

Grattan Institute's report [*Tomorrow's suburbs: Building flexible neighbourhoods*](#)

In Australian cities, new 'greenfield' suburbs are being built at a remarkable rate. These new suburbs are often well designed to suit the needs of their initial residents.

Yet in a generation the demographic profile of local communities can shift radically. As residents change, neighbourhoods need to change with them – or they won't be good places to live. *Tomorrow's suburbs* argues that we must build in flexibility right from the start, and shows how it can be done.

At this seminar the authors of the report, Jane-Frances Kelly and Peter Breadon, discussed the report's recommendations.

Speakers: Jane-Frances Kelly, Cities Program Director, Grattan Institute
Peter Breadon, Senior Associate, Grattan Institute

Host: Matt Dawes, Public Policy and Government Affairs, Google

AUDIO: This is a podcast from [Grattan Institute](#).

MATT DAWES: As an affiliated partner of Grattan Institute we're very interested in thought leadership, particularly in sort of new and innovative areas and this piece of research is one of them and so without anymore ado let me introduce Jane-Frances Kelly and Peter Breadon who are launching some new research on *Tomorrow's suburbs*.

JANE-FRANCES: Thank you and I want also to welcome people who have come from some of our other affiliates Urbis, Stockland, Lend Lease, SKM, Ernst & Young, and Arup.

JANE-FRANCES: I'll introduce us now. This is Peter Breadon, who's our Senior Associate at Grattan and who's done a great deal of the work on this report. Peter joined us after working in the Victorian Government for a while and studying policy in London and Berlin and I'm the Cities's Program Director and really all I want to say about my background is that it was a big mix of things.

This report is about making our new suburbs that we're building flexible, so making sure that they can change as the people who live in them change. We're building those new suburbs in Australia at a really rapid rate, actually a less rapid rate in Sydney than in most other major Australian cities, but that's probably going to change and those new neighbourhoods, those greenfield areas – and by that we mean where last week there was paddocks and cows and this week there's houses and homes and people living there – they're going to be the established suburbs of tomorrow, but the residents who live in them 20 or 30 years' time from now will be very different to the residents who live in them today. Demography changes very fast at the local level and they'll have different needs and preferences, and if the suburbs can't change as a community changes then they won't be good places to live.

We started out by looking at a lot of greenfield development around Australia, reading a lot of the literature and talking to a lot of people. We realised very quickly that there's been a lot of progress in the last 15 to 20 years in how we build these new neighbourhoods in Australia. We're much better at getting the bones of the place right. We tend to use grid streets rather than cul-de-sacs that are less walkable and so on. There's a sense of place in many of these suburbs due to much better urban design. They're often much more walkable than suburbs used to be in the past and there's been lots of strides in energy efficiency and water re-use, community building goes on, it's more likely that primary schools and services are there at the

start. It's very different from 30 or 40 years ago where you could wait a couple of years for a telephone to come on and where the roads wouldn't be sealed for many years.

Often there were also some issues in delays in infrastructure, some real issues around public transport access and so on. Those issues rightly get quite a lot of attention but we didn't want to write another report saying you know we should sort out these co-ordination problems with infrastructure delivery because lots of other people are already saying it. One issue that we came across when we were looking at the characteristics of these areas that we thought wasn't getting any attention at all is how flexible what we're building is to change as the needs of the residents change. That's really what this report is about and I'll now turn to Peter to explain to you what we mean by flexibility.

PETER: Thank you, Jane-Frances. There's lots of ways to think about the flexibility of new neighbourhoods and people do it in different ways, but we're really talking about the flexibility to meet the changing needs of changing residents over time. Families may be a greater part of that population at the start, but people move out and people get older, different communities from different places and backgrounds move in, these people have different needs in terms of transport, in terms of the shopping that they do, in terms of the housing preferences that they have, but they still may want to stay in that local area. That's the kind of flexibility we're talking about, and it comes down to things like what land is used for, how adaptable buildings are, the different kind of resources people can get to, but we always go back to this idea of meeting the needs of residents.

Now one reason we did that is because that's a crucial test of the success or failure of any neighbourhood and it's also a good measure of whether a neighbourhood or a suburb is adaptable to other changes. If you can change according to the new housing preferences of a different community over time or their different transport needs and so on then you're likely to also be able to change in response to technological changes or to environmental pressures. If you can change your buildings, you can change what land is used, for then this has a lot of other benefits, this kind of flexibility.

JANE-FRANCES: So the fact that we haven't talked about those other drivers of change a great deal in the report doesn't mean that we don't think they're really important. We just didn't have time to cover everything completely and at Grattan because we do all of our own work in-house we've learnt that it really pays to focus on a particular issue and try and do that really well rather than spread ourselves too thin. Some other thoughts about why flexibility is important: we pictured a young family moving into a greenfield area and as developers will tell you that's often the target group that they have in their heads when building these areas and often the primary school is now there, there are lovely parks with great play equipment. We're doing a much better job of addressing the immediate needs of the first set of residents in an area but the thing with those little kids is that they grow up into teenagers and then the kind of play parks and the things that are in the neighbourhood become less relevant. If people are keen to stay in the neighbourhood, the neighbourhood over time will become less and less appropriate for their needs. We found it very interesting to compare two suburbs in Sydney, Auburn and Ryde, very similar in a lot of ways, they were sub-divided in the late 1800s, early 1900s, they're both equidistant from the centre of the CBD and when we looked at what had happened to the demographics of those two areas over the last generation from 1981 to now, the way the demographics have changed is completely different. In Auburn there's been a huge increase in the number of young people there, whereas in Ryde there's been almost no increase in the number of young people but a really huge increase in the number of over 65s.

Now there's lots of reasons why that has happened and I'm sure lots of you guys will know more about it than we do but the point was that it was completely unpredictable which one would go in which direction. The needs of those two communities in terms of services and so on are now completely different. In Auburn the child care facilities and primary schools and the kind of recreation facilities that teenagers will disdain are there. Then in Ryde they don't need so many primary schools but they might need bowling clubs or health services and senior centres and if those needs aren't met then it's much less of a good place to live.

We were also concerned at the effect of a lack of flexibility to change at the city structure level. If we're building in greenfield areas, at a certain distance out of the city, and they're not able to adapt over time as residents' needs change and the needs of the demographics and the broader population continue to change, we're going to have to keep building out as it were, rather than being able to use those areas as efficiently as otherwise would be possible and that means that transport infrastructure will be more expensive, it will take longer to get around the city, you will still have congestion problems and so on. You just have a less efficient, less productive city if you're not using what we have well.

Then we took a look at whether there had been flexibility in the past and we looked at the oldest parts of Australian cities. We're not really counting Canberra in this, it's special, obviously every Australian city is special but in some ways I guess Canberra is the most special of all. The oldest inner areas of our cities, the CBD and the inner suburbs, turned out to have a lot of characteristics which were very adaptable. Now it's important to point out that this wasn't deliberate, we were just lucky that it happened to be the case. What kind of characteristics are those: there are a lot of things mixed up, all together, so you have residences and little bits of retail and commercial and so on all mixed up at a very local level. We have the one-off advantage of having brownfield or industrial land that you can use for other things afterwards and a lot of government owned property and land that can be kind of used afterwards. There was a variation in size and type of retail businesses and obviously everything is very close to each other so a very high level of connectivity which is a strong incentive to adapt. Indeed we did find a lot of land use change and we'll come back to that in a second because the statistics are really surprising.

Now if you compare the characteristics of greenfield development that we're doing just now it's the opposite. The way that land is used is much more segregated, so you have big chunks of residential land and then a centralised retail and commercial part and so on. In the residential land the lots are much more homogenous, much more uniform, and they have become smaller in size over time, which is a really good thing for affordability but might be more problematic for flexibility and assembling enough land to do something interesting with afterwards. In those larger centralised retail and commercial areas you also have quite homogenous lots but they're much bigger and you have, especially in the initial town centres, single ownership, single management of a model. The houses now are often built towards the edge of the lot, which is the result of the intersection of those trends about larger houses, although it's now tapered off somewhat, and smaller blocks. People who say we want to move to a greenfield area to enjoy a backyard maybe don't realise there aren't that many backyards anymore in greenfield developments. Also there can be very weak connectivity in some areas with very poor access to other parts of the city and so it was really very different and that was what concerned us. I'll let Peter talk us through some ideas about what to do about it.

PETER: Jane-Frances talked about the areas with these mixed land uses at the local level and diversity that that brought with it in lot sizes and building types and so on. One of the interesting things we did was look at Melbourne land use in 1951 and 2005 and looked at all the ways that it had changed in that period. Successful cities and suburbs had this ability to change and the diversity that that local mixed use brings with it makes places more resilient and they can change in more ways. The big statistic was that in that roughly 50-year period, over one quarter of the area of Melbourne built in 1951 had changed land use by 2005. This meant that residential areas might have changed to business or industry might have changed to housing, so this is flexibility in action.

JANE-FRANCES: We were quite relieved to find that the type of land use that was least likely to have changed was cemeteries, but nonetheless 7% of them have changed land use.

PETER: We would have worried about our analysis if it had said 70% but only 7% was encouraging. With over a quarter of the city changing use in that period, imagine all of the economic activity that that represents and imagine all of the additional housing, retail and businesses where people need them. Another of the measures we looked at is how concentrated different land uses are. We looked at how concentrated they were in 1951, we looked at how concentrated they were in 2005, both in the city as a whole and in these new areas. The newer the area the more segregated land uses became. For example, residential

land in the suburbs built since the '70s had far fewer land uses within 400 metres of every spot, within 800 metres and within 1.2 kilometres. You're finding some of the trends that Jane-Frances talked about, larger houses on smaller lots, and then you're also finding, in terms of land use, much more segregated land use into large swathes of the city. This means there's less opportunities to change.

We thought about what to do now. It's not really feasible to go back to having industry intermingled with housing. People don't want that for very good reasons. We thought about ways to get around this problem of, particularly in residential areas, the land being fragmented into small pieces, all held by different people and the lack of those types of brownfield sites that Jane-Frances mentioned earlier; where you can put in a whole new type of housing or offices because you've got that large piece of land only one person typically owns.

JANE-FRANCES: Last year when we were doing the report [*Getting the housing we want*](#) we found that developers and others were telling us that one of the biggest barriers to having more infill development and providing more housing choice in middle suburbs was the difficulties around fragmentation of ownership and land assembly. In greenfield areas it looks like that's just going to get even worse over time.

PETER: We had this idea that we propose a joint sale option where people would buy their house as normal in a new suburb on the edge of the city. But after 25 years they get an option, with their neighbours, if 90% of them agree to collectively sell their land, this gets rid of that barrier to re-use and re-development that Jane-Frances talked about.

JANE-FRANCES: I have only been in Australia for eight years but I have, of course, seen *The Castle*, which is what people talked to us immediately about this. We did look at quite a few other options and so, Peter, explain why we chose the joint sale option.

PETER: It's potentially controversial. Some of my family come from Bonny Doon so I know how passionately these issues are felt, but the reason we suggested this is that the alternatives to create that flexibility – and we thought of about five – either say we'll get government to set aside big swathes of land in these new suburbs and we'll just leave it dormant and then in a few decades, when needs and preferences have changed, we can build then. Of course that's hugely expensive and what's going to happen with this land in the meantime? Who's going to maintain it and then at the end of the period are the local community really going to be very happy about it turning into land use in a different way? Could you consider other alternatives? Like saying we're going to mandate only temporary uses, or we're going to ban sub-division. There were important talks about a lot of different alternatives but this one – which is inspired by the way that some countries re-develop strata housing, where you've got different apartments in one building – we thought would be a novel approach and would allow you to have affordable and a large amount of housing at the start but also create options to change uses in the future.

JANE-FRANCES: The option would never come up if the offer wasn't attractive enough. If the suburb turned out to be quite isolated and there was less of an incentive to adapt then the land wouldn't be worth enough for somebody to come. In that case unless people were going to make over the odds on their house the option wouldn't even come up. People kept saying to us but what about that neighbour, that 10%, who doesn't want to do this? We say you're nine times more likely to be in the 90% and want the kind of windfall that might come if the land turns out to be really expensive in the future.

PETER: This was a proposal to deal with those small lots in residential areas, but there's also a problem of homogenous lots of the same size in commercial areas. In a lot of new shopping centres, which are increasingly run by single large ownership or management companies, you often have this big building which is very hard to adapt because of the size. Then it's surrounded often by parking and isolated from the streets around. Research from overseas shows that retail centres and town centres that are integrated into the streets around can grow and change over time. The shops might go down the arterial road as the local community grows and then you have different kinds of businesses. The benefit of that is that if these buildings down the streets can turn into shops or offices over time it means that there's more

opportunities for businesses to start up that are owned locally and respond to local idiosyncratic needs in ways that buildings in large complexes will find it hard to do.

JANE-FRANCES: If you want to start a business or open a little shop it's pretty daunting to have to go and negotiate with Stockland or Westfield or the like. It's much easier if there are small mixed ownership places which can be residences in the first years because there's not going to be a catchment area for a little while.

PETER: My passion for adaptable buildings makes this hard but I'll just give you a very quick overview. We looked at a lot of characteristics that make buildings able to change and of course we spend tens of billions of dollars changing them every year. It's very important that it's easy to do so, so we looked at a range of those characteristics that we synthesised out of a whole lot of literature but the one where's there really enough information about what works and how much things cost is about accessibility for disability. As people age and their mobility needs change, making houses that can easily be upgraded – where you can put in ramps, handrails and things like that – is cheaper in the long run. There's pretty clear evidence about the cost of those changes, which are relatively minimal in the context of the overall construction costs at the start, and as much as 22 times cheaper than upgrading later without those relatively inexpensive early provisions.

We looked around at what's going on and a lot of practices in greenfield areas are moving towards that level of upgradeability for accessibility. There's some promising approaches to self-regulation and we basically said that we should keep an eye on those and make sure they're on track because they seem to be going in the right direction.

JANE-FRANCES: The Liveable Housing Australia has been set up with a lot of different people involved in, including people from companies that are represented here tonight. The idea is that self-regulation is fantastic when it works because you can get there with better innovation, but if it doesn't work then governments should consider mandating it at some point.

PETER: We've talked about lot sizes and also associated land uses. We talked about at least one important characteristic, flexible buildings, but even if you have extremely flexible buildings and you have diverse land uses and lots of options and diversity, there's still a lot of regulatory barriers that can stand in the way of change. One that we looked at is zoning, which can be horrendously complex and costly to comply with and also to change. There's a perception with zoning that once it's laid down at the start it's there forever. As a community's needs change in terms of the number of shops they need or the kind of housing they want, then if zoning never changes that really stands in the way of those needs being met.

We propose that we have broader mixed-use zones which are simpler. The other thing we propose is that these zones should be reviewed regularly across the entire city because that's been quite successful in a couple of American cities and it seems sensible after a period – we propose 25 years – to look again at what land uses are really needed and see if zoning needs to be adjusted accordingly. The other regulatory issue we looked at applies directly to these greenfield estates that are being built. It is something called restrictive covenants and as the name suggests they stop you doing things so these are part of people's contracts when they buy houses that stipulate what the front of the house might look like, whether you can put a granny flat in the back garden, whether you can build up and so on. We definitely acknowledge the value that these have at the start because residents coming in want to know what the street is going to look like once it's built, developers want to be protected from people changing the plan at the start and changing the look and feel of what they're trying to develop. However, those benefits, while important, really diminish over time. We argue that after 15 years these covenants should be phased out so that people can change their housing as they may need.

JANE-FRANCES: We're not talking about things like environmental related covenants, but things that restrict people from doing what they would like to do with their land. Tell us about the connectivity, which is this sense that if places are isolated and not easily accessible there'll be much less incentive to adapt them over time.

PETER: That's right. People being able to get to a broad range of jobs and goods and services in itself makes a suburb more adaptable. You might need aged care instead of a school and if you can get to a lot of different kinds of services then you can adapt to those changes. The other thing it does is increases land value. To cut a medium size story very short, the way we measure this access, connectivity to goods, services and jobs, is often relatively crude: how close are you to a bus stop is not a great sense of what you can actually get to that you need in your life. We've looked around Australia and there's some exciting new emerging measures that look at how long it actually takes you to get to a whole mix of these really important resources. It's being trialled in Queensland and we'd like to see that used much more broadly both in planning new suburbs, but also as a publicly available tool. That way people can actually know, when they think about where they live, what kind of access level they think they need and they can be much better informed.

JANE-FRANCES: These are the practical suggestions that we've made that very deliberately don't cost residents too much to date and don't look at trying to change too much today but which free our options for the future.

AUDIENCE: What about sustainability? If you've got a 25 year life on a new residential building isn't that somewhat curtailing the [unclear 29:09 embodied] carbon agenda and do you then have to design for deconstructability and modular demountable? Does that change the whole nature of the type of building that we're talking about?

JANE-FRANCES: The joint sale option is only available in certain parts of the new growth areas. I think it was about between 10 and 40 lots and depending on what they were close to and what they weren't, so what made sense would be different in each suburb. A lot of the time the options might not be taken so it doesn't make sense necessarily to build a 25 year building.

PETER: The average age of a brick building is 88 years and a timber is 56, according to recent research. We spoke to a lot of people who said the value of buildings goes down, the value of land goes up, so flexibility is all about just demolishing buildings. However, the evidence is that that doesn't really happen on a wholesale suburb wide basis and so we actually do need to think about the flexibility of buildings and some of the things you mentioned, like modularity, is something that we consider in our report as well.

JANE-FRANCES: If some of those things happened it would be great because it would be further innovation giving more choice that people can have with their houses.

AUDIENCE: Hi, Nicole Dennis from AECOM. I thought your case study about Ryde and Auburn was really interesting. I think your analysis of looking at success in Sydney, in particular of where use was really accurate in terms of the inner middle and outer suburbs, I got the impression from this that trends can only go so far. If planning and looking at demographics as planners do, can only go so far – like we see Auburn and Ryde having taken quite different courses for a number of reasons – then as planners what can you suggest that we should be looking at in our planning? What indicators will we be looking at to really then, in an ongoing way, do better planning?

JANE-FRANCES: In 2010 we published a report called [*Cities who decides*](#), which is about resident engagement in decision making in cities, we did talk about engagement with residents as change happens. This is always going to be important because it's much more likely that change will happen when residents are engaged in the decisions.

AUDIENCE: Do you think your recommendations – because they seem to be targeted mainly at new greenfield areas – can be applied retrospectively to what were greenfield areas 20, or 30 years ago that we're not so happy about now?

JANE-FRANCES: The zoning ones definitely because we say it's a good idea. I think that Australian cities at the moment are at a point in their history and size where things could go one way or another. We could actually face up to some of the difficult challenges that come along with growth and make some hard decisions or we could pretend it's not happening and just try to say to people that everybody can have what everybody wants and that there aren't trade-offs

in the real world. People know that that's not the case. So things like the zoning review across a whole city I think is a really good idea. They've just done it in New York across all the burroughs with a lot of resident engagement involved. I think many Australian cities are at that point now. We need to ignore the fact that we do very well in liveability indices, because they are only about one particular group of residents – highly educated globally mobile professionals – and accept that there are going to be challenges and think about the whole city as a system. By doing that zoning review you can allow that.

One of the issues with the joint sale option is that all the recommendations are for the greenfield areas. The joint sale option works when people know that that is going to happen when you buy in the first place. Now it may be that the uncertainty will probably be integrated into the price, which might bring the price of those houses down slightly at the start. From an affordability perspective that doesn't sound like too bad a thing, although if you're a developer it's more difficult. If anybody can figure out how to get flexibility with no change and at no cost we would love to hear it! It's more difficult to do that retrospectively because then you really are talking about *The Castle*. But there might be other mechanisms to try and bring neighbours together.

I'm sorry this is a Melbourne example but for those of you who know Caroline Springs in the north-east of Melbourne Lend Lease and Delfin have been involved in Caroline Springs for 18 and a half years and they're still building things in Caroline Springs. They first started selling houses and areas of Caroline Springs 16 years ago and with those initial areas, the character is absolutely set. The covenants would already have expired about a year ago and they're nowhere near where the stuff is being built now. What that means is that in Caroline Springs – where it's a 20 year development overall – the covenants will be expiring years after whichever part of it was being developed.

AUDIENCE: I guess I was thinking also if properties sell or might sell a number of times within that 25 year life that covenant would obviously stay with the property?

JANE-FRANCES: The joint sale option?

AUDIENCE: The joint sale option.

JANE-FRANCES: Yes and people would know that when they were buying it.

AUDIENCE: I understand, so I guess if I've been there for 21 years and to sell it with only four years left on that that would no doubt work its way into the sale price wouldn't it?

JANE-FRANCES: Of course. Now if it didn't look like the land was going to be attractive to a developer it probably wouldn't affect the price, because you wouldn't have an expectation that in four years you're going to get some nice windfall, but if it looked like it was very likely that the land was going to be really valuable and people were going to want it it would probably increase the price of your house because they have expectations of the windfall. That's one of the reasons why we like this kind of option because it does integrate the uncertainty around it into the price and it can work with the market rather than against it over time.

AUDIENCE: For those people who exercise this option presumably they want to remain in the suburb, and will need to find alternative housing for themselves. Do you need provision to allow for increased densification or increasing the size of the suburb that needs built in?

JANE-FRANCES: Yeah, well that's one of the reasons why people need land, to change a suburb. I mean 89% of the housing that's being built in these suburbs currently is family sized attached houses, so there's not a lot of housing choice at the moment. I wouldn't necessarily presume that they will want to stay in the suburbs, some definitely will but some won't. It's things like this that will hopefully provide over time the kind of housing diversity that people will want. For example some people will begin to downsize when their children leave home, but at the moment if almost 90% is family sized detached houses there's not going to be anything in that area for them to move into and so you need housing that accommodates this desire to downsize.

AUDIENCE: Regarding the mechanics of the option, who's the option in favour of?

PETER: Basically the option then applies to all of this designated area of a suburb and if 90% of people agree the option is in their favour.

AUDIENCE: So I can drag along the other 10% because it's an option to sell?

PETER: And one of the things about using the market as Jane-Frances was talking about, is if a compelling offer comes along then you know there's this potential and that's what drives it. If you have the other options where you say we're going to keep this land set aside for the next years that involves predicting when a better use will come along. So it's actually a very inefficient way to talk about it.

JANE-FRANCES: Plus it costs them a lot of money. I've seen this tried in some places and the land is sometimes just not very clean and so it's really not very attractive. If you do maintain it and turn it into an attractive park then residents are quite understandably not going to want to lose that park in 25 years time, 90% is deliberately high because, well, because of *The Castle*.

AUDIENCE: Just a couple of quick observations that I can just get away from worrying about the price of housing, which is obviously very engaging, but two bigger issues are written in the back of the report. One's about planning and the other is about technology. As I work for CISCO I feel we need to understand the question about technology, otherwise they won't let me back in the building tomorrow. Regarding the planning question, what you're saying is that in days gone by when we were doing the old parts of cities we were very flexible but we were accidentally flexible. It strikes me that one of the reasons we were so flexible was that we planned less, or we planned differently. Is that right and is it, therefore, something of a challenge in greenfield to stop over-planning and allow a much greater room for things to just happen in the sense that strategy and planning is what happens as opposed to what we predict it will be. That's one observation.

JANE-FRANCES: Why don't I do that and then we'll come back to you. Sometimes this conversation seems black and white, it's should we plan or should we not plan. Plan the right amount, strike a balance between evolution and serendipity and it's like the debate about regulation. Is there too much regulation or should there be no regulation. Property laws are a regulation. I think the answer is to have just about the right amount, what that is is in the eye of the beholder to an extent. It can be different in different states because there are different instruments as well. I don't really know enough about the history of planning to know how much planning there was or wasn't. Hoddle's Grid in Melbourne looks pretty planned to me for a start, but also there can be real consequences of just letting stuff happen. There were a lot of slums and big public health problems and it's good that we know what we no longer have, it's good that if there's a bunch of kids in an area that someone thought about a primary school. I'm not for over-planning and I'm not for not planning to a degree.

AUDIENCE: The other observation I make about the report, and I still think it's under-done in the report is that there's a triangle that emerges in the conversation between connectivity, access and mobility, and if you look in the way the world is now working the role of technology is completely changing that equation. If that is an equation, the relationship between those three things completely changes because many of the things we want access to are not actually the local shop. I just think we're at the very, very early stages and my sense is that the report politely but somewhat dismissively suggests that this stuff is a bit interesting but not really important. I think my contention would be is that it is more important than perhaps you're allowing and will become more important in the next 10 to 20 years.

PETER: I guess we argue that the kind of flexibility we're talking about would help in the response to technology changes. It is almost impossible to predict their impact in detail, particularly how it relates to urban stuff and how things start. One of the points where we look at it is in this case of the retail centres and the town centres. People say well with everything going online this will mean the death of retail. You might have some micro-store where you can go and feel the fabric and then go home to buy it online. Then other people are saying well, actually with connectivity and higher fidelity stuff online you're going to have localised hubs that

you're going to want to work from that are going to be near you. Either way we contend, partly based on a previous report we did, *Social Cities*, that for the foreseeable future physical interaction is going to be really important. The latest and best research in Australia shows that so called unmet internet friends have no impact on wellbeing. They're a great way to help you find out about more people to meet and interact with in person, so they're very valuable but you still need to meet them. That's where these shopping centres are so important because they're the best opportunity you have in new suburbs to create a town centre and that raises then opportunities for incidental interaction, opportunities to create a sense of unique identity associated with a place, which is really important to people. Of course technology's usually important but we say if you have flexible town centres that can grow and change in lots of ways they can respond to whether it's the remote working hub or whether it's a different form of retail, whatever it is they can respond to it.

JANE-FRANCES: It will change a whole bunch of things in particular the nine to five work day and the great big commutes. As Peter was saying we're still social animals, there will still be gatherings like this that people will want to come to rather than watch the video later.

AUDIENCE: My name's John, I'm an independent designer. I wanted to ask what are you going to do with Westfield developments like Bondi Junction whenever retail is no longer affordable for merchants. Will people just be living there?

PETER: It's interesting if you look at the kind of shopping centres we propose where you might have this big anchor tenant then you might have different kind of buildings that front the street so this can change. Retail's gone through these massive surges and declines before and there are in Australian cities inner suburban shopping strips that have gone completely residential and lost their shopping character and then they've come back. They've changed, but we argue that there's some characteristics of buildings and urban designs that make that possible, so I think shopping malls are really hard to turn around for other uses. That's what they found in America where the economics have always been very different but they've had a lot of trouble retrofitting and changing these big box stores. Whereas if you have a place that is integrated into the streets and you have separate ownership you can actually be much more flexible. Maybe places can become residential or home offices or go back to retail.

JANE-FRANCES: Also nobody has any idea of what's going to happen to retail except that there's also the sort of the growth of services, like the milk bars and so on. Again there is a social aspect to all of this and people are always going to want to interact and maybe some of them can become more civic spaces.

AUDIENCE: Rod Simpson. My question goes to the idea of flexibility and I'm just wondering whether it is the most appropriate term for all of the great ideas because really it's not so much flexibility as displacement on the one hand. Displacement occurs within the city because there's recapitalisation of land and what we had in the past was a variety of land values, leaving aside the land use, there was the interposition of a planning regime which effectively devalued parcels of land like light industrial in the middle of the city. In fact it's a policy intervention in land market more than anything else that then allowed those to be turned over and we can argue about whether it's high and better use but essentially it's about displacement. There's re-intensification and so if you look at it in terms of the suburb what we're really talking about is actually putting more houses on the same block of land ...

JANE-FRANCES: Not necessarily. It could be a nursing home or ...

AUDIENCE: Well that leads straight into where I was going ...

JANE-FRANCES: We found that people do assume this, it's like so you mean for when we want to put the high-rise tower up and I'm like "who mentioned that?".

AUDIENCE: I think when you perhaps have dismissed the idea of land banking, well not dismissed entirely in your presentation just now, but there is such a thing called public housing and seeing these other assets and uses. For example, tertiary institutions which continue to occupy vast swathes of land and mow the grass at great expense. There are vast resources of

these sorts of institutional land uses which also intensify at the time which are in fact in public control and ownership. I'm not suggesting that every public housing estate is something that can be turned into multistorey but I'm just wondering whether there's not the possibility of suggesting again a policy intervention in essentially creating a variety of land values effectively which allows for re-intensification over time and the same goes with car parking lots for example. I don't think there's one single car parking lot that should be in private ownership, on surface car parking, that should be a public asset that can be turned into whatever at whatever time, when you do the percentages on that that's actually a hell of a lot of land, all those things combined.

JANE-FRANCES: Indeed. One of the reasons that we do our reports is not to try and cover absolutely everything or come up with recommendations that are so clearly the right things to do that people will adopt them immediately but it's to stimulate exactly the kind of conversation and thinking that is behind your comment. The thing about the language, one of the reasons we used flexibility, is because it's a term that people understand and in fact we used the word adaptability for most of the time that we were doing the report but because we speak publicly what we say at Grattan is that we're trying to influence decision makers in a way that can be understood by the general public. Thank you for your comment it's really interesting.

Thank you so much to everyone for coming. This is the first time that we've done a launch in Sydney. You've made it worthwhile for us by coming and it's been fascinating hearing your comments.

End of recording

AUDIO: This has been a podcast from Grattan Institute. Want to hear more? Check out our [website](#).