Democratising Prosperity: Global Perspectives on Housing Affordability

The issue is not... Land use, Cities.

The issue is... Quality of Life, Social Equity, Future of the Nation.

Housing Affordability Crisis in Australia

EXAMPLE OF SYDNEY

Housing Affordability in the USA

THE RULE, NOT THE EXCEPTION

OUTLINE

UNDERSTANDING “URBAN SPRAWL”
PUBLIC TRANSPORT: HOPELESS RHETORIC
PORTLAND: FAILED MODEL
BACKGROUND: DEMOCRATISING PROSPERITY
HOME OWNERSHIP AND PROSPERITY
THREATENING THE GREAT AUSTRALIAN DREAM

The Anti-Sprawl Theology

CONDEMNING WHAT THEY DON'T UNDERSTAND

a trashy and preposterous human environment
with no future

-James Howard Kunstler (The Geography of Nowhere)
“places not worth caring about”
-James Howard Kunstler (The Geography of Nowhere)

The Great German Dream
Leipzig

NOT A BRIEF FOR SPRAWL
LONE MOUNTAIN COMPACT
“... absent a material threat to other individuals or the community, people should be allowed to live and work where and how they like.”

Understanding Urban Sprawl

Paris to Tourists & Urban Planners

Tourist Paris is Not Paris
DIFFERENCE BETWEEN AUSTRALIA & EUROPE: HISTORY

Population
62%
Outside City of Paris

Employment
67%
Outside City of Paris

Paris Missed by Tourists & Planners

The Great French Dream
Paris
MODERN “SPRAWL” = AUTO ORIENTED DEVELOPMENT

Merriam Webster: “the spreading of urban developments on undeveloped land near a city”

Sprawl is “suburbanisation.”

Sprawl is “urban growth” – nearly all urban growth in the high-income world has been suburban in recent decades.

Sprawl = Automobile oriented development (especially in Australia, the US, Canada, Western Europe and Japan).

Urban Sprawl is Suburbanisation

HISTORY OF URBAN GROWTH IS HISTORY OF SPRAWL

Australia: No Shortage of Land

AGRICULTURE & FARM LAND: 1981-2002

Reductions
Land Area of Victoria, Tasmania + South Island (NZ)

The Declining Human Footprint

MIRRORS TREND IN CANADA & UNITED STATES

Urban Areas: Historical Densities

Population per Square Kilometer

Urbanisation →2001 (<0.3%)
Universality of Auto-Based Sprawl

Urban Densities Compared to Pre-Auto Era

Urban Population Per Square Kilometer

Pre-Auto  Japan  W. Europe  Australia  Canada  U.S.

1900  Now

Suburbanisation in Barcelona

Core  Suburbs

Suburbanisation in Athens

Core  Suburbs

Suburbanisation in Tokyo

Core  Suburbs

The Great Spanish Dream
Barcelona

The Great Greek Dream
Athens

The Great

Urbanisation:
7,000
Square KM
The Great Japanese Dream

Tokyo

Urban Area Densities
AUSTRALIAN & NEW WORLD SIMILARITIES

SURPRISES
Sydney More Sprawling than Los Angeles
Los Angeles Least Sprawling in New World

Urban Population Per Square Kilometer

Los Angeles
Sao Paulo
Tokyo
Sydney
Toronto
Melbourne
Auckland

The Great Romanian Nightmare

Bucharest

Ceaucescu: Understood Curbing Sprawl
FATHER OF URBAN CONSOLIDATION

Toronto Area Green Belt Plan
MUCH PAIN, LITTLE GAIN

2000 Land Area

Additional 2031
“Smart Growth”

Additional 2031
“Business as Usual”

The Automobile is Here to Stay
NO ONE PROPOSES RETURN TO PRE-AUTO ERA

Share of Motorized Travel
Urban Areas Over 1,000,000

Australia
Western Europe
Canada
United States
Asia

Restore Public Transport City?
REJECT AUTO BASED URBAN AREA?

• No serious proposals.

• Would require dismantling more than 85% of urban area & resettlement.

• Auto oriented urban area is here to stay.

• Densification worsens the quality of life.
Suburbanisation Dilutes Congestion
TRAFFIC INTENSITY IN WORLD URBAN AREAS

Suburbanisation Speeds Up Traffic
TRAFFIC SPEEDS IN WORLD URBAN AREAS

Suburbanisation: Faster Work Trips
INTERNATIONAL EXAMPLES

More Air Pollution at Lower Speeds
Based Upon Index of 1.00 at Lowest Point for Each Pollutant By KM per Hour

Roadway Air Pollution Progress in Europe (EU-15)
Gross levels down 60% or more in 11 years
Exaggerating Suburban Costs
US SUBURBS LESS EXPENSIVE THAN CORES

Suburban Cost Research
U.S.A. “CANNOT AFFORD” SUBURBANIZATION?

- How did we manage to afford the last 60 years?
- Bankrupt suburbs predictions: 1960s
- Studies: Theoretical, not real data.
- $225 billion US cost claim (to 2025) $30 per capita annually

Suburban Cost Research
“ILL INFORMED & DISINGENUOUS”

“… if the urban policies … were not so ill informed and presented in such a disingenuous way, there would not be a need for this contribution to the debate on Australia’s cities”

- Patrick Troy (The Perils of Urban Consolidation).
NOT SINCE COPERNICUS

... has the conventional wisdom been so wrong.

no imperative has been demonstrated.

Factors Driving Suburbanisation

IT IS MORE THAN POPULATION GROWTH

• Strong Post-War population growth
• People moving from rural areas to urban areas
• Housing growth well above population growth
  Average household size down 1/3
• Larger, more efficient commercial structures
• Employment growth well above population growth
  Contributing factor: More women in the workforce
• Affluence

Public Transport: Hopeless Rhetoric

Not enough people going to the same place at the same time

Don Valley Parkway & Commuter Rail Toronto

Public Transport Work Trip Share

IMPORTANT TO CBD, A SMALL PART OF THE MARKET

CBD: Work Trip Share

Sydney Area Employment

Outside: Work Trip Share

Auto-Competitive Public Transport

ONLY TO DOWNTOWN

Most Employment is not Downtown

Nor West Business Park Baulkam Hills
High or Low Density in Suburbs
MAKES NO DIFFERENCE IN PUBLIC TRANSPORT

Auto Competitive Public Transport
SYSTEM DESIGNED FOR PORTLAND (800M GRID)

Urban Density & Transit Competitiveness
HIGH INCOME WORLD URBAN AREAS OVER 3,000,000

Urban Rail in the USA
DEMAND DRIVEN BY AVAILABILITY OF FEDERAL $

Misleading or “Doubtful” Information
UNREALISTIC EXPECTATIONS FOR PUBLIC TRANSPORT

Portland: Failed Model
CHEERLEADERS ARE UNRELIABLE REPORTERS

MELBOURNE 2030 PLAN
Reduction of Auto Market Share in Percentage Points
Goal is many times previous record
Urban Area Population Density
SYDNEY, LOS ANGELES EXCEED PORTLAND

Portland: Most Growth Suburban
METROPOLITAN AREA: 2000-2004

Public Transport Overall Market Share
SYDNEY 5 TIMES PORTLAND

Public Transport Work Trip Share
SYDNEY MORE THAN DOUBLE PORTLAND

Portland: PT Work Trip Share Drops
BEFORE LIGHT RAIL & AFTER: 1980-2000

Traffic Congestion in Portland
ONE OF LARGEST INCREASES IN THE NATION

Travel Time Index (Peak Travel Delay)
1990-2040 Plan
58% Traffic Increase
Already Exceeded

Medium Urban Area
Average
Portland v. Houston: Traffic
1986-2001: 30 MINUTE PEAK AUTO TRAVEL DISTANCE
Portland: Transit & “Compact City”
Houston: Highways & Market

Among Greatest Congestion Increases
From Worst to 14th

The Bloating Urban Growth Boundary
PORTLAND RETREATS – RESPONDING TO REALITY

Urban Consolidation: Not Sustainable
RETREAT: PORTLAND AND ELSEWHERE

Portland
• Anti-densification referendum (2/3)
• Property Rights referendum (2/3)
• Requirement to pay for economic loss from zoning changes

Other Retreats
• Minneapolis-St. Paul
• New Jersey
• Maryland
• Suburban Washington, DC

Every Society Has Rich Households

Luxury Condos Near Rocinda Favela
Rio de Janeiro

The Great Swedish Dream
Stockholm

Background: Democratising Prosperity
Affluent Economies Have Achieved a Democratisation of Prosperity

What Distinguishes Societies is the Extent of Poverty Overwhelming Reality

History of the World is the History of Poverty

Home Ownership and Prosperity

Economic Progress is Not Automatic The Case of Argentina

GDP/Capita: 1990

Home Ownership and Prosperity

The Great Japanese Dream Sapporo
Democratization of Prosperity is Associated with Urban Growth

Democratization of Prosperity is Associated with Suburbanization

Democratization of Prosperity: Associated with Rising Home Ownership

Rationing land for housing development tends to raise house prices. Higher housing prices lead to lower rates of home ownership.

Smart Growth: Strategies & Housing Impacts

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ANDRES DUANY

There is NO question that urban growth boundaries and that elaborate environmental public processes increase the cost of housing by creating scarcity. (And don’t tell me otherwise, because I am not stupid, nor am I inexperienced, nor do I have underdeveloped powers of observation).

HARVARD STATE OF THE NATION’S HOUSING 2005

“Development constraints drive up land and construction costs as well as prevent new housing from keeping pace with rising demand.”

WACHOVIA BANK

“We have identified three major factors which have worked to restrain supply over the past decade, all of which remain very much alive and well today. The first is the spread of the Smart Growth, Slow Growth and No Growth movements throughout the country.”

U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT REPORT

“A number of communities ... have used smart growth rhetoric to justify restricting growth and limiting developable land supply, which lead to housing cost increases.”
LAND USE REGULATION RETARDS ECONOMIC GROWTH

“metropolitan areas with stringent development regulations generate less employment growth than expected given their Industrial bases”

Unaffordable Housing
Fables and Myths

Alan W. Evans and Oliver Marc Hartwich

AN ALARM ON PLANNING IN THE UNITED KINGDOM

“The nightmare scenario for the British economy could be that a ‘tipping point’ was reached where the financial services industry of the city decamps to cheaper cities elsewhere in Europe.”

International Housing Affordability Ratings And Rankings

2005.02

A SIMPLIFIED MEASURE

- Median house price divided by median household income.
- Permits ready comparison, national and international
- Simplified and understandable
- Historical value: Approximately 3.0

GROWTH CONTROLS: LARGEST PRICE ESCALATION

Housing Affordability: US Urban Areas
2000 CENSUS

House Value: Household Income Multiple: 2000 Census

More Affordable

Widespread Land Rationing
**Metroplitan Area Population: 2003**

**TALE OF TWO CITIES: SYDNEY AND ATLANTA**

- **Atlanta**: 4.9
- **Sydney**: 4.2

**Metropolitan Area Growth: 2000-2003**

**TALE OF TWO CITIES: SYDNEY AND ATLANTA**

- **Atlanta**: 382,000
- **Sydney**: 132,000

**House Price Multiple: 2004**

**TALE OF TWO CITIES: SYDNEY AND ATLANTA**

- **Atlanta**: 2.6
- **Sydney**: 8.8

**Urban Population Density**

**TALE OF TWO CITIES: SYDNEY AND ATLANTA**

- **Atlanta**: 700
- **Sydney**: 2,200

**Auto & Public Transport Share**

**TALE OF TWO CITIES: SYDNEY AND ATLANTA**

- **Atlanta**: 99%
- **Sydney**: 88%

**Daily Travel Time per Capita**

**TALE OF TWO CITIES: SYDNEY AND ATLANTA**

- **Atlanta**: 72
- **Sydney**: 79

*Similar Results for Dallas-Fort Worth, Houston Comparisons with Sydney*
Conclusions

TALE OF TWO CITIES: SYDNEY & ATLANTA

- Similar interest rates
- Sydney housing affordability much worse
- Atlanta larger
- Atlanta housing demand greater (faster growth)
- Sydney urban population density higher
- Both have high auto market shares, but Sydney has larger public transport share.
- Less travel time in Atlanta.

The Democratisation of Prosperity is not Complete

Land Rationing: Toward a Nation of Renters: Restoring Inheritance as the Deciding Factor

Living in the “Future Tense”
THE UNIVERSALITY OF ASPIRATION

THERE IS NO REASON TO STOP DEMOCRATISING PROSPERITY

The Great Canadian Dream
Toronto

Valencia (Spain)
Suburbs

STRONG ECONOMIC GROWTH: IS NECESSARY
But “Smart Growth:” constitutes an assault on the economy.
The Great Australian Dream
HAS BECOME THE GREAT UNIVERSAL DREAM

The Great Universal Dream
VISITING THE NEW HOUSE IN BARCELONA

The Great Universal Dream
EMERGING IN MEXICO

The Great Universal Dream
EVEN IN HONG KONG

PLANNING REFORM:
Back to Basics:

Not telling people how to live...
Rather, helping people live as they prefer

People's Route ➔
Planner's Route ➔

Paris Suburbs

The Great Universal Dream
Hong Kong (Fairview Park)