

INTRODUCTION

In the early 1980s central Melbourne was, like many inner cities, in a state of steady decline. It was experiencing a reduction in almost every sector of its economy. It was losing retail to district shopping centres, residential to the suburbs and was increasingly becoming a dead mono functional business centre. In the early 1980s strategies from the City and State Governments were put in place to arrest and reverse these trends. Their thrust was incremental improvement strategies targeting increased density, mixed use, better connectivity and a high quality public realm built on Melbourne's distinctive local character.

A fundamental challenge was the need to increase the central city's residential population. Out of the 1985 Strategy Plan a program, "Postcode 3000", was developed to attempt to increase the population from 800 residential units to 8000 over the next 15 years within central Melbourne including Southbank, Docklands and St Kilda Road. In 15 years, the program, combined with strategies on retail, business promotion, events, arts and culture, community infrastructure, sustainability, major projects and public realm improvements, succeeded in turning the city's fortunes around.

KEY INTERVENTIONS

In order to achieve an increase in its residential population and develop a mixed use city with greater densities, interventions were made at six levels;

1. Financial incentives – the City waived the 3% tax for the provision of open space as well as the building and planning fees for new residential developments.

2. Technical support – building and planning regulations were amended to favour residential development.

3. Streetscape improvements – the City upgraded the adjacent public realm so as to complement and support the developer's investment.

4. Promotion – the City put together a comprehensive marketing strategy.

5. Pilot projects – the City converted a number of buildings in order to illustrate the potential building stock available for reuse.

6. The City actively encouraged the **recycling and additions to existing vacant or underutilized office buildings.**



30%
of students
make up
the central city
population

OUTCOMES

The program commenced in 1992 and by 2000 had **achieved the original target of 10,000 new residential units** rising to 28,097 by 2013. This change has also led to the opening of over 90 new convenience stores and supermarkets, 800 new bars, cafes and restaurants and 300 new sidewalk cafes.

Municipal taxes charged to landowners have been reduced from 13 cents for each 100 dollars Net Annual Value in 1996 to less than 5 cents by 2013.

In the early stages of the program residential units were predominantly provided through the conversion of vacant heritage and commercial office buildings, moving later to medium rise new residential and finally to high rise residential.

These earlier phases saw **streetscapes and building stock upgraded resulting in greater amenity at street level and a decline in office vacancy rates** from 26% in 1992 to 10% in 2013. The decline in retail space was halted and saw additional major new retail development added to the central city.

The new central city residential population was made up of older people, young professionals and students. Students now make up around 30% of the central city



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80

residential
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population, many of whom are overseas students and have added to the cultural vitality of the downtown.

This project saw **Government intervention in favour of residential development combine with innovative architectural and development solutions.** During the process the government was able to refine its building and planning regulations to streamline the development process.

Its **building surveyors became proactive** in looking for ways to assist desirable development. Architects developed new living models and found **innovative ways of recycling and extending redundant commercial building stock.** Developers discovered **new ways of minimizing risk through finance models** that saw the early involvement and commitment of future owners buying into the plan.

The overall program had financial benefits for all participants, improved social outcomes for the citizens and the city and positive environment outcomes through reduced energy consumption due to higher densities close to essential services and recycling of old buildings.

CONCLUSION

Today central Melbourne has over 28,000 residential units and around 80 residential development projects that are under construction or have planning approval. The Government is faced with the dual challenge of how to accommodate this new development without compromising the liveability of the city. This will require a balance between the very intense development currently coming through the system and the realization that the major public space of any dense urban city is its streets. Streets make up 80% of our city's public realm, so design a good street and you design a good city. Since the early 1980s we have worked to achieve the ingredients of good streets: their scale, solar access, low wind factors, mix of uses, active frontages, consistent high quality paving, trees, quality street furniture, sidewalk cafes and abundant street life.

If Melbourne can achieve this balance it has the ability to retain its place as one of the world's most liveable cities and continue to improve its social inclusion, financial viability and environmental footprint.

1. Hero, an example of old commercial conversion and residential addition



CREDITS AND LINKS

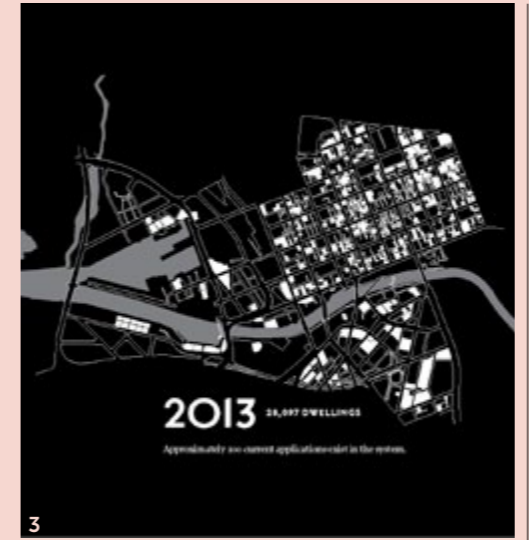
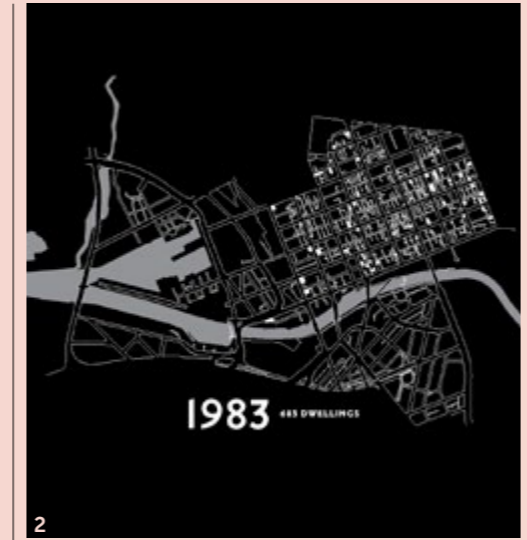
Census of Land Use and Employment
Property Council of Australia Office Market Report
Australian Bureau of Statistics Census of Population and Housing



MELBOURNE



COORDINATES
37°52'S 145°08'E
 AREA
1,705 sq mi
 POPULATION
4,170,000
 DENSITY
2,445.75 sq mi
 GDP total
\$998.265 billion
 GDP per capita
\$42,640



2-3. Maps indicating the location and number of apartments in 1983 and 2013

4. Melbourne Terrace, an early example of a new high-density medium-rise residential building

5. Majorca Building, an example of residential to commercial adaptive reuse



The increase in the housing stock change has also led to the opening of over 90 new convenience stores and supermarkets, 800 new bars, cafes and restaurants and 300 new sidewalk cafes

SOURCES

Development Activity Monitor

MELBOURNE, Australia

FROM URBAN DECLINE TO THE WORLD'S MOST LIVEABLE CITY

In collaboration with MIT

SA+P
 senseable city lab:::

