

Mixed-tenure development:

Literature review on the impact of differing degrees of integration

Report to Frasers Property Australia

By Ryan van den Nouwelant & Bill Randolph

City Future Research Centre, UNSW Built Environment

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Executive summary

The most valuable guiding design principle for mixing market and subsidised housing is **tenure blindness**. This means there are no explicit external indicators of tenure type in the design and layout of a development.

This principle will equally contribute to the concerns of (a) **minimising the stigma** attached to any subsidised housing and (b) minimising any **impacts on market housing value** that this stigma can lead to. Over time, tenure blindness will also reduce the likelihood of local problems being attributed to tenure, in turn increasing the likelihood of a successful socially mixed community, as measured by community cohesion and growing social capital.

Unit-by-unit integration, also called pepper-potting among other things, is thought to ensure tenure blindness, since homes serving different tenures are, for all purposes, indistinguishable. But it is not the only way to achieve tenure blindness, and can have some other adverse impacts on a mixed tenure development.

There are **inefficiencies for housing and service providers** in unit-by-unit integration, such as having clients spread thinly, and costs and risks associated with being tied up in private strata schemes. Even separated strata schemes sharing a building management committee – a floor-by-floor level of integration – could increase the financial risks or costs for housing providers.

For owners of market housing, unit-by-unit integration – and so the engagement with housing providers through building management processes (often a challenging social context anyway) – can have the perverse outcome of harming relationships between tenure types, in turn undermining principle of tenure blindness.

Building-by-building integration can still achieve many of the objectives of mixing tenures, which are a function of co-location more than a function of integration per se. This includes access to job markets and provision of safe and welcoming neighbourhoods with high levels of public amenities and services.

Other design and development decisions can ensure that building-by-building integration can still achieve the design principle of tenure blindness. Two important aspects are the **equal provision of private and public amenities** between tenures, and a **consistent construction standard** and architectural expression to the public realm.

Fewer private amenities (e.g. off street parking or communal open spaces) in subsidised housing will lead to a disproportionate use of public amenities (e.g. street parking and public parks) by subsidised housing tenants. This can lead to disproportionate value attached to these public facilities by different tenures, in turn leading to tensions over their management and to tensions in the community generally. If market housing incorporates such amenities, any subsidised housing should too. However, it should be noted, related aims of social integration are more likely to be achieved through the provision of shared public amenities than an (equally) high level of private amenities.

Differing construction standards or architectural expressions will lead more directly to a visual distinction of the tenures, and potentially different identities associated to the different buildings, and so divide the neighbourhood along tenure lines. It should be noted that a greater degree of separation of the tenures (i.e. a more limited block-by-block level of integration) will increase the likelihood of this outcome, and so is typically considered a less appropriate approach to mixed-tenure developments.

Having market and subsidised housing in **separate buildings increases the risk of compromise to the principle of tenure blindness** throughout the development process, as financial and political pressures can lead to changes in the design and delivery of the development.

The most obvious example is the likely attempt to recoup cost overruns by lowering the quality or services provided in the subsidised housing. Another example is the decision to stage delivery with subsidised housing built last. This increases the likelihood that cost overruns will be recouped by compromising the subsidised housing.

Delaying delivery of subsidised housing also conceals its presence at the time of purchase for market housing occupants (and remove any risk for the developer), but makes it more visible and prominent as it is rises in front of market housing occupants (but with a conspicuous lack of marketing or sales). In a similar vein, attempting to separate subsidised housing to a greater extent – again, through a limited block-by-block integration – can have similar benefits for the developer, but compromise the ongoing principle of tenure blindness.

A final note is that design decisions are not the only factor in the successful mixing of tenures, and mixing tenures is not the only factor in successful socially mixed communities. Design decisions will have a limited impact on some objectives of community development. The upshot is that even the most appropriate design response will not obviate the need for ongoing programs to develop a strong sense of community.

Aims of integrating tenures

Mixing tenures in new developments, although complex in implementation, can be boiled down to mixing market housing (bought, sold and leased on the open market) with subsidised housing of various types. Mixing tenures is typically used as a proxy for mixing household income groups. And, more broadly, is underwritten by a higher order objective of mixing social groups.¹

Social mixing is, necessarily, impossible to guarantee through tenure mix. Neither market nor subsidised tenures necessarily reflects the diverse spectra across which communities can be measured – whether by age, ethnicity, household type, education, cultural interests, and so on.² Market conditions and neighbourhood contexts affect the mix of occupants of market housing. And, although potentially shaped more deliberately, subsidised housing occupant mix is affected by objectives other than social mixing (like housing seniors on a limited fixed income, for example).

Despite these limitations, mixing tenures goes some way to redress the ‘business as usual’ development processes in large metros, which have tended to lead to a higher degree of socio-economic segregation. And, as such, mixing tenures is seen as an important planning policy, contributing to a range of desired outcomes.³

Counter adverse neighbourhood effects

One outcome of a segregated urban population is neighbourhoods with high concentrations of disadvantaged households. A long body of literature has debated the extent to which this translates to negative ‘neighbourhood effects’, like lower levels of safety or employment prospects.⁴ These are variously considered a result of the social/behavioural attributes of the relatively isolated low-income population,⁵ the inadequacies of services and amenities in those locations⁶ or a second order effect of stigma associated with the locations.⁷

The end result, though, is concentrations of disadvantage undermine the overall efficiency and equity of an urban area. Importantly, many of these effects are attributed to a threshold effect, whereby social mixing – distributing low-income households across an urban area – doesn’t mean spreading these effects to more neighbourhoods; it can actually mitigate them in many instances.⁸

Promote social cohesion

Relatedly, an outcome of a greater socio-economic homogeneity in housing types in a given neighbourhood is a loss of integration along other social spectra, which are often correlated with household income. Housing diversity in a location is thought to better reflect the population

¹ Groenhart 2013

² Butler 2003; Bailey & Manzi 2008

³ Sautkina et al 2012

⁴ See Gans 1964; Sarkissian 1976; Galster 2007

⁵ See Arthurson 2010 for discussion

⁶ Galster 2007

⁷ Hughes 2004; Atkinson 2008

⁸ Galster 2007

diversity in a local community – for example, by including housing options for singles, seniors, families and other household types.⁹

Opportunities for social interaction along these other spectra are also considered an important means of increasing cohesion across a diverse population. Although expectations of social interactions are often not met,¹⁰ particularly in new developments,¹¹ having more inclusive communities reduces stigma borne out of a lack of personal interactions and the abovementioned neighbourhood effects.¹²

Ensure equal opportunity and access to services

Part of the argument that external influences are responsible for neighbourhood effects is that disadvantaged neighbourhoods are not well located for job market access.¹³ The argument is that property values are low because of the relatively lower level of access to the jobs market. By co-locating different housing tenures, and so different income groups, this negates the ‘spatial mismatch’ whereby lower income households are confined to areas of low property value.

Similarly, one of the external causes attributed to neighbourhood effects is the unequal distribution of amenities and services.¹⁴ Disadvantaged neighbourhoods are cheaper because of this lack of amenities, and co-locating tenure types increases the likelihood of an equal level of service provision across an urban area.

Incorporating mixed tenure in newer developments also increases access for lower income households to benefits associated with the higher quality urban design of more recent developments, like mixed land uses, active streets, better public squares and parks, integration with public transport, walkability, and so on.¹⁵

⁹ Bailey & Manzi 2008

¹⁰ Jupp 1999

¹¹ Popkin et al 2004

¹² Atkinson & Kintrea 2002; Galster 2012

¹³ Ihlanfeldt & Sjoquist 1998; Meen et al 2005

¹⁴ Arthurson et al 2015

¹⁵ Beekman et al 2001

Degree of integration, and the link to these aims

Success of a mixed-tenure development requires different tenures to be seamlessly integrated, both to overcome any neighbourhood effects associated with concentrations of low-income households, but also to overcome the potential prejudice against low-income households. From a community perspective, this will require ongoing provision of services to develop a sense of community. From a design and development perspective, this often hinges on the decision around the degree of integration of the two tenure categories.¹⁶

The above-discussed neighbourhood effects are considered a function of neighbourhood-scale separation of households by tenure. However, within a neighbourhood of mixed tenures, there are a number of possible scales of integration. At low densities, this equates to choosing between house-by-house integration (also called ‘salt and pepper’ or ‘pepper potting’) or block-by-block clusters of tenures (that is, a minimal degree of integration).

At higher densities incorporating large apartment buildings, there is an even more diverse spectrum to consider. House-by-house translates, from the street, to a building-by-building level integration. But it is possible to integrate within a building. One option is to incorporate both tenures in separate parts of a building (called floor-by-floor integration here, although it could be any part-building cluster). Another option is to extend the pepper-potting distribution to within each building (called a unit-by-unit integration here). These four typologies are considered in this report:

	<p>Unit by unit</p> <p><i>Each tenure is distributed uniformly across an entire development</i></p> <p>Also called ‘salt and pepper’ or ‘pepper potting’</p>
	<p>Floor by floor</p> <p><i>Each tenure is clustered in distinct parts of a building</i></p> <p>A relevant distinction in the context of large apartment developments</p>
	<p>Building by building</p> <p><i>Each tenure is provided in separate buildings, but distributed across a development</i></p> <p>Potential to integrate design and construction</p>
	<p>Block by block</p> <p><i>Each tenure is separated as much as possible within a development site</i></p> <p>Still more integrated than fully segregated suburbs</p>

¹⁶ Tiesdell 2004; Roberts 2007; Groenhart 2013; Kearns 2013; Levin et al 2014

Other design and development principles when mixing tenures

The principle of minimising market impact

The degree of integration will also have a bearing on the interaction between tenures. This is both in a social mixing sense, as per the abovementioned objectives, but also a governance and neighbourhood management sense. Again, in the context of higher-density developments, this management structure also includes management of buildings through either building management committees or strata scheme body corporates.

The historical stigma associated with public housing estates in some contexts (both national differences, but also submarket differences) could well translate to buyer wariness in mixed-tenure developments. In some contexts, developers are not always concerned.¹⁷ However, if other factors are adversely affecting viability, uncertainty around the viability of the project will concern developers.¹⁸

Notably, studies have found that most purchasers are unfazed by the presence of a mix of tenures,¹⁹ with evidence market sales of apartments are less likely to be affected.²⁰ However, there will be a perception that shielding the market housing from any subsidized housing component will reduce the risk of the viability of the development, particularly in the short term but also by reducing potential for ongoing neighbourhood tensions borne out of co-management of properties. This would, all else being equal, suggest it would be better to shift the development approach towards the block-by-block end of the integration spectrum.²¹

The principle of tenure blind design

Separating tenures, though, is not necessarily going to reduce the risk of a development's viability. As noted, much of the stigma and neighbourhood effects associated with subsidised housing concerns concentrations of this particular tenure. So, any attempt to cluster the subsidised component of a mixed tenure development will increase its visibility and so increase the risk of buyer wariness.²²

As such, another key driving design principle of mixed tenure developments is 'tenure blindness'. If the mixing of tenures is considered to overcome the first order neighbourhood effects, tenure blindness helps to overcome the second order effects of subsidised housing on the market appeal of a new development.²³

The intent in tenure blind design, to be clear, is not to conceal the presence of subsidised housing. Rather, the intent is to reduce the likelihood that neighbourhood challenges are unfairly attributed

¹⁷ Rowlands et al 2006

¹⁸ Arthurson 2010

¹⁹ Allen et al 2005; Norris 2006; Bailey & Manzi 2008

²⁰ Groenhart 2013

²¹ Tiesdell 2004 and Higgins & Moore 2016 note that developers prefer to avoid pepper potting

²² Beekman et al 2001

²³ Roberts 2007

to tenure alone. In the first instance, this would (again, all else being equal) suggest it would be better to shift the development approach towards the unit-by-unit integration. This is because it will necessarily be – at least in the building itself – indistinguishable across tenures.²⁴

These competing tensions make it difficult, a priori, to appreciate the most appropriate degree of integration. Further, the different objectives of mixing tenures might point to a different integration response, or indicate that the degree of integration is not a material factor. The remainder of this report unpacks the benefits and disadvantages of each degree of integration. It refers to existing literature on these issues. With a longer history of mixing tenures, and a similar history of public housing, much of the relevant literature is drawn from the UK. However, many Australian studies have also been used in the analysis.

²⁴ Roberts 2007

1. Unit by unit integration

Benefits

The key benefit of uniform dispersion of different housing tenures is that they are necessarily tenure blind.²⁵ This is potentially true at two levels: because they are incorporated into the same buildings, in built form terms they will be indistinguishable; and because they are subsumed under the same ongoing building management, they will fall under the same by-laws and operational, maintenance and living standards.²⁶

Another key benefit is that the commitment to a tenure blind principle is difficult to unravel in genuine pepper-potting.²⁷ As discussed below, other levels of integration are susceptible to compromises in design, build quality, building management and staging of development in the face of cost, risk and other political constraints.

Disadvantages

The most common disadvantage highlighted in studies is the fact that pepper-potting can make tenant management (and other related services) more fragmented and less efficient.²⁸ This is the case for both low and higher density projects. Service providers and tenant/building managers, particularly in not-for-profit sectors, often have operational constraints that mean these inefficiencies translate to significant differences in the quality of service and tenant management.

In the context of strata schemes, there is evidence of a similar reticence from service providers for subsidised housing tenants to own or manage dwellings under strata schemes.²⁹ Strata scheme management is necessary in apartments, and adds a layer of governance that can be difficult to navigate for some stakeholders. Strata management can remove a degree of control over people's own assets. At a very material level, strata fees add to operational costs – and are not always offset by economies in other parts of budgets. At a second level, these fees are often out of the control of the service providers and so add to the risks of ongoing financial stability.

Forcing a degree of interaction, at any development density has adverse effects.³⁰ There is also evidence that strata scheme management is a fraught process, and a difficult context to develop community cohesion.³¹ Any tensions within a body corporate that align with the different tenures (like: do we spend money to upgrade some facility?) runs the risk of undermining the tenure blindness.

²⁵ Andrews & Reardon Smith 2005

²⁶ Levin et al 2014

²⁷ Roberts 2007

²⁸ Dansereau et al 1997; Tunstall & Fenton 2006; Arthurson 2010;

²⁹ Higgins & Moore 2016

³⁰ Gans 1961; Beekman et al 2001; Arthurson 2010

³¹ Gifford 2007

One possibility to overcome this, and a development model more common in the US, is for mixed tenure buildings to be wholly owned and managed by a single entity.³² While this would exclude the possibility of owner-occupiers in the building, a mix of market rental and subsidised rental would remove the risks associated with strata management. In the right market conditions, it would also provide an opportunity for a not-for-profit developer to incorporate cross-subsidies into their financing model to reduce the need for government subsidy.

Examples

Inkerman Oasis, St Kilda

Developed between 2000 and 2012, this six-building, 267-apartment complex was built on a former municipal depot in the inner-city Melbourne neighbourhood of St Kilda. In addition to a number of environmental sustainability measures, the project delivered 4 social and 28 affordable housing units, comprising 13% of the development. These apartments have been managed, and for the most part owned, by Port Phillip Housing Association.³³



Photo from SGS Economics: <https://goo.gl/images/vDiv5z>

While 13 of the affordable housing units were clustered as a seniors housing community, the remainder of the subsidised apartments were pepper-potted throughout the development. Externally the affordable housing is indistinguishable from market housing, and unit sizes were in some cases more generous. Some internal fittings were changed to enable ongoing maintenance efficiencies for the community housing provider and to meet the provider's disability access requirements.

One review³⁴ of the project found many occupants of the market housing had a neutral or no opinion on the presence of the non-market housing, although some media coverage³⁵ suggested there was some discomfort among some neighbours of the affordable housing component. The same review found tenants of the affordable housing were also happy with Port Phillip Housing Association's representation of the wider body corporate. However, there has recently been some concern from the provider that body corporate service charges are exceeding the operational revenue from the on-site rent.

³² Bach et al 2007; Lawson et al 2010

³³ Emsley et al 2008

³⁴ Aspin 2007

³⁵ Green 2008

The Nicholson, East Coburg

Completed in 2011, this 199-apartment complex with commercial ground floor is located in the inner-Melbourne neighbourhood of East Coburg. In addition to a significant social housing component, the project used modular construction techniques, and achieved a high level of energy efficiency.³⁶



Photo from Places Victoria <https://goo.gl/4xXqWo>

Homeground, a homeless support service and registered community housing provider, own 58 of the apartments: 40 for community housing and 18 social housing to support tenants transitioning out of homelessness. Places Victoria facilitated an additional 31 apartments to be rented through the National Rental Affordability Scheme. The remainder were sold on the open market, with around 65 owner-occupiers and 15 to other investors (i.e. beyond the NRAS component).³⁷

To provide an integrated building management, not-for-profit agency Urban Communities manages both owners' corporation and individual tenancies for the subsidized apartments (social/community/NRAS). The agency has also been appointed as the agent for some of the private rental too. This holistic place management framework (also incorporating cleaning and maintenance) is designed to not only ensure effective ongoing management across the diverse range of needs among the owners and occupants, but also provide some control and vertical integration of the management costs to reduce the risks and outlay of different owners.

Although it did not explicitly address the nature of the distribution of the tenures throughout the development, one evaluation of the project did find a high level of satisfaction from the social housing tenants. The report outlined an extensive social tenant selection process, to ensure there would be a good outcome for the project overall. However, the report also noted that there were some issues with a lack of parking in the complex available to social housing tenants, and an ongoing problem finding tenants for the commercial and retail spaces.³⁸

³⁶ www.places.vic.gov.au/precincts-and-development/the-nicholson

³⁷ www.homeground.org.au/what-we-do/individual-services/the-nicholson/

³⁸ Homeground (2013)

2. Floor by floor integration

Benefits

The immediate apparent benefit of clustering each tenure in different parts of a building is that it has the potential to overcome above-mentioned issues with efficient service delivery and tenancy management. It also means any subsidized component can be separated from a strata scheme, through an overarching building management committee (BMC). By being in the same building, though, it avoids compromising on the aspect of tenure blindness related to the built form, and maintains many of the benefits of pepper-potting.

Disadvantages

However, by avoiding sharing the management through a strata scheme it has the potential to create a differential in the building management for the different parts of the building and, in doing so, undermines the ability to ensure different tenures are held to the same by-laws and operational, maintenance and living standards.³⁹

Further, since such an arrangement still requires a BMC, no matter that different tenures sit in different strata schemes. The structure and operations of BMC are not as formally regulated as strata committees, and can – like the strata scheme itself – add uncertainty and risk to subsidised housing providers through the potential to generate unplanned management costs. There is little research on the effective use of BMCs to manage mixed tenure residential buildings. Generally speaking, the legal contract that underlies a BMC is complex, bespoke and unlikely to appease all parties any more than can be done by sitting in the same strata scheme.

Finally, separating the tenures within a building, depending on how it is realised architecturally, runs the risk of narratives of ‘poor doors’, and the concomitant undermining of social cohesion across the community.⁴⁰ There is a related issue of differential access to amenities and facilities, like private communal open spaces, delivered as part the development, or at least designs that discourage equal access across different tenure clusters.⁴¹ The impact this has on public amenities and facilities is discussed below.

Example

One Riverside Park, NYC

Part-building divisions only make sense in large-scale buildings, of which there are few examples in Australia incorporating mixed tenure.⁴² In New York City, however, there has recently been a

³⁹ Levin et al 2014

⁴⁰ Cohen 2014; Osbourne 2014

⁴¹ Levin et al 2014

⁴² http://rgdirections.lpi.nsw.gov.au/deposited_plans/stratum_boundaries/subdividing_part_building notes such subdivisions are common in staged projects or in multi-use projects incorporating commercial, residential, hotel or other parts of the building.

pattern of such subdivisions, with subsidised housing designed to form a separate part of the building than the market housing.

One high profile example is One Riverside Park. Nearing completion in 2016, the Upper West Side development includes 219 apartments under condominium title, and an additional 55 apartments rented through the NYC Housing Partnership.⁴³ The inclusion of affordable housing gave the developer a number of tax and planning concessions. The most high profile feature, though, is that the two tenure types occupy separate sections of the building, and are serviced by separate facilities and separate entrances.



Rendering from NYC Housing Partnership <https://goo.gl/images/Jh2tiM>

Some commentary⁴⁴ noted that separating the two buildings had a number of legal and design decisions underpinning it. Buildings of that scale often incorporate multiple entrances, and splitting the structure into two legal buildings (the condo scheme and the affordable housing component) necessitated separate services and entrances. It was also noted that the separation of tenures into separate buildings reduced the effective subsidy needed to provide the affordable housing in that location, and also provided some efficiencies for the affordable housing provider.

In terms of social outcomes, it was also noted that affordable housing tenants benefitted from the location of the development – access to amenities and jobs – irrespective of the separate building. And in this particular case the difference in occupant incomes was so extreme – market apartments were selling between \$1.5M and \$25M – that it was suggested affordable housing tenants would prefer to develop their own community. Ultimately, there was no shortage of applicants for either the condo scheme or the affordable housing on offer.⁴⁵

However, much commentary noted the stark differences between the services available to the affordable housing tenants. The condo's luxury positioning meant residents would have access to a pool, gym, private cinema, bowling alley and rock climbing facility.⁴⁶ By separating the affordable housing into a separate building, none of these will be available to the subsidised renters.⁴⁷ It was further noted that the subsidised apartments lacked dishwashers and internal laundries (a communal laundry was part of that part of the building). There was also consternation at the symbolism of separate doors, and moreover that the subsidised apartment door was architecturally hidden.⁴⁸ Ultimately, the outcry about the 'poor door' feature led to amendments to the inclusionary zoning scheme to prevent it from arising in a similar way in future developments.⁴⁹

⁴³ oneriversidepark.com, housingpartnership.com/40riversideboulevard

⁴⁴ Badger 2014; Cuzzo 2013

⁴⁵ Rooney 2015

⁴⁶ oneriversidepark.com/first-class-amenities

⁴⁷ Navarro 2015; Licea 2016

⁴⁸ Schwartz 2016

⁴⁹ Kasperkevic 2015; Mock 2015; Moyer 2015

3. Building by building integration

Benefits

Building-by-building integration offers a greater degree of autonomy for the respective tenures while offering many of the purported benefits of mixed communities.⁵⁰ Primarily, while still offering a degree of integration similar to part-building (floor-by-floor) it enables separate building management processes – strata scheme for market housing and private management form NFP housing provider. It is also still distributed throughout development, to avoid spatial demarcations being possible and undermining tenure blindness.⁵¹

There are some potential alignments of differing priorities: developers will tend to put more value on 'kerb appeal' (as much as that concept transfers to apartments); whereas CHPs will put more value on ongoing robustness of stock and amenities that will ensure ongoing tenant satisfaction (so thermal comfort and energy efficiency). Organising the location of different tenures to reflect this will maximise returns of market dwellings to improve the viability of development, without segregating different tenures entirely.⁵²

Disadvantages

The main disadvantages that have been identified are the potential for different buildings – if developed independently – to reveal a design and build quality differential. Differing construction standards or architectural expressions will lead more directly to a visual distinction of the tenures, and potentially different identities associated to the different buildings, and so divide the neighbourhood along tenure lines.⁵³ Although, breaking up blocks into separate buildings promotes other urban design objectives of more active street frontages and a finer-grain in the urban fabric.⁵⁴

This can be offset, to some extent, through an integrated design and construction process, with the different buildings looking like different parts of a single building; but avoiding the complications of a shared building management committee. Like the floor-by-floor degree of integration, the different building management conditions have the potential to lead to different bylaws and levels of maintenance, revealing the tenure differences, despite initial built form being indistinguishable.⁵⁵

Another disadvantage is that different tenure buildings could potentially incorporate different levels of facilities and amenities. Fewer private amenities (e.g. off street parking or communal open spaces) in subsidised housing will lead to a disproportionate use of public amenities (e.g. street parking and public parks) by subsidised housing tenants.⁵⁶

⁵⁰ Tiesdell 2004

⁵¹ Roberts 2007

⁵² Tiesdell 2004

⁵³ Ruming et al 2004

⁵⁴ Bailey & Manzi 2008 cite research by the Commission for Architecture and the Built Environment

⁵⁵ Levin 2014

⁵⁶ Arthurson 2015

This can lead to disproportionate value attached to these public facilities by different tenures, in turn leading to tensions over their management and to tensions in the community generally. If market housing incorporates such amenities, any subsidised housing should too. However, objectives of social integration and developing community ties are more likely to be achieved through the provision of shared public amenities than an (equally) high level of private amenities.

Example

Kensington



Photos from Victorian Department of Human Services <https://goo.gl/qXK9cl>

Located in inner Melbourne, the redevelopment of the Kensington public housing estate between 2002 and 2012, in an inner suburb of Melbourne, saw 486 of the 694 public housing dwellings demolished and replaced with 205 new public units and 512 private dwellings. Some additional public housing dwellings were generated through the reconfiguration of the remaining public housing tower blocks, while 15 of the public dwellings were purchased by a community housing provider.

The Kensington renewal project was one of the first comprehensive public housing estate renewals, and so one of the first in a higher density, inner-city setting. The final result was resulting in 429 public housing dwellings, 15 community dwellings and 497 private dwellings; or a 47:53 split of subsidised and market housing. The net increase of 247 dwellings represented a 36% increase in dwelling density, although the new dwellings were smaller on average than those replaced, meaning the density increase in floor space is lower. The new estate continues to be a mix of dwelling types, incorporating walk ups, terraced housing, two of the original towers, and a number of other medium density apartment blocks. The redeveloped estate also has extensive landscaping, new roads, pathways and infrastructure, and is reasonably well-integrated physically with the surrounding area.

In one evaluation, it is noted that the objective of integrating the tenure types has been successful, with the construction quality and building-by-building distribution making the tenures indistinguishable. (The continued use of the two tower blocks negates this somewhat, both as a visually distinct building and an ongoing clustering of public housing.) It is noted that the building-by-building approach was adopted despite initial discussions of a 'salt and pepper' mixing, and that the designated public and private buildings are themselves separated by careful landscaping.⁵⁷

⁵⁷ Shaw 2013

Although the outcome of the estate's redevelopment was the subject of formal review, the government only released an interim report,⁵⁸ and the authors of the final report were somewhat critical of the outcomes of the social mixing.⁵⁹ The building-by-building approach did not lend itself to social mixing among residents and there was still a degree of displacement with a net loss of some 250 subsidised homes. This project also has an integrated management of individual tenancies (across tenures) and body corporates by Urban Communities Ltd, described above for The Nicholson.

⁵⁸ Hulse et al 2004

⁵⁹ Cook 2013

4. Block by block integration

Benefits

Most of the benefits of block-by-block integration are only short term. While it maintains a nominal degree of integration over entirely segregated suburbs, there is little integration over the long term. The benefits are mostly surrounding the construction and staging decisions, as well as benefits to marketing insofar as concealing the mixed tenure nature of a new development.⁶⁰

It has been noted that not all aims of tenure mixing are undermined by a lack of building-scale integration. The location of development sites near transport, jobs markets and other local services and amenities will still benefit disadvantaged households that might otherwise be geographically marginalised.

Disadvantages

Many of the risks presented by building-by-building integration are also present in block-by-block responses, often to a greater extent. Lower levels of community integration can be expected.⁶¹ And the greater degree of separation of the tenures will increase the likelihood of community divisions along tenure lines and ongoing stigma, if not neighbourhood effects themselves.⁶² This will also have adverse impacts on the ongoing value of market housing.

Example

Washington Park, Riverwood

Washington Park is the first section of a larger public housing estate in Sydney's middle-ring neighbourhood of Riverwood to be redeveloped as a mixed-tenure precinct. While future redevelopment across this larger estate could well change the tenure distribution, in this initial stage, the different tenures are largely separated. A seniors housing complex comprises the vast majority of the social housing onsite (127 of the 150 social housing apartments), and it is located alongside community buildings in the south-west quarter of the site. The market housing, expected to deliver around 450 to 500 apartments, is on separate blocks in the other quarters of the site.



Rendering from Payce <https://goo.gl/N1LpBi>

It should be noted that, just outside the Washington Park development, an experimental building has been constructed that incorporates a part-building separation, including 23 social housing units

⁶⁰ Levin et al 2014

⁶¹ Briggs 1998; Beekman et al. 2001

⁶² Ruming et al 2004; Arthurson 2010

in one part, the community facilities in a second part, and a small market housing component in a third part. It is also in the south-west corner of the estate.

It is early stages, so difficult to draw conclusions about the success of this model. However, it is notable that, while separated, the social housing is not hidden in any sense. In contrast, the social housing was not only the first block to be developed on the site, it is also located at a prominent intersection at the entrance to the site. It is also notable that an ongoing management strategy, involving the St George Community Housing and the local council to provide ongoing community facilities has been a major part of the strategy to ensure a high degree of ongoing community integration.

Conclusions

There is an emerging body of evidence that unit-by-unit integration is not preferred by most stakeholders. While residents are often agnostic about the benefits of this degree of integration, it potentially adds inefficiencies to service providers, NFP housing providers, strata schemes, and developers.

It is also important to note that higher densities have implications in two other ways. First, there is a material difference in the potential impacts from neighbours. In apartments, acoustic and visual privacy levels are more difficult to achieve. And street parking and other public amenities can become congested or overused when the growing population is not well accommodated. Effective planning for these externalities is essential in all apartment developments. But the precinct-level social mixing, and the greater need to facilitate new social capital, makes a more harmonious community more important. (Otherwise people will blame the poor neighbours, basically.)

Also, combined with the abovementioned challenges of ensuring resident amenity is maintained, strata titled structures can place greater tensions on the community and undermines a broader sense of control. Planning for mixed communities needs to give careful consideration to ongoing management structure of apartment buildings. Either mixed-tenure apartment buildings can remain in single ownership (with a cross-subsidy business model for any affordable housing manager), or tenures can be separated into separate buildings.

Other design and development decisions can ensure that building-by-building integration can still achieve the design principle of tenure blindness.⁶³ Two important aspects are the equal provision of private and public amenities between tenures,⁶⁴ and a consistent construction standard and architectural expression to the public realm.⁶⁵

However, by splitting market and subsidised housing into separate buildings, efforts should be redoubled to prevent compromise to the principle of tenure blindness throughout the development process. This is particularly true as financial and political pressures can lead to changes in the design and delivery of the development. The most obvious example is the likely attempt to recoup cost overruns by lowering the quality or services provided in the subsidised housing. Another example is the decision to stage delivery with subsidised housing built last.

A final note is that design decisions are not the only factor in successful mixing of tenures, and mixing of tenures is not the only factor in successful socially mixed communities. Design decisions will have a limited impact on some objectives of community development. The upshot is that even the most appropriate design response will not obviate the need for ongoing programs to develop a strong sense of community.⁶⁶

⁶³ Bailey et al 2007

⁶⁴ Arthurson 2010; Levin et al 2014

⁶⁵ Tiesdell 2004; Roberts 2007

⁶⁶ Kleinhans 2004; Bailey & Manzi 2008

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