

Docklands

January 2024: A housing development case study



Early 1900s Docklands (Melbourne Docklands In Perspective 2022)

Executive Summary

The Docklands renewal project has played many roles for multiple stakeholders, such as a prospective Olympic Village, a glamorous Waterfront, and a Technological Hub, amongst many others. Although housing is half of the development, the design of the urban spaces around it does not consider the human inside the housing. This can be seen in the streamlined policy making decisions that leave the public out and turn a public-private partnership into a paternalistic state-private partnership which profits from the public, albeit for a specific part of the public 30-40s no children, working in technology.



Docklands 2020 (Melbourne Docklands In Perspective 2022)

Abstract

This research seeks to understand how policy decisions have eroded from initial aspirational goals over piecemeal development within Docklands, ultimately compromising the people living in the area. This will be significant in the public interest and understanding of future public-private partnerships and contributing to future urban waterfront renewal projects. Historically, Docklands have been criticised in the media as an instant city, (Millar 2006) and an urban wasteland lacking public amenities (Dowling 2011). This paper adds to the gap between public sentiment and urban policy research, through a novel combination of site visits, historical policy research and public media. It is hypothesised that the developmental goals of docklands has forgotten the people living inside the apartments.

Introduction (Overview)

In 1990 the Docklands Task Force was established within the office of major projects to kickstart the revitalisation of the disused docks at Victoria Harbour. (Dovey & Sandercock 2005). During early 2000, the Docklands Authority positioned the development as an iPort the “i” stood for “intellectual capital, infrastructure, intelligent buildings and education and the “port” a portal as part of the new networked economy” with emphasis on telecommunication technology and fibre optics through-put (Docklands Authority 2000)

Methods

To understand Docklands in this paper, there was broadly a dual method employed, experiential and scholarship. For the experiential, two site visits were conducted, and the reading of the local online newspaper captured the residents' sentiments. Secondly, academic viewpoints were compared from local scholars and international sources focusing on policy themes such as ‘waterfront renewal’ which connects the Docklands case study to the international field.

Findings

Planning Principles

The planning principles employed at Docklands are intermingled together. In this paper, Docklands is identified as an urban waterfront renewal project. Ultimately developing into a mixed-use precinct, of which residential housing is half the capacity but not the focus.

Waterfront Renewal

Waterfront renewals have been integral to cities around the world, traditionally large cities have been centred around ports as maritime trade was the backbone of the global economy, as more cities moved from Fordist to post-Fordist economies. In response, cities have responded with ‘spectacular’ developments designed to act as entrepreneurial centres (Dovey & Sandercock 2002). The docklands development was perpetuated by fear of appearing backwards in global eyes and was an urban planning imperative to generate economic value (Dovey & Sandercock 2005). This type of renewal is important to Australia as a country surrounded by water, with multiple cities on the coastline.

Mixed Use Precinct and High Density Housing

Mixed land use precincts have been part of urban design for over 50 years; they increase walkability, generate street life intensity, and reduce the need for travel, they operate by reducing the distance between work, home, and daily amenities (Dovey & Pafka 2017). Docklands mixed use has been determined by developers bidding. As of 2000, it was 50% residential, 30% hi-tech commercial, 7% hotel, 5% retail, and 8% other entertainment and leisure (Docklands Authority 2000). High-density high-rise living, although common in many countries is extremely uncommon in Australia, with 97% of Docklands living in these apartments whilst only 12.1% of the state resides in a similar typology ('Australian Bureau of Statistics' 2021).

Build to Rent

In recent discourses, there has been an uptick of the built-to-rent (BTR) model in Australia following international examples UK and America (Carvalho et al. 2023). In local media and governmental outlets, it is being touted to "create affordable, quality homes for Victorians". Currently, Melbourne is leading BTR expansion with 63 percent of the national total ('Victoria Leads As Build-To-Rent Creates More Choice | Premier of Victoria' 2023). The build-to-rent model is sold as a long-term rental, where institutional investors own the entire building, renting and property management is undertaken by one entity. Its lack of dependence on sales allay developer fears and reluctance to release a large number of properties onto the market without diluting prices (Brill & Durrant 2021), historically one of the bottlenecks to a lack of housing stock.

Governance and Stakeholders

Docklands Act and Development Victoria

The Docklands Act legislated in 1991 gave legal power to the Docklands Authority¹ one of the largest and most central stakeholders in the process responsible for liaising with all other key stakeholders: Victorian State Government, City of Melbourne and Developers. "The purpose of this Act is to facilitate the development of the docklands area and to establish a Docklands Authority to encourage that development" (*Docklands Act 1991*) The act gives the docklands authority extraordinary power that circumvents normal planning and slow council planning processes that normally allow public intervention. The Authority "is capable of acquiring, holding and disposing of real and personal property" it is allowed to "hold property on the behalf of the crown"(*Docklands Act 1991*).

Through the course of development, the Docklands Authority transformed its stance "an anti-planning ideology spread through the Authority who: 'Adopted a policy that the Authority should be a development agency, not a planning agency ...'. The words 'plan' and 'planning' were systematically replaced with 'development', 'co-ordination' and 'promotion' of the Docklands. This was the 'real-world' perspective that was cast against the world of public planning."(Dovey & Sandercock 2005)

Stakeholder Transfer through Sale and Development Agreements.

Docklands was initially land belonging to the public (a key stakeholder), that was then sold to private companies. In the late 90s and early 2000s the Kennett government kickstarted the precinct by selling public assets off at a staggering rate, for example, the 136,970 square metre New Quay precinct, almost five city blocks in size, was sold to the MAB Corporation for \$3 million (Johanson

¹ Docklands Authority is now known as Development Victoria and has previously been known as Docklands Taskforce, For this paper they will be used interchangeably.

2012). To put this into perspective, The land was sold at \$22 per square metre. A Brunswick workers' cottage in 1999 cost \$991 per square metre (Johanson 2012).

Many of the companies that now own public land, such as Australia Xing Six Holding Pty Ltd, have obscure names and no public-facing information. The next stage of the process is a 'Development Agreement' between Development Victoria and the Developer. (Development Victoria 2019)

Socio-Economic Outcome

Speculative Vacancy

Prosper a housing policy think tank, utilises a novel method for measuring vacancy rates, utilizing water consumption rates; this allows them to determine very low usage, less than 50 litres a day (a dripping tap could put out 55 litres a day), and absolute vacancies of 0 litres a day. This is important because there is a large discrepancy between what is reported to the council, which has multiple trickle-down effects. Underutilised and vacant properties found using this method could house over 185,000 people, easily housing Victoria's 80,000-person public housing waiting list, or could increase the state tax revenue by 160 million through the Vacant Resident Property Tax (Fitzgerald 2021).

In 2021, Docklands had the second highest speculative vacancy (behind south- bank) at 10.8%, utilising less than or equal to 50 litres a day (Fitzgerald 2021). This was down from 27.0% in 2013, the highest vacancy speculative vacancy in Melbourne (Cashmore 2014)

Decline of Social Housing

Docklands as of 2023 has two buildings which contain social housing, The Mariner and The Merchant. The Mariner is an 8-story multi-residential building with 113 apartments, 83 of which are social housing. The Merchant is another 8-story multi-residential building with 57 of 133 dedicated to key worker housing (Development Victoria 2019). Both are owned by Housing Choices Australia; the sale of the private apartments, coupled with investment stimulus plans and government stakeholders, subsidises these apartments ('Housing Choices Australia - Our Profile' 2017). As of 2021, there were a listed 10,827 private dwellings('Australian Bureau of Statistics' 2021) , resulting in an extremely low 1.29% subsidised housing in the area.

Site Visit Images

Key findings from Docklands site visit. The streetscapes were very empty (mid-day Friday), designed for a large population to walk through. There was a lack of heritage buildings, one of the few spotted was the Mission to Seafarers (Image 1). There was lots of public seating, but no one was using them. Cafes that were previously open had shut down (Image 6), gyms were empty (image 5). The selling of apartments had images of glamorous interior finishes or views of the waterfront (Image 11). It seems that build to rent has already started with signs stating "for rent – coming soon" (Image 12).



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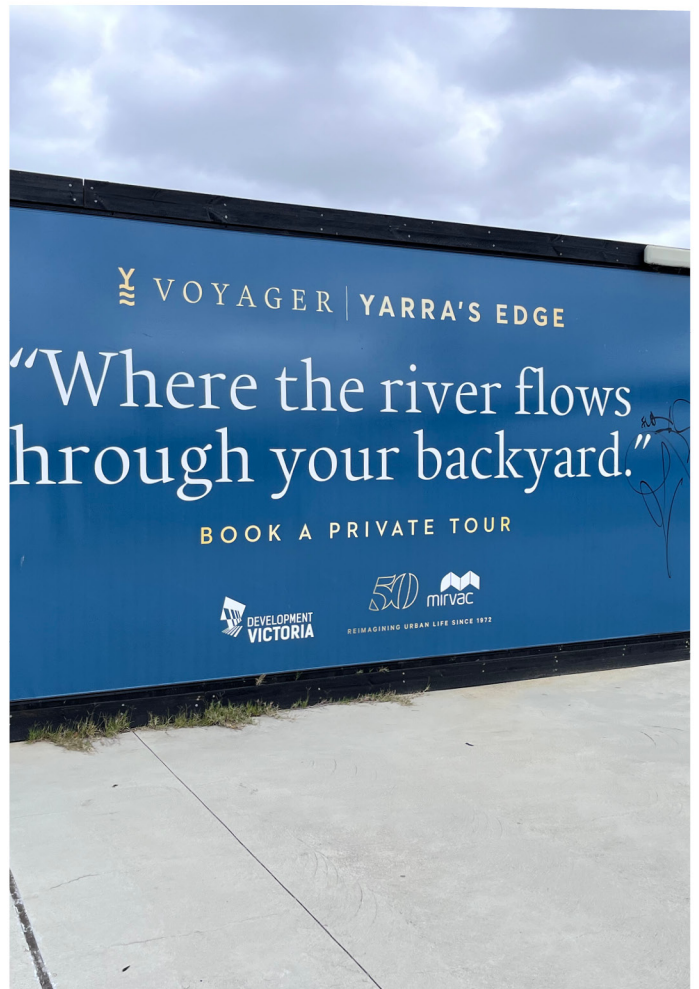
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Discussion / Analysis

What was the rationale behind Docklands and was it successful?

Sale of Assets for Future Revenue.

Docklands' need for public-private partnerships was apparent in early documentation, stating that relying on the private sector was a must as funding was drying up (Docklands Authority 2000). As different governments came to power, liberal and labour policies between regulations and deregulation (Durrant 2021) the sale of public land assets by the Kennett government in 1999 and the difficulty in finding sale price of the land, which was not public record until 'Commissioner of State Revenue v Lend Lease Development Pty' court findings exposed it (Johanson 2012) sets up tone of public private relationships for docklands.

Docklands the tech Campus

During the late 90s (dotcom boom) and early 2000s optimism dockland's was positioned as a technological and international iPort, its mix of 50% residential and 30% Hi-tech commercial (Docklands Authority 2000) shows its positioning, towards a target audience.

In many ways this is the new industry, that replaced maritime dock work that occurred half a century ago with technological work. Ultimately a, desire for Melbourne to be seen as a global city (Dovey & Sandercock 2002) , perhaps trying to emulate the much admired and emulated American Silicon Valley industrial district and tech campus, something which Docklands was trying to achieve with its mixed-use projections. However, Silicon Valley contained an existing regional advantage with the headquarters of Lockheed, Ford and IBM (amongst many others) already existing, with areas of manufacturing and space to grow (Gray et al. 1998). In comparison and perhaps to its detriment, Docklands sought to attract big business to a desolate area. As a result of this outlook the housing style and infrastructure present cater to a small subset of people, the median age of 32 with 0.2 children, living in mainly 2 bedroom apartments. Most of the people that live in the area are 'Professionals or Managers' with the top two industries being Computer Systems and Banking with Chinese, English, and Indian Ancestry ('Australian Bureau of Statistics' 2021).

Docklands growing up Mixed-Use.

Mixed-use is a key concept in planning circles. It was one of the techniques utilised to create the docklands precinct; on paper, the mix has achieved a theoretical 1:1 between residential and non-residential uses. However, the concept of mix extends much further, mixing old and new buildings, mixing the types of people that live there, and mixing the ages of people that live there. This is a possible reason that a high percentage of people walked (24.3%) to work or used the tram (27.8%) ('Australian Bureau of Statistics' 2016)² but the streetscape from the site visit feels cold and unwelcome. Docklands has not had enough time to get old buildings (too many were also demolished). This was apparent in 2012; the lord mayor at the time expressed that the last decade was for infrastructure, and now, moving forward, the focus was on building more community infrastructure (*Docklands Community and Place Plan - City of Melbourne* 2012). In 2021 Docklands

² Using 2016 Census as opposed to 2021, because there was a high percentage of people working from home, presumably due to covid.

first and only primary school was constructed, which is already overflowing, with the school having to utilize rooms in the adjacent shopping centre (Heffernan 2023).

Speculation Prices, Supply and Demand

Post the Global Financial Crisis in 2008, the government sought to strengthen economic growth, nurture innovation (Zukin 2020), an agenda set out in the early Docklands strategy plans seemed favorable

Docklands has some of the highest speculative vacancy rates across Victoria, the commodification of housing as a financial asset has been one of the largest factors. The effect of this can be seen in through empty promenades, closed cafes and gyms (found on the site visit), a place designed for more people sits empty, the dockland community suffers from this speculation. Reformed taxation is required to discourage this from happening, increasing the vacancy tax and introducing penalties, which has been done internationally in Canada, as well as utilizing water consumption as the metric for vacancy (Fitzgerald 2021). Lost taxation revenue could then be used to subsidize social housing.

Build to Rent

The pivoting to build to rent model, if not properly regulated could perpetuate existing trends and increases in rental prices. Brill and Durrant have pointed out that the BTR market actors leverage a created narrative of the negative aspects of private landlordism and simply replace it with their product of institutional landlordism (Brill & Durrant 2021). Currently across Australia it was found that built BTR was a premium product being rented above median prices, there was a possibility to use it for affordable housing, which policymakers were leaning towards. However, in the private sector, as it is still viewed as a money-generating asset, it is priced as a premium product. (Swanzy-Impraim, Ge & Mangioni 2023)

Ending the Docklands Act

The move from product to home could be facilitated in Docklands through the dissolution of the Docklands Act. The act which gave power to Development Victoria and streamlined development in the area, should be dissolved to allow community (almost 20,000 large) agency in hopes of keeping a longer-term population, as evidenced by an overflowing primary school. There is already evidence of that occurring with residents lobbying at the Docklands Summit last year to seek beautification of the area, through the addition of planter boxes and installation of artwork, the medium-term improvement was to create a Docklands Stakeholder Group

Conclusions

Docklands started as a glimmering utopia, a revitalization to generate revenue for the state and promote modernity. It attracted professionals and sought to create a tech and banking based innovation district. However, it is still not finished growing, as residents stay and hopefully get a say in its future development docklands can improve further.

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