



NUMBER FOUR

The process and its consequences: who benefits from urban renewal?

When considering the reality that faces people in many public housing areas – the lack of transport, services and facilities, poorly maintained housing, limited job opportunities – it is understandable that some argue that doing something is better than doing nothing. Even if the evidence is not there, what is wrong in taking the pragmatic approach, giving place-based intervention the benefit of the doubt, and pursuing urban renewal regardless? What harm could it do?

Displacement

The benefits of urban renewal do not flow evenly. Reducing the amount of public housing in an area at the very least requires some existing public housing tenants to either relocate or change their tenure by buying their own home. Because purchasing a home is often financially out of reach for people dependent on income support, displacement is a more common result.

New residents, and those tenants fortunate enough to remain, will benefit from the improvements to the physical environment, the improved services and the job opportunities created, but there is little evidence to suggest that relocated tenants benefit equally from the process. In fact, their social networks and sense of community may be undermined by their dispersal. As one researcher has put it, urban renewal ‘improves the place but at the expense of the community’ (Randolph 2000, p. 11).

The displacement of existing residents is not just a matter of relocated tenants ‘missing out’ on opportunities in their old suburb. Moving from one suburb to another does not resolve poverty, unemployment or other complex personal issues – it simply displaces them, making the problem less visible, but doing nothing to resolve it. The problem is that the focus is on places, not on people. It is easy to reduce the level of disadvantage in a geographical location by removing the people who are disadvantaged from it.

Gains for the private sector

Urban renewal allows the government to utilise private finance, but it still requires considerable public resources to trigger the required levels of private investment. The private investors who do get involved are not doing the government a favour – in cases where the redevelopment is conducted in partnership with the private sector, it is the private partner who obtains much of the profit. In some suburbs, they also gain access to prime development sites.

Involving the private sector can lead to pressure to reduce the amount of public housing in the final development. After all, the market, operating freely, does not tend to produce mixed-tenure developments. Private sector partners are primarily concerned with maximising profit and reducing risk, and a greater emphasis on private housing addresses both concerns.

Public-private approaches introduce commercial processes into a sector that has previously been not-for-profit and which provides an essential service and a basic human right. Researchers have argued that when private investors become involved, their interests – for financial viability and profit – become the driving force in the project, rather than the needs of public housing tenants. In some cases, private sector involvement limits the right of public housing tenants to have their say about their own futures. Aspects of some projects have been classified as ‘commercial-in-confidence’, which means that the information is not released to the community.



The promotion of home ownership

Many urban renewal strategies include sales of public housing to former tenants. This achieves two things: greater tenure mix through transferring public housing into private ownership and an increased level of home ownership among low income earners.

But home ownership is not a magic wand. If people are struggling with disadvantage and financial stress, this is unlikely to change regardless of whether they live in public housing or are buying their own home.

Home ownership is relentlessly promoted in public policy and depicted as the normal, beneficial tenure of choice – which makes public housing abnormal and inferior. Communities with high levels of home ownership are seen as more successful than communities without. But home ownership is not for everyone. Some people decide not to buy a home because it is financially unachievable or will mean ongoing financial stress. Instead, the security of tenure provided by public housing can offer a substitute for the benefits of home ownership, allowing people to put down roots in a community and achieve a sense of independence and control, while imposing less of a financial burden.

Pressure on the rest of the system

Many, although not all, neighbourhood renewal programs result in an overall loss of public housing stock because the low value of the housing makes it difficult to fund one-for-one replacement. But there is no secure, low-cost private rental market to replace lost public housing, which means that tenants displaced by urban renewal must be rehoused in other public housing. This, coupled with the reduction in the number of public housing homes, results in greater pressure on the waiting list and intensifies the rationing processes that already apply to people who want to be public housing tenants.

The price of success

Research shows that those mixed tenure communities which are regarded as the most ‘successful’ are also the ones which exert the greatest controls over who is able to live in the community. The rationale for this is both to ensure a pleasant living environment and to protect the interests of private developers, whose capacity to sell properties depends on showing prospective buyers that living in this kind of community will be no more stressful than living anywhere else. Tenants who are regarded as ‘difficult’ – because they have a poor previous tenancy history, or are in crisis, or have a criminal record or a drug or alcohol problem – are excluded in the name of creating a ‘sustainable’ community. This does nothing to help resolve the issues that these tenants experience. It only further marginalises and stigmatises them, and excludes them from the improved housing, better services and extra community programs that neighbourhood renewal is meant to bring about in the first place.

Reference

Randolph, B 2000, ‘Community renewal and disadvantaged areas – a national agenda for action’, *Proceedings of creative approaches to urban renewal: a conference on the redevelopment of public housing*, Shelter Western Australia, Perth, pp. 6-15.

This information sheet is based upon the discussion paper ‘There are people living here: exploring urban renewal and public housing estates’ by Kathleen Flanagan, published by the Social Action and Research Centre at Anglicare Tasmania. The discussion paper contains much more detail on this and other issues to do with urban renewal and includes an extensive list of references. The full discussion paper can be downloaded from www.anglicare-tas.org.au.