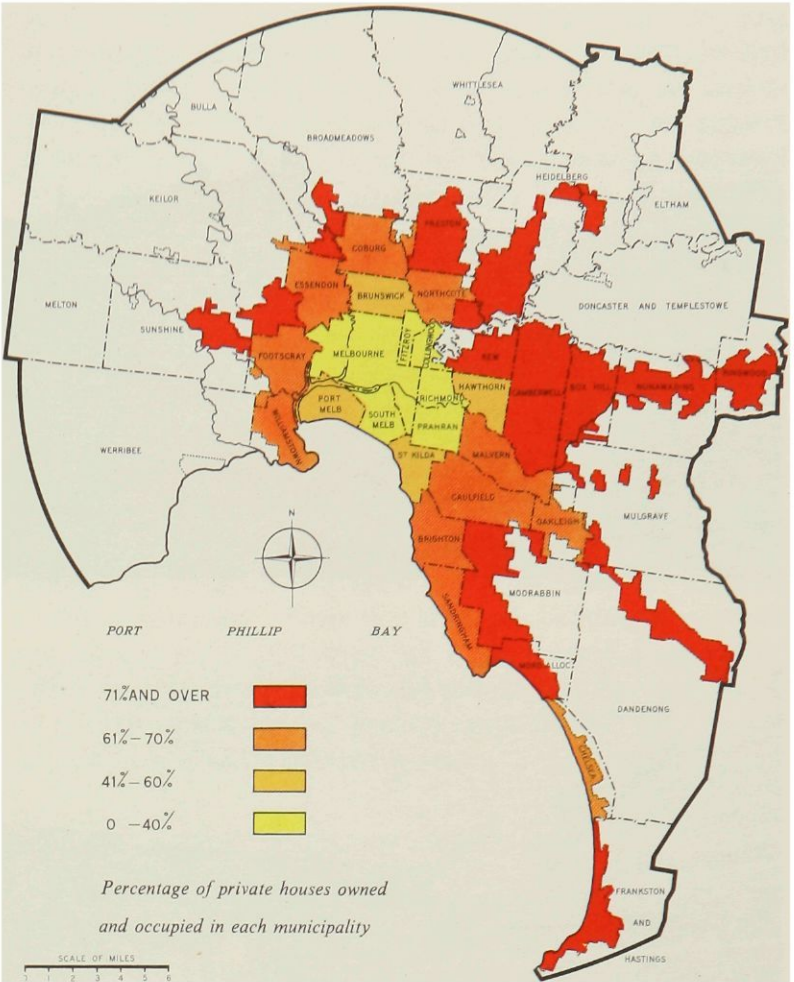


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conditions. In times of prosperity there is a higher demand for new dwellings of all types. When houses are in short supply and when economic conditions are adverse, the tendency is not to replace old homes. The question of determining the present shortage of dwellings is also somewhat difficult, because the need cannot be assessed entirely on the proportion of households sharing houses, as a certain percentage of sharing takes place at all periods.

The Commonwealth Statistician's figures for dwellings, which include tenements as well as houses and flats, indicate that there were estimated to be about 7% fewer dwellings than households in Melbourne in 1947. After making allowance for normal sharing, a figure of 5% of all households would seem a reasonable one to allow for shortages of dwellings in 1947 and at the present rate of building these shortages should be made up by 1955.

It is next desirable to make some estimate of the number of dwellings that will need to be replaced during the period of population growth. At any period there always tends to be a proportion of substandard dwellings requiring replacement and the proportion varies considerably according to such factors as economic conditions and government policy. However, from the age and condition survey of existing buildings and an analysis of the number of over-aged houses that will require replacing each year, some estimate can be



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made of the number of dwellings that will need to be replaced.

It is estimated from the age and condition survey that some 105,000 households or 29% of existing households are living in third-class dwellings of relatively short economic life, a proportion of which are considered to be substandard and already overdue for replacement. This figure checks fairly well with the total number of dwellings that reach an age of 70 years during the next 25 years. Table 21, which was compiled from a study of past rates of building and in which it has been assumed that the average dwelling has a mean life of 70 years, gives a reasonable guide to the future rate of demolition and replacement.

Table 21
DWELLINGS REQUIRING REPLACEMENT
PER ANNUM

Period of Replacement	Dwellings
1940 — 50	1,900
1950 — 60	2,300
1960 — 70	2,500
1970 — 80	3,300
1980 — 90	3,500
1990 — 2,000	5,000



Sub-standard housing in the inner suburbs

As demolition of houses was restricted during the war years after 1942, and has been relatively small since because of the housing shortage, it is estimated that the proportion of demolished houses between 1940 and 1950 probably did not exceed 5% of normal replacements. It would appear therefore that some 18,000 dwellings exist which should normally have been replaced but for the war, and that some 99,000 will need to be replaced by 1980. On these figures it would be reasonable to assume that the existing third-class dwellings involving some 105,000 households should be replaced within the next 30 years, and the existing second-class dwellings involving 95,000 households should be replaced within the next 50 years.

Table 22 therefore shows the estimated total number of additional dwellings that will need to be provided to meet the needs of a population of 2,500,000 on this basis of replacements and assuming that a 5% shortage of dwellings existed in 1947. These are gross figures and make no allowance for future sharing.

Table 22

ESTIMATED TOTAL OF ADDITIONAL DWELLINGS
REQUIRED FOR POPULATION OF 2,500,000

Households 1947	Additional dwellings to provide for population increase	Dwellings requiring replacement within 50 years		Estimated shortage as at 1947	Total additional dwellings
		3rd class	2nd class		
328,763	314,000	105,000	95,000	16,000	530,000

The next step is to estimate the annual demand for such additional dwellings over the period of population growth. Table 23 estimates the demand in five-year periods up to 1975, when the population is expected to reach 2,000,000. A further long-range projection is then made to cover the population growth to 2,500,000 by the year 2000. This estimate assumes that the current shortage in actual numbers of dwellings will be met by 1955 and that replacement of third-class dwellings will take effect at an even rate over each five-year period from 1951 onwards until all present third-class dwellings will be replaced by 1980. For the longer projection it is assumed that the present second-class dwellings will be replaced between 1980 and the year 2000.

The high figures shown up to 1955 are due to the housing shortage caused by the war and the subsequent high annual population increase due to migration and the higher birth rate. Although it is anticipated that the rate of population increase will fall off in the 1951-55 period, this is offset as regards total housing requirements by the lag in housing replacements as well as by shortages, both of which will be effective over this period. After that period the needs of a steadily increasing population and a reasonable programme of replacement should maintain home requirements at a fairly constant annual level.

These figures are dependent, of course, on the basic assumptions with regard to population increase and are

therefore subject to variations over short periods according to variations in the birth rate, the rate of migration and general economic conditions. However, taking all factors into account over the long period, they do give some general index of the average annual number of new dwellings required to meet the development of Melbourne on the basis of the population growth as estimated.

It is of interest to compare these estimates with the rate of actual building in Melbourne in recent years. The rate of building has steadily risen since the war and reached the high total of 13,542 dwellings erected for the year 1951. Present indications are that the 1952 figure will be somewhat lower. Between June, 1947, and December, 1951, a total of 46,733 dwellings were erected in Melbourne, which leaves a total of some 44,000 dwellings to be completed over the 3½ years January, 1952, to June, 1955 (i.e., an average of some 12,750 each year), to meet the requirements as estimated. From that stage on, building at a steady rate of around 10,000 dwellings a year would appear adequate to cover replacements and provide for the increase in population assuming an average overall rate of national migration of 50,000 persons a year.

COMPARATIVE HOUSING COSTS

The type of home that will be built to meet the needs of the future population will depend not only on the type of housing desired by the people, but, in the absence of any policy of housing subsidy, also on their ability to pay either the capital cost of construction, or where the house is rented, an economic rent. The comparative costs of the various types of dwellings are therefore of interest.

Various attempts have been made by English planning authorities to arrive at some index of the basic cost factor of constructing different forms of housing, and although they differ in form and figures they all tend to give the same relative result. The following relationship based on the basic cost of the structure only is typical.

These figures do not include the cost of elevators and special communal facilities such as laundries and playrooms in the case of high level flats which it is claimed would tend to increase the factor possibly to as high as 2.5 for high flats. In general, however, the English estimates for high level flats involving the use of lifts are at least 50% higher per housing unit than the most economical form of lower level housing such as row housing or semi-detached houses, and this difference is greater than the cost of installing services, such as roads, water, sewerage, light and power.

Much the same result is found in both Australia and New Zealand.

In New Zealand attempts have already been made to re-develop the old inner areas of Wellington and Auckland with high density development involving single blocks of up to 10 storey multi-unit flats. It has been found that the basic building cost per unit of such high level flats is