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Inequitable Density: The Place of Lower-income and Disadvantaged Residents in the Compact City

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Abstract: Compact city policies have become planning orthodoxy over the past three decades. But compact city development takes many forms, and the compact city concept often obscures a diverse range of social, economic and environmental outcomes of urban densification. In Australia the compact city agenda has primarily taken the form of market-led urban renewal, facilitated by different layers of government. As a result, the principal driver of urban change is speculative property investment. In Sydney, where around 70% of new development is multi-unit dwellings, the alignment of housing need with housing outcomes has increasingly been lost. Demand is driven by investors, whose preferred product attributes often do not align with those of residents. This speculative activity also underlies the dramatic rise in housing unaffordability across Sydney.

Clearly, the compact city agenda is having a disproportionate impact across our society, with lower-income and disadvantaged residents most severely affected. For the most part, however, public and policy debates have so far failed to properly acknowledge or ameliorate the particular impact of this model on these residents. This paper addresses this question by identifying (i) how high density living is different; and (ii) how the current compact city model makes lower-income and disadvantaged residents especially vulnerable. It does so by drawing on the findings of a research project undertaken for Shelter NSW, including analysis of census data and the outcomes of a workshop with a diverse group of urban policy-makers and housing sector stakeholders.

Key words: *Compact city policy; urban renewal; densification; inequality; multi-unit dwellings*

Introduction

Higher density multi-unit residential developments of apartments and townhouses (henceforth **higher density housing**) have become an increasingly common feature of Australian cities. Across the country, 2016 marked the first time when construction began on more higher density housing than detached houses. New South Wales (NSW) already passed this milestone some years ago (ABS, 2016) with over a quarter of Sydneysiders now in higher density housing (Troy et al., 2015).

This shift towards higher density living has been encouraged through 'compact city' policies, which have become planning orthodoxy in Australia's major cities over the past three decades. While the compact city concept can incorporate a diverse range of social, economic and environmental urban densification outcomes, in Australia compact city development has primarily taken the form of market-led urban renewal, facilitated by government. This market-led approach has meant the alignment of housing need with housing outcomes has been compromised, as market demand is underpinned by speculative investment. This causes perverse outcomes, including the development of multi-unit housing that may not suit residents' needs, and decreasing housing affordability.

Higher density housing brings both benefits and challenges, which are quite different to those associated with low density, suburban development. These differences are apparent at various scales. At the building scale, proximity between residents and the need to share responsibility for building upkeep create a different living experience to that of detached housing. At the neighbourhood scale, densification can strain local services and reshape the area's socio-economic mix. At the metropolitan scale, the 'compact city' model puts pressure on governments to coordinate infrastructure planning and delivery, and manage the social, economic and environmental effects of changing population patterns and urban form.

Many of these issues impact residents across the income spectrum, but different socio-economic groups have different capacities to respond to these pressures. Because lower income and vulnerable residents generally have less choice and less influence than other socio-economic groups, they are disproportionately affected by the challenges of higher density living. However, much of the research evidence on higher density housing does not explicitly consider the impact on lower income and vulnerable residents, neither do most Australian government policies. This paper addresses this gap by identifying key issues with higher density living that are specific to, or exacerbated for, lower income and vulnerable households.

The research for this paper was commissioned by Shelter NSW, with the goal of identifying the major challenges confronting lower income and vulnerable residents in higher density housing. To achieve this, the project involved three parts:

- a broad review of scholarly and grey literature;
- analysis of 2016 Census data; and
- a workshop with housing sector stakeholders including local and state government, community housing providers and housing advocates, to identify key issues emerging in practice.

While the research focused primarily on the NSW context, most of the issues are relevant across Australia and worldwide. For the purposes of the project, broad definitions of 'lower income' and 'vulnerable' residents were adopted:

- **lower income households** are in the bottom two income quartiles (earning less than \$649/week in NSW).
- **vulnerable households** experience socio-economic disadvantage such as low education, high unemployment, low-skilled occupations or poor English proficiency (ABS, 2011), or include people with physical or intellectual disabilities and victims of domestic violence.

This paper is in five parts. Section One provides a brief overview of the drivers of higher density development in Australian cities, highlighting how the market-led compact city model underpins many of the issues lower income and vulnerable residents experience. Section Two details the disproportionate representation of lower income residents in higher density dwellings in Australia. Section Three outlines why higher density living is fundamentally different to low density living, before Section Four offers four reasons why higher density living in Australia poses *particular* challenges for lower income and vulnerable residents: (i) gentrification; (ii) inadequate services and infrastructure; (iii) poor building quality; and (iv) the nature of social relations in higher density living. Lastly, the conclusion offers some thoughts on changes needed to address these challenges.

Market-led densification underpins challenges for lower income and vulnerable residents

Compact city policy orthodoxy

The compact city model is now well established as the urban form favoured by governments worldwide (OECD, 2012), justified primarily by claimed efficiencies in infrastructure and service provision associated with urban consolidation and infill development (e.g. The Australian Greens et al., 2016). These claims are based on the (contested) assumptions that existing infrastructure has spare capacity (Searle, 2004), and there are environmental benefits from compact urban forms. The existence of such efficiencies and notional wider benefits have become orthodoxy in urban policy, both in Australia and internationally.

Compact city planning in Australia can be traced back to last century, as a response to the ongoing growth of urban regions, changing ideas around the economy, and emerging concerns over climate change (Gleeson, 2014). Australian cities have since embraced the model with vigour, amidst broader urban policy shifts towards more neoliberal forms of governance. Both sides of politics have been involved in this ongoing recalibration of the powers of state governments and their relationships with the property and development industry. This has fundamentally reshaped the resources accessible to urban citizens, particularly lower income and vulnerable residents (Bunker et al., 2017).

Market-led model

Australia's housing system from the 1940s was defined by a central belief that it was a right of every citizen to access a house of their own of a minimum standard (Troy, 2000). Security of tenure, house quality and size appropriate to household composition were paramount in delivering this right. Initially the expectation was to deliver this through extensive public housing programs, but by the mid-1950s the approach had shifted to supporting home ownership as a bedrock of Australian society (Kemeny 1983; Troy 2012). As the public housing share of overall stock progressively declined, eligibility requirements were tightened, resulting in more tenants paying very low rents and undermining the financial viability of public housing (Hayward 1996). Coupled with increasing emphasis on income support for housing access (Prosser & Leeper, 1994), public housing policy in essence became an extension of the welfare system. In Sydney, this means lower income households who are unable to access public housing are forced into private rental housing, much of which is higher density housing.

This broad shift in housing policy away from direct provision towards demand-side subsidies has also seen governments increasingly rely on the private sector to deliver new housing. Australia's housing system has long been defined by market speculation, generating multiple boom bust cycles (Sandercock, 1975; Daly, 1982). However, this has previously been partly offset by significant government housing programs delivered principally through Commonwealth-State housing agreements (Kemeny, 1983), land development authorities and general wage growth (Randolph, 2017). However, in more recent years, a reorientation of the role of government land development agencies has seen a shift from delivery of low cost housing to facilitating private sector investment and financial returns (McGuirk & O'Neill, 2002).

The relevance to higher density housing is that speculative profit through the land zoning system has become a central feature of Sydney's urban development landscape. The conversion of low density, industrial or commercial land to higher density uses confers significant windfall profits to land holders, with few mechanisms to ensure this value contributes to affordable housing or public infrastructure. This trend has been bolstered in recent decades through increasing emphasis on major urban renewal projects as a catalyst for systemic changes in the planning and delivery of cities. Initiatives like Pyrmont Ultimo and East Perth, under the banner of the Building Better Cities program, were framed around delivering a market-led compact city model (Troy, 2017). The importance of this transition for lower income households is that providing sub-market housing is often considered a threat to project viability. Project success has become tied to maximising investor return, rather than delivering housing outcomes that may improve accessibility for lower income households.

Compounding this trend has been a planning system reform push from the mid-2000s onwards (led through a Council Of Australian Governments agenda), that has progressively sought to remove 'red-tape' and reduce restrictions on the development sector (Ruming & Gurran, 2014). The roll back of previous development controls and roll out of streamlined development processes are emblematic of a broader shift of planning policy from one that directs market activity to one shaped by market desires (Buxton et al., 2012).

The reliance on supply side measures to improve housing affordability has now become the default for State and Commonwealth governments. Research has demonstrated that supply alone will not improve affordability, however, with increased house building rates currently both driven by, and facilitating, higher prices (Ong et al., 2017; Phibbs & Gurran, 2017). This situation is largely dictated by demand from investors for new residential development, not owner-occupiers. New dwellings in Sydney are now predominantly apartments, with over 70% of dwelling approvals for higher density housing (see Fig. 1).

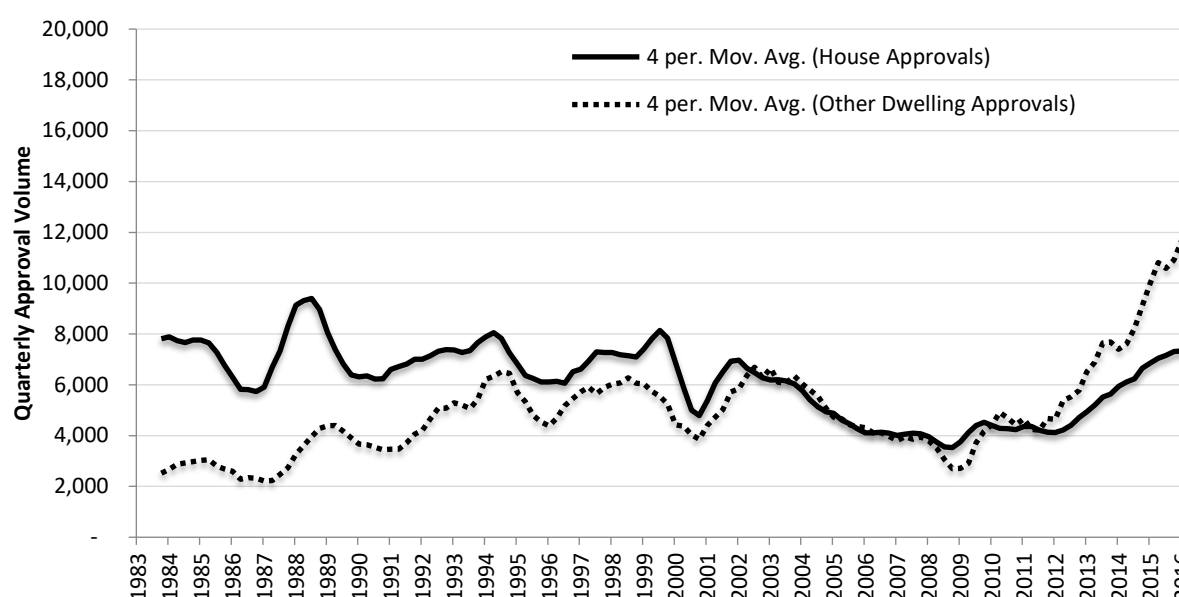


Figure 1 Higher density and detached housing approvals for NSW (ABS, 2016A)

Analysis of census data suggests that over 62% of all multi-unit dwellings in Sydney are investor owned (Troy et al., 2015), with higher rates in other cities. This pattern is also reflected in the volume of finance going to investor loans (ABS, 2017). The net result is a housing system that excludes many

lower income and vulnerable residents from property ownership, and means they are disproportionately overrepresented in higher density housing.

Lower income and vulnerable residents disproportionately live in higher density

Randolph & Tice (2013) have explored the complexities of higher density housing submarkets, noting distinctive geographic and composition clusters in the types of households living in density across Sydney and Melbourne. A particularly notable difference is the concentration of lower income households in higher density when compared to other forms of housing. Table 1 outlines the proportion of households on lower incomes compared with other dwelling types.

	Higher Density Dwellings		Other Dwellings	
Nil income	13,380	2.7%	13,615	1.1%
Under \$649	71,897	14.3%	140,540	11.7%
\$650 - \$999	51,066	10.2%	124,427	10.4%
\$1000 - \$1499	67,341	13.4%	148,636	12.4%
\$1500 - \$1999	56,601	11.3%	124,024	10.4%
\$2000 - \$2499	55,716	11.1%	124,387	10.4%
\$2500 - \$2999	27,535	5.5%	87,929	7.3%
\$3000 - \$3999	45,779	9.1%	122,737	10.2%
\$4000 and above	32,720	6.5%	144,138	12.0%
Other*	79,752	15.9%	167,624	14.0%
Total	501,787	100.0%	1,198,057	100.0%

Table 1 Distribution of household incomes by dwelling type for Greater Sydney, 2016 (ABS, 2016B)

*Includes negative income, partial, not stated and not applicable

For lower income households in Greater Sydney in higher density housing, there are three dominant groups (see Fig. 2):

- Households in private rental housing (36%), most commonly apartments.
- Households who own outright (23%), most commonly townhouses or low-rise apartment buildings. This likely includes a significant proportion of retirees.
- Households in public housing (18%), most commonly townhouses and low-rise apartment buildings.

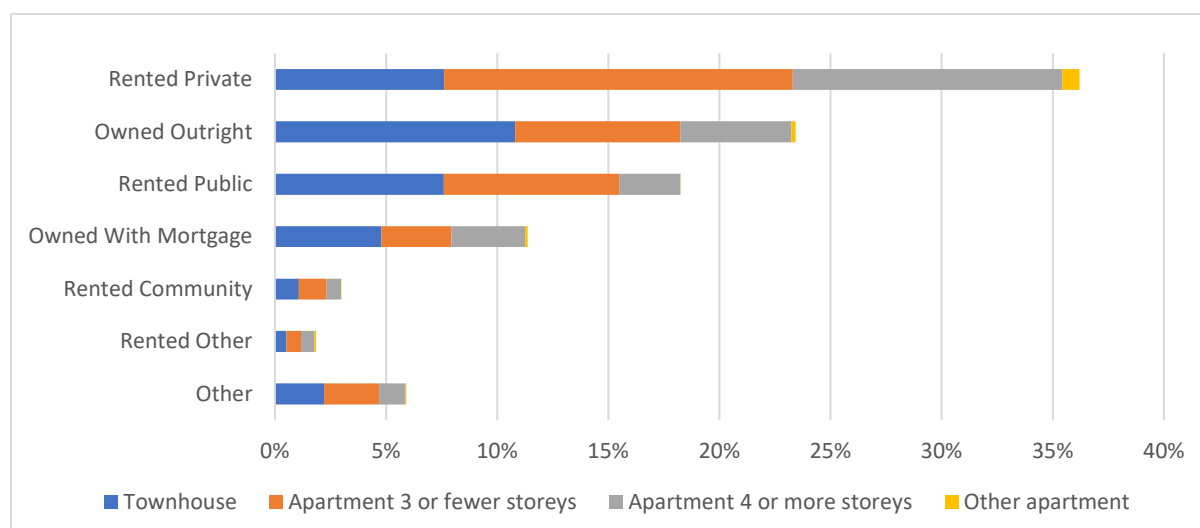


Figure 2 Distribution of Lower Income Households in Higher Density Housing, Greater Sydney, 2016 (ABS, 2016B)¹

¹ Notes: Includes household incomes of up to \$649/week. 'Rented Private' includes Rented: Real estate agent and Rented: Person not in same household. 'Rented Public' includes Rented: State/Territory Housing Authority. 'Rented Community'

The concentration of lower income households into higher density housing becomes problematic when viewed geographically. Figure 3 shows the distribution of lower income households in higher density across Sydney, with a clear concentration in the south and west (plus notable concentrations in the urban core, associated with public housing areas in Redfern and Waterloo.)

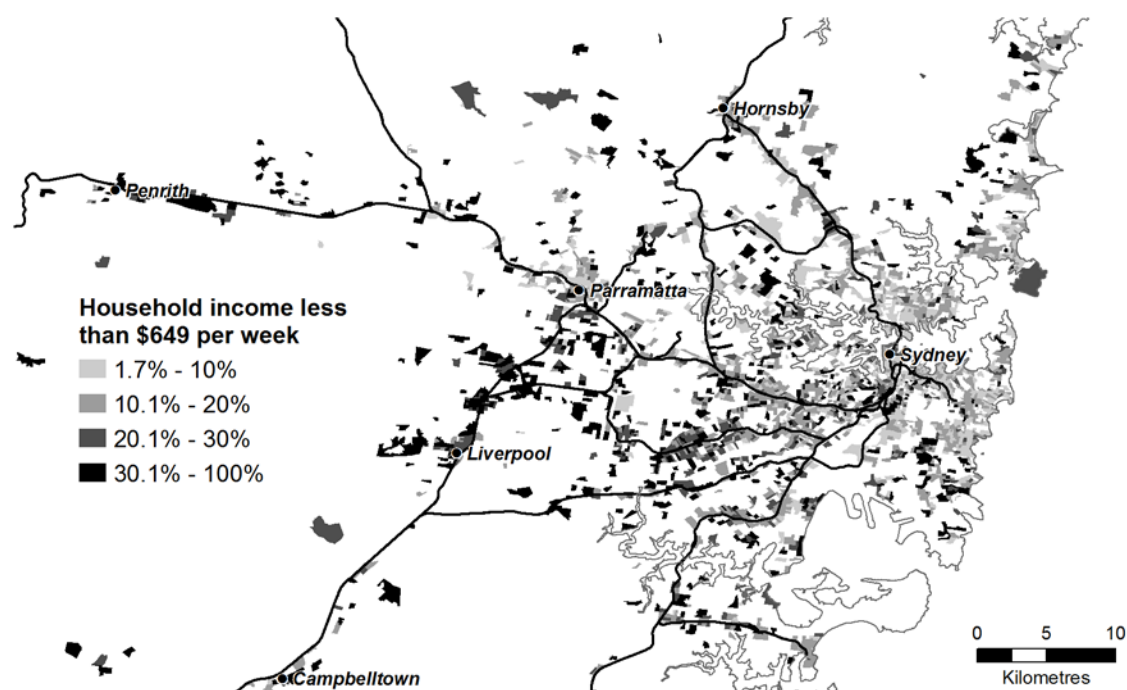


Figure 3 Distribution of lower income households in higher density for Greater Sydney, 2016 (ABS, 2016B)

Scholars have previously noted the suburbanisation of disadvantage across all Australian cities (Randolph & Tice, 2017), which aligns closely with the distribution of lower income residents in higher density housing shown above. It is in part the renewal-led gentrification of the urban core through the delivery of new high density dwellings that has underpinned the outward shift of disadvantaged communities to the periphery. This has also been intensified over a long period by continued centralisation of government and non-government services and employment. More recently, the NSW Government has also displaced lower income households already living in higher density public housing in high value suburbs, ostensibly as a means of releasing value to reinvest elsewhere in the social housing system. The eviction of public housing tenants from inner-city Millers Point is a high profile example, as is the planned redevelopment of Redfern-Waterloo.

Research on concentrations of disadvantage is both extensive and mixed, but overall indicates that they contribute to detrimental outcomes for lower income and vulnerable residents (Tach et al., 2014). The cause of negative 'neighbourhood effects' has been variously attributed to the social/behavioural attributes of the relatively isolated low-income population (for discussion, see Arthurson (2010)), inadequate services and amenities in those locations (Galster, 2007), or a second order effect of stigma (Atkinson, 2008), but these remain points of debate (see Galster & Friedrichs, 2015). Beyond the neighbourhood itself, there is growing evidence that concentrations of disadvantage are problematic at a broader scale, as they undermine the overall efficiency and equity of an urban area (Tach et al., 2014).

The nature and causes of Australian urban disadvantage differ from the US and UK, which have been the focus of most academic literature (Hulse & Pinnegar, 2015). In particular, disadvantage in Australia has traditionally been more dispersed, dictated by housing tenure as much as neighbourhood location. However, the suburbanisation of disadvantage in Australian cities is now reinforcing locational disadvantage, as lower income residents are driven further from areas with good access to jobs, transport and services (Randolph & Tice, 2014). Particularly in Sydney, this shift may

includes Rented: Housing co-operative, community or church group. 'Rented Other' includes Rented: other landlord type and Rented landlord type not stated. 'Other' includes Other tenure type and Tenure type not stated.

not mean a shift to lower density, as quantities of older, cheaper higher density housing exist in peripheral suburbs.

Living in density is fundamentally different, for all residents

While increasing rates of higher density living across Australia is not inherently negative, it is important to recognise that higher density living is inherently different to low density living, for all residents. Higher density housing includes a range of building types (from townhouses to high rise buildings), as well as varying ownership and management structures (including strata title and single ownership). The form, tenure, and ownership of higher density housing present a number of challenges that are not necessarily experienced in other forms of housing. To understand these challenges, it is important to consider three key differences between higher and lower density living:

- People live in closer proximity, creating more potential for neighbour disputes and for incidental social interaction, both positive and negative.
- People must share services and spaces with neighbours, from gardens to laundries to lifts.
- Higher density housing necessitates cooperation between residents and owners to manage and pay for building operation and upkeep. It also reduces the autonomy of residents to do as they wish in their own home.

In addition, the large proportion of higher density housing sold to investors and rented out to lower income residents has three important implications:

- It informs the nature of new multi-unit housing stock, reducing the diversity of apartment designs and sizes (Sharam et al., 2015).
- It increases resident turnover, as private renters move more frequently (Stone et al., 2013).
- It affects the way these buildings are governed and managed. Tensions between owner occupiers and investor owners manifest in disagreements and disputes in strata schemes, particularly around budgeting and maintenance (Guilding et al., 2005).

When considered alongside the housing system changes outlined above, these aspects of higher density living can create particular challenges for lower income and vulnerable residents.

Aspects of higher density living affect lower income and vulnerable residents more

Four aspects of higher density living in a market-led housing system stand out as particularly significant for lower income and vulnerable residents: (i) gentrification; (ii) inadequate services/infrastructure; (iii) poor building quality; and (iv) how social relations are reshaped.

Gentrification is intrinsic to market-led higher density renewal

As noted, a key driver of the suburbanisation of disadvantage in Australia's cities is inner city gentrification. Many scholars argue that market-led higher density development processes are an important driver of gentrification, thus expanding the concept to include new build high-value housing development in inner city brownfields, renewal of existing higher density private market stock, and renewal of public housing estates (see e.g. Atkinson & Bridge 2005; Clark 2005; Davidson & Lees 2005; 2010). Also included are exclusionary processes which make lower income and vulnerable residents feel less welcome in their neighbourhood (e.g. Hackworth 2002; Slater 2009; Colomb 2012)).

In higher density developments on inner city 'brownfields'

Absent regulatory requirements that developers include affordable housing, new higher density brownfield developments are often designed for high end buyers. While these housing products offer developers the greatest returns, they do little to improve affordability for lower income and vulnerable residents. Research also indicates that brownfield renewal can support gentrification processes in surrounding residential areas. Beyond any physical displacement resulting from flow-on increases in house prices—which remains a point of debate (Davidson & Lees 2005; Boddy 2007; Essoka 2010)—these infill developments contribute to symbolic gentrification by changing the neighbourhood's social and commercial nature (Davidson & Lees 2010).

There is significant evidence that well designed inclusionary housing policies can be effective tools for increasing the supply of affordable housing, including in gentrifying areas (Brunick, 2004; Gurrán et al. 2008; Mukhija et al. 2010; Davison et al. 2012). Mandatory inclusionary zoning has been widely used overseas (Calavita & Mallach 2010), but currently can only be enforced by a few councils in Sydney.²

In renewed higher density private market stock

In NSW, new laws allow termination of a strata scheme if 75% of the owners agree. Modelling has shown that in high-value areas, gentrification will likely follow, with older, cheaper strata buildings being redeveloped and resold at higher prices (Troy et al. 2015). Lower income renters will likely be displaced by this process, and lower income owners may struggle to buy back in with the proceeds from the old apartment. This process will eventually reduce the socio-economic diversity of these areas, with lower income residents who remain feeling increasingly excluded.

In renewed public housing estates

Higher density renewal of public housing estates often adds private housing to make the project 'feasible' (profitable) for the developers who routinely undertake these redevelopments on the government's behalf. Governments also justify this approach on the basis that 'mixed tenure' redevelopment creates greater socio-economic diversity in areas of concentrated disadvantage (Groenhart 2013; NSW Government, 2017; Shaw 2017). Both drivers create challenges for lower income and vulnerable residents.

Even if the addition of private housing does not reduce the public housing stock (and therefore displace lower income residents), public housing estate renewal may also involve relocation of public services catering to lower income and vulnerable residents (e.g. community centres, Centrelink offices). While such changes may appeal to new private residents, public housing residents who return may feel excluded from community spaces and newly stigmatised as the neighbourhood's 'poor' residents.

Furthermore, while the mixed tenure model may be at least partly motivated by social goals—the dispersal of concentrations of disadvantage to mitigate negative neighbourhood effects—achieving these goals can not be achieved through a 'one-size-fits-all' approach (Shaw 2017). Research indicates that mixed tenure policies will not necessarily achieve positive outcomes for lower income residents (Bridge et al. 2012). A recent review concluded that overall, an argument can be made for implementing mixed tenure policies, primarily on equity grounds (Galster & Freidrichs 2015). Nonetheless, the benefits depend significantly on how mixed tenure neighbourhoods are designed, developed, and managed (e.g. Dansereau et al. 1997; Tiesdell, 2004; Tunstall & Fenton 2006; Roberts, 2007; Kearns et al. 2013)

Case studies show residents give little thought (positive or negative) to their neighbours in mixed tenure developments if the design ensures tenure blindness (Bailey & Manzi 2008). Research has also shown, however, that proximity alone does not necessarily result in meaningful social mixing (Jupp 1999). As such, good design does not negate the need for appropriate support services for high needs residents, and programs to help develop a sense of shared community.

This conclusion prompts questions about the kinds of services and infrastructure required by lower income and vulnerable residents in higher density housing. The next section outlines how service and infrastructure provision has lagged behind higher density development in Australia, and how this affects lower income and vulnerable residents in particular.

Higher density living hasn't been accompanied by adequate services or infrastructure

Infrastructure needs and funding challenges

The failure to adequately respond to the increased demand on infrastructure and services created by higher density development has been a weakness of Australian densification strategies (Bunker et al. 2017). The issue is exacerbated where higher density developments house many lower income and vulnerable residents, who often rely more on public services and public space than wealthier residents.

Workshop participants noted that services across Sydney are under significant strain, and additional government investment is essential to support fast-growing populations in higher density developments. Infrastructure is also lagging for a host of reasons (Legacy et al. 2017), including the

requirement that demand be demonstrated in advance. Waiting for demand to materialise (i.e. residents to move in) inevitably means a significant time-lag before infrastructure is planned, financed and built. This has been a problem even for essential infrastructure like schools (Sherry & Easthope 2016; Barr 2016). Most lower income and vulnerable residents cannot afford alternative services in the interim (taxi rides, private child-care etc.), while private alternatives for specific services for vulnerable residents may simply not exist.

In NSW, while essential infrastructure like schools and transport is generally the responsibility of state government and planned at a metropolitan level, other neighbourhood infrastructure generally falls to local councils. Various reviews have concluded that councils have insufficient funding to meet these infrastructure needs (Allen et al. 2006; Grimsey et al. 2012). Two main mechanisms enable councils to fund infrastructure and services associated with new development: developer contributions and levies, and Voluntary Planning Agreements (VPAs).³ Both are complex and controversial (O'Flynn 2011).

Development contributions and levies require developers to dedicate land, pay an upfront contribution or ongoing levy, or provide other material public benefits to cover the required improvements to associated infrastructure and services. Payment amounts are regulated, and there are limitations on how this funding can be spent (O'Flynn 2011). VPAs involve developers negotiating specific agreements to provide infrastructure or services, usually in return for a density uplift. VPAs have provided valuable infrastructure, including public transport links, parks and libraries, but the process also raises concerns (PIA, n.d.; LGANSW, 2017). VPAs are negotiated on an ad hoc basis, often relatively late in the planning process, creating uncertainty for communities already living in redevelopment areas. The contracts can be highly complex and legalistic, and there is limited public transparency. Outcomes are also dependent on the negotiating capacity and resources of the local council (Ruming, 2012). Infrastructure developed under VPAs is also used as a marketing tool by developers,⁴ who may therefore choose projects that are a selling point for private buyers over services and infrastructure designed to support social and affordable housing residents. Given these issues, current funding mechanisms pose challenges for providing the services and infrastructure higher density development requires, particularly for lower income and vulnerable residents.

Public becomes private, and private becomes exclusive

While concentrations of disadvantage are problematic, a mitigating factor is that they often attract specialist services and facilities catering to lower income and vulnerable residents. Gentrification can provide councils with more funding for similar services, but there is also a risk in these neighbourhoods that private services may replace affordable specialist services. In addition, fee-for-service 'third places' (Oldenburg, 1999) like restaurants and shopping centres may be viewed as an acceptable alternative to free public spaces and facilities like community gardens. Private alternatives are often not accessible for lower income and vulnerable residents, many of whom already go without essential services (Saunders et al., 2007; Saunders & Wong 2012). The exclusionary nature of privatised public space like shopping malls and privately-managed parks is also well documented (Sorkin, 1992; Mitchell, 1995; Voyce, 2006; Madden, 2010; Vigneswaran et al., 2017).

While public space and facilities are essential, residents also rely on commercial services like supermarkets, pharmacies and newsagents. As gentrification occurs, there is a growing economic incentive for commercial services to upgrade, or be replaced by more expensive high-end providers. This 'commercial gentrification' has been analysed in global cities like New York and London (Zukin et al., 2009; Davidson, 2008), and is also evident in Sydney. A recent study of New York found that while commercial turnover rates in gentrifying areas are not significantly greater than city-wide rates, there is a noticeable difference in the types of replacement stores in gentrifying areas (Meltzer, 2016). These commercial changes contribute to symbolic gentrification (Zuk et al., 2015), and may eventually force lower income and vulnerable residents to leave the area to shop.

Turning from the neighbourhood to the building scale, more challenges for lower income and vulnerable residents emerge. Two areas of particular concern are building quality and neighbour relations.

Poor building quality affects lower income and vulnerable residents in particular

³ See [Environmental Planning and Assessment Act 1979](#), ss.94, 94A and 93F.

⁴ See <http://www.billbergia.com.au/a-bridge-to-belonging/>

There are two major building quality issues that shape the experience of lower income and vulnerable residents in higher density dwellings: how well was it designed and constructed, and how well is it maintained? While these issues concern everyone in higher density housing, lower income residents are less able to move to better designed, constructed and managed properties if issues arise.

Workshop participants identified a number of design issues of particular relevance:

- **Noise disturbances** from internal (e.g. neighbours) or external (e.g. traffic) sources can negatively affect health, exacerbating mental health problems and affecting child development (Evans 2006). Noise can also increase general stress and discomfort, distraction, sleep disturbance, tensions between neighbours, and dwelling dissatisfaction (QUT, 2010). Many noise problems in apartment buildings originate from either faulty design (e.g. apartment orientation or construction materials) or faulty installation (e.g. loose door or window seals) (Palmer, 2007). Importantly, lower income households have been found to experience noise problems more acutely (Ureta, 2007).
- Adequate **solar access and cross-ventilation** are important for any dwelling, and especially for households who cannot afford additional electricity costs (Chester, 2014). In NSW the SEPP65 design requirements⁵ now set minimum standards, but many lower income and vulnerable tenants live in buildings built before SEPP65's introduction in 2002.
- Effective **shared facilities** must be designed take into account different occupant needs. This can be difficult when catering for a diverse resident body, such as when retired people, shift workers and families with young children are living together (Easthope & Judd, 2010). It can also be difficult if occupant profiles change over time, which is more likely in buildings with many private renters. This creates a need for flexible and adaptive design of shared spaces (Easthope & Tice, 2011).
- **Safety and security** are also a concern for all apartment residents, but have particular saliency for vulnerable groups like domestic violence victims. Building design can help or hinder safe movement through the placement of corridors, lighting and allowances for passive surveillance (Easthope & Judd, 2010). However, while security systems may increase residents' safety and sense of security, they can also limit access for emergency services and support workers.
- Few apartments are well **designed to support social groups with particular needs**, such as people with physical disabilities and families with children. Compounding this, both owners and tenants in strata can struggle to get funding and permission to make necessary home modifications (Easthope & van den Nouweland 2013). Many families live in apartments that are too small or do not meet their needs (Easthope & Tice 2011), as much higher density development has been 'child blind'. In Sydney, lower income families with children constitute a large sub-sector of the private apartment market (Randolph & Tice, 2013). Without adequate play spaces, children may play in common areas, leading to complaints and disputes about noise (Sherry, 2016). Storage is also particularly important for families with kids, and storing large items like prams outside can lead to neighbour disputes over the building's appearance, access and amenity.

Beyond design, the construction quality of higher density developments also significantly affects residents, and is now a major issue in Australia. Key concerns include the quantity and severity of building defects (Engineers Australia, 2013), as well as the difficulties owners face having defects rectified (Easthope et al., 2013). Issues to be addressed include the quality of workmanship, management of the construction process, private certification, limited warranties and the often-prohibitive cost of legal action (Easthope et al. 2009; Drane, 2015; Cooper & Brown 2014).

As with poor design, lower income households are particularly susceptible to construction issues:

⁵ NSW Planning & Environment (2017) [Better Apartments](#).

- In more affordable housing, there are more incentives to cut corners during construction, by rushing jobs or hiring cheaper but less experienced tradespeople. As a result, build quality can be compromised for cost savings.
- Negotiating the defect rectification process is particularly difficult for private tenants, as it typically must go through the real estate agent or landlord. Renters may instead choose to move, or be stuck with unsatisfactory living conditions. Given that the most common defect in NSW apartments is water ingress, this can have serious health impacts (IMNAS, 2004).
- Where lower income residents are owners, the costs of fighting a defects claim and rectifying the defects may cause great financial stress. It is rare for strata schemes to get defects rectified without additional costs to the owners, such as expert reports and legal advice.

Lower income tenants are also likely to be over-represented in poorly maintained buildings, which will be cheaper to rent. Compared to a detached house, maintenance in higher density properties is complicated by two factors: the complexity of the buildings themselves, and the complexity of governance structures. High rise buildings generally contain plant and equipment that can be costly and difficult to maintain. Maintenance of public and community housing is often hindered by insufficient funding, while maintenance of strata buildings requires a level of technical competency few strata committee members hold. The complexity of the governance structures for determining maintenance responsibility further compounds these issues. As a result, required maintenance work is often not carried out, or is reactive rather than proactive. This is especially true in buildings occupied by lower income renters with no direct recourse to the strata committee, who cannot afford to move, and fear retaliatory rent increases if they report maintenance issues (Hulse et al., 2011).

Social relations can be challenging in higher density living

Neighbour disputes

Neighbour disputes happen everywhere, but some evidence suggests disputes are more common in areas with more lower income and vulnerable residents and areas with more apartments. One recent Australian survey found 64 per cent of respondents were bothered by neighbours, and this increased under conditions of concentrated disadvantage, residential instability (i.e. a high proportion of renters), and residential density (Cheshire & Fitzgerald 2014). Common causes of neighbour conflict in higher density housing reflect different expectations regarding noise levels, parking practices, or spending on maintenance and improvements (Craddock 2013; Easthope et al. 2012). Such disputes often reflect the tensions between individual and collective rights that are inherent in higher density housing (Yip & Forrest 2002). Neighbour disputes can significantly impact on health, potentially counteracting the positive health outcomes associated with the walkable nature of many higher density neighbourhoods (Kent et al. 2011; Zeirsch et al. 2005).

When disputes arise, resolution is often complicated by the numerous stakeholders involved (Blandy et al. 2010), which might include public and private renters, resident owners, investor owners, building managers, strata managers, strata committee members, state housing authorities and community housing providers. There is little evidence on the effectiveness of formal legal remedies for resolving such disputes, but research shows residents find formal mechanisms complex and slow, and that most disputes are resolved informally (Easthope et al., 2012). Lower income residents, and tenants in particular, are likely to wield less influence and have less control over the outcome of such processes.

Fostering positive social interactions

Fostering positive neighbour relations can be more difficult where there is high resident turnover (Lewicka 2011), such as in more affordable developments dominated by private renters. There are two major considerations: the design of a building's shared spaces, and the activities that occur within them. Evidence suggests that having common spaces contributes to an improved sense of community in apartment buildings (Henderson-Wilson 2008). Such shared spaces are particularly valuable for residents in small apartments with no entertaining spaces (Foth & Sanders 2005) or private open space (Mulholland Research, 2003). Activation may also be required for common spaces to become well used and welcoming to all. Effective activation programs often involve a package of

interventions and resources including information for residents, support for community leaders, and direct provision of social programs by local governments, community groups and housing providers⁶.

In other cases, however, people develop strong social networks in higher density developments without any formal intervention or support. It is important that these informal networks are recognised and celebrated, particularly during redevelopment of existing higher density areas. Otherwise, the sense of community that can be particularly valuable for lower income and vulnerable residents might be destroyed through resident displacement and reconstruction of the built environment.

Conclusion

This paper has outlined how higher density living in Australian cities differs from low density living, and highlights the potential for these differences to negatively impact lower income and vulnerable residents. Many of these problems are not inherent to higher density living, however, but are features of the market-led housing model that underpins Australia's compact city planning policies. While the growing body of research outlined here indicates that lower income residents disproportionately bear the brunt of the negative externalities flowing from this model, few planners or politicians have yet to adequately acknowledge these inequities. If a market-led compact city model is to remain urban planning orthodoxy for years to come, it will need to engage with this reality in a concerted fashion, and identify strategies for addressing these negative impacts. Key steps should include a reorientation of housing policy towards supporting the production of dwellings as homes rather than investment products, and the delivery of sufficient infrastructure and employment opportunity to mitigate the negative effects of concentrated disadvantage in outer suburban areas.

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⁶ Notable international examples include [Toronto's 'Tower Renewal' program](#) and Vancouver's 'Vertical Villages' initiative as part of the [Building Resilient Neighbourhoods Project](#).

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