



Influence of urban design master plans on property sub-markets: two case studies in Brisbane

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Abstract

Purpose – The purpose of this paper is to consider the impact of urban design master plan projects in the Australian context of Brisbane. It first reviewed the general ramifications of urban design projects on property markets. The local impacts of two major projects were then analysed and compared. A limited statistical analysis was conducted to investigate whether local price growth could be attributed to the projects or resulted from generally buoyant market conditions.

Design/methodology/approach – The paper adopted a largely descriptive approach. It first reviewed the theoretical outcomes urban design projects should deliver. It then looked at the specific details of two distinct urban design projects in Brisbane and descriptively assessed their impact on adjacent local housing markets. It then compared relative aggregated location price growth to isolate discernable project price effects. Finally, the paper anecdotally selected some master designed properties and considered whether their prices were excessive compared to average location rents.

Findings – The paper found conflicting evidence to support the view that urban design projects significantly lifted aggregated location prices. On the one hand, aggregated project location price growth was relatively muted. Other generic demand factors and local differences in housing stock quality swamped project effects. On the other hand, at the individual property level, there was some anecdotal evidence to suggest premiums were paid for urban designed homes. The paper indirectly suggests, then, that any price impacts of urban design projects are subject to rapid distance decay.

Research limitations/implications – The paper conducted only a limited historical review of revitalisation and urban design. A systematic individual, project-adjacent, property price analysis was not conducted. Rather, the aggregated dwelling price analysis and anecdotal rental review suggested, albeit inconclusively, that the effects of urban design are spatially restricted to the immediate vicinity of projects.

Practical implications – Investors should note likely price impact of planned infrastructure projects is spatially restricted to the immediate environs of the project.

Originality/value – The paper combines an overview of urban design and property market analysis.

Keywords Urban regions, Revitalisation, Real estate, Property finance, Australia

Paper type Research paper

Introduction

In recent years Australia has witnessed a spate of inner-city revitalisation projects as part of a general trend in central urban renewal. Rising global asset prices, demographic trends in smaller household sizes and the threat of future energy shortages unlocked the value of previously overlooked inner-city locations. Redevelopment projects have transformed parts of Sydney, Melbourne, Brisbane and other Australian cities. In this paper we compare the impact of urban design on two major inner Brisbane property sub-markets: South Brisbane and Kelvin Grove.

Although there is no question that inner-city redevelopments generally improve and enhance degraded built environments, there is some criticism that such transformations cater to only select groups and particular locations such as waterfronts. Consequently,



urban design projects can fragment cities (Fainstein, 1994; Marshall, 2003; Meyer, 1999). The trend in waterfront redevelopments began in Sydney with the Darling Harbour project in the 1980s and was followed by South Bank in Melbourne and its current extension to Docklands. Docklands is currently the largest inner city renewal project in Australia (Williams, 2004). The Brisbane City Council created an Urban Renewal Taskforce in 1991, targeting selected inner-city suburbs and resulting in a \$3 billion investment (Urban Renewal Taskforce, 2003) in the revitalisation of riverfront suburbs such as Newstead and New Farm. Brisbane's South Bank and Kangaroo Point were redeveloped in the mid 1990s (South Bank Development Corporation, 1990; Brisbane City Council, 2000). These projects resulted in medium and large scale transformation, contrasting with the private piecemeal revitalisation of areas such as Paddington and Spring Hill. They stimulated a new property-led type of gentrification which arguably contributed to excessive investment and, perhaps, fuelled a housing bubble (Stimson *et al.*, 2000; Ellis and Andrews, 2001; Bodman and Crosby, 2003; Waxman, 2004).

Other forms of inner-city transformation include redevelopment of major public spaces such as Federation Square in Melbourne (Ostwald, 2004), and gradual gentrification of inner city districts through injection of capital works, stimulation of local economies and promotion of high and medium density residential developments (Adams, 2004; Brisbane City Council, 2003).

According to Hamnet (2000), urban planning should support development by attracting and nurturing entrepreneurial activity. With this objective in mind, two inner-city locations in Brisbane are reviewed: the transformed South Bank and a new development project – Kelvin Grove Urban Village (KGUV) – on the north side of the Brisbane River. These different locations share a common transformation process resulting from a combination of public and private policy actions implemented through urban design master plans.

The metropolitan context for evaluating these suburbs is given in Table I which summarises data on 70,000 housing transactions in metropolitan Brisbane from 1998 to 2004. From this macro metropolitan perspective, urban design appears to have had little impact on growth price of these locations. On the contrary, suburbs such as Upper Kedron without urban design intervention generated significantly higher nominal annualised capital returns. Price growth in South Bank and Kelvin Grove was relatively lack-lustre over the period.

The role of urban design

A widely shared view is that urban design should improve places for people. Carmona *et al.* (2003) elaborated on this view by arguing there are two ways to conceptualise urban design: the “visual-artistic” tradition and the “social usage” tradition. As its

Suburb	Median prices at end of 2004 ^a	Nominal annualised capital returns 1998-2004
Upper Kedron	394,000	30.03
Kelvin Grove	353,500	11.40
South Brisbane	359,000	8.45
Brisbane average	340,000	13.78

Notes: ^aMedian prices for residentially zoned, normal sale, properties of all types. Transactions were measured from 1 January to the end of the calendar year or 30 November for 2004

Table I.
Summary statistics for
median prices and price
growth in metropolitan
Brisbane's 163 statistical
local areas over the
recent housing cycle
between 1998 and 2004

name suggests, the “visual-artistic” tradition focuses on aesthetic impact of projects; in contrast, the “social usage” tradition emphasises the way people use and colonise space (Lynch, 1960; Jacobs, 1961; Alexander, 2002). More recently, both traditions have been synthesised into a third “making places” behavioural interpretation where urban design is: “. . . the design and management of the public realm” (Carmona *et al.*, 2003, p. 7). One of the basic principles of good urban design is to provide for mixed income, socially balanced and equitable communities which, as a result, allow for greater diversity in building form and scale (Carmona *et al.*, 2003; Congress of New Urbanism, 1999; Aldous, 1992).

Although making places for all types of people is the stated goal of urban design, it has been criticised for failing to focus enough on their actual aspirations. In this view, in reality, urban design has become merely a city marketing tool (Gospodini, 2002). In major European cities such as Paris, Milan, Berlin, Frankfurt and Stockholm, international competitiveness but not resident lifestyle underpins urban policy (Newman and Thornley, 1996). Others criticise urban design for being a vague amalgam of traditional architecture, landscape architecture, planning and civil engineering. Unable to resolve these different perspectives, it concentrates mainly on marginal cosmetic aesthetics and is, in reality, nothing more than “architecture at a larger scale” (Inam, 2002, p. 38). Constrained by environmental, development and social realities, urban design is often manipulated by developers and public authority power brokers who covertly hijack public space and neglect local conditions, cultures and values. The acronym “SLOBB”, stands for “space left over between buildings” (Bentley, 1999, p. 14).

Despite its reservations, urban design is integrated within local and structure planning in a number of western European countries where legally binding urban frameworks regulate land use and the built form. In Germany, Holland, France and Scandinavia local plans have, traditionally, had very strong urban design components (Beatley, 2000). Generally until recently, urban design was not integrated into traditional two-dimensional Australian planning processes characterised by zoning schemes and development control regulations. However, in 2002 this changed as Sydney, Adelaide and Melbourne all integrated into the local plans urban design guidelines and frameworks (Sydney City Council, 2002; Melbourne City Council, 2002, and Adelaide City Council, 2003). In parallel with wide scale urban adoption, localised urban design master plans became more and more frequent. State governments, local authorities, private developers and joint public/private revitalisation projects targeted parts of the cities, such as decayed waterfronts or post-industrial sites, for major redevelopment. In inner Brisbane prominent examples of localised urban design master plans projects are South Bank and KGUV.

Generally, Clark (2004) pointed out that the roll-out of urban amenities attracts a creative workforce, stimulates development and consequently tends to lift property prices. The benefits of master planned urban development projects should, therefore, spill-over to adjacent property prices. There are two possible mechanisms to explain how this could happen. First, an immediate arbitrage price jump is caused by insider or sophisticated investor speculative demand just before or after project announcement. Second is a more gradual increase in prices in line with the improvement in urban fundamentals and the progressive physical location transformation. In this regard, improvements to visual aesthetics or access to entertainment and other facilities enhances liveability. Tu and Eppli (1999) found a link between urban design projects and property prices, notwithstanding the practical difficulty of isolating the impact of

generic factors. Eves (2007) found that consumers pay premiums for planned residential property, irrespective of its location. However, differentiating between price increases caused by local urban design and those caused by generic macro conditions is likely to be complex. In point of fact, since the mid 1990s robust economic growth, reduction in capital gains tax and sustained low interest rates all boosted residential property markets throughout Brisbane.

Methodology

The paper adopted a mainly descriptive approach. First it reviewed the case study locations and details of the two projects in South Bank and the KGUV. Second, it compared aggregated growth rates in the project locations with city averages. Dwelling price changes in South Brisbane and Kelvin Grove were compared with Brisbane's metropolitan housing price changes for the period 1998-2004. Third, it anecdotally analysed some limited individual house price and rental data in these locations.

Property price data for the two study areas was obtained from a variety of sources. Aggregate information was extracted from the Department of Natural Resources and Mines property ownership database through a commercial provider "RP data". This information was supplemented by interviews with real estate agents, active in the respective markets, and reports on aggregate median suburb level house prices compiled by the Real Estate Institute of Queensland and accessed through their website. It is important to note that the South Bank project was executed in 1990 while KGUV was initiated in 2001 and remains ongoing. The location of South Bank and KGUV in relation to Brisbane's central business district (CBD) is shown on Figure 1.

South Bank

South Bank comprises a 42 ha site, including 16 ha of parklands, located on the southern bank of the Brisbane River directly opposite the CBD. Until the 1950s, South Brisbane was the main port and trade centre of the city. During the Second World War the area was a flourishing entertainment precinct with numerous clubs, theatres and hotels (Mules, 1998; Longhurst, 1992). Noble (2001) argued that decline of the area commenced in the 1950s when the port was relocated to the mouth of the Brisbane River. As a consequence, South Brisbane became an unattractive and degraded inner-city area in stark contrast to the growing modern CBD across the river. Businesses, theatres and nightclubs were closed and replaced by warehouses and light industrial uses (Mules, 1998). Bechervaise (1974) described South Brisbane by the mid 1970s as predominantly a working class district with ethnic minority enclaves. In the mid 1970s the Queensland Government designated land occupied by the Brisbane fish market, adjacent to the newly constructed Victoria Bridge, for a new performing arts complex and art gallery. Later in 1984 the Queensland government acquired and cleared additional 16 ha of land adjoining the new performing arts complex to host the 1988 World EXPO, marking the Australian Bicentennial Celebrations of 1988 (Gibson, 2004; Mules, 1998; Longhurst, 1992). The 1988 EXPO served as a catalyst for further redevelopment of South Bank that also contributed to the transformation of adjoining areas of South Brisbane and West End. In 1989, the Queensland government passed the South Bank Act and as a result a new statutory body, South Bank Corporation (SBC), was established to monitor the development of the new South Bank area. The new South Bank comprised the post-EXPO area and an additional 26 ha of surrounding land. Since 1989, South Bank has been managed by the SBC a



Source: www.google.maps

Figure 1.
Location of projects under investigation – Kelvin Grove lies some distance north of the Brisbane River while South Bank abuts its southern or left bank

government-owned and funded company with full protection of the crown (Mules, 1998). Prior to state government acquisition of the land in 1984, development in the subject area of South Brisbane was regulated by zoning ordinances of the 1978 town plan for the city of Brisbane. The 1978 town plan was a typical statutory planning document focusing mainly on development control, including requirements for new developments and for any material changes in the use of land (Brisbane City Council, 1978). Aspects related to three-dimensional design and qualities of the public realm were not included. There were no separate local plans, policies and design guidelines drawn up for the area. The lack of any planning directions only further contributed towards the steady decline of South Brisbane. The government's decision to develop land along the Brisbane River for a performing arts and cultural centre and to stage EXPO 88 drastically changed this course of events. The first Development Control Plan

(DCP) for South Brisbane was prepared as part of the 1987 town plan for the city of Brisbane. The plan divided the area into distinctive precincts with a clear intent, set of policies and development requirements for each of the precincts. The area along Brisbane River selected for the 1988 EXPO was not included in DCP but designated under the town plan as a particular development zone where the regulations were determined by the state government in cooperation with Brisbane City Council (Brisbane City Council, 1987).

After the establishment of the SBC in 1989, the first urban design master plan for the Post-EXPO area was prepared by Media Five Architects (currently Desmond Brookes International). The theme of this master plan was to create “the park in the buildings within the park” (Noble, 2001, p. 88). The plan proposed recreational parklands along the river, high rise luxury condominiums along the southern extent, a bus tunnel along Grey Street and an elevated boulevard providing access to the condominiums. The plan was partially implemented and South Bank Parklands were open to the public in 1992. The new South Bank precinct comprised parklands, cultural and educational facilities, residential apartments, hotels, retail and commercial offices. It catered to local and external visitors, residents and the business community, and also became a key public space in Brisbane (South Bank Corporation, 2003). However, some developers objected to the plan initially because of the costs involved in building an elevated boulevard. Professionals also resented its isolationism, exclusiveness and lack of connection to the surrounding area (Noble, 2001; Mules, 1998).

A change in chairman and board of SBC in 1996 saw a new vision for the area focusing on design and quality rather than maximising development potential. Subsequently, a new master plan was developed by Denton Cocker Marshall (DCM). The plan focused on improving the visual and physical connectivity of the precinct with the surrounding urban fabric. The idea of a bus tunnel along Grey Street was abandoned and reinstatement of Grey Street in the form of a boulevard was recommended. As a result of the DCM plan, the linkages between various parts of the precinct were strengthened by the development a bougainvillea clad walkway, the Arbour. The links with the CBD were also reinforced by the construction of a pedestrian bridge (Noble, 2001). Grey Street was transformed through hard and soft landscaping and uniform street furniture into a prime city boulevard. Medium rise residential blocks with retail uses on ground level were developed along Little Stanley Street, creating one of the prominent outdoor café culture environments of Brisbane. In addition, as an initiative of Brisbane City Council, Melbourne Street, linking South Bank and West End, was transformed into a second boulevard in the area. Currently in South Bank, there are 380 residential units, 470 hotel rooms, 52,000 m² of commercial area and 10,500 m² of retail area[1].

The development of individual sites within the South Bank precinct is regulated by the approved development plan (South Bank Development Corporation, 1990). The plan consists of development aims, urban design principles and requirements with respect to building height, setback, envelope, massing, site arrangements, landscaping, vehicular and pedestrian circulation for all nine precincts that comprise the South Bank area.

The implementation of the South Bank master plans and the development plan has resulted in major physical, social and economic transformation of what was a declining inner-city district of Brisbane. The South Bank Parklands have become one of the most popular public spaces in south-east Queensland catering for seven million visitors per annum[2]. The area has been totally gentrified, becoming in effect an inner-city residential enclave for the more affluent citizens. The average price for a two bedroom

apartment ranges from AU\$515,000 to AU\$865,000 (Colliers PRD, 2006), which is well above the average median price of a house, which is approximately AU\$310,000 (Pavletich Properties Limited, 2006).

From 1989, South Bank continued to undergo redevelopment, managed and monitored by the SBC. Major development works have been undertaken by leading property developers such as Stocklands Corporation Limited, Honeycomb, Mirvac Group, Seymour Group, Theiss, and also by other stakeholders such as Griffith University and TAFE (South Bank Corporation, 2003).

The plan of South Bank and an aerial view are shown in Figures 2 and 3.

Kelvin Grove Urban Village

KGUV is a more recent urban design master planned project. The project involves the redevelopment of 16.5 ha of land owned by the Queensland Government Department of Housing, Brisbane City Council and Queensland University of Technology (QUT). KGUV is located in the inner city suburb of Kelvin Grove, a few kilometres northwest from Brisbane's CBD. The land incorporates a former military barracks and part of QUT Kelvin Grove Campus. It is being redeveloped for the purpose of residential (85,000 m²), retail (6,000 m²), research and education (52,000 m²) and community facilities (12,500 m²)[3] as shown in Figure 3.

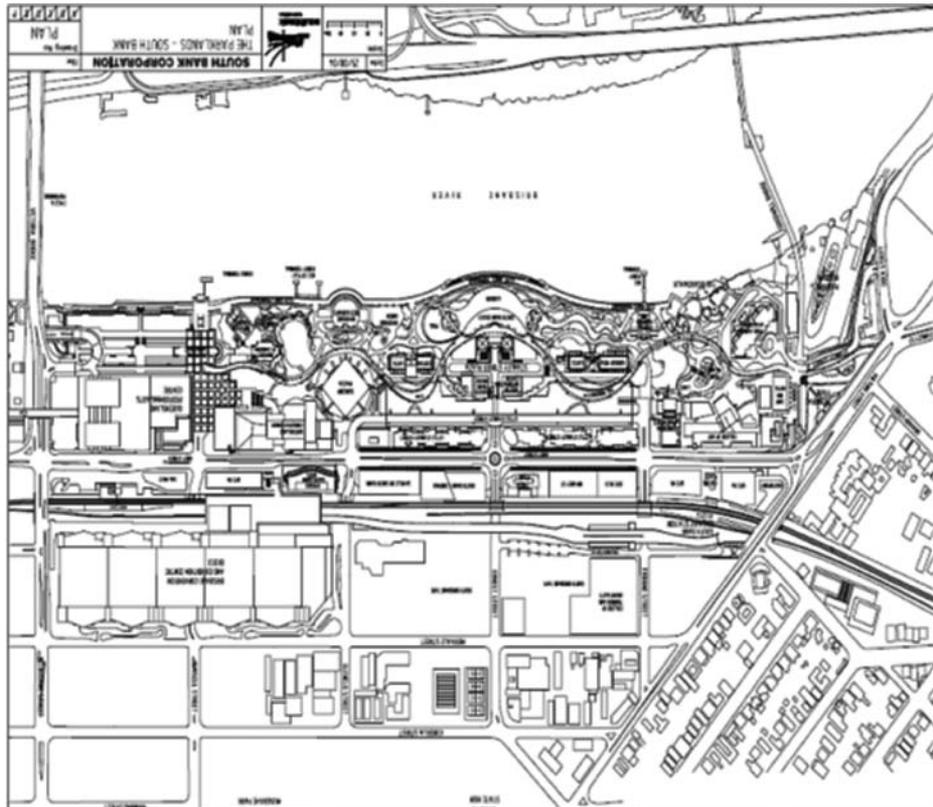


Figure 2.
Plan of South Bank (not to
scale)

Source: South Bank Development Corporation



Source: SBC (2006)

Figure 3.
View of South Bank
(lower side of photograph)
and section of Brisbane
CBD skyline on opposite
side of the Brisbane River

Kelvin Grove was first settled in the second half of the nineteenth century and a tram line linking it with the city centre was opened in 1901. Previously part of the Ithaca Shire, Kelvin Grove became part of the Greater Brisbane Council when it was formed in 1924. Kelvin Grove campus of QUT, originally the Kelvin Grove College of Advanced Education, remains an important education centre as one of the principal tertiary education campuses of Brisbane (Brisbane City Council, 2004). The suburb of Kelvin Grove has traditionally been a low to medium income inner-city area.

Byrne (2003), in describing the KGUV project, claimed it sets out to be a Green Project by incorporating the three dimensions of sustainability: social, economic and physical. According to Byrne (2003), social sustainability will be achieved by the creation of a mixed income residential neighbourhood, promotion of a wide range of housing types, use of crime prevention through environmental design, integration of public transport services, inclusion of local and neighbourhood shopping and inclusion of the university community. Economic sustainability will be achieved by creating a new employment centre, delivering new commercial and residential developments at higher inner city densities, providing space for private sector creative and innovative industry, developing a close physical relationship between university and the public realm, and by providing housing exhibiting high ecologically sustainable development (ESD) practices. Sustainability in the physical environment will be achieved by consideration of the metropolitan context, urban design concepts and master planning, provision of sustainable infrastructure incorporating researched methods for reduced energy and water consumption and architectural design guidelines for buildings (Byrne, 2003).

The master plan for KGUV, prepared by Hassell (Queensland University of Technology, 2004), is based on the urban village model initiated in the United Kingdom in the 1990s. Features of an urban village include high and medium density mixed use development, pedestrian friendly environment, population of 3,000-5,000, provision of basic facilities within 10 min walking distance comprising a range of activities, and

encouraging a 1:1 ratio between jobs and residents (Aldous, 1992). KGUV will be one of the first urban villages of its kind in Australia, a mixed land use development comprising private and affordable housing, teaching and research facilities, recreational facilities, commercial and retail uses. The idea is to create a vibrant 24 h mixed use precinct with special focus on reinforcing the public realm, providing a pedestrian environment and a safe community (Queensland University of Technology, 2004).

As a result of State Government involvement, part of the site will be designated for development of affordable housing. Provision of affordable housing, along with more luxurious private housing will allow for the establishment of a mixed-income community. The master plan (refer Figure 4) designates five major precincts: The village centre precinct incorporating major retail and community services, plus health and medical research facilities and residential (refer Figure 5); health and recreation precinct providing recreational and community facilities for the entire community; mixed use precinct which will provide an employment and business node for the residential areas and QUT campus (refer Figure 6); residential precinct that is divided in to four different areas namely R1 allowing two to three habitable floors, R2 allowing three to four floors, R3 with buildings four to five floors and finally R4 allowing five to six habitable floors and a special use education precinct facilitating education related uses.

The plan provides for heritage protection during the rehabilitation of the Gona Barracks military buildings and site. The primary challenge for stakeholders involved

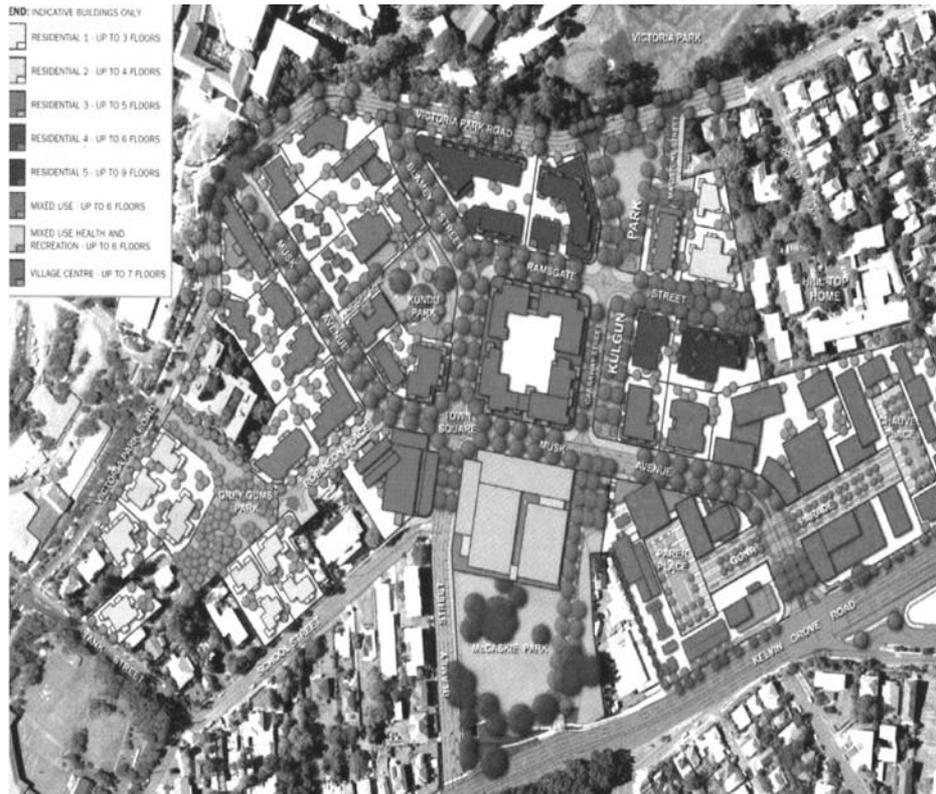


Figure 4.
Master plan for KGUV
(not to scale)

Source: www.hassell.com.au

in KGUV is to create a sustainable place with strong identity and a sense of community (Queensland University of Technology, 2004).

A non-profit independent organisation, Brisbane Housing Company, in partnership with and funded by the Queensland Government (Department of Housing) and Brisbane City Council plan to provide for affordable rental housing comprising 136 units (40 per cent of the total KGUV housing stock). A mix of studio units and apartments is planned to meet the needs of a variety of tenants and to create a more mixed-income village community (Brisbane Housing Company, 2004).

Although the relation to surrounding inner-city areas has been considered in the master plan, the existing physical and visual links to the CBD, Petrie Terrace and Spring Hill are poor. The construction of the inner-city bypass has effectively cut off the KGUV site from the central parts of the city. However, a study focusing on improving physical links with neighbouring suburbs and the CBD has been undertaken by the City West Task Force as an on-going part of the City West Strategy (Queensland Government, 2003).

Although ESD including creation of a socially balanced and mixed-income community is the prime goal of KGUV, the proposed development is expected to have a profound impact on the surrounding residential neighbourhoods and is likely to serve as a stimulator for increasing real estate property values.

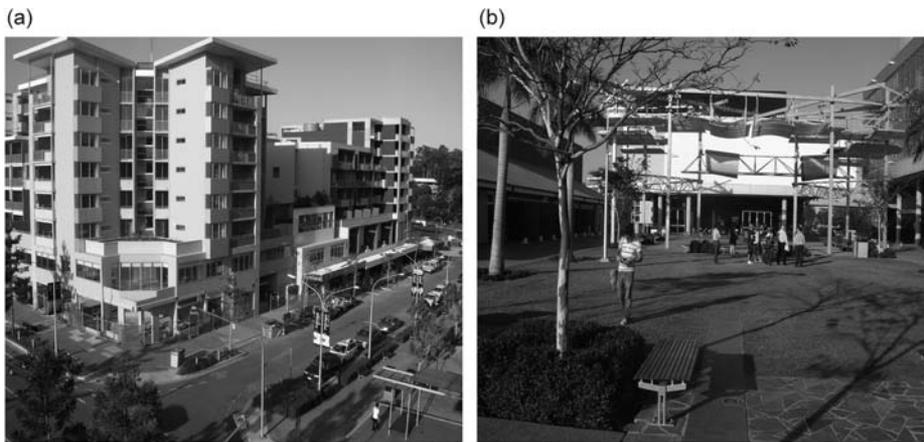
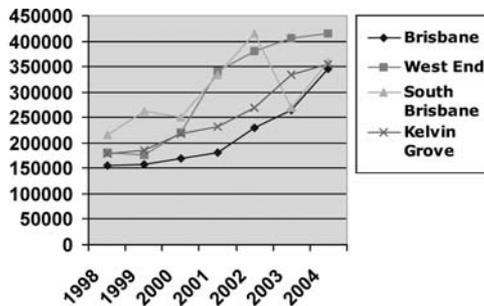


Photo: M. Kozlowski

Figure 5.
(a) KGUV – the village precinct under construction and (b) completed mixed use precinct comprising the educational facilities of the QUT campus



Sources: REIQ and RP data

Figure 6.
Kelvin Grove, West End and South Bank median dwelling prices compared to Brisbane metropolitan average

Revitalisation and local property markets

Over the period 1998-2004 significant revitalisation occurred in Brisbane. State and local government developments projects often sparked catalysed and nurtured this revitalisation. Indeed the transformation of the study locations can perhaps be viewed as an examples of Rofe's (2004) "super-gentrification" where mixed-use projects transform traditional working-class areas into entertainment precincts, accompanied by a "frenzy of large scale luxury apartment developments" Rofe (2004, pp. 193-4).

Revitalisation in Southbank took place over many years but recent multiple project start-ups accelerated the process. One example of a government project which accelerated South Brisbane's transformation is the Melbourne Street upgrade to enhance visual amenity and improve its pedestrian connectivity. South Bank gentrification rippled out into the neighbouring suburbs of South Brisbane and the West End so that luxury residential developments now dot the Brisbane River and traditional "working class" hotels have been replaced trendy "European" themed bistros. Local property prices also increased in line with the development activity and the accompanying enhancement of local reputation. In the year to September 2003, for example, a local real estate agent quoted growth rates of 186 per cent for river view properties in South Bank compared with an average of 25.9 per cent for other "hotspots" in Brisbane (PRD Nationwide Research, 2003). River view properties in the area now routinely command prices in excess of the two million dollar mark. KGUV, by contrast, does not abut the Brisbane River. Nevertheless the previously cited real estate marketing literature also lists Kelvin Grove as a projected 2004 hotspot based on "massive infrastructure injection" (PRD Nationwide Research, 2003). Although price growth rates quoted in the general media can often be selective and, consequently, misleading, several plausible fundamental factors could explain high prices in South Brisbane. First, a housing boom, accentuates housing sub-markets fragmentation. Status indicators such as water views or trendy bohemian entertainment venues have high income elasticity's of demand. Notwithstanding particular subject property or location merits, some commentators considered that by 2004 a local speculative bubble had developed which would eventually leave a poisoned legacy of debt, insecurity and hardship for some South Brisbane and West End buyers (Disney, 2004). Speculation appears to have been less pronounced in KGUV as its affordable housing component and relatively poorer connectivity could perhaps have dampened speculation.

Results

The comparison of sales for all property categories in the two locations between 1998 and 2003 indicated the dichotomy between the housing submarkets. The year 1998 was the approximate date the latest housing boom started. As Table II shows, with all

Table II.

Summary comparative descriptive property market statistics for all property types sold in the study locations for the complete calendar years 1998 and 2003

	Kelvin Grove		South Brisbane	
	1998	2003	1998	2003
Median property price (all categories including industrial)	\$179,000	\$335,000	\$215,500	\$ 270,000
Percentage increase in price of all properties		87%		25%
Average lot area	337 m	394 m	279 m	240 m
Number of sales	189	218	208	227

Source: DNRM accessed through RP Data in 2004

property transactions included over the five years to 2003 prices in Kelvin Grove increased more than those of South Brisbane, the suburb neighbouring South Bank. However South Brisbane is a heterogeneous suburb with a significant industrial element and some of its properties are blighted by both traffic noise and visual disamenity from these remnant industrial legacy buildings. On the other hand, the impact of neighbourhood spatial externalities on property values was less marked in Kelvin Grove. The KGUV project itself started in 2001; consequently in 1998 prices in Kelvin Grove were not influenced by any major existing urban design project. In contrast, in 1998 South Brisbane prices started at a higher level than in Kelvin Grove, already inflated by South Bank. Although Kelvin Grove and South Brisbane spatial markets share significant rental components, there are substantial differences in the housing stock of the two suburbs. Differences in the summary data in Table II mirror the divergence of the fundamentals in the two markets.

The fundamental differentiators between the two studies include diversity of housing stock and variation in proximity and connectivity to the City. In South Brisbane, although some sales include modern penthouses most are former workers cottages or “six pack” units, often impacted by adjoining commercial properties. In Kelvin Grove’s, lot size is significantly higher than in South Brisbane. The intensity of development in South Brisbane has accentuated this differential. Dwelling quality differentials explains the relatively lack lustre performance of South Brisbane’s property market which grew by 25 per cent over the five years to 2004, compared to 87 per cent for Kelvin Grove. A comparison between the 1996 and 2001 ABS Census data illustrates the urban infilling activity which has been occurring in South Brisbane, where high density building activity contributed an increase of over 100 per cent in dwelling numbers over the period, overcompensating for the houses demolished. Consequently, by 2001 only 19.5 per cent of South Brisbane’s dwelling stock consisted of separate houses, compared to 54.2 per cent for Kelvin Grove. The information in Table II needs to be interpreted in the light of the complexity of the structural changes taking place in the two location submarkets. When in Table III units, apartments and industrial properties were excluded, to leave only detached dwellings sold in South Brisbane in 1998 and 2003 a different picture emerged.

Table III shows that the median detached dwellings sold in South Brisbane in these two years were slightly more expensive than those in Kelvin Grove, perhaps because of a premium for waterfront proximity or because of their greater average lot area. The rate of price growth for detached houses in South Brisbane between 1998 and 2003 was 63 per cent over the five years, substantially above the 25 per cent for all property types (see Table III) but well below the 186 per cent quoted in the media referred to earlier.

Urban structural change exacerbated the split in high density submarkets in Brisbane. While in 1998 the high density segment could be classified as mainly a

	South Brisbane	
	1998	2003
Median detached dwelling price	\$211,750	\$345,000
Percentage increase in median house price over five years		63%
Average lot area	489 m	482 m
Number of “arms length” house sales	10	13

Source: DNRM accessed through RP Data in 2004

Table III. Descriptive housing market statistics for free-standing residential houses (not units) sold in South Brisbane for the complete calendar years 1998 and 2003

“downmarket” option, six years later the trend for luxury apartment living was reflected in the premium prices some luxury units commanded in both locations. New developments just coming on stream mirror this general trend for luxury inscription. For example, the price of a standard family two bedroom apartment (off the plan) in the Saville House, recently constructed in South Bank along Grey Street, ranged between \$600,000 and \$650,000 while larger three bedroom apartments on upper levels with significant river/city views are offered for \$965,000 (Stocklands Pty Ltd, 2004). These South Bank price reflect its credentials as an established prime apartment location. Kelvin Grove may also evolve in this direction, although at the moment it remains largely a single dwelling neighbourhood.

A history of sales data for the two locations is presented in Figure 6. The drop in prices observed in South Brisbane in 2003 did not spill over to the adjoining West End or Kelvin Grove in that year. The apparent dip in recorded prices in South Brisbane could result from the offloading of low quality units.

Rented accommodation was more prevalent in Kelvin Grove than South Brisbane (Figure 7). Rented stock represented respectively 70 per cent in South Brisbane and 80 per cent in Kelvin Grove of dwellings according to the 2001 ABS census data. In fact, both locations had a relatively high rental sector, although this was somewhat masked by the commercial mix of property in South Brisbane. The explanation for the size of the rental market lies in proximity to various universities (QUT in the City, Griffith University in South Bank and QUT in Kelvin Grove).

Anecdotal evidence for neighbourhood urban design related premiums was sought by comparing median suburb prices to average rents in the two study locations. This can be considered a price to earnings proxy ratio (PE) for housing or the number of

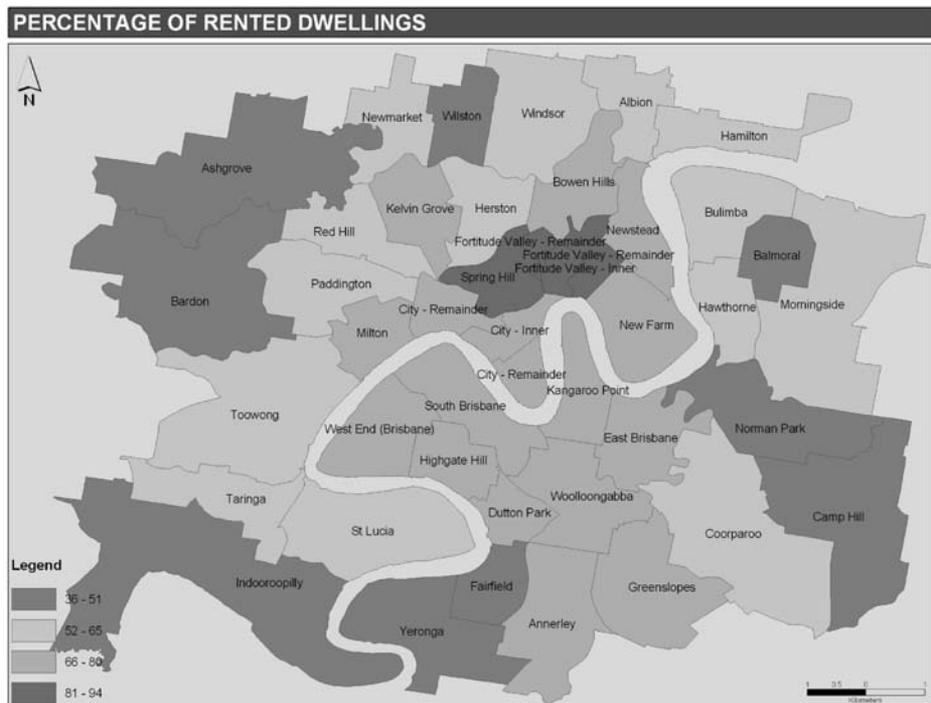


Figure 7. GIS map illustrating the concentration of rented dwellings (per cent) in the city centre

Source: Derived from ABS census data 2001

years it would take for average rents to pay back the initial capital investment. In Kelvin Grove, this would take 34 years, compared to a “rule of thumb” PE benchmark of below 20. Overpricing for South Brisbane appeared worse with a PE ratio of 38.

The limitations of aggregate suburb level data analysis must be balanced by the expense of obtaining micro spatial street data on individual properties within walking distance from the newly developed urban master plans sites. However some anecdotal information from real estate agents such as Stocklands shed some light on why people were prepared to pay premiums for properties in South Brisbane. Specific reasons included: the presence of mixed facilities such as cafes and cinemas, city and river views, proximity to CBD and different transport options.

Only the first of these can directly be attributed to urban design, while the others are vocational attributes which may be harnessed by urban design. The financial evidence of a rental premium is strong (refer Table IV) with South Bank apartments enjoying, at a minimum, a 50 per cent premium compared to the South Brisbane average.

Conclusion

This paper reviewed two urban design master planned projects in Brisbane and considered how urban design was likely to affect local property prices. Although somewhat tempered by commercial realities, an essential principle of good urban design is the development of heterogeneous mixed-income communities. The limited evidence presented suggests that this did not occur for the two projects considered. In fact, the urban design master plans probably aggravated further already overheating local property markets. The reduced housing affordability excluded lowing income groups, notwithstanding attempts to include them specifically in KGUV. However in cyclical, spatially heterogeneous, and evolving housing markets, the study’s aggregated and anecdotal methodology could not isolate the effects of “boosterism” from market conditions and other factors. Specifically when South Bank opened to the public in 1992 there was a property market slump which restrained adjacent price growth. In KGUV design price effects could not be isolated from the contribution of other factors such as the location’s attraction for student renters or its lower density housing stock. It appears that favourable general economic and policy conditions override local spatial factors as the main driver of residential property price growth. However, in a cooling housing market, innovative and sustainable urban design may reduce relative price falls.

	The Arbour River views	The Arbour Street views	Galleria River views	Galleria Street views	South Brisbane apartment median	Kelvin Grove apartment median	Full time adult total weekly earnings May 2004
Weekly rent/\$	420	370	415	350	296	244	997.7
Percentage of average income	42	37	41	35	29	25	100

Source: Individual quotations from property agents, medians from REIQ website 2004, using 2003 rents adjusted for increase in house prices. Figures from ABS catalogue 6302.0 and 6416.0

Table IV. Evidence for South Bank rental premiums on two bedroom unfurnished apartments weekly rents compared to REIQ suburb average rentals for the year to 30 June 2004

In KGUV the principle of injecting affordable housing is the first example of creating an equitable mixed-income and sustainable residential precinct in an Australian inner city. If successful KGUV development could become a milestone in urban village development in Australian cities. However with so much land elsewhere in private ownership and development regulated largely by property market mechanisms, local authorities and state governments in Australia can only marginally influence urban design master plans to alleviate some of the negative social and affordability impacts of large-scale gentrification projects. The newly designed and built mixed income housing estates common in Holland or Denmark, where local authorities either own or have traditionally more development powers (Beatley, 2000), cannot be duplicated in Australia.

Notes

1. Information provided by the SBC.
2. Information provided by SBC.
3. Information provided by Hassell.

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