



Aerial photograph 2



Aerial photograph 3

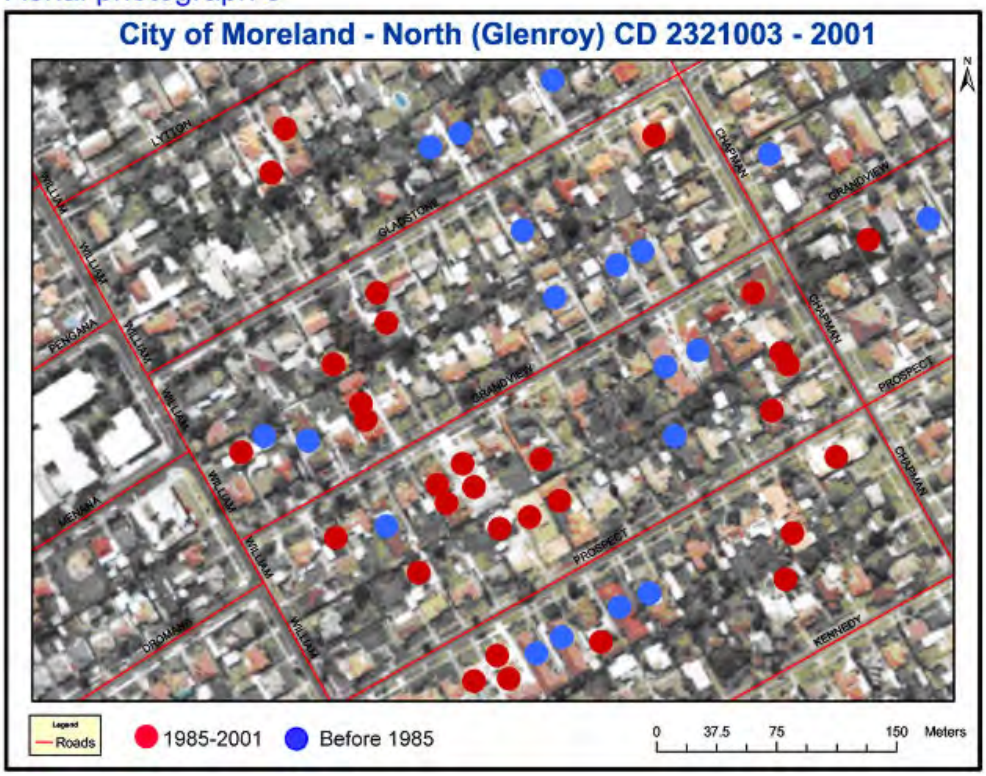


Image 18

Image 19

The generous front and back yards of the original, moderately-sized early post-war housing is readily apparent from the photographs. From an examination of aerial photograph 1, taken in 1985, the spine of large trees which ran along the back fence line within this CD is also visible. Comparison with aerial photograph 2 shows how this green amenity had diminished by 2001, particularly where infill development had occurred.

Infill in this CD dates from the 1970s to the present. Compared with the CDs examined in Coburg, the infill in CD2321003 mainly consists of modest flats and units (Images 20 and 21). The socio-economic character of this neighbourhood has become markedly poor, attracting households who cannot afford detached housing. Lone-parent families with dependent children in this CD increased from 7 to 15 per

cent of all family households between 1996 and 2001 -- from near the MSD average to twice that average. Lone-parent families with children older than 15 years also increased markedly, from 6 to 10 per cent (Table 5.7). For males aged 25 to 44 years, part-time employment increased significantly from 6 to 16 per cent between 1996 and 2001 (Table 5.8), which suggests a reliance on precarious employment for a significant proportion of males. The proportion of males 25 to 44 years who were unemployed remained above the MSD average in 2001, as did the proportion not in the labour force (Table 5.8). While the proportion of employed males over 15 years who were professionals increased, the CD remained below the MSD average with an occupational bias towards clerical workers and above average proportions of labourers and intermediate production and transport workers (Table 5.9)[79].

Image 20 **Image 21**

This is strong evidence of residualisation and it is associated with particularly high levels of medium to higher-density infill housing and well above the MSD proportion of dwellings rented. The proportion of the dwelling stock composed of medium and higher-density dwellings increased from 56 to 61 per cent between 1996 and 2001 (Table 5.7). In the same period, the proportion of dwellings rented also increased, from 29 to 34 per cent (Table 5.7). While medium-density dwellings accounted for the greater part of rental in this neighbourhood, a comparison between Cdata 1996 and 2001 indicates that the proportion of detached dwellings rented increased from 14 to 20 per cent[80]. This suggests that there may be a close association between the growth of infill in this area and the concentration of low socio-economic persons in search for low-rental accommodation. Therefore, the situation appears to be one

[79] Please note that the age range covered for males in Tables 5.8 and 5.9 differs. Table 5.8 refers to males25-44 years and Table 5.9 refers to males 15 years and older.

[80] These figures were derived from ABS 2001 Census Basics and ABS 96Cdata, collection district level data.

where the growth of purpose-built low-income rental infill dwellings is associated with a higher proportion of the older separate detached housing stock being turned over to rental tenure as well.

Table 5.7 shows that in many of the CDs identified, there were significant increases in the proportions of dwellings rented, the extent of medium and higher-density development (mostly infill) and the proportion of families composed of lone parents with dependent children.

Table 5.7 Moreland North and Coburg, selected collection districts by selected social and housing market indicators, 1996 and 2001

		2001	1996	2001	1996-2001	1996	2001	1996-2001	1996	2001	1996-2001
CD	SLA Name	Per cent total h'holds that were family h'holds	Per cent of family h'holds that were lone-parent with child. <15 yrs		Percentage point difference	Per cent occ. priv. dwell. that were semi-detached, flats, units and apartments		Percentage point difference	per cent occ. priv. dwell. rented (not incl. state housing authority)		Percentage point difference
2321002	Moreland (C) - North	60	8	10	2	43	45	2	31	27	-4
2321003	Moreland (C) - North	57	7	15	8	56	61	5	29	34	5
2321011	Moreland (C) - North	59	8	13	5	43	46	3	27	24	-4
2321101	Moreland (C) - North	62	6	11	5	36	38	2	28	27	-1
2321103	Moreland (C) - North	67	8	12	4	38	42	4	31	30	-1
2321203	Moreland (C) - North	73	6	11	5	13	16	3	16	20	4
2321305	Moreland (C) - North	75	2	10	9	2	3	1	27	22	-4
2321606	Moreland (C) - Coburg	55	5	10	5	48	56	8	26	28	2
2321609	Moreland (C) - Coburg	55	10	18	8	50	54	5	21	33	11
MSD			**7**	**8**	**0**	**22**	**23**	**1**	**21**	**20**	**-1**

Source: ABS, Cdata 96 and Census Basics 2001

Table 5.8 Moreland North and Coburg, Males 25-44 years, selected collection districts by selected labour market indicators, 1996-2001

		1996	2001	1996-2001	1996	2001	1996-2001	1996	2001	1996-2001
CD	SLA Name	Part-time males 25-44 yrs as % of male labour force 25-44 years		Percentage point difference	Unemployed males 25-44 yrs as % of males labour force 25-44 yrs		Percentage point difference	Males 25-44 yrs not in labour force as % of all males 25-44 yrs		Percentage point difference
321002	Moreland (C) - North	12	14	3	15	9	-7	9	4	-5
321003	Moreland (C) - North	6	16	11	17	13	-4	18	14	-4
321011	Moreland (C) - North	15	12	-4	17	5	-12	5	9	4
321101	Moreland (C) - North	12	19	7	16	12	-4	10	11	1
321103	Moreland (C) - North	12	7	-5	14	7	-7	12	15	4
321203	Moreland (C) - North	17	17	0	15	15	0	10	21	11
321305	Moreland (C) - North	14	23	10	12	4	-8	10	21	11
321606	Moreland (C) - Coburg	10	13	3	8	10	2	9	13	3
321609	Moreland (C) - Coburg	13	8	-5	17	8	-9	19	10	-9
MSD		**11**	**13**	**1**	**8**	**6**	**-2**	**7**	**8**	**1**

Source: ABS, Cdata 96 and Census Basics 2001

Table 5.9 Moreland North and Coburg, Employed males 15 years and over, selected collection districts by selected occupational categories, 1996-2001

		Percent			Percent			Percent			Percent			Percen
		1996	2001	1996-2001	1996	2001	1996-2001	1996	2001	1996-2001	1996	2001	1996-2001	1996
	Name	Man. & Admn.	Man. & Admn.	% point difference	Prof.	Prof.	% point difference	Elm. Cler. Sales	Elm. Cler. Sales	% point difference	Trades	Trades	% point difference	Int. Prod Trans.
	eland North	0	0	0	12	17	5	8	8	-1	21	18	-3	18
	eland North	4	0	-4	14	19	5	10	13	3	15	15	0	14
	eland North	4	3	-1	20	18	-2	7	9	2	23	23	1	20
	eland North	4	0	-4	13	14	1	2	8	6	23	31	7	18
	eland North	3	4	0	10	16	6	7	8	1	20	23	3	13
	eland North	7	10	3	10	5	-4	5	11	6	39	29	-10	11
	eland North	3	2	0	8	7	-1	6	7	1	32	32	0	28
	eland) - burg	6	13	7	14	15	2	8	9	1	11	17	6	18
	eland) - burg	0	13	13	16	20	5	16	9	-7	21	23	2	24
		11	**11**	**1**	**17**	**19**	**1**	**6**	**6**	**0**	**20**	**19**	**-1**	**13**

Source: ABS, Cdata 96 and Census Basics 2001

5.4 Case study area 4: Darebin - Preston

Preston is another middle-suburban area in Melbourne's north which expanded rapidly after the Second World War as a predominantly working class area in close proximity to the light industrial development further to the north. This area did, however, have some pre-war residential development, which is evident in the distinctive pre-war housing style found in some neighbourhoods. In recent years there has been a rapid growth in medium and density infill. Such housing increased especially fast in the 1996-2001 period (See Table 4.2, Chapter 4). This pattern has continued since 2001 (See Table 4.3, Chapter 4). One indicator of the nature of this infill is that the median estimated value of the new higher-density housing in Preston, at $127,000 in the 2003-2003, was low relative to the Melbourne median.

As with middle-suburban, *Holdenist low-amenity* areas in general (see Figures 4.1a and 4.1b, Chapter 4), the association between the proportion of dwellings that are medium or high density and the proportion of dwellings rented was fairly strong in 2001. As shown in Table 5.10, some neighbourhoods have high levels of medium and high-density housing in association with high rental rates relative to the MSD. In most of the CDs selected both the proportion of dwellings that were medium-density and the proportion of dwellings rented increased between 1996 and 2001.

In a number of CDs, high levels of medium and higher-density housing and high rental rates are associated with concentrations of low-income households. The proportion of families headed by lone parents with dependent children was high in most of the CDs selected (Table 5.10). For example, in CD 2331304, the proportion of families that were lone parent with dependent children (less than 15 years) was 12 per cent in 1996 and 2001; 4 to 5 percentage points above the MSD figure in 1996 and 2001, respectively. In this CD, the proportion of families that were lone-parent with children older than 15 years was also high relative to the MSD average. In 2001, lone-parent families with children either less than or older than 15 years accounted for 25 per cent of family households, well above the MSD average of 15 per cent. Further, in most of the CDs, the proportion of lone-parent families with dependent children increased.

In a number of CDs, the proportion of the male labour force aged 25-44 years that was unemployed was greater than the MSD average in both 1996 and 2001 and worsened in the inter-censal period (Table 5.12). For example, in CD2331305, the proportion of the male labour force aged 25 to 44 years that was unemployed increased from 18 to 20 per cent between 1996 and 2001. The MSD average for these two years was 8 and 6 per cent respectively. Only in two of the CDs shown was there a marked decline in the unemployment level (CD2331306 and CD2331307). In addition, the proportion of all men aged 25 to 44 years who were not in the labour force remained above the MSD figure in most of the cases listed (Table 5.12). Overall, these indicators suggest concentrations of working age men in these neighbourhoods who are precariously situated within the labour market.

Table 5.10 Darebin - Preston, selected collection districts by selected social indicators, 1996 and 2001

	2001	1996	2001	1996-2001	1996	2001	1996-2001
CD	Per cent total h'holds that were family h'holds	Per cent family h'holds that were lone-parent with child. <15 yrs		Percentage point difference	Per cent family h'holds that were lone-parent with child. >15 yrs		Percentage point difference
2331109	66	15	25	10	19	23	3
2331110	70	10	9	-1	5	7	2
2331304	67	12	12	1	12	13	2
2331305	59	8	12	5	15	13	-2
2331306	49	9	12	2	11	9	-2
2331307	50	0	6	6	14	6	-8
2331308	61	8	13	4	11	8	-3
2331310	45	12	15	3	0	8	8
2331609	72	4	7	3	6	8	2
MSD		**7**	**8**	**0**	**7**	**7**	**0**

Source: ABS, Cdata96 and Census Basics 2001

Table 5.11 Darebin - Preston, selected collection districts by selected housing market indicators, 1996-2001

	1996	2001	1996-2001	1996	2001	1996-2001
CD	Per cent of occ. priv. dwell. that were semi-detached, flats, units and apartments		Percentage point difference	Per cent of occ. priv. dwell. rented (not incl. state housing authority)		Percentage point difference
2331109	47	53	6	22	41	19
2331110	12	17	5	23	26	3
2331304	38	38	0	31	37	6
2331305	17	27	10	25	30	5
2331306	70	73	3	43	45	1
2331307	74	76	3	45	46	1
2331308	43	53	9	38	40	2
2331310	56	53	-2	28	33	5
2331609	22	24	1	23	25	2
MSD	**22**	**23**	**1**	**21**	**20**	**-1**

Source: ABS, Cdata96 and Census Basics 2001

Table 5.12 Darebin - Preston, Males 25-44 years, selected collection districts by selected labour market indicators, 1996 and 2001

	1996	2001	1996-2001	1996	2001	1996-2001	1996
CD	Part-time males 25-44 yrs as % of male labour force 25-44 yrs		Percentage point difference	Unemployed males 25-44 yrs as % of male labour force 25-44 yrs		Percentage point difference	Males 25-44 y force as % of y
2331109	0	19	19	0	14	14	12
2331110	7	15	8	8	10	2	11
2331304	13	15	3	12	15	4	9
2331305	7	10	3	18	20	2	11
2331306	7	11	4	26	17	-8	11
2331307	0	21	21	18	0	-18	23
2331308	14	15	2	12	12	0	16
2331310	15	9	-7	23	23	0	7
2331609	8	13	6	9	9	1	9
MSD	**11**	**13**	**1**	**8**	**6**	**-2**	**7**

Source: ABS, Cdata96 and Census Basics 2001

Table 5.13 Darebin - Preston, Males 15 years and over, selected collection districts by selected occupational categories, 1996 and 2001 (per cent)

		1996	2001	1996-2001	1996	2001	1996-2001	1996	2001	1996-2001	1996	2001	199
CD	Dwellings with families 2001*	Prof.	Prof.	Perc. point diff.	Assoc. Prof.	Assoc. Prof.	Perc. point diff.	Int. Cler. Serv.	Int. Cler. Serv.	Perc. point diff.	Elem. Cler. Sales	Elem. Cler. Sales	Per poi dif
2331109	66	0	14	14	20	0	-20	10	7	-3	0	0	0
2331110	70	11	11	0	6	9	2	11	5	-6	9	9	0
2331304	67	11	11	-1	10	13	3	6	13	7	7	9	1

2331305	59	13	5	-8	9	10	1	10	5	-5	18	15	-2
2331306	49	13	13	0	3	9	6	11	9	-3	7	9	3
2331307	50	9	22	13	0	0	0	0	15	15	9	7	-2
2331308	61	6	12	5	10	7	-3	7	6	-2	3	7	4
2331310	45	7	21	14	20	21	1	15	0	-15	0	16	16
2331609	72	14	14	0	11	12	1	11	6	-6	8	7	-1
MSD		**17**	**19**	**1**	**12**	**12**	**0**	**9**	**9**	**0**	**6**	**6**	**0**

Source: ABS, Cdata96 and Census Basics 2001

There was also some indication of a growing middle-class residential population in some CDs. Table 5.13 indicates that there was an increase in the share of professional and associate professional male workers in some CDs. For example, in CD2331307 and CD2331310, the proportion of employed males who were professionals increased from 9 to 22 per cent and from 7 to 21 per cent, respectively, between 1996 and 2001. This aspect is explored further below.

Two collection districts have been chosen to illustrate the tendencies described.

5.4.1 Darebin – Preston, CD2331304

This CD is above the MSD average on a number of relevant indicators of social disadvantage, including the proportion of families that are lone-parent families with dependent children and male unemployment levels (males 25-44 years) (See Tables 5.10 and 5.12). By 1996, the proportion of dwellings that were semi-detached had reached 38 per cent and remained at this level in 2001. The proportion of the dwelling stock in private rental increased markedly between 1996 and 2001, from 31 to 37 per cent of occupied private dwellings, so that by 2001 this proportion was nearly double the MSD figure (See Table 5.11). The nature of much of this infill is illustrated in images 24 and 25. The infill housing in question appears to be intended for a low-income rental market. The infill dwellings are often small and cramped, of repetitive, functional design and offer little in the way of landscaping and green amenity. This situation suggests that the area is becoming a zone of increased concentration of poorer households.

Much of the original housing, although modest, is well kept and tidy. Some older houses have a certain charm (Images 22 and 23) largely due to their surrounding gardens and trees, which at times contrast with the stark barracks-like character of much of the residential infill that has occurred over the past several decades (Image 25). Many of the older houses have well-established gardens, which provide canopy cover and provide visual relief to box-like symmetry of the building outlines. In some cases, however, the visual clash between old and new is avoided because the infill is situated behind the original dwellings and is largely out of sight.

Image 22

Image 23

Image 24

Image 25

The development of residential infill in this CD has occurred in association with above average rates of rental tenure, lone-parent families, male unemployment and only limited growth in higher level occupations. While the original, modest post-war housing stock has been well kept and there is a history of higher-density infill housing, more recent infill development conforms to the low-income character of the area. On the basis of these trends, this neighbourhood will likely develop as an area of concentration for the socially disadvantaged.

5.4.2 Darebin – Preston, CD2331307

CD2331307 is composed predominantly of semi-detached housing and has been subject to intense infill pressures, which date to the 1960s. Much of this infill is of relatively low quality (Images 27, 28 and 29). More recently, the infill has been more up-market (Images 30 and 31). As would be expected, the community in this area is predominantly low socio-economic status. The proportion of employed males aged 25-44 years who were labourers was 19 per cent in 1996 and 22 per cent in 2001 (which is nearly three times the MSD average). However, perhaps surprisingly, there has been an increase in the proportion of male professionals (Table 5.13) and a fall in the proportion of males who are unemployed or not in the labour market (Table 5.12). This growth in professional households may help explain the recent more up-market infill illustrated in images 30 and 31. It is likely that the explanation for this recent trend is the favourable location of this CD opposite to Edwardes Lake Park. This park is one of the few park lands located in this part of Preston.

In contrast to CD 2331304, examined above, the influx of middle-class persons that appears to be occurring at the Edwardes Lake Park end of the neighbourhood gives it a mixed social character. Although it is not likely that the cheaper infill in other parts of this CD will lend themselves to middle-class 'gentrification', such gentrification may continue near Edwards Lake Park. Although the Edwardes Lake Park end of the CD may be considered socially transitional, the cheaper infill characteristic of the remainder of the CD will likely attract low-income residents.

Image 26

Image 27

Image 28

Image 29

Image 30

Image 31

5.5 Case study area 5: Casey – Cranbourne

The case study neighbourhoods considered here are located on the suburban fringe in Casey - Cranbourne, to the Southeast of Melbourne. The two CDs selected for close analysis (CD 2342307 and CD2342308) were built around the early 1990s and represent experiments in compact city design. A number of nearby CDs are also included for comparison.

As discussed earlier, the original hypothesis of this research was that compact city policy would lead to the formation of new concentrations of social disadvantage in some fringe locations of Melbourne, as lower income households were forced to move there because of the high price of established suburban housing. However, evidence of a shift in the marketing strategies of property developers in fringe locations, in favour of master planned estates and a more expensive housing product, led to a reconsideration of this original perspective. It was hypothesised that cheaper housing was likely to be built in the form of infill, particularly in *Holdenist low-amenity* locations.

Nevertheless, in some fringe areas where higher-density subdivisions have occurred the housing resulting has much in common with the cheaper forms of infill. The areas to be discussed are cases in point.

The two CDs selected now rank amongst the densest residential areas in the outer ring of the MSD. Aerial photograph 4 demonstrates the high densities of the Duff St vicinity. The area highlighted in the photograph represents an area of 2.75 hectares and contains 40 dwellings, resulting in a dwelling density of 15 dwellings per hectare.

The housing stock in each of these CDs is predominantly separate detached and rental rates are relatively low. Nevertheless, the rental rates trended upward in both CDs between 1996 and 2001. This upward trend is particularly marked in the case of CD2342308, where the proportion of dwellings rented increased by 9 percentage points, to 19 per cent in 2001 (similar to the MSD average in 2001).

In addition, the proportion of families headed by lone parents increased significantly. By 2001, 25 per cent of all family households in CD 342308 and 20 per cent in CD 342307 were headed by lone parents. This indicator provides firm evidence that the housing in question is attracting low-income households.

However, the labour market indicators for males in these two CDs are more equivocal. In CD2342308, unemployment amongst males 25 to 45 years declined between 1996 and 2001, from 4 per cent to zero. The data suggests that this decline may have been reflected in an increase in the proportion of men within this age group with part-time employment (Table 5.15). During the same period, the proportion of men aged 25 to 44 years in CD 2342308 who were not in the labour force remained constant at 5 per cent, below the MSD average. Therefore, the data suggest that the male residents of these two CDs did not deteriorate between 1996 and 2001. Nevertheless, the predominantly semi- and low-skilled occupational make up of the employed male residents suggests that their labour market prospects may be precarious.

Table 5.14 Casey-Cranbourne, selected collection districts by selected social and housing market indicators, 1996 and 2001

		%	Lone parent families %						Occupied private dwellings %			
		2001	1996	2001	1996-2001	1996	2001	1996-2001	1996	2001	1996-2001	1996
	A	dwellings with families	With children <15 years 1996	With children <15 years 2001	% point difference	With children >15 years 1996	With children >15 years 2001	% point difference	Semi-detached, flats, units & apartments	Semi-detached, flats, units & apartments	% point difference	Private Rental (not incl. SHA rental)
	(C) - urne	66	18	14	-4	9	12	3	24	26	2	24
	(C) - urne	67	21	17	-4	7	7	0	25	22	-4	26
	(C) - urne	54	17	18	1	7	14	7	60	63	3	47
	(C) - urne	49	16	17	1	8	12	3	48	51	4	41
	(C) - urne	69	8	15	7	5	10	5	12	11	-1	19
	(C) - urne St)	88	9	15	5	0	5	5	2	1	0	11
	(C) - urne St)	81	14	17	2	3	8	5	0	0	0	11
			7	8	0	7	7.3	0.3	22	23	1	21

Source: ABS, Cdata 96 and Census Basics 2001

Table 5.15 Casey-Cranbourne, Males 25-44 years, selected collection districts by selected labour market indicators, 1996-2001

	1996	2001	1996-2001	1996	2001	1996-2001	1996	2001
SLA	part-time	part-time	% point difference	unemp.	unemp.	% point difference	not in labour force as % total males	not in labour force as % total males
sey (C) - anbourne	9	11	2	10	7	-4	6	12
sey (C) - anbourne	10	14	4	13	7	-6	9	17
sey (C) - anbourne	13	7	-6	6	9	2	8	12
sey (C) - anbourne	7	21	14	9	7	-2	14	12
sey (C) - anbourne	14	13	-1	8	7	-1	6	14
/ (C) - ourne (Duff	10	12	2	5	5	-1	2	6
/ (C) - ourne (Duff	11	15	3	4	0	-4	5	5
	11	**13**	**1**	**8**	**6**	**-2**	**7**	**8**

Source: ABS, Cdata 96 and Census Basics 2001

Table 5.16 shows that the occupational makeup of the younger male workforce is predominantly blue-collar with high proportions employed in the trades, intermediate production and transport, and labouring occupations. In CD2342307, the share of labourers in the employed male workforce increased by 11 percentage points, from 4 to 15 per cent between 1996 and 2001. At the same time, the proportion employed men in trades occupations fell from 34 to 26 per cent.

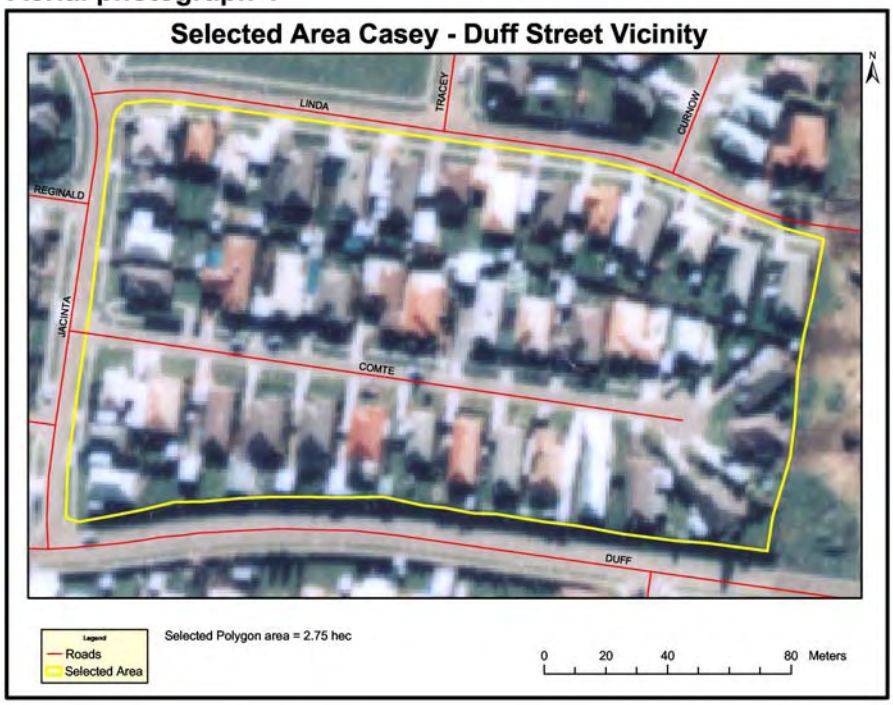
The data suggest that these two neighbourhoods are accumulating less affluent households, particularly in the growth of lone parent households. The data available do not allow a direct test of the hypothesis that such households are moving into these CDs because that is all they can afford. It could be that the lone parent situation is 'home-grown', a product of break down amongst the families who originally settled the area. However, field work in this area indicates signs of social and physical deterioration. If so, some dwellings in the area could have lost value and become more accessible to lower-income households.

Table 5.16 Casey-Cranbourne, Males 15 years and over, selected collection districts by selected occupational categories, 1996-2001

		Per cent			Per cent			Per cent		
		1996	2001	1996-2001	1996	2001	1996-2001	1996	2001	1996-2001
CD	SLA	Trades	Trades	Perc. point diff.	Int. Prod. & Trans.	Int. Prod. & Trans.	Perc. point diff.	Lab. & Rel.	Lab. & Rel.	Perc. point diff.
2340403	Casey (C) - Cranbourne	26	26	0	20	24	4	15	10	-5
2340404	Casey (C) - Cranbourne	28	34	6	23	21	-2	13	15	2
2340405	Casey (C) - Cranbourne	32	29	-2	14	16	3	15	11	-4
2340406	Casey (C) - Cranbourne	23	26	3	20	20	0	20	20	0
2340410	Casey (C) - Cranbourne	24	34	10	25	24	-1	16	20	4
2342307	Casey (C) - Cranbourne (Duff St)	34	26	-8	31	27	-4	4	15	11
2342308	Casey (C) - Cranbourne (Duff St)	33	32	-1	22	24	2	10	10	0
MSD		**20**	**19**	**-1**	**13**	**12**	**-1**	**8**	**8**	**0**

Source: ABS, Cdata 96 and Census Basics 2001

Aerial photograph 4



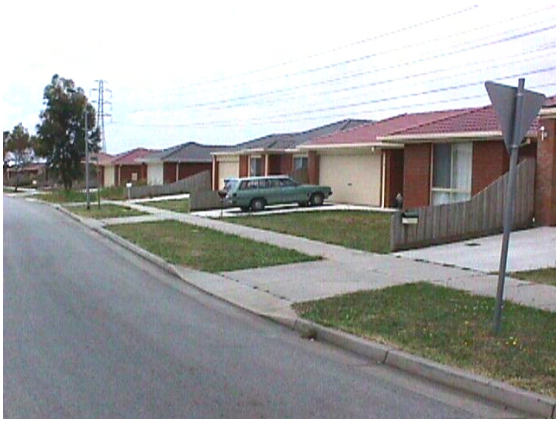
5.5.1 Field observations -- The Duff St area (CD342308)

Although the Duff St area was established around the early 1990s, physical deterioration of dwelling stock is already becoming apparent. Images 32 and 33 help convey the stark character of the Duff Street area.

This is a suburban frontier landscape with little room in the front of the houses for landscaping. Houses often abut neighbour's garages. Large trees and shrubs are rare and it is unlikely that this area will achieve the green ambiance that characterises lower-density suburbia nearby and elsewhere. This will be made difficult by small front and back yards available, the minimal space between dwellings and the frequent use of front yards for parking. Within the vicinity of this CD, there are almost no other buildings such as churches, civic halls or even corner stores in evidence.

Image 32

Image 33



Another notable feature is that roads are narrow and footpaths are often only provided on one side of the street. Although new urban principles have been applied to the street design, for example in the provision of some linking walkways between streets, the area remains highly car-dependent with little public transport. Car parking is an obvious dilemma. With streets being narrow, cars were often parked off road on grassed or paved areas in front of houses, thus adding to the congested character of the streetscapes.

Duff Street is not typical of Cranbourne as a whole. Neighbourhoods near Duff St with lower housing densities were better kept, had more developed gardens and showed less evidence of social problems, such as graffiti and excessive tyre marks on the roads. In Duff Street, almost all houses featured prominent burglar alarms.

If those who can afford to move out of Duff St do so, and if those who replace them tend to be socially disadvantaged, a dynamic may be established whereby the persons who remain are those who simply cannot afford to move. Our observation of Duff Street suggests that this process is occurring. Once this process begins, it seems to bring in its wake a community without much interest in the appearance of the housing. The resulting non-descript ambiance offers little encouragement for newcomers to behave differently.

6 CONCLUSION

This study has explored factors that have influenced the concentration of social disadvantage within Melbourne. The research questions asked included the following.

> Is limited residential mobility a factor in the development of spatial concentrations of disadvantaged households?
>
> What is the role of the built environment – residential densities, local amenity and physical aesthetics of neighbourhoods – in the process of concentration of persons with low socio-economic characteristics (termed residualisation in this study)?
>
> What is the potential of suburban fringe locations to become areas where low-income households concentrate?
>
> and:
>
> What are the implications for the preceding questions of recent metropolitan planning changes in Melbourne?

To explore these questions, it was necessary to identify the locations within Melbourne that had already become characterised by low socio-economic concentrations. Statistical Local Areas within the Melbourne Statistical Division were grouped into five broad zones based on socio-economic criteria and the character of housing stock. This analysis was initially conducted at the Statistical Local Area level.

Of these zones, the *Holdenist low-amenity* category was of central focus to the study. In the main, the areas included in this category were built after the Second World War and consisted of housing orientated to the needs of low to moderate-income families at the time. This category also incorporated some more recently established housing areas (including Cranbourne), which also provide low to moderate income family housing.

6.1 Residualisation in the Metropolitan area

The analysis corroborates previous research, which shows a strong pattern of spatial differentiation between low-income and high-income persons within Melbourne. Internal migration data for working age males, for the periods 1991 to 1996 and 1996 to 2001, indicate a net loss of low-income men from *High amenity near city* and *Transitional near city* areas in inner Melbourne. During the 1991 to 2001 period, these low-income men tended to by-pass *Holdenist low-amenity* areas for suburban fringe locations.

A similar pattern of net residential relocation occurred for lone-parent families (with children aged 0-14 years), a family type that is financially disadvantaged, is a strong indicator of concentration of disadvantage and is similar to that of low-income working aged men. There was a significant net loss of these families from *High amenity near city* areas and *Transitional near-city* areas towards suburban fringe or near fringe locations.

The similarity of the internal migration patterns of low-income males and lone parents suggests that, taken together, they are particularly good indicators of the residential concentration of social disadvantage (or ‘residualisation’).

The research also examined in detail the movement of professionals and blue-collar workers over the 1996 to 2001 period. In the case of professionals, there were strong net gains in *High amenity near city* and *Transitional near city* areas. In the case of blue-collar workers, there were losses from *High amenity near-city* and *Transitional near city* areas. The destinations of blue-collar movers from these areas included some established *Holdenist low-amenity areas* within Kingston and Frankston. However, the main destinations were outer suburban locations.

The settlement pattern of migrants was distinctive. Recently-arrived overseas migrants (those arriving between 1996 and 2001) tended to locate as their income might afford, in areas that were consolidating as either affluent or low-income. A high proportion of recently-arrived, low-income migrants settled in *Holdenist low-amenity areas*. In doing so, they added significantly to the low-income populations of some of these areas, including Greater Dandenong and Hume-Broadmeadows.

A second approach to exploring spatial differentiation in Melbourne involved a detailed examination of the socio-economic characteristics of the residents and dwelling tenure at the Collection District level, for the years 1996 and 2001. One aspect of this work was an exploration of the degree of association between the concentration of low-income residents and changes in the level of rental tenure. A comparison of 1996 and 2001 Census data shows that there was only a slight decline in the proportion of dwellings rented in this period for Melbourne as a whole. However, there were marked neighbourhood level and sub-regional shifts in the proportion of dwellings rented. In areas where there was a concentration of low-income men and lone-parent families there were often marked increases in the proportion of dwellings rented. By contrast, in parts of *High amenity near city* and *Transitional near-city* areas, there were significant declines in the proportion of dwellings rented.

It was concluded that mobility is a crucial factor in the spatial differentiation of affluent persons and low socio-economic persons within Melbourne. Residential mobility has influenced the distribution of low and high socio-economic persons within neighbourhoods. This is an alternative explanation to that offered by other authors, who have explained the concentration of social disadvantage by focussing upon manufacturing job loss over the past two decades. This study shows that concentrations of low-income residents largely reflect competition for residential and housing amenity, as mirrored in housing prices. Such residents have no choice but to locate in lower-priced areas because of their limited financial resources.

However, the analysis of internal migration data by birthplace in Chapter 2 suggests that low-income Australian-born residents and low-income residents born in main-English-speaking countries are seeking residential locations more in tune with their cultural background. The rate of net loss of these persons from *Holdenist low-amenity* areas was higher than for NESB-born residents. This outcome further suggests that ethnic or cultural preference may be acting as an additional factor in determining the movement and location of low-income residents, rather than simply the availability of cheap housing alone.

The analysis also shows that some fringe locations have the potential to become new areas of concentration of social disadvantage. Internal migration data show that this was occurring in the decade to 2001. Indeed, the original hypothesis of this study was that this was occurring and that it may prefigure a significant change in the distribution of social disadvantage in Melbourne. However, as discussed in the body of this report, recent developments affecting land and property prices in Melbourne, including the

adoption of compact city policy, indicate that this pattern will not likely continue on the scale observed prior to 2001. For this reason, the focus of this research shifted to the socio-spatial patterning and housing markets in the middle suburban *Holdenist low-amenity areas*. The case study neighbourhoods that were finally selected reflect this focus.

6.2 Compact city policy assumptions

To explore the possible influence of urban consolidation upon patterns of socio-spatial differentiation in Melbourne, it was first necessary to consider whether compact city policy is likely to have the urban consolidation outcomes expected, or whether other forms of consolidation might be more likely to result.

This part of the research began with an analysis of projected growth in households, particularly with regard to the age of household heads and household type. The findings were that around two thirds of the growth in households in Melbourne would consist of households headed by persons aged over 55 years. As to household type, most of these households would be couples without children and lone persons. Very little growth was projected for younger couples without children or single households, the categories with the highest propensity to locate in inner area flats or apartments.

These projections raise doubts about the likelihood that 'activity centres' will account for 41 per cent of additional households by 2030, as is the goal of current compact city policy. Analysis of internal migration movements over the 1996 to 2001 period in Melbourne showed that the propensity for persons to move declines rapidly with age. Unless there is a fundamental break with past residential mobility patterns, it is not likely that older persons will seek to relocate to multi-dwelling complexes in high-density mixed-use zones to the extent expected.

The expectation that a high proportion of future household growth will occur in Activity Centres is also doubtful on cost grounds. The cost of multi-level apartment complexes will likely restrict the marketability of activity centre-based living. The most optimistic view amongst the property developers interviewed was that a limited market may exist in some particularly affluent locations within Melbourne. These circumstances also raise doubts about the claim that compact city policy will provide more affordable housing outcomes compared with conventional low-density suburban development.

6.3 UGB

Property developers operating in suburban fringe locations indicated that increased competition for broadhectare land within the UGB had added to inflationary pressures upon land prices, which had resulted from the housing construction boom of the late 1990s. Partly as a result, new estates are increasingly being targeted to relatively affluent home buyers. Fringe developments now tend to be more design-intensive, master-planned and geared to a 'trade-up' market. As a consequence, first home buyers tend to be excluded. This view was consistent with analysis of first Home Owner Grant data. The proportion of new houses constructed in outer suburbia that were attributable to first home buyers has dropped sharply since the peak year of 2000-2001.

The study therefore concludes that, for the majority of households who want a detached home, the conventional option of a new home on the suburban frontier will be more difficult to achieve than in the recent past.

6.4 Ad hoc infill

The study concluded that the Victorian Government's compact city policy understates the extent to which Melbourne's additional 680,000 households (*Melbourne 2030* estimate – 620,000) over the period to 2030 will be accommodated through residential infill development in established suburbia. Infill refers to new houses or units built as dual occupancy or medium or higher-density subdivisions[81].

The ResCode regulations, which govern dual occupancy and other infill development in established suburbia are not preventing residential infill proceeding at the relatively high levels reached before ResCode came into operation in 2001.

The outlook is for increased competition for housing stock within higher-amenity middle suburban areas, as well as some neighbourhoods within *Holdenist low-amenity areas.*

6.5 Case studies

The case study areas were used to explore the inter-relationship of dwelling change, including infill development, and social differentiation at a fine spatial scale. Some middle-suburban *Holdenist* neighbourhoods are being socially 'reassigned' in the process of physical refurbishment, either increasing the affluence and status of the neighbourhoods concerned or, in some cases, the reverse. The expectation was confirmed that in some *Holdenist low-amenity* neighbourhoods infill housing is attracting more affluent households. Such upward social transition within *Holdenist low-amenity* suburbia is a form of gentrification, although the middle class fraction involved is likely to be distinct from that behind the gentrification of older inner city areas. As of the 2001 Census, these areas had a dual social character, reflecting their relatively modest or low socio-economic history and the recent incursion of more affluent residents. This suggests that, as a consequence, low-income residents who are displaced from such areas may add to the competition for low-income housing in some other *Holdenist low-amenity* neighbourhoods, which remain unattractive to more affluent persons.

At the same time, the case studies indicate that socio-economic disadvantage was becoming more entrenched in some *Holdenist low-amenity* neighbourhoods. Field observation suggests that the character of recent residential infill in these areas has helped reinforce their residual character in that the infill predominantly consists of small, tightly packed flats and units with little landscaping. In some cases, the proportion of dwellings rented was well above the Melbourne average and was increasing. It is likely that this infill is being designed for and targeted at households with no alternative but to rent such accommodation in these neighbourhoods. Field observation also suggests that the construction of cheap higher-density infill in such low-income neighbourhoods is more likely where there is a heritage of similarly cheap, compact dwellings. In some cases, this meant that, rather than cheap, higher-density dwellings being part of a mix of dwellings types and dwelling sizes, it had reached a point where such dwellings had begun to dominate the built character of the neighbourhood.

[81] It does not include housing in special precincts, such as Docklands.

This type of residential infill in residual areas may be contributing to a cycle of social disadvantage. Rows of cheap units in close proximity, especially where rented, tend to produce an ambiance that is unattractive to better off residents. The stigmatisation of such neighbourhoods appears to have resulted, an outcome closely linked to the poor quality, type and higher density of housing. It is likely that those who can afford to move out do so, leaving the more disadvantaged households to cope as best they can. In such circumstances, the operation of the housing market, through the infill process, can play a significant role in the maintenance and consolidation of social disadvantage[82].

It was noted that some property developers in fringe locations use covenants to prevent subsequent *ad hoc* housing development, including infill within their estates. This practice provides an insight into the ways in which infill development can be perceived as undesirable. Some developers are aware of the possibility that higher dwelling densities, combined with an *ad hoc* architectural character and inconsistent housing quality can become significant markers of neighbourhood decline and attempt to ensure that their developments are not subject to it. The prohibition of infill by such developers is part of their marketing appeal to a more affluent market. Neighbourhoods charactersied by intense *ad hoc* infill development, aimed at a low-income rental market, would stand in stark contrast to architecturally coherent, design intensive, infill-free master-planned estates found in some fringe areas.

Although, for reasons described above, the research focus shifted from an examination of social disadvantage in suburban fringe locations to established early post-war low-amenity suburbs, the data and fieldwork suggest that a number of suburban fringe suburbs, built during the 1990s, may nevertheless remain vulnerable to the concentration of social disadvantage. As highlighted by the SLA level analysis, many low-income residents who were displaced from *Transitional near city* locations during the 1990s by-passed low-amenity middle suburban areas, in favour of fringe locations. As argued above, a number of factors, including the impact of compact city policy, may lead to fringe developments becoming more design intensive and expensive in future. Nevertheless, some low-cost, higher-density and less-well-designed fringe locations of the 1990s may remain an affordable destination for disadvantaged persons who are displaced because of intensified housing competition elsewhere within Melbourne. The case study area within Casey – Cranbourne is a case in point.

6.6 Policy implications

The study demonstrates that residential infill caters for a broad social spectrum. However, the likelihood that *ad hoc* infill will play an increasing role in the provision of future housing means that the *quality* and *location* of additional housing supply will be largely unplanned. In turn, this may have unpredictable and undesirable consequences for the spatial distribution of the poor.

The data relating to increased rental tenure and infill activity examined in the case studies strongly suggests that the growth of *ad hoc* infill is closely associated with the concentration of low-income and socially disadvantaged persons in some *Holdenist low-amenity* CDs. Once this link is apprehended, it is difficult to sustain the view of *ad hoc* residential infill as being a socially neutral factor in the urban development process.

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[82] Randolph, B., Renewing the middle city: planning for stressed suburbs, http://www.urbanfrontiers.uws.edu.au, [accessed January 2004

Rather than the creation of socially-mixed residential settings within 'activity centres', where poor job availability and poor access to cultural and other amenities for low-income persons would be minimised, the findings suggest that concentrations of the socially disadvantaged are likely to emerge in those locations within *Holdenist low-amenity* suburbia which are passed over by more affluent persons as undesirable. Such locations may be poorly situated with respect to public transport use, education, health and other services. Instead of a rich social mix, as foreshadowed in current urban policy, the inadvertent outcome is more likely to be one of a market-led social narrowing in some areas-- the product of the isolated initiatives and market perceptions of a multitude of small-scale property developers[83].

Another potential outcome of low-income, rental-orientated infill development is the emergence of neighbourhoods with a high level of residential transience. In some overseas contexts, this has been associated with an accumulation of social problems, including weak or unstable social fabric, social stress, delinquency and potential overcrowding. The net outcome can be a built environment, which poses a structural constraint on positive social interaction, as residents' social experience and horizons are narrowed[84].

The study also suggests the possibility of a more fine-grained social polarisation than has occurred previously within Melbourne. Although the case study findings are preliminary, the neighbourhood level differentiation observed in the study may foreshadow a departure from the established, broad-scale pattern of concentration of the socially disadvantaged (as found in Broadmeadows). Greater social contrasts appear to be emerging at the neighbourhood level within some *Holdenist low-amenity* suburbs. If neighbourhoods are socially transformed in this way, the outcome may be a more fragmented suburban mosaic. Although it might be argued that a greater social mix between proximate neighbourhoods would be socially advantageous, much would depend upon the degree of stigmatisation attached to residual neighbourhoods, Further, a more fine-grained mosaic of social disadvantage may make it more difficult to consolidate or rationalise low-income welfare and service provision to a relatively few locations.

Without a revision of ResCode, in order to limit the current momentum of residential infill, parts of *Holdenist low-amenity* suburbs will become residuals catering for low-income households. While *ad hoc*, small-scale residential redevelopment is permitted to remain financially rewarding for small-scale developers, the Melbourne 2030 compact city objective of redirecting the incumbent resident population into high-density nodes is not likely to succeed. The liberalisation of the building code within activity centres, as facilitated by compact city policy, needs to be complemented by a tightening of the building code in surrounding areas.

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[83] Randolph, B., Renewing the middle city: planning for stressed suburbs, http://www.urbanfrontiers.uws.edu.au, [accessed January 2004, p. 5

[84] Massey, D., & Denton, N. *American apartheid, segregation and the making of the underclass*, Cambridge, Harvard University Press, 1993

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For women in families, their personal income as reported in the Census is not a good indicator of their position in the housing market because if women do not work full-time their housing situation will mainly reflect the income level of their male partners.

The locations identified in the following tables do not identify every SLA separately. This is a consequence of the high cost of census matrices which cover a large number of locations as well as a range of social and economic characteristics of the residents. As a result, some locations which ideally would have been kept separate have been grouped with neighbouring areas. One example is Whittlesea (C) – South which recent analysis suggests is a significant Holdenist area but was grouped in the Census matrix with Whittlesea (C) – North and Nillumbik which do not display Holdenist characteristics.

These SLA categories were derived from secondary data analysis based on socio-economic variables relating to income, occupation and family type as well as housing market characteristics, including levels and type of dwelling construction and property values. Internal migration data was also used to ascertain which areas were gaining in low-socio-economic concentrations and which were becoming more affluent.

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24 While some 5,800 CDs were used to comprise the Melbourne Statistical Division for 2001, about 4,200 CDs, or 72 per cent, had a high degree of comparability between 1996 and 2001. Therefore, when data is compared for 1996 and 2001, the comparison is limited to this subset of 2001 CDs.

It should be remembered that some of the proportional gain in separate detached dwellings which has occurred in some CDs has resulted in an increase in dwelling densities. This is because of instances where a separate detached house is replaced by more than one separate detached house on a block of land. Because of this, there is no perfect relationship between housing type and density change.

These figures were derived from ABS 2001 Census Basics and ABS 96Cdata, collection district level data.

It does not include housing in special precincts, such as Docklands.

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