

Meso and micro governance in urban consolidation : The role of UDC's and bodies corporate in inner urban developments.

Michael Bounds

University of Western Sydney - Bankstown Campus

Email: M.Bounds@uws.edu.au

ABSTRACT

The inner urban redevelopment of Sydney is evidencing a regulatory vacuum which may result in declining quality of life for settlers in new developments and a rapid deterioration in the urban fabric of the city.

Based on research on the Sydney inner city redevelopment of Pyrmont Ultimo this paper investigates the experience of settlers in new medium density developments. Pyrmont Ultimo is an exemplar of urban consolidation and compact city policies transforming the settlement patterns and urban form of Australia's capital cities. The redevelopment has paralleled that of other brown field industrial water fronts in the post fordist economy. Rapid population growth in the area has been fuelled by changed housing expectations, economic restructuring and demographic shifts. The paper reviews the impact of private public relationships on development and some preliminary outcomes for settlers in relation to their expectations of the area, the management and governance of new development and the quality of life in medium and high density developments. The paper argues that the macro program of deregulation has devolved management down to UDCs and individual developments resulting in conflicts of interest and a regulatory vacuum in relation to quality of life in new medium density developments.

INTRODUCTION

The suburb of Pyrmont Ultimo just west of the CBD on the foreshore of Sydney Harbour is an example of urban consolidation and compact city policies transforming the settlement patterns and urban form of Australia's capital cities. The redevelopment has paralleled that of other brown-field industrial waterfronts in the global post Fordist economy. Rapid population growth in the Pyrmont Ultimo has been fuelled by changed housing expectations, economic restructuring and demographic shifts. Based on recent interviews and research over the past decade on the Sydney inner-city redevelopment of Pyrmont Ultimo, this paper investigates the experience of settlers in new medium density developments. The paper reviews the impact of private/public relationships on development and some preliminary outcomes for settlers in relation to their expectations of the area, the management and governance of new development and the quality of life in medium and high density developments. The paper argues that the macro program of deregulation has devolved management down to the Urban Development Corporation (UDC) the Sydney Harbour Foreshore Authority, and the management of individual developments resulting in conflicts of interest and a regulatory vacuum in relation to quality of life in new medium density developments.

Urban Development in Pyrmont Ultimo

Pyrmont Ultimo is an archetypal, post Fordist, rust belt site in the state of New South Wales. It consists of two adjacent suburbs, Pyrmont and Ultimo and is situated on the harbor of Port Jackson adjacent to the west of the Sydney CBD. Its rejuvenation began in the late 1980s with the bicentennial redevelopment of the former rail yards and docklands of Cockle Bay to create a Baltimore harbourside style development known as Darling Harbour.

Pyrmont Ultimo's contemporary cultural transformation is archetypal of new forms of urban settlement, occupational groups and lifestyles dominating the inner city transformation of major cities in Australia and globally. Pyrmont Ultimo located on the water adjacent to the Sydney CBD was a natural site for industry from the earliest days of settlement and throughout the 20th century. As industrialization occurred in Australia so did industry and the population thrive in Pyrmont - Ultimo. With industrial restructuring from the 1960s onwards, the peninsula declined and became little more than an easement for freeway construction. The rapid transformation of our economy to a service sector driven economy has seen the peninsula's repopulation in the past decade.

By 1875 Pyrmont was fully developed and residential development in Ultimo was underway. Following the building boom of the 1880s the population of the peninsula in 1891 had reached 19,177. The peninsula provided numerous industries and employment for Sydney, shipbuilding, stonemasonry and quarrying, steel foundries, shipping, cartage, sugar refining and flour milling to name a few. Industry slowly pushed the population out of the peninsula and, industrial decline brought about its depopulation. The population reached its peak at about 30,000 at the turn of the 19th century. By 1954 it was about 5000, in 1971 it was 2000 and in 1978 it was 1800 (Matthews 1982:26)

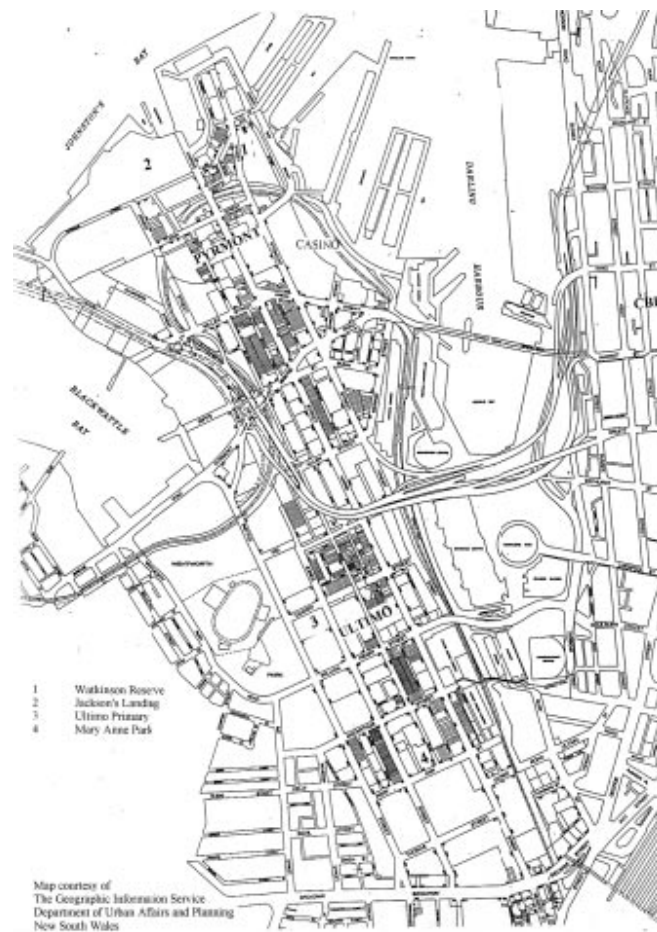
The declining population and devastation of the peninsula began to turn around in October 1992 with the announcement of Ultimo Pyrmont Regional Environmental plan establishing the City West Development Corporation. The corporation would sell off government land to provide infrastructure aiming for a proposed residential population of 20,000 including 700 affordable housing units, 100 of them public. Pyrmont Ultimo is now well on the way to repopulating in medium to high-density apartments and to the commercial development of concentrations of high tech communications and service industries.

Second Wave Gentrification

Gentrification is a term of increasingly broad application that has come a long way since it was first used by Ruth Glass (1964) almost half a century ago. Its continued appearance in the literature evidences its academic relevance but like other portfolio concepts such as community, its contextual meaning can be confusing. In this paper, 'gentrification' refers to the residential redevelopment of a brown field site and its repopulation by largely middle class, that is, tertiary educated and service industry employed workers and their families. The process of redevelopment and resettlement I term *second wave gentrification* (Bounds 2004, Bounds and Morris 2005) to distinguish it from the early phase of gentrification alluded to by Glass, which typically involved the recycling of dwellings of character and the colonization of traditional working class areas by an emergent new middle class in the mid to late twentieth century.

Second wave gentrification differs from first wave in that it

- is state and developer led
- involves new medium to high density housing on redeveloped sites
- creates a more diverse tenure and demographic mix than first wave gentrification.



PYRMONT ULTIMO -DETAIL

Warde (Savage and Warde 1994:80) identifies gentrification as characterized by four processes.

1. Resettlement and social concentration with displacement of one group by one of higher social status
2. Transformation of the built environment with new services and aesthetic
3. Congregation of those with a shared culture, lifestyle and class related consumer preferences
4. Changes in property values, increased private ownership and commercial construction activity.

Favouring a demand side or cultural account Warde argues that the middle class settlement of gentrifying areas is in part a product of changing gender relations among the middle classes, and is linked to status insecurity and unconventional households. These are arguably all characteristics reflected to a degree in our subject area Pyrmont Ultimo.

In a more recent study Hackworth argues

“Although some aspects of gentrification may indeed be changing everywhere there are most certainly local geographies that are modifying and filtering in ways that problematize a general description of the process”(2002:828)

Hackworth contends that the concept of direct displacement gentrification no longer has the general relevance it once enjoyed as conversion of inner city areas for the affluent is actively pursued but now by profit seeking corporate gentrifiers in the face of relatively little resistance from existing populations. Hackworth calls this post recession gentrification. He concludes that

“Overall gentrification is now more corporate, more state facilitated and less restricted than ever before. The combination of these changes has encouraged gentrification in such a way as to fundamentally alter the inner city land economics of the past 30 years” (2002:839).

Freeman and Branconi (2004) argue that contrary to the view that gentrification displaces low-income residents it may actually encourage them to remain in the area even at the cost of higher rents in order to retain access to the increased amenity.

“Public housing, often criticized for anchoring the poor to declining neighborhoods, may also have the advantage of anchoring them to gentrifying neighborhoods.Our analysis indicates that rather than speeding up the departure of low-income residents through displacement, neighborhood gentrification in New York City was actually associated with a lower propensity of disadvantaged households to move.”(2004:53).

Most central to this discussion of Warde’s typology is the recognition that the primary characteristic of gentrification, the displacement of traditional and working class communities, is perhaps now a lesser issue. The important issue now is how is this strategy of development and redevelopment, which has to some extent grown organically and opportunistically out of the process of economic restructuring and the rent gap writ large, impacting on the new residents in the areas of settlement? While displacement remains an important issue particularly as second wave gentrification advances, it is not this that concerns us centrally in this paper.

The importance in recognizing this as a phenomenon impacting on the population in general in the new areas, and on their life opportunities, is to highlight the examination of the experience of new residents. (Bounds and Morris 2001).

Urban Consolidation and Government Intervention

Urban consolidation and compact-city policies are not novel planning innovations in the Australian context. Debates over urban consolidation have been actively raging since the late 1970s (Bounds 2004). In the international context the ambition to actively pursue the creation of more compact cities was given approval by the UN (Habitat 2001). One of the principal impediments to the adoption of urban consolidation in the Australian context was the cultural imperative of detached housing and owner occupation. For many years urban consolidation, or compact city policies were opposed because they were seen as a deterioration in generally accepted housing standards (Troy1996). Some of the arguments raised contended that increased densities brought about reduced amenity, detracted from the virtues of private open space traditionally enjoyed by Australians and resulted in a declining quality of life generally, and in particular for medium density residents.

By the late 1980s urban consolidation was the centre piece of most metropolitan strategic plans and in spite of localized resistance, local governments were compelled by state authorities to plan for increasing densities. In the Sydney context this was backed by prescriptions for allocated areas of medium density development. Most importantly this legislation underpinned the right of developers to appeal local government refusal of their development plans. For almost a decade some spectacular resistance had been encountered, in particular in gentrifying areas, from local councils and young

City Structures 03

professional gentrifiers resisting redevelopment of brown field sites with medium and high density apartments adjacent to relatively aged traditional areas (Bounds 1993). The Court of Appeal now routinely overturned local government resistance as increased development complied with state government policy.

From the early 1990s on, as Sydney and other Australian cities emerged from the property collapse of 1989-90, the rate of inner urban medium density development escalated.

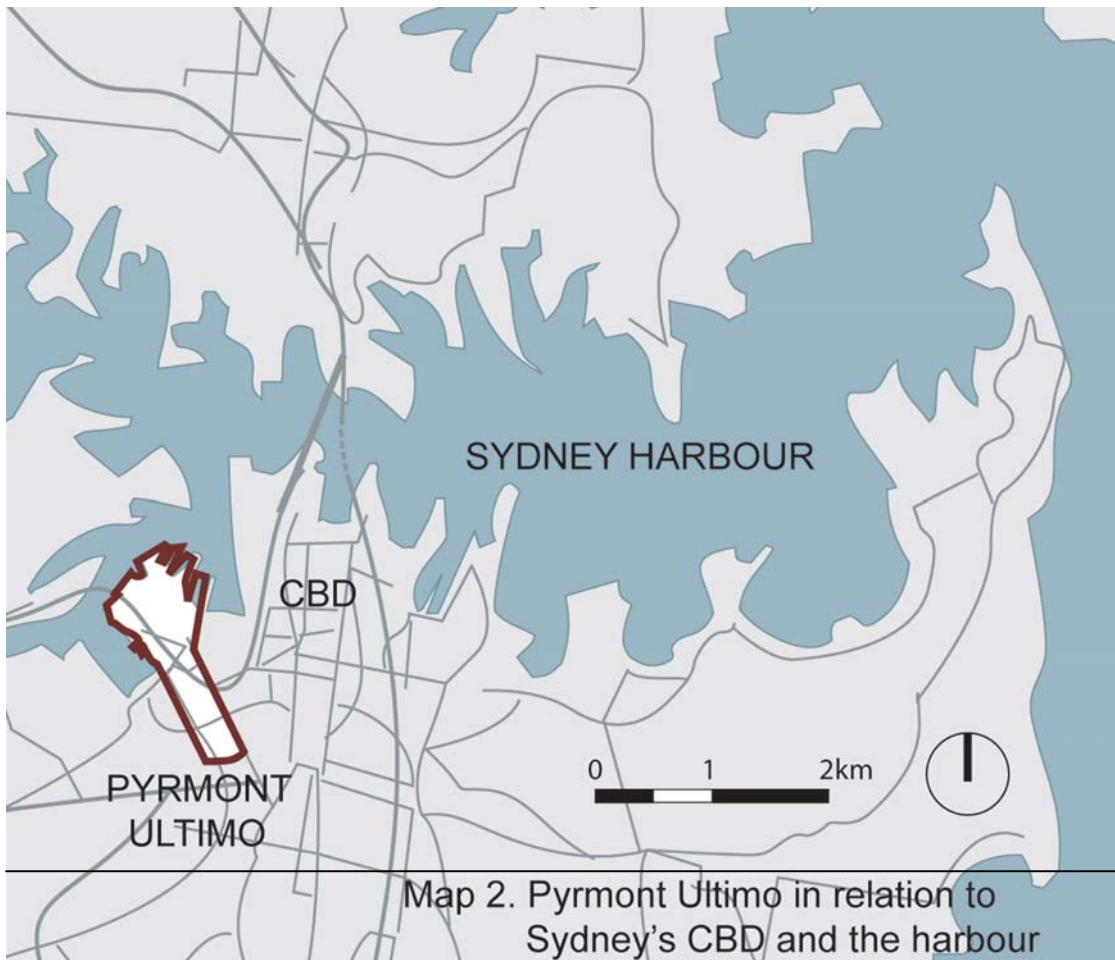
Dwelling Approvals In Inner City And Capital City, Sydney			
<i>Period</i>	<i>Inner city</i>	<i>Capital city</i>	<i>Proportion</i>
	no.	no.	%
1987–88	642	27 131	2.4
1988–89	898	26 877	3.3
1989–90	584	19 702	3.0
1990–91	976	18 762	5.2
1991–92	338	21 606	1.6
1992–93	2 586	26 705	9.7
1993–94	2 361	29 038	8.1
1994–95	4 730	33 661	14.1
1995–96	3 454	27 226	12.7
1996–97	4 853	32 223	15.1
1997–98	4 419	35 809	12.3
1998–99	3 784	35 766	10.6
1999–00	3 506	33 547	10.5
2000–01	2 851	22 560	12.6
2001–02	5 120	31 865	16.1
<i>Australian Bureau of Statistics – Australia Now- Building Approvals Australia 2002. Cat No 8731</i>			

State Government policy alone cannot be held accountable for the increase in medium density development. Other factors were contributors to supply such as:

- the availability of brown field sites, a classic characteristic of the post Fordist city,
- major developers geared up to the production of apartments,
- an oversupply of office space leading to an imperative for reconversion to residential,
- the reallocation of development capital from commercial to residential.

Demand factors were:

- vastly increased housing values and tax incentives on property investment enabling aging home owners with high equity in their own homes to borrow against them and buy investment properties as a hedge against retirement,
- the reconcentration of high-value occupations in inner urban areas,
- the settlement of migrant groups accustomed to high density living,
- the aging population looking to reduce costs of home maintenance and access the entertainment benefits of the inner city,
- the marketing of medium and high density developments as life style dwellings.



Comparative Character of Pyrmont and other Cities

Butler and Robson (2001) point to different approaches to the generation of social capital and community in their article on gentrification in three London neighbourhoods, Telegraph Hill, Battersea and Brixton. Telegraph Hill they argue is networked, reflexive, cultivating community. Battersea is instrumental, an approach based on high levels of economic and cultural capital, while Brixton has no class in itself and celebrates diversity in principle but pursues separate lives in practice.

Hutton (2004) in a comparison of London, San Francisco, Vancouver and Singapore argues that spatiality and new industry clusters are fundamental to the social formations underpinning the new economy in developed nations. Hutton identifies the *New Economy* with the rapid growth of information and communication technologies. He contends that information and communications technology (ICT) has been crucial in reshaping markets and business organization, and identifies new economic spaces and new divisions of labour to which creativity and knowledge are driving forces. In support of these arguments he refers to Florida's (2002) creative class, Alan Scott's (2000) notions of the cultural economy, and the work of Andy Pratt (1997) on New media industries and spaces.

As he argues, Florida Scott and Pratt

City Structures 03

“ ..take on board the importance of technology in new production processes, development trajectories , and divisions of labour.....Each also recognises the need to investigate associated normative issuessocial dislocation and displacement and to encourage innovation ..” (Hutton 2004,90)
Hutton goes on to contend that some spaces of the inner city underpin the spatiality of the new economy as they offer the aggregation of culture and urban development; they are the creative habitat that gives a creative advantage to new industry clusters. As examples of these inner city creative precincts he cites Manhattan’s silicon Valley of Soho and Tribeca and London’s City fringe of Camden, Islington, Hackney and Tower Hamlets.

Defining characteristics of these areas are:

- they are part of larger phenomenon of new Economy,
- they typify innovation in communications and production technologies including e marketing and distribution,
- they house new occupational cohorts with advanced technological skills,
- these sites combine technology, culture and place.

Hutton talks of the role of the New Economy spaces in the growth of “urban cultural economy”. Following Scott he contends that these urban places are where cultural insight, imagination and originality are generated by the production system. Creative small firms are concentrating not in the rural exurbia of silicon valley but in the gentrifying inner areas of the city. The social nature of these economies is significant (Thrift and Olds 1996: p316). Hutton’s respondents affirm the importance of local interaction to creativity and cultural production. There is no clear demarcation between work and social life as work continues in the coffee houses, bars and restaurants. The intermingling of artisan designers and other cultural industry workers in the unique environment of inner cities with heritage values, museums, parks and complementary institutions such as colleges of art and design provide an institutional network for the New Economy.

Pymont Ultimo possesses these characteristics.

- It is a centre of ICT with television production, software creation, communications technologies and educational institutions.

“.....many high profile companies in the media, telecommunications, Internet, advertising and marketing have in recent years moved their corporate homes to Pymont, establishing the area as a dynamic and growing commercial precinct. These include Foxtel, Nokia, the Ten Network , [Optus@Home](#), 2SM, Quicken and News Interactive” (SMH 23-24/3/2002)

- It houses new occupational cohorts

But, increasingly the settlement of Post Children Couples (PCCs), sometimes called empty nesters, backpackers and lower level service personnel is testing the nexus between technology culture and place.

There is, as yet, no evidence of what Hutton calls a “Ditcherati” equivalent – opinion leaders and status seekers from the London area of Shoreditch -emerging in Pymont Ultimo. Such groups are still more prevalent in the first wave gentrified areas of Sydney such as Balmain and Paddington. However, as Hutton observes the regeneration of these areas is not solely through high income professionals, but also through employment of related occupations such as couriers and others employed in logistics and secondary-service occupations in the inner city.

City Structures 03

The new economy is linked to both different normative and physical structures and the distinctive aesthetics of the aged urban fabric. Their retention and enhancement in the inner areas provide a source of inspiration and meaning for the inhabitant of the areas and the workers in the new economy. The altered pattern of land use is a significant factor in the reconfiguration of the city as a whole.

While the economic base of Pyrmont Ultimo coincides, the culture and aesthetic as identified by Hutton is yet to crystallise in this second wave gentrifying area. It is too early to stylize Pyrmont or Ultimo as reflecting any one of the archetypes referred to by Butler and Robson. But our respondents have shown a clear preference for the Brixton notion that they are seeking diversity and not expecting to find community.. Clearly in our responses there are elements of all three types and the geography and history of Pyrmont and Ultimo tend to the expectation that different social aggregations will emerge in the two areas. Anecdotally at present there appear to be a variety of different social aggregations emerging, revolving as one might expect around the value, type and locational advantages of the residential developments in which the residents are situated.

The state and developers

The revitalization of inner urban harbourside and industrial zones around the world has been a product of private public partnerships. In the Australian context these relationships have been facilitated by the extensive state government public ownership of land in central locations and the capacity of the state to oversee large scale development based on these extensive parcels of land (Searle and Bounds 1999). In the case of Pyrmont Ultimo, this was also facilitated by Federal government involvement through the Building Better Cities program (Orchard 1995) and the presence of a single large scale landholding in the hands of one of Australia's largest developers of international standing, Lend Lease. The process of development followed the pattern of establishing a semi-government UDC with special delegation to enable the transfer of land and regulate development under its own legislative instrument. This inevitably entailed problems as the UDC was effectively both regulator and developer.

Fainstein(1994:261) highlights the following important structural aspects of development:

1. The local state is implicated in a more efficient urban landscape for capital as capitalists cannot achieve it alone.
2. Redevelopment policy embodies class and community conflict with resident groups confronting capital through the local state.
3. State actors are dependent on private capital to maintain their power and revenues and to reproduce and expand the urban environment, they are thus biased toward capital.
4. Specialists involved in the redevelopment process have a collective interest in the profitability of the building they finance and construct and not in their operation, this can lead to a conflict of interest with other forms of capital.

The UDC (Urban Development Corporation)_

The purpose of the UDC, originally the City West Development Corporation and later the Sydney Harbour Foreshore Authority (SHFA) was to fast track the development of Pyrmont Ultimo, bypassing the local government authority of the Sydney City Council. This is a standard strategy pursued in many brown field developments in Australia and abroad (Gordon 1997). The UDC worked in conjunction with Federal government funding under the Building Better Cities Program.

City Structures 03

The strategy of government distancing itself through the UDC enables:

- the conferring of special powers,
- the fast tracking of development,
- the limitation of popular intervention,
- the integration of the development into broader metropolitan strategies minimizing the effect of opposition.

While the UDC has been enormously successful in the growth of development in Pyrmont Ultimo and in the expansion of its powers and mandate across the Sydney Harbour foreshores and other parts of the city, it has also engendered considerable local resident opposition and made itself the surrogate of the state government against local government.

Regimes, individual power and opposition.

The City West Development Corporation later to become the Sydney Harbour Foreshore Authority, is Chaired by Gerry Gleeson a 76 year old former Public Service Mandarin in the State Labor Government. In 1995 when the current Labor Government came to power in the state he was appointed to the chair of the Authority. The authority has since expanded its power enormously, retaining control of Pyrmont Ultimo and other adjacent foreshore assets of the state government, and extending to Darling Harbor, the tourist area of the Rocks, inland to the Australian Technology Park at Redfern and to the Cooks River and Luna Park on the opposing Harbour foreshore to Darling Harbour (Totaro,P 2004:25).

A recent newspaper report contends that the SHFA has rewarded supporters of the incumbent government with lucrative leases in Harbourside developments it controls and that the SHFA generates opposition and fear among its tenants

“Yet mention of the foreshore authority to its tenants and a look of trepidation will often cloud their faces. Many refused to talk on the record to the Herald about their landlord fearing it would have repercussions for their businesses.” (Davies, A. 2004: 25).

So while the UDC strategy is one of distancing government from opposition, the SHFA has had the opposite effect. Most recently the opposition engendered through perceived over development in Pyrmont Ultimo combined with the expansion of the electorate through the success of urban development, has resulted in independents and members of resident action groups winning government of the Sydney City Council, and establishing a metropolitan opposition to the state government. As one of its first acts the newly elected council promised to purchase the disputed Water Police waterfront development site for parkland (Dick,T.and Davies ,A. 2004:1).

The general principle of the separation of powers to ensure accountability and avoid conflicts of interest fails with UDCs when they have no electoral accountability and are responsible for both maximizing their revenues and for creating good design and urban amenity. The problems of increasing densities, lack of soft infrastructure, the changing character of the area, a sense of political impotence and of the arrogance of the authority are tainting the goodwill residents feel toward the area. These problems are exacerbated by the physical, social and resourcing separation of the two parts of the suburb, Pyrmont and Ultimo.

Governance and the Strata Titles Act

The Strata Titles Act was introduced in New South Wales in 1961 as a means of giving security of title to owners in multiple occupancy residential developments. Prior to that time, flats, units or

City Structures 03

apartments could be owned through *Company Title* which provided the owner with shares in a company with title to the full development, *Leasehold title* allowing use of the dwelling and common property for a long period, or *tenancy in common* where joint owners of a development agreed to exclusive use of the residences and common use of the common property.

While there was large scale construction of multiple occupancy developments in the post war period in response to housing shortages, the schemes shown above did not provide owners with a secure ownership of separate title to sell. In consequence the first strata titles legislation was introduced in 1961 and it has since been amended three times, the most recent changes coming into effect in February this year. Prior to the first amendment in 1973 there were 8,500 plans or developments registered under the act. Between 1973 when the act was first amended and 1997 the number of registered plans was 41,500. The act was amended once more in 1997 (Ilkin 2004). Over the past decade the volume of property under strata titles has increased massively. In the next decade as people retire to retirement villages many more will become subject to governance by bodies corporate. In terms of opportunities for participation in governance there is perhaps no similar area that offers an enabling opportunity to participate in a shared management. Yet few people know what a body corporate is and few who are subject to the rule of a body corporate know of its functions. While responsibility for individual landholders is policed quite assiduously by local governments, the role of bodies corporate in the decline or enhancement of the environment has attracted little interest. Bodies corporate impact on the wider issues of urban governance in respect of the maintenance and decline of the built fabric, but also with respect to the behaviors policed within the residences and the common property. Bodies corporate in redeveloped areas such as Pymont Ultimo have, with the popularity of lifestyle developments, under their collective management an enormous proportion of the open space and recreational facilities in these areas. As inner city developments have increased as a proportion of total housing stock over the past decade in Sydney and all the capitals in Australia, the proportion of residents settling in multiple occupancy developments has increased also.

The Sydney City Council is now arguing that the level of residential development in the city following the commercial property debacle of the late 1980s may be reaching its conclusion, although large brown field sites in Chippendale and Redfern are soon to come on line. Incentives for development including increased heights and floor space ratios to encourage residential development in Sydney since 1991 saw the population increase in the following ten years from 6,600 to 16,150. The consequent loss of commercial space is now threatening the viability of providing local employment for the expanding population and incentives for residential settlement are likely to be rolled back (Dick, T. and Goodsir, D. 2004:3).

Typical of the type of difficulties facing bodies corporate in inner city development, and indeed more generally across the city, is the case of Regis Towers. Regis Towers was constructed by one of the major Sydney apartment developers Meriton Apartments. This same developer is responsible for a large part of the redevelopment of Pymont Ultimo. In the case of the 653 unit development Regis Towers, numerous defects in the construction of the building has led to the body corporate suing the developer for compensation. The costs of litigation have exhausted the funds of the body corporate undermining its capacity to fulfil its functions, and the ensuing publicity has damaged the developer and its potential to sell the remaining apartments in the development. The developer has in fact retained 115 of the 700 apartments as serviced apartments (Condon 2005:23). The strata scheme has now been declared insolvent with debts of \$500,000. At the heart of the matter is the capacity of the system of governance constituted by bodies corporate to deal with developments such as Regis

Towers which is worth \$400 million and has a strata levy budget of \$3.2 million (Davies and Nichols 2003). In this case and in other instances the owners of the building fell out with the managing agents of the building over the pursuit of the developer, the managing agent refusing to increase the levy to cover the costs of litigation and thus defying the owners for whom it worked. Such differences between the owners and managing agents are all too frequent due to the process of appointment of bodies corporate and managing agents. In the majority of instances it is the developer who establishes the body corporate in the first place and appoints the managing agent at the time of completion of the development. As at this point the developer still owns much of the property in the development and the agent is beholden to the developer for the appointment, and often for future appointments, in new developments the responsibility of the agent in advising the owners and in pursuing the developer for faults is sometimes mediated by a conflict of interest.

DISCUSSION OF PYRMONT ULTIMO INTERVIEWS

The following information is based on a pilot survey of 10 interviews conducted with respondents who self selected from previous survey research conducted in Pyrmont Ultimo (Bounds and Morris et al 2000). The purpose of these interviews was to pilot further research on the impact of development on the residential satisfaction and the social composition of Pyrmont Ultimo. To a large extent residential dissatisfaction is a matter of frustrated expectations.

At the time of our original research in Pyrmont Ultimo there were 4,600 people as identified in the 1996 census, at the time of our research conducted in late 2003 there were over 14,000. In the 1996 census 32% had walked to work; by 2001 it was marginally higher at 33%. Pyrmont Ultimo is fast becoming a new economy version of the old pedestrian dominated working community of inner urban 19th century industrialisation. Yet if the image depicted below is representative of the community in Pyrmont Ultimo in its heyday of population when nearly 30,000 people lived there in the early 20th century there is as yet no similar image of community association in the new Pyrmont Ultimo. There is a strong sense of separation between the two parts of the suburb, but this is no different to the late 19th century, even then the separation between Pyrmont as Smart and Ultimo as more down market was prevalent. Perhaps in time it will become more of a community, but the overwhelming impression is that our respondents seek the inner city opportunities and diversity and are not really seeking community. As one respondent remarked: 'living in an apartment block is like living in a hotel; you don't really want to meet your neighbours.'

Satisfaction and Attraction

In general the respondents had prior experience at some time in their lives of living in medium or high density accommodation, often while living abroad. They sought a lifestyle and quality of life that would differentiate it from suburbia.

Reasons for satisfaction included:

The experience of apartment living abroad or elsewhere and the desire with children gone to change from suburbia.

The appeal of pedestrian and low car use life style.

The proximity to the entertainment district and the facilities of the Harbour.

Bored with the country seeking city lifestyle.

Attracted by sense of mystery in inner city, fleeing suburbia.

Dissatisfaction

Residents were disappointed with the failure of perhaps their over inflated expectations to materialize. In general their understanding of Pymont Ultimo was very much governed by their immediate location. That is by the view from their window. Most residents had seen the master plans of the SHFA prior to settling and felt that the idyllic depictions in the master plan had been replaced by high density development and a lack of community. The once grand vistas they enjoyed when they settled had been replaced by the windows of the building opposite and the noise of construction and backpackers holding parties. The low maintenance lifestyle they had sought in leaving behind a house and garden had been replaced by escalating property levies to repair building defects and the sunny balcony was unbearable to inhabit due to traffic noise. Social networks that once formed through small businesses were being driven out by gentrification.

Dissatisfaction was caused by:

The fall in property values, the over development and over crowding with transients.

The perception of increasing levels of crime of the casino causing crime and car theft of vandalism and rubbish.

Dissatisfaction with their building, the fees and the problems of deterioration.

Unhappy with move of rental to backpacker accommodation.

Dissatisfaction with increasing height of buildings.

Compare Pymont with Ultimo

All respondents held that there was a distinct difference between Pymont and Ultimo. Comments included:

Ultimo is down market, low rent, there is a sense of backpackers down grading the area.

It is more yuppie in Pymont, Pymont is a cut above Ultimo.

Ultimo is institutionalized and has no heart.

Pymont is residential and has Union Square (a pedestrian precinct lined with sandstone dwelling and cafes).

Pymont is quieter and less dense.

Politics

As dissatisfaction with the perceived overdevelopment of Pymont Ultimo has mounted, resident opposition, particularly in relation to the exhaust stacks for the cross city tunnel and the development of the water police site, have generated increasing political activity. All respondents had heard of these campaigns and the majority had attended one or more meetings. To the extent that they perceived the existence of community it revolved around these campaigns. Neither the SHFA nor the state or local government were admired for their positions on these issues.

Comments included:

Involved in opposition to smoke stacks and over development and the disaster of the cross city tunnel.

No matter how many protests there are at the end of the day they go ahead with the plans.

The mayor only jumps into action if there is political capital in it for him.

Sydney Harbour Foreshore Authority (SHFA)

The SHFA painted themselves as benefactors creating a desirable environment and community for the residents and any new facility was heralded as a product of their lobbying whereas they were actually the consent authority. As indicated above the master plan was the principle source of

City Structures 03

attraction for many and one might argue that the expectations were always going to exceed the reality.

Comments were:

Disillusioned - Knew about master plan dissatisfied with outcome.

The SHFA is not interested in preservation of the area, they are "bloody minded".

Heritage is taken away and high density block buildings replace it.

We are victims of the SHFA vision.

Community

The characteristic response of those interviews was in accordance with Butler and Robson's (2001) third model that Pymont Ultimo was 'An area that people enjoy for diversity but do not seek community'. There was a sense that community was once there and resided with the traditional residents who, if one was fortunate might accept you into their community. Or perhaps there was a community forming on some other part of the peninsula that they hadn't been to yet, but it didn't really exist for our respondents and with few exceptions they weren't really looking for it.

Some comments were:

No real sense of community or ownership of the area.

Don't want to know others in apartments it's just like a hotel.

Not seeking community but keeping people at arms length, robbed several times.

Sense of community forming around those opposing development. It was there once and is now lost in Pymont.

There used to be community, sense that community and acceptance resided with traditional residents and this is now declining.

Body Corporate

One of the major concerns of residents was the failure of bodies corporate. For a number of respondents levies had increased far beyond their expectation in the time since they had taken up residence. This rendered properties difficult to sell, as it increased the costs for prospective buyers and created the perception for new purchasers that levies might spiral out of control in the future. These levy increases were particularly hard on older settlers on fixed incomes who had bought in the expectation of limiting their outgoings by reducing the costs of upkeep and maintenance on a detached dwelling. As indicated above this problem was exacerbated for some who found that within a relatively short time structural problems emerged in the multi unit developments imposing major costs for reparation and litigation against the developers. Typically the developers established the strata managers assisting the body corporate who then enjoyed a closer relation with the developer than with the owners. In one instance the body corporate was impeded from repairing structural faults and taking action against the developer as the developer had still not fulfilled the legal requirement of lodging plans for the building after six years. The emotional and economic cost for owners of pursuing legal action under these circumstances as shown above are enormous.

Comments included:

Manipulated, talk shops and fees doubled

One or two doers the rest just agree.

Fees rise making it difficult to sell.

CONCLUSION

The redevelopment of Pyrmont Ultimo constitutes a structural change in the form of residential settlement and development in Sydney on a grand scale. As Hutton (2004) has pointed out, contemporary gentrification and inner city redevelopment around the globe is part of the formation of spaces associated with the *New Economy* with its own cultural social and occupational character. This is dominated by New Economy personnel but also mediated by the entry of transient and lower level personnel and Post Children Couples and a small contingent of traditional residents. It is not a homogeneous population, in consequence the capacity to form community and the desire to seek it, are not evidenced. In this process of second wave gentrification settlers as Butler and Robson (2001) identified in Brixton, at least at this point, are seeking diversity not community. This new form of settlement is state and developer driven. As Hackworth (2002) and Freeman and Branconi (2004) have pointed out it involves little displacement of traditional or low income residents and may even encourage such residents to stay, through strategies of affordable housing and improved amenities and access to employment.

This development has been achieved through a regime of coalition between the state, the UDC and developers which has been extraordinarily successful. Yet it has been achieved at the expense of state legitimacy and the generation of significant opposition to the UDC, resulting in the installation of a new metropolitan local government in opposition to the state government. This vast movement to medium density living represents a change in the individual residential experience and its quality for a vast number of people and interposes a new level of governance in their lives through the body corporate.

We could identify the problems for settler associated with this form of development in four principal areas:

- Failure of environment expectations, including backpackers, noise, vistas and amenities
- Failure of security governance expectations.
- The shift from detached living to strata creating a lack of support, litigation and a legacy of problems with buildings.
- Failure of lifestyle expectations, and thus the inability of residents to succeed in securing their identity and a consequent fear of the future.

New settlers felt they had taken a step into the unknown by settling in the new area. There is no going back but no apparent way forward to overcome the costs and failure to realize the dream. For some the answer was resident action.

There is a clear need for continued urban consolidation in a sustainable Sydney in fact in the next decade 70% of new residential development will be urban infill. If this is to be successful, there is need for increased state intervention in the provision of infrastructure and the regulation of developers. There is a need for increased accountability of UDCs and for monitoring the management of the new intermediate level of government, the bodies corporate. For retirees or early home buyers in lifestyle apartments, the future may hold a serious decline in their quality of life created by the hidden costs of poor development and the failure of governance.

REFERENCES

Bounds M , Morris A, McCormack T, Moore C, Searle G (2000) *The Impact Of The Sydney Casino On The Social Composition And Residential Amenity Of The Residents Of Pyrmont-Ultimo: Final Report to the Casino Community Benefit Fund*, The Urban Studies Research Centre, University of Western Sydney, Sydney

Bounds M and Morris ,A. (2001) “ Economic Restructuring and Gentrification in the Inner City: A case Study of Pyrmont Ultimo”, *Australian Planner* , Vol 38, No 2,pp128-132

Bounds,M. (2004) *Urban Social Theory: City Self and Society*, Oxford, Melbourne

Bounds M and Morris A (2005) High-rise gentrification: the redevelopment of Pyrmont Ultimo *Urban Design International* Forthcoming , 1–10

Butler T and Robson G (2001) Social Capital , Gentrification and Neighbourhood Change in London, *Urban Studies* Vol 38, no12, 2145-2162

Condon,T. (2005) Triguboff hangs onto his units in downturn *The Australian*, September 27, p.23

Davies,A. (2004) Anne Davies Reports on the Hand on the tiller in Sydney harbor *Sydney Morning Herald* May 29 pp25 and 30

Davies,A. and Nicholls, S. (2003) Meriton fight leads to strata collapse, *Sydney Morning Herald*, January 29 2003

Dick, T. and Goodsir,D. (2004) City Ready to call a halt as residents swamp business, *Sydney Morning Herald*, June 5 p3

Fainstein, S. (1994) *The City Builders: Property, Planning and Politics in London and New York*, Basil Blackwell, Oxford

Glass, R (1964) *London: Aspects of Change*, Mac Gibbon and Kee, London.

Florida,R.(2002) *The rise of the creative class: And how it's transforming work leisure, community and everyday life*, Basic Books ,New York, NY

Freeman, L. and Branconi, F. (2004) Gentrification and displacement: New York City in the 1990s, *Journal of the American Planning Association*, Wntr 2004 v70 i1 p39(14)

Gordon, D (1997)Managing the changing political environment in Urban waterfront redevelopment *Urban Studies*, Vol. 34, No. 1, 61±83, 1997

Habitat 2001 (United Nations Centre for Human Settlement) *Cities in a Globalizing World*, Earthscan Publications Ltd., London

Hackworth,J. (2002) Postrecession Gentrification in New York City *Urban Affairs Review*, Vol 37, No6 July, 815-843

City Structures 03

Hutton, T. (2004) The New Economy of the Inner City, *Cities*, Vol 21, April 2004, pp89-108

Ilkin, A. (2004) *Strata Schemes and Community Schemes Management and the Law, third edition*, L B C Information Services, Sydney

Matthews, M. (1982) *Pymont and Ultimo: A History*, Southwood Press, Sydney

Orchard,L. (1995) 'National Urban Policy in the 1990s' in Troy,P. (ed.)(1995) *Australian Cities*, Cambridge University press, Melbourne

Pratt,A. (1997) The Cultural Industries production system: a case study of employment change in Britain 1984-91.*Environment and Planning A* **29**,11pp1953-1974

Scott,A.J. (2000) *The Cultural Economy of Cities*, Sage, London

Searle,G. and Bounds, M.(1999) ' State Powers, State Land and Competition for Global Entertainment : The case of Sydney ' *International Journal of Urban and Regional Research* ,vol 23,no1,pp165-172

Savage,M. and Warde,A. (1993) *Urban Sociology , Capitalism and Modernity*, Macmillan, London

Thrift, N. and Olds,K. (1996) Refiguring the economic in Economic geography, *Progress in Human Geography* **20** 3, pp311-337: p316

Totaro,P. (2004) Going once Going Twice *Sydney Morning Herald* May 29p25 and 30

Troy,P. (1996) *The Perils of Urban Consolidation*, Federation Press, Annandale