

# How does housing density affect disadvantage across the city?

**INFILL HOUSING IN MIDDLE RING SUBURBS IS A DESTINATION FOR LOW-INCOME, DISADVANTAGED HOUSEHOLDS IN THE PRIVATE RENTAL MARKET.**

## KEY POINTS

- In Melbourne, middle ring suburbs – with low amenity and dominated by ageing post-war housing stock – are in the process of becoming ‘residualised’ (characterised by increasing concentrations of disadvantaged persons such as the unemployed or those on low income).
- The most important process behind residualisation in these locations is not labour market change (such as job losses in manufacturing), but the process of inward and outward migration which is influenced by housing market signals.
- These middle suburbs are filling with low income migrant populations while higher income households are leaving for outer suburban locations.
- Inner city, gentrifying and low amenity suburbs are all experiencing significant densification in housing stock, but the social outcomes vary suggesting that densification per se is not the key issue.
- Changes in the proportion of disadvantaged persons in middle ring suburbs is at least partly due to increased availability of rental tenure accommodation which has been facilitated through urban in-fill.
- Policy initiatives, such as spot purchase programmes for public housing, should consider the impact of residualisation of middle income suburbs in order to avoid concentrating low income persons in already disadvantaged locations.

*The research carried out by **Dr Ernest Healy** and **Dr Bob Birrell**, Swinburne-Monash Research Centre, examined the link between urban density, household mobility and locations of increased disadvantage in Melbourne.*

## CONTEXT

### **Why does increased concentration of disadvantage matter?**

The housing market has the potential to counter-act or reinforce the impact of the labour market in leading to the spatial concentration of social disadvantage. The purpose of this research was to discern whether housing was a factor among the various forces acting to concentrate social disadvantage. It sought to find out the degree to which socially disadvantaged households concentrated in certain suburbs, why this occurs, and if there is anything urban and housing policy makers might do about it.

## METHODOLOGY

Unpublished Census data for 1991, 1996 and 2001 was used to provide evidence of disadvantage in local communities as measured by male unemployment rates, proportions of sole parents and income profile. Density of housing was measured using the proportion of dwellings that were semi-detached, units, flats or apartments. This may understate density since it does not consider the increased tendency to build detached dwellings on smaller blocks.

Case studies in transitional near city areas (Moreland-Brunswick), middle ring locations (Moreland Coburg and Darebin-Preston) and outer suburban locations (Casey-Cranbourne) also provided photographic evidence of suburban infill and the character and physical state of dense housing in those locations.

## FINDINGS

### **Which suburbs have increases in disadvantaged households?**

Disadvantage was measured by the degree to which unemployed males were over-represented compared to the male labour force as a whole. As shown in Table 1, the locations with the greatest over-representation of unemployed males in 2001 were middle ring low amenity suburbs. These suburbs were characterised by ageing housing stock built in the post-war period typically more than walking distance from amenities (and as such car dependent). These neighbourhoods had, on average, experienced an increased concentration of male unemployment over the last inter-censal period. The increase was especially acute in Casey-Hallam, Brimbank-Sunshine, Darebin-Preston and Hume-Broadmeadows.

An over-representation of unemployed males was also found in transitional near-city suburban locations. However, these suburbs were in the process of gentrification, and experienced a reduction in the proportion of male unemployment from 1996-2001.

### **What processes lead to concentration of disadvantage in a location or community?**

A number of drivers can lead to concentrations of disadvantage, including migration, dwelling density, housing tenure, and residential form. A key issue is whether migration between suburbs (related to housing market affordability) is exacerbating the problems of the labour market by working to concentrate low-income persons in certain locations. Figure 1 shows that there was a net out-migration of low-income persons from the inner suburbs towards the outer suburbs. However, high rates of out-migration of high and middle-income persons were only apparent for middle-ring suburbs. Whereas both inner-city, transitional suburbia and outer suburbs gained high income persons (the outer suburbs gained in all income groups).

The net losses of local population (especially high income groups) from middle ring, low-amenity areas over the period 1996-2001 were met by a net increase in overseas migrants (the majority of whom were non-English speaking and low income). They were especially concentrated in middle-ring low amenity suburbs, such as Monash South-west and Greater Dandenong and Transitional near-city suburbs of Brunswick and Maribyrnong.

Entrants to outer suburbs were often blue collar and sole parents, while those to inner areas were increasingly professionals.

### **Do characteristics of housing, including residential density, lead to neighbourhood disadvantage?**

#### *Density of housing*

Densification had no clear association with changes in disadvantage overall: density does appear to be associated with poor outcomes in middle-ring low amenity suburbs, but the opposite is apparent in some gentrifying or outer suburbs. These trends are shown in Table 2.

In middle-ring low amenity suburbs such as Darebin-Preston where densities increased significantly (almost 4 percentage point increase in proportion of dwellings that were high density) there were significant increases in the proportions of sole parents and, in most suburbs, an increase in the incidence of male unemployment (despite the overall decline in male unemployment in Melbourne as a whole throughout that 1996-2001 period). The increase in disadvantage in this area came with an almost 5 percentage point increase in the proportion of private renters.

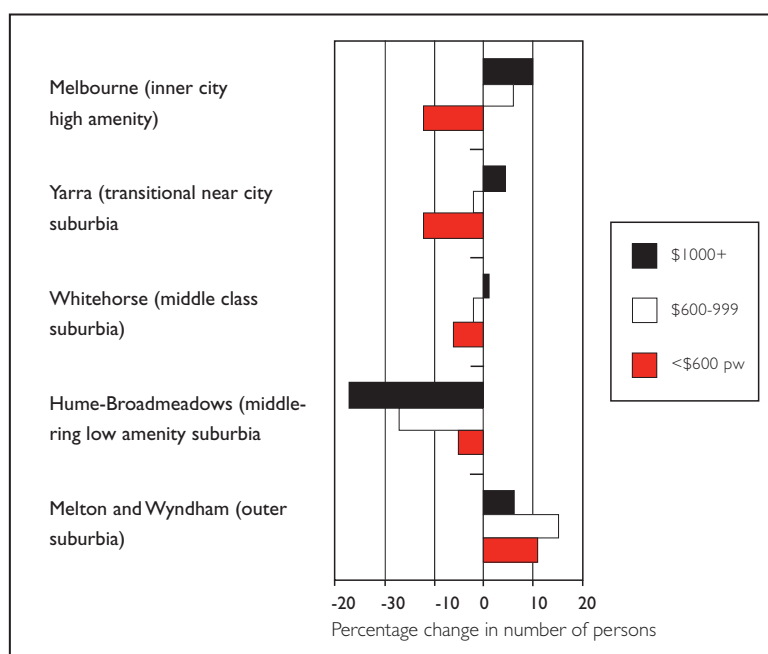
However in 'transitional' suburbs such as Moreland-Brunswick, where densification over the period 1996 to 2001 was associated with strong gentrification, there

**TABLE 1: OVER-REPRESENTATION OF UNEMPLOYED MALES, BY HOUSING MARKET LOCATION**

Location	Unemployed males relative to labour force 2001 (average for locations)	Change in average location on quotient (1996-2001)
High amenity near-city suburbia	0.8	0
Transitional near-city suburbia	1.2	-0.1
Low amenity suburbia	1.3	0.1
Middle class suburbia	0.7	0
Outer suburbia	0.8	0

Source: Census data 1996, 2001 for Statistical Local Areas. Over-representation is defined by a quotient over 1, under-representation is under 1. Areas were grouped into categories characterised by income, occupation, housing stock type and proximity to amenity

**FIGURE 1: NET DOMESTIC MOVEMENT INTO SUBURB, BY INCOME MALES (25-64) 1996-2001**



**TABLE 2: DENSIFICATION OF HOUSING STOCK AND CHANGES IN DISADVANTAGE, CASE STUDY AREAS 1996-2001**

Change in proportion (percentage point change)	Moreland-Brunswick (transitional)	Preston Darebin (middle-ring low amenity)	Casy Cranbourne (outer suburban)	Melbourne Metro
<b>Density</b> Dwellings semi-detached, flats, units or apartments as a percentage of all stock	1.2	3.9	0.6	1.0
<b>Measure of Disadvantage</b> Lone parent families (with child under 15) as a percent of all households	-3.1	3.7	1.1	0.0
Unemployed males as a percent of male labour force	-2.8	-0.3	-2.3	-2.0
Percent of households renting privately	3.0	4.9	1.1	-1.0
<b>Measure of Gentrification</b>				
Professionals	8.3	4.1	N/A	1.0
Labourers	-3.6	N/A	1.1	0.0

was a decline in the incidence of lone parents and unemployed males as a whole. Locations within the suburb with big declines in unemployment showed large increases in density. Conversely, the two areas that exhibited significant increases in the incidence of male unemployment were in areas where densities declined or remained static. This gentrification occurred at the same time as an increase in the proportion of private renters. Modest rates of densification also occurred on fringe areas such as Casey-Cranbourne. The change in proportion of unemployed and sole parents was more consistent with the Melbourne average than other case studies.

While densification does not appear to have a direct impact on disadvantage, there is evidence that densification of housing stock is associated with increased proportion of people in private rental accommodation. The increases in private rental accommodation are observed to be strongest in those areas with the highest rates of densification. In turn, private rental has been an important channel in middle-ring low amenity suburbs to permit increased numbers of low income persons to settle in these areas.

## **POLICY IMPLICATIONS**

Communities in disadvantaged suburbs such those built in the post-war period have experienced an increase in disadvantage due to migration of high income earners away from those suburbs and an influx of low income migrants. These are associated with tenural changes including significant increases in private rental accommodation in those suburbs.

This has implications for decisions made by housing authorities about spot purchase programmes for public housing – these suburbs may provide opportunities for low cost purchase, but may become concentrations of disadvantage in future if not carefully monitored. As many of these locations may have poorer access to public transport or other amenities, there may be questions about how well the private rental markets might work to assist these people to access work and potential implications for public transport planners or for the need to assist those on low incomes reliant on car transport.

Densification, per se, is shown to have no clear effect on disadvantage. While densification is generally associated with increases in rental housing, some areas close to the CBD favoured by professionals are in the process of gentrification, whereas locations further out are more likely to be favoured by lower income earners. This locational differential is likely to reflect concerns of different groups around amenity, access to employment as well as affordability.

Compact city policies aimed at increasing densification of housing, and in particular towards the increased use of urban in-fill, will intensify this process. Housing policy makers will need to consider location to ensure they do not compound imbalances of social mix especially in middle ring suburbs.

## **FURTHER INFORMATION**

This bulletin is based on AHURI project 50224, *Housing and community in the compact city*.

Reports from this project can be found on the AHURI website: [www.ahuri.edu.au](http://www.ahuri.edu.au)

The following documents are available:

- Positioning Paper
- Final Report

Or contact the AHURI National Office on +61 3 9660 2300.



Australian Housing and Urban Research Institute

[www.ahuri.edu.au](http://www.ahuri.edu.au)

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HEAD OFFICE Level 1, 114 Flinders Street Melbourne Victoria 3000 TELEPHONE +61 3 9660 2300  
FACSIMILE +61 3 9663 5488 EMAIL [information@ahuri.edu.au](mailto:information@ahuri.edu.au) WEB [www.ahuri.edu.au](http://www.ahuri.edu.au)

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