Speculation and Procurement

The affect of informal practices of buying and selling on the city of Melbourne, Australia

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In Melbourne, multiple private developments in the housing industry have given rise to what has been labelled the 'Unintended City' (Tomlinson 2012). These developments have been uncoordinated, either with each other or any formal planning strategy, and are carried out by individual land-owners to suit their particular site and opportunities. The effect of this unintended urbanisation is evident in the disjuncture between the aspirations of Strategic Plans for Melbourne and the actual outcomes that arise in the city over time. Beginning with the first plan for Melbourne of 1954, the overlaying of consecutive strategic plans with corresponding urban growth shows that in each case development did not occur in the locations, or to the amounts expected, nor was it the type of development anticipated (McLoughlin, 1994). Prior to 1954, the informal affects of speculation on the city of Melbourne can be seen in all suburbs dating from Colonial settlement, including the site of the first land sales in 1835 on what is now the Melbourne Central Business District. The study of urbanization in Melbourne is in large part the study of the informal speculation, subdivision and construction of private land and buildings.

Despite this, Melbourne is not chaotic. Although unintended, the outcomes of this informal city contain logic, repetition and character and these qualities become recognised, valued and loved. Inner city suburbs of Melbourne such as Fitzroy, Brunswick, South Melbourne and Hawthorn that arose in the most frenzied of speculator driven development in the 1880's land boom are amongst the most sought after places to live. They are referred to in urban design contexts as exemplar conditions, places to emulate. In these suburbs, descriptions such as 'fine grain' or 'human scale' and qualities such as 'adaptability' and 'character' seem to arise effortlessly. Each place exhibits its own version of 'unintended', its own recognisable characteristics in the forms, gaps, streets and details. The factors that contribute to this variety are not clear; they are not embedded in an ancient urban history, nor outcomes of experimental or utopian city planning. Instead they are underlying, hidden and unexpected – side effects of the processes of speculation and procurement that

produce them. A greater understanding of these hidden processes would be useful – particularly in an urban design context which increasingly refers to informal outcomes as examples to aspire to.

In this paper, a series of specific examples are used to demonstrate the link between outcomes in the built environment and the underlying systems of ownership and methods of buying and selling. This is done in part through studying the details provided in historic chains of title records, the overlaying of Crown Surveys and the referal to informal documents such as flyers for land sales, subdivision brochures, pattern books and advertisments. The examples are then compared and analysed, focussing specifically on the varying characteristics given to suburbs through the arrangement of things – buildings, gaps and streets – and the differences in scales and adjacencies that give places specific identities. Other factors, also impacted by informal practices such as construction detailing, materiality and open space, are not the focus of this paper, and are explored elsewhere (Harper, 2015).

An introduction - what type of city is Melbourne?

Melbourne is a sprawling city with an area of 9,900 km2 containing 4 million people, and the largest metropolis in the State of Victoria where it is the capital (ABS QuickStats, 2015). To understand the underlying structure of land division in Melbourne it is necessary to look to at its beginnings as a colonial city of the British empire. To understand the processes that cause land use to change, that lead to urbanization, it is necessary to study the capitalist systems by which the majority of land transactions have always taken place.

The cities of Australia have been categorised as belonging to a group of colonial 'lands of recent settlement' including those of Canada, United States, Australia, New Zealand, South Africa, Argentina and Uruguay (Harris 2010, 1). One of the characteristics uniting

these colonial cities is the development of a capitalist economy unfettered by the feudal or class based restraints of early European societies (Nurske, 1954). Another is the lack of influence on the developing cities of the indigenous population. Unlike 'hybrid' cities such as Singapore where colonial rules were superimposed onto existing urban and political structures, in the settlement of Melbourne and other cities in North America, colonialists disregarded the existing patterns and traditions of indigenous land use altogether, 'treating the land as a blank slate to be subdivided and quantified' (Dalrymple et al 2003, 2).

Officially settled in 1835, Melbourne missed other world events that affected urbanization elsewhere. The industrial revolution with all its implications for urban growth including mass rural-urban migration did not occur in Melbourne. Even the short-lived penal colonies that initiated and influenced the planning of settlements in Hobart and Sydney were not present. Rather, it was the unauthorized land claims by free settlers that prompted the official colonization of this area (Williams 1975, 67). 'Squatters', as they became known, had traversed the Bass Strait from Tasmania and were making enormous land claims on land at Port Phillip Bay around the site of the future Melbourne. Attempting to remove or deny the squatters claims would have been costly and extremely difficult given the vast rugged and unknown terrain. The alternative solution was to begin a process of survey and subdivision for the purposes of sale or lease. This recognized the squatters claims to some degree while providing the colonial government with a system for retaining control of the land. The survey provided the infrastructure within which land sales could commence in 1837 and for the iterative process of speculative land sale that continues in Melbourne today.

The 1st survey

In 1835, the colonial government sent surveyors to Port Phillip Bay with a set of instructions as to how the area should be surveyed and divided. Surveyors were to allocate land for two basic purposes – alienation and reservation. Alienation was the

term given to the sale, grant or transfer of Crown land to individuals or organizations through freehold or leasehold titles. Reservation was the term given to land to be retained by the crown, often to fulfil a necessary public right such as access to water, but also to be set aside for future public and civic functions such as Town and Village centres.

Learning from experiences in Sydney and Hobart, surveyors worked in a systematic rather than isolated survey method (Brown 1994, 6). The latter method, in which land was granted before it was surveyed, had led in Sydney to a discontinuous survey with gaps, usually around undesirable land, and ambiguous boundaries based on variable natural landmarks. In contrast, the survey in Victoria was relatively continuous and carried out with a consistent set of intentional rules, defining a set of scaling land division types and describing a set of procedures for negotiating existing conditions.

The survey reflects a strategy of 'closer settlement', where smaller allotments are provided in the proximity of the services and opportunities offered by towns. The vision underpinning this strategy was of neatly spaced regional towns surrounded by small farms, an idealistic vision of pre-industrial Britain. Influenced by politicians such as William Wakefield (Williams 1975, 71), the Colonial Government's plans for the Australia countryside shifted in the early 1800's away from a remote penal colony. Settling the urban poor on small farming allotments was seen as a potential solution to the overcrowding occurring in industrial cities and at the same time would fulfil the Colonial Governments desire to tame the wilderness of the Victorian landscape. The squatters land claims got in the way of this as they covered vast areas of the best land in the areas closest to towns. The process of survey started in 1837 was designed to change this, to offer instead smaller allotments with access to water in the vicinity of towns to be available for purchase for a modest price by immigrants from industrial Britain.

The land was to be divided into Parishes, each of roughly 25 sections (a section being 1 square mile). Each parish was to contain at least one section of land reserved for a town which was to be placed astride a stream where possible. Between the towns, land was to be for sale in small farm allotments. Land that bounded a waterway on one edge could be long and thin rather than square, to increase the number of waterfront properties. Away from water, allotments followed the grid of square mile sections (Brown 1994, 10).

In reality, towns and rural areas developed very differently than intended. The scale of the parish and the size of the farms were not suited to the harsh Victorian climate, lack of water or poor soil conditions. Immigrants from urban Britain came without skills or resources to an unsuitable climate and soon sold up to the wealthy squatters. Many farming allotments became part of cities and towns while town reserves often remained undeveloped, existing only as a set of abstract subdivision on surveying maps. But despite this mis-use, the survey remains a consistent and uniform approach to the division of Victoria. It provides a base condition for all subsequent urbanization - each place, town or city (including Melbourne) begins from a similar structure. It could be argued that the colonial survey has provided the single most enduring and comprehensive urban intervention to affect Victoria. But in itself, the survey is just a set of abstract divisions of space, only visible through their representation as lines on a map. It is the way these boundaries have been used by speculative land owners and developers in the race towards urbanization that gives rise to the actual physical patterns we see and experience in the built environment.

Summary

The capitalist economy developed in the context of a lack of other cultural influences and alternative or historic land ownership structures. Beginning with the squatters and continuing with the Colonial governments encouragement of land ownership for all, Melbourne was characterised by the sale and purchase of private land. Writing in 1972,

McCarty described Melbourne as 'one of the purest manifestations that history has to offer of capitalist societies' (McCarty, 1972). At the same time, the comprehensive survey of the land through the process of closer settlement provided a limited set of starting conditions and a coherent structure for the (unintended) processes of capitalist speculation that ensued. This set of limited variables provides a useful basis for a method of comparative analysis of urbanization in Victoria and the informal (mis) use of land by landowners and speculative builders. Recurring experiences and visual patterns that we see in the city are clues that reveal both the affect of the invisible survey lines as well as the shared motivations and opportunistic solutions found by individuals encountering the problems of subdivision and construction.

The relevance of this history in this context is how these processes affect the experience of the city, the built environment. The analysis begins therefore with a set of specific examples that are representations of phenomena that recur in the city. Through comparison of these examples we can draw a set of larger patterns for analysis.

A note on the examples

There are many scales of speculation in Melbourne, which contributes to outcomes in specific suburbs. At the very smallest end, individual land-owners, families and even widows commonly divided their own small allotments into two and three or more parts. This is demonstrated in example 1, Rosedale & Roseneath. Small scale speculative builders are a another common player in the Australian context, particularly in the 1800's land boom. Using credit from a variety of sources including the many building societies that sprang up at this time these builders bought land, and developed houses to sell in small to medium size groups (Canon 1966, 168). This is demonstrated in example 2, 28 Hastings Road. A middle scale of speculation is demonstrated through the subdivision of small farms estates with families dividing their properties as in example 4, John Guthrie estate. In these instances, the installation of roads is required to provide access to each of the new allotments to be sold which has implications for

the streetscape. Finally at the larger end, large farming blocks, remnants of the once vast pastoral runs formed through squatting on Melbourne's fringes at Pakenham show the processes and outcomes from large scale development prevalent in today's housing market.

The examples shown here are not a comprehensive catalogue, nor do they enable the development of a set of generalizable rules. Rather they are a selection across scales and time, designed to show that ownership structures have direct impacts on the character of the urban environment, despite changes in context, available resources and market forces. In particular the examples show the potential speculation and procurement to affect streets – their arrangement, dimensions and character. A comparison of the examples concludes the analysis.

<u>Small scale infill speculation</u>

Example 1, Rosedale & Roseneath, Carlton North

Carlton North is a suburb in Melbourne's inner north, largely developed during the 1880's. The surveyed boundaries lines that provide the underlying structure are those of the town reserve grid, the same as exists in the Melbourne CBD, as well as countless town reserves around Victoria. Streets were therefore planned by the surveyors on a neat and rectilinear grid, with allotment of a ¼ acre or smaller. Speculation in this context happened in a finite way within the block structure, affecting the edges of streets but not the street layout itself as happened in other nearby suburbs such as Hawthorn and Brunswick. The relative density of titles and boundary lines enabled land to be bought in many different sizes, from the very small (1 allotment) to the medium size (a whole block of around 20 allotments) but not the very large that can be seen in other suburbs that developed over land intended for farming.

One of the smallest acts of speculation, prevalent in Carlton North, arises from the subdivision of one thing into two. An example of this in Carlton North is Crown allotment 5, Section 108 in the Parish of Jika Jika. The original crown allotment size was 0.18 acres (750m2), and this was divided into two parts each 375m2 with dimensions of 7.5m x 50m. The strict grid structure of the streets and the pre-existing boundary lines limit the ways in which sites such as this could be divided. Many of the properties that developed during this period of subdivision are extremely narrow, long blocks. In this case the length is over 6 times the length and there are other examples with greater proportions. Each of these narrow lots contains one narrow house, Rosedale and Roseneath.

In the case of Rosedale and Roseneath, title records show that the property was subdivided prior to houses being built but the houses are almost identical in size, style and even name. The title documents show a mortgage taken out on each separate title during the same year, both from The Australian Widows Assurance Society Limited (WAS), an investment company run by a speculative builder (Canon, 1966). This illuminates an informal process that leads to similarities and groupings in buildings influenced by the prevalence of pattern books and catalogue types at this time in Melbourne. Many of the building societies that offered funding to owner occupiers or small scale speculators such as the WAS also provided a limited set of house designs, complete with construction details and costings, and even to provide building services 'in house'.

Example 2, 28 Hastings Road Hawthorn

In other examples of small scale speculation, title records show ownership by individuals in the building industry prior to subdivision. Sometimes this is accompanied by a note of mortgage taken out shortly after. This information gives a clue to the probably process of house construction - residents at these addresses appear in the post office directory shortly after the subdivision, indicating that the dwellings were

constructed during this ownership. This is the case at 28 Hastings Road in Hawthorn. This was purchased in 1885 by Thomas Snooks, a carpenter, and mortgaged provided by a local resident. A year later two lots are sold and one retained. Post office records show Thomas Snooks residing in one of these houses. Each building in this group of three follows the same design and construction detailing, with consistent offsets to each boundary. A consistent logic within the group, but varied to other groups around it.

These examples show that even after subdivision, dwellings on the same original crown allotment could remain grouped – either through aesthetic and formal similarity or through a literal grouping, connected physically along boundary walls to form composite constructions at a larger scale.

Subdivided farm and mansion allotments

Example 3 - John Guthrie Estate, Brunswick

Unlike its close neighbour Carlton North, which had been subdivided with the intention of becoming a township, Brunswick had been envisaged as rural – farming land between Melbourne and the outlying town of Pentridge. To this aim, and as per the instructions to surveyors under the system of closer settlement, the land was divided into long narrow blocks (5 chains in width(check)) with frontage to Sydney Road, and backing onto either Merri or Moonee Ponds Creek. Compared to the neatly laid out regular street blocks of North Carlton, Brunswick had one public road which was enough to service each of the farming blocks with access along its short edge.

During the latter part of the 19th century, fuelled by the gold rush, land in Melbourne including suburbs such as Brunswick, which were officially outside of Melbourne, rose in value, triggering a process of speculative subdivision. Infill speculation within an existing

street grid such as Carlton North did not require new roads, so long as new boundary lines were planned perpendicular to streets. On the long thin properties in Brunswick, installing a road was the only way to unlock the full value of the property for small scale subdivision. Roads constitute an overhead for any development that must be offset against the size, number and therefore value of allotments for sale.

This can be seen in the subdivision of the estate of Jon Guthrie, Crown section 93 in the Parish of Jika Jika. This property had a frontage to Sydney road of 200m and ran 2500m eastwards to Merri Creek. In the subsequent subdivision, a small number of allotments face Sydney road. In the area adjacent this, two additional roads where provided allowing four small allotments across, with the backs of allotments expressed on the original Crown boundary lines. Further down towards the creek a single road is provided with two large blocks across. All in all the original Crown Section is divided into 442 allotments.

This type of subdivision happened on many other farm allotments. On sites of similar proportions and shapes, properties owners devised a similar method of subdividing, with one or two long roads down the centre of the property parallel with the long edge. In Brunswick, and other suburbs originally divided as long water frontage farm properties, this leads to a prevalence of roads perpendicular to the creeks. The street pattern is orthogonal, but it is not regular. No rhythmic intervals or standard block sizes seem to exist. The fabric is more like a patchwork of small discontinuous grids than a overriding system. Strange junctions and adjacencies are common. There are some instances of back-to-front houses, both the front fence and the back fence abut a proper street. These strange phenomena represent the abutment of two subdivisions, where one side of the boundary is expressed with a road and the other with the backs of blocks, revealing the original Crown Allotment line with a confused streetscape. Most of the continuous through roads are those that pre-existed subdivision, or were laid out and made official by the first survey. This greatly affects the circulation of individuals

and traffic through the suburb, concentrating activity on particular streets and sheltering others, an affect not unlike the cul-de-sac planning of later suburbs.

The very specific patterns of the first survey boundary lines running down to the creeks continues to have an impact on the experience of suburbs all over Melbourne. The logics of efficiency when planning roads reinforce these original lines.Even though each individual property was developed separately, without reference to a larger plan, the similarities of site as well as motives result in recurring subdivision types throughout the suburb.

<u>Subdivision of large farming properties on the urban fringe</u>

Example 4, Heritage Springs Pakenham

Pakenham is a suburb on Melbourne's eastern fringe and is part of the Casey Growth Area, rezoned in the 1990's from farming land to residential (DPTLI, 2015). In the last 20 years the Pakenham area has been developed through a series of large housing estates such as Lakeside Pakenham which contains 2800 allotments (Lendlease, 2015) and Heritage Springs which contains 1150 allotments (Parklea, 2015). The history of the area is of farming, including large areas claimed by squatters in the 1830's as part of what were known as pre-emptive rights claims. Heritage Springs Estate is developed over a pre-emptive rights claim that formed part of the Toomah run, which at one stage covered an area of 13500 acres, 21 square miles or sections (Occupants of Crown land, 1854). Although allotments were subdivided somewhat prior to 1980, many larger properties remained and were bought by large property developers as land was rezoned.

The Heritage Springs estate was subdivided and sold by property developer Parklea. There is an obvious difference here to the John Guthrie estate in Brunswick between

orthogonal and cul-de-sac street planning and this has been discussed in detail elsewhere including comprehensively by Graeme Davidson in Car Wars, 2004. But similar to Brunswick, the street layout references an internal logic relating to the immediate boundaries of the estate and logic of subdivision rather than to a greater city logic or suburban plan. Original boundaries are again eluded to. Unplanned junctions to adjoining estates such as streets that simple dead-end at one boundary line and are not continued into the neighbouring estate, occur here as they do in Brunswick. The relative largeness of the estates means that the whole of Pakenham is formed by a smaller number estates, which in an overall way reduces these junctions. Street patterns have large areas of consistency with small areas of inconsistency.

In Heritage Springs, the developer was separate from the building contractor, however these two parties work together in a system which is prevalent in Melbourne's fringe developments. Prior to the sale of land, one, or more commonly several, building contractors negotiate to build display homes on the allotments closest to the entrance to the estate. Prospective buyers to the estate are then able to visit the display homes, selecting a specific site as well as home type in a 'house and land package'. In this method, it is the developer of the land who takes the risk - the builder enters into a fixed contract with the resident in an individual way to build one house per allotment. This process of selection and construction of individual houses has implications for the buildings and streetscapes. Each house is designed to fit any site and therefore cannot rely on any pre-existing or specific site conditions and therefore observes building envelope and boundary offset guidelines. Each house is a separate volume, and each volume is centred beween the side boundaries. The pattern here is a consistent rhythm of volume and void. This procurement method tends to remove the composite 'groups' seen in other places, establishing a more continuing repetition.

Comparisons

These examples can be compared using the concept *theme and variation* – a bit of sameness and a bit of difference. Each example illustrates theme as well as variation to different degrees. A comparison of blocks and streetscapes in Pakenham and Carlton demonstrate this. In the Pakenham block, each allotment is a similar size, each contains a single house spaced in a similar way from side boundaries. This example contains a theme, with little variation. In contrast, the street block and street elevation contains composite volumes made up of two, three and four dwellings as well as large and small composite voids that cross boundary lines. The pakenham example is subdivided until a single subdivision plan, transferred from a single owner. The Carlton North block shows that the original survey was as 16 Crown Allotments but that the first land sales resulted in 13 parcels of land between 10 owners. Already in one transfer, the beginning of the logic of groups that later developed can be seen. It is these groups that exist 'somewhere between the individual lot and the city' (Bertram and Halik 2002, 24) that provide both theme and variation – something recognisable, an identity, but not exact repetition. For Bertram and Halik these groups and in particular their finite nature, give rise to spatial character:

"The groupings of more than one property creates a complex whole. Relationships can be established across and between adjacent lots, most noticeably on the level of finite constructive elements. Side access spaces become broader through adjacency, and are elements in their own right, with the opportunity of entering into a dialogue with building volumes. Interval, or the rhythm of parts and gaps, creates a new type of urban space.."

This idea can also be applied to the circulation and street arrangement. Carlton North, with its surveyed grid gives an example of a theme with little variation. Variation occurs at the edges of the suburb, where it meets competing logics of other grids, but inside the suburb the streets are of similar width, orderly and predictable. In contrast to this are Brunswick or Hawthorn, with their infill patches of isolated grids which exhibit both

theme and variation – a recognisable pattern that becomes offset, changing in scale, orientation and dimension. Pakenham occurs somewhere in between these two scales. Inside the estates, the streets logics are consistent, with variation only experienced in selected spots on the boundaries of estates.

Conclusions

Documenting the decision making of speculators and developers at different times in Melbourne's history shows that the protagonists and motivations are relatively unchanged. The imperatives of risk versus return, and efficiency versus value play out in speculative development of the 1880's in much the same way as they do in 2015. Developers and land owners find similar savvy methods for problem solving, and these result in recurring patterns in the built environment. Armed with this knowledge, the history of land speculation becomes a valuable resource for understanding the reasons behind the development of the 'unintended city'.

The above examples draw out two key ideas. The first is that the underlying system of land division, in particular the scale of allotments and the density of boundary lines, has a continuing effect on the urban landscape. It has the potential to affect the number and type of speculators, as well as the layout of streets. The second is that the relationship of the builder to the land affects the outcomes for the built environment. This has the potential to affect the composition of volumes and gaps over boundary lines and the character of the streetscape. Each of these factors affect the *theme and variation* present in both the street elevations, as well as the street arrangement. This raises the idea that urban design interested in encouraging these characteristics could think of land boundaries as a potential tool. Could urban design, like the Colonial Survey, provide the underlying conditions in order to propel informal development towards particular outcomes?

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