

# 6<sup>th</sup> Annual Demographia International Housing Affordability Survey

## INTRODUCTION

By Dr. Tony Recsei

**D**uring the eighteenth century, especially after the industrial revolution, rural dwellers desperate to make a living streamed into the cities, converting many areas into overcrowded slums. However, as the new economic order began to generate wealth, standards of living improved, allowing an increase in personal living space. This progressed and evolved into the “garden city” concept of towns sufficiently spacious to be free of slums and enjoying the benefits of opportunity, amusement and high wages while being coupled with many of the advantages of country living.



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An increasing population ultimately creates challenges, challenges that can be met in a variety of ways, especially through environmental, technological and economic advances. In Australia and elsewhere however, the remedy is increasingly seen as planning doctrines based on higher population densities. This reaction threatens the hard-earned advance in living standards that has been achieved over the centuries.

**The Dream of Home Ownership:** A country such as Australia is blessed with a sunny climate and enough space to enable people to enjoy a relaxed free lifestyle. The “dream” (called by various names, such as the “Great Australian Dream” or the “American Dream”) has traditionally been to own a single family home. Home ownership has been a source of boundless opportunity. In addition to providing the preferred environment for people trying to carve out a decent life for themselves and bring up a young family, it has been the instrument by which even those of modest means have been able to become property owners. They thus acquire a valuable asset that can be used as collateral for business ventures and entrepreneurial activity.

In the future, for most, this will remain but a dream. Although only about a third of one percent of the land surface of the continent-sized country is urbanised, Australian urban areas, especially Sydney, have emerged as perhaps the most aggressive examples of high-density policies in the world. This is being effected by a two-fold strategy, called “urban consolidation” (or “smart growth”).

The first part of this high-density strategy is to artificially strangle the land supply. Words from the Australian national anthem...

*For those who've come across the seas  
We've boundless plains to share*



...now have a hollow ring. Residential land release in Sydney has been reduced from an historic average of 10,000 lots per year to less than 2,000 (in 2007). In the face of the scarcity resulting from such a miserly allotment it is unsurprising that the land component of the price of a dwelling has increased from 30% to 70%. The result has been a cost increase of some three times what it was a mere ten years ago.

The second part of the high-density strategy requires each municipality to submit a plan that increases population density to government satisfaction; otherwise that municipality's planning powers are undemocratically taken away. This forces high-density onto communities originally designed for low densities.

The consequence of the two-part strategy is that vast numbers of young people and the underprivileged will never be able to raise a family within the security of their own home. Instead they are forced to endure tenuous rental tenancies in high-rise apartments, adding more congestion, pollution and overloaded infrastructure to cities. Welfare agencies now report that of a population of 22 million there are over 100,000 Australians homeless on any given night.

The *6th Annual Demographia International Housing Affordability Survey* reveals how unaffordable houses have become. The traditional way of life is thus being slowly crushed under the bureaucratic iron heel of high-density. Single-residential communities are becoming a threatened species. Previously attractive suburbs with their flowers and foliage are being overcome by the relentless stomp of grey concrete and asphalt. Bewildered long-time residents find themselves isolated amongst the drab shadows of upward rising, smothering unit blocks.

**The Need for Rational Policies:** These policies result in changes that fly in the face of fairly deeply rooted wishes and desires of much of the population. They invite community opposition and have resulted in vigorous protests including marches on Parliament House in Sydney by thousands of protesters.

With the imposition of such policies onto individual communities one would imagine that it would be essential for government to indisputably demonstrate that this is for the overall greater public good. A plethora of claims about the advantages of higher densities have been made but the authorities are unable to provide evidence for any of them. In fact the available evidence shows that high-density makes things worse, not better in at least five ways.

**First, Greenhouse Gases:** The claim by high-density advocates that seems to trump all others is the environmental one. This says planning policies must compel higher density in order to save energy and cut down on greenhouse gas emissions.

However studies using a diversity of methods demonstrate the converse. One such study depicted on the Australian Conservation Foundation's *Consumption Atlas* accumulates per capita emissions based on household consumption of all products and services. This calculation shows that greenhouse gas emissions of those living in high-density areas are greater than for those living in low-density areas. The result is not surprising when one looks at the average household emission profile in various categories. Food and goods purchased account for most of the emissions and this is more for wealthier inner-city dwellers. Surprisingly, transport emissions amount to very little (only 10%), household electricity and



heating fuel being about twice as much as this and the amortised emissions from the construction of the dwelling are more.

A second study uses overall surveys of only individual building and transport energy use. This finds that per person, apartment living uses more overall energy. A third study reveals that operational energy use per person (electricity and heating fuel) is nearly twice as much in Sydney apartments as in single-family dwellings. Consideration of elevators, clothes dryers, air-conditioners and common lighted areas such as parking garages and foyers make these findings readily explicable. What is more, the per resident energy required to construct high-rise is much more than the energy needed to build single-residential dwellings.

**Second, Transport:** There is not nearly enough difference in the greenhouse gas emissions of public versus private transport to counter the increased emissions of high-density dwelling. Greenhouse gas emissions per passenger kilometer on the Sydney rail network is 105 grams. The figure for the average automobile is 155 grams and much less for modern fuel-efficient vehicles that emit a mere 70 grams. Also, high-density hardly reduces per person travel intensity at all. Research shows that people squeezed into newly converted dense areas did not use public transport to any greater extent and there was little or no change in their percentage of car use.

Throughout the world, traffic congestion increases when high-density policies are imposed. Any slight increase in the proportion of people using public transport is overwhelmed by the traffic from the greater number of people squeezed into that area. People still require their automobiles for visiting relatives and friends or facilities not easily reached by public transport and for transporting items that are impractical or illegal aboard public transport such as weekend recreation equipment and the family pet.

**Third, Health:** The increased congestion caused by high-density policies has adverse health consequences. Vehicle exhausts contain dangerous micro-particles which increase in inefficient stop-start traffic. There is also more traffic per area and less volume available for dispersion. The World Health Organization calculates that 3 million people die from these particles every year.

High-density is also bad for mental health. A study of over 4 million Swedes has shown that the rates for psychosis were 70% greater for the denser areas. There was also a 16% greater risk of developing depression. In Australia, the Australian Unity Well-being Index reports that the happiest electorates have a lower population density.

Research shows that bringing up young children in apartments has adverse consequences. Keeping children quiet emphasizes activities that are sedentary. There is a lack of safe active play space outside the home - parks and other public open space offer poor security. Crawling and walking is stymied due to space problems. Children often become overweight and enter school with poorly developed social and motor skills.

**Fourth, Infrastructure:** Adding more people to existing infrastructure results in overload. The standard of roads, rail service, water supply and electricity visibly deteriorate from the imposition of high-density policies. High-density retrofit is hugely more expensive than laying out new infrastructure on greenfield sites. Infrastructure costs quoted by the authorities almost always omit the cost of restoring the standard of infrastructure back to the level of service people enjoyed before high-density was imposed.



**Fifth: The Cost of Housing:** High-density planning increases the cost of housing, discussed in this, the 6th Annual Demographia International Housing Affordability Survey.

**Blast to the past:** It is apparent that available data clearly shows that high-density makes things worse for us, not better.

However the overwhelming evidence that high-density is less sustainable than low-density does not prevent high-density proponents from unashamedly making misleading claims. A frequently portrayed example, alleged as proof that “urban dwellers have 1/3 the carbon footprint of suburban dwellers” depicts annual automobile miles travelled per *dwelling* (instead of what should be per *dweller*) in United States city areas of differing densities. This is wrong because:

- the comparison conveniently ignores all our other greenhouse gas emissions – per person household and amortised construction emissions overall amount to *much more than transport emissions* as mentioned above
- also as mentioned, *each person in high-density accounts for more* of these household and amortised construction emissions than those in low density
- there are fewer people per dwelling in high-density areas
- the comparison ignores energy used in public transport of which there is a greater proportion in higher-density areas.

There is no doubt that action needs to be taken to reduce profligate waste of energy. This objective is not helped by such deceptive misinformation.

It is apparent that high-density is not the way to resolve the challenges posed by an increasing population. The enforced bland uniformity of high density living means more greenhouse gases, high traffic densities, worse health outcomes, a creaking and overloaded infrastructure, poor social outcomes and a whole generation locked out of owning their own home.

It is particularly concerning that the unwise policies that afflict Sydney have spread to so many urban areas throughout the six nations covered by this *Survey*.

Unless we are vigilant, high-density zealots will do their best to reverse centuries of gains and drive us back towards a Dickensian gloom. Revealing information sources such as the *Survey* are an invaluable resource to counter attempts to herd us backwards into an archaic past.

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