GEN-X-TRIFICATION?

Generation shifts and the renewal of low-density housing in Sydney’s suburbs

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INTRODUCTION

For most young families, the ‘Australian dream’ of living in their own suburban detached house is increasingly out of reach without relocating to the remote metropolitan fringe. Yet some have been able to achieve this in less remote locations by purchasing old houses that were built to the standards of earlier generations, demolishing these houses, and building new, larger and more modern detached dwellings instead. This practice is known as ‘knockdown-rebuild’ (KDR). This paper examines aspects of the KDR process in Sydney, focusing on the replacement of older houses with new ones and of older residents with younger families. It raises the question of whether this process can be seen as marking the beginnings of a new ‘neighbourhood life-cycle’ in ageing suburbs, and thus in a wider sense the beginnings of a ‘generation shift’ in a housing market characterised by severe inter-generational inequities.

We offer the term ‘gen-X-trification’ to describe this process of neighbourhood change in areas with considerable activity of KDR. The term alludes to both the prominence of Generation X (born in the early 1960s to mid 1970s) in driving this phenomenon and to similarities with gentrification. Gentrification and KDR combine both demographic change in a neighbourhood with the rehabilitation of ageing housing stock through practices of reinvestment by incoming residents whose incomes are generally higher than the residents they replace (Pinnegar et al. 2010). The paper also points to several important distinctions between gentrification and this newer and more scattered process of gen-X-trification which does not necessarily involve involuntary displacement of lower-income residents.

Our analysis of gen-X-trification is also informed by neighbourhood life cycle theory, and its explanation of the link between cycles of investment and disinvestment in neighbourhoods and the human life-cycle (Hoover and Vernon 1959; Birch 1971). The process of gen-X-trification constitutes a particular phase in the life-cycle of neighbourhoods, where the ageing of the neighbourhood’s long-term residents purportedly involves a certain degree of disinvestment (Schwirian 1983: 84), and a new cycle of reinvestment begins when younger families establish their new homes.

The first part of the paper is a discussion of the concept of ‘generations’ and its use as a unit of analysis in studies of housing market dynamics. Theories of neighbourhood change, such as neighbourhood life cycle theory and gentrification studies, are examined as frameworks that allow consideration of generation shifts in the housing market. The second part of the paper presents the findings from an intensive empirical study of recent KDR activity in Sydney.

HOUSING AND GENERATION SHIFTS

Generations are generally defined as birth cohorts that share certain commonalities such as sharp increases or falls in birth rates, shared values, and significant events during their lifetime (Beer 2007: 8). Like many other terms - such as ‘ethnicity’ or ‘social class’ - ‘generation’ is a crude generalisation that hides more differences than the commonalities revealed. There is much dispute in the literature on the definition of generations as well as the boundaries between different generations. Nevertheless, in housing analysis the concept can be useful in revealing particular forms of inequality, because different birth cohorts enter the housing market under very different circumstances, and their experiences differ significantly in terms of the type, location, tenure and affordability of the homes they occupy over the years, as elaborated below. Here, we adopt Beer and Faulkner’s categorisation presented in Table 1. Our focus is on the Austerity generation, the Baby-boomers and Generation X. Younger generations have been excluded from analysis, as their role in the processes described is limited.

Table 1: Generations in Australia

<table>
<thead>
<tr>
<th>Generation label</th>
<th>Birth year</th>
<th>Percent of population</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Austerity Generation</td>
<td>1931-1945</td>
<td>12.9</td>
</tr>
<tr>
<td>Baby-boomers</td>
<td>1946-1960</td>
<td>21.3</td>
</tr>
</tbody>
</table>
Austerity Generation

A typical housing career amongst the Austerity Generation involved a move out of the parental home to rent a flat as a single, with marriage the couple moving in together and renting while saving for a deposit to buy their own home. Typically, a detached house was built in the suburbs, and most couples continued to live in this house for many years even after their own children moved out. At old age, households of this generation enjoy the financial benefits of being outright owners (Kendig 1981).

Baby-boomers

The housing careers of Australian baby-boomers are similar in some ways to those of the Austerity Generation, with most of them achieving home ownership, again typically in a detached suburban house. Increased female participation in the workforce increased the financial capacity of baby-boomers to enter home ownership and to repay debts. One key difference between the Baby-boomers and the Austerity Generation is the rise in divorce rates that resulted in the establishment of more single-person and single-parent households. Baby-boomers have also played a major role as ‘mom and dad investors’ in the residential property market since the late 1990s, stimulated by tax incentives, and this has contributed to the increase in house prices affecting younger generations (Yates 2007: 8). Most Baby-boomers generally desire to age in place - in their own homes and communities – even while the phenomena of ‘sea change’ or ‘tree change’ have grown increasingly popular amongst this generation (Beer and Faulkner 2009).

Generation X

Compared to the Baby-boomers, Generation X (Gen X) has experienced ‘a more challenging transition to adulthood’ (Beer 2007: 12). Achieving homeownership has been more difficult because of the rising costs of housing since the mid-1980s, an emerging ‘deposit gap’ (Yates 2007: 6) as well as the delays experienced in entering steady and better-paid positions in the workforce. Yet, there are significant disparities within the group of Gen Xers. On the one hand, levels of homeownership are significantly lower and levels of housing stress significantly higher for Gen-Xers compared to the Baby-boomers. According to NATSEM (2008), 32% of Gen X were paying over 30% of their income on housing, compared to less than 10% for Baby-boomers. Approximately half of all Baby-boomers paid 10% or less on housing, having paid-off most of their mortgage debts. Homeownership levels are significantly lower for Gen-Xers today compared to the Baby-boomers at a similar age several decades ago. Between 1976 and 2001, homeownership rates declined by 11% for 25–29 year olds (from 54% to 43%), by 10% percentage for 30–34 year olds (from 67% to 57%) and by 6% for 35–39 year olds (from 72% to 66%) (Yates 2007: 4). On the other hand, there is a relatively large group of affluent Gen-Xers who have secured high-income jobs in the services sector, and have not only purchased their first home, but are now already “looking to trade up, often to accommodate a growing family”. This group, according to Reed and Conisbee (2005: 13), have become “advocates of gentrification” and seek “to restore older homes, aptly supported by the myriad of television shows aimed at this cohort”. It is a very similar subgroup of affluent Gen-Xers that is the focus of this paper, who have chosen KDR rather than restoration of older homes.

GENERATION SHIFTS AND NEIGHBOURHOOD LIFE-CYCLE THEORY

The concept of ‘generation shift’ (or ‘generation change’) is rarely explicitly defined and theorised in the literature, but is often implied and can be generally understood as a shift of power from one generation to another resulting in various forms of social and urban change. In some cases – such as the one described in this paper – at a smaller scale a generation shift can mean the physical replacement of members of one generation by members of another in certain locations. Generation shifts can help balance existing inequalities between older and younger generations but at the same time can also produce new forms of injustice, inequity and displacement.

In urban studies, neighbourhood life cycle theory seeks to explain, among other things, the way a generation shift manifests itself in a neighbourhood. In using the concept of ‘neighbourhood life cycle theory’ we refer here to a particular stream of studies within the greater body of literature on neighbourhood change. As noted by Galster (2000), neighbourhood life cycle theory has been one of many models of neighbourhood change developed by urban researchers. Neighbourhood life cycle studies generally share three attributes.
First, these studies seek to identify common and distinctive ‘stages’ in the course of neighbourhood development. While different studies classify different stages, transitions between these stages are typically characterised by demographic change, changes to the housing stock’s density and quality, and changes to the neighbourhood’s overall ‘status’. Second, in each of the stages, various changes can accumulate into an overall trend of growth, decline or renewal associated with waves of investment and disinvestment. Third, these studies link the life-cycles of neighbourhoods with the human life-cycle of mortality, fertility and migration.

Neighbourhood life cycle theory finds its roots in the urban ecology theory developed by sociologists of the Chicago School. In urban ecology, neighbourhoods are viewed as ‘natural areas’ which are shaped, predominantly, by three demographic processes: mortality, fertility and migration. These demographic changes translate into competition over land use and over the very nature of a neighbourhood. The urban ecological view of ageing neighbourhoods has been extremely pessimistic, as summarised by Schwirian (1983: 84-5) in his overview of neighbourhood change models:

In an area inhabited by a comparatively older population natural attrition will take its toll. Unless new members are added by fertility or migration the neighborhood's population will decline, the social system will contract, the ways of life will be altered, and the physical environment will deteriorate.

Such theories directly link the ageing of neighbourhoods with an inevitable process of social and physical decline. This view has been further developed in theories of the ‘neighbourhood life-cycle’ that suggested a ‘final’ stage of inevitable decline can be followed by a new cycle of renewal with the influx of young residents into a neighbourhood. Hoover and Vernon’s (1959) five-stage model is considered one of the most influential studies of neighbourhood life cycles. Their study was based on analysis of demographic and housing data of New York City neighbourhoods. The first stage in a neighbourhood’s life cycle in Hoover and Vernon’s model is the development of new single-family housing. At this early stage, the key demographic of neighbourhoods is young families with children. The second stage continues to be characterised by new residential development, but this time with apartments rather than detached dwellings increasing the neighbourhood’s overall density. Many of the new apartment buildings replace older detached dwellings. As neighbourhoods reach stage three, the housing stock developed in stages one and two has already aged and is now being adapted to accommodate more people than it was originally designed for - resulting in overcrowding and an overall ‘downgrading’ of the neighbourhood. This stage is also characterised by ethnic change in the neighbourhood. In stage four, a ‘thinning out’ occurs in the local population reflecting decline in household size as the population of the neighbourhood ages and older couples become the predominant demographic. This stage is also characterised by continuing physical deterioration of older housing stock. At stage five, renewal can occur, encouraged by public intervention, which involves replacement of older deteriorated houses with new apartments, and replacement of older residents with younger households.

Neighbourhood life-cycle theory has been criticised for its deterministic approach and for its uncritical depiction of neighbourhood renewal. As noted by Temkin and Rohe (1996: 161), neighbourhood life-cycle models assume a certain “natural and “efficient” amount of neighbourhood change resulting from natural economic forces”. Much of the literature on neighbourhood change since the late 1970s, most notably studies of gentrification, has taken a more critical perspective. Smith’s (1996) rent-gap theory, for example, explained gentrification as the actualisation of capital embedded in changing land-values. When an inner-city neighbourhood’s land-value is fully capitalised, additional investment may no longer be viable and capital will flow elsewhere. The inner-city neighbourhood will undergo a gradual process of disinvestment, until once again a rent-gap occurs that makes reinvestment viable. A typical pattern may involve gentrifiers being priced out of more favoured suburbs and moving into these neighbourhoods where they can find the “next-most-attractive property on good blocks of land with good infrastructure” (Pinnegar et al. 2010: 212). While gentrification does bring about significant reinvestment and renewal to these neighbourhoods, the literature since the 1970s has placed much emphasis on the negative social implications, particularly the displacement of low income renters, including older people (Atkinson et al. 2011).

As noted by Pinnegar et al. (2010: 215), KDR activity in Sydney shares a number of similarities with gentrification as a “transformation of the built environment through the fixing of capital and a significant rise in market value post-redevelopment”. Yet, unlike gentrification, KDR activity is not only more dispersed, but is also driven to a large extent by existing residents rather than incomers to a neighbourhood. Thus, KDR can be better described as articulating in situ circuits of capital that are in many ways contrary to the capital flows described in gentrification literature. In addition, while gentrification often involves the attraction of gentrifiers to older housing stock with a certain architectural or heritage merit, with KDR this motive appears irrelevant as the old houses are planned for demolition (Pinnegar et al. 2010: 216).
In current Australian policy and scholarly debates, the focus is not on the risk of disinvestment and decline in suburbs with an ageing population, so much as the barriers to urban consolidation. One of the key urban policy agendas is the drive for densification of low-density suburbs as a means to improve utilisation of existing infrastructure and deliver “more affordable and sustainable medium density housing” (Newton et al. 2011: 2). Newton considers low-density ageing neighbourhoods as ‘greyfield precincts’ that are ripe for higher density redevelopment because of significant levels of under-occupancy. The desire of existing older residents to continue living in their own homes is seen as a key barrier for such redevelopment: “can the baby-boomer cohort be motivated to move residence (but not location) in order to make prime residential land available for more intensive and more sustainable redevelopment?” (Newton et al. 2011: 71). In many ways, this highlights the tension between the desire of older Australians to stay in their own homes and the policy drive for urban consolidation as a form of inter-generational conflict.

To conclude, settlement of young couples and families in established neighbourhoods dominated by an older population can be seen as a local form of generation shift, and as the fulfilment of their quest for the same housing prospects as previous generations. Settlement of young families is described in classic urban literature as a crucial phase in the life-cycle of neighbourhoods, without which neighbourhood decline is considered inevitable. In more recent Australian literature, debates about inter-generational inequity in housing are also associated with a policy agenda encouraging densification of existing urban areas. Our analysis of KDR activity in Sydney is underpinned by these theoretical perspectives on intergenerational equity and shifts in a neighbourhood context.

KNOCKDOWN-REBUILD IN SYDNEY AS A FORM OF GEN-X-TRIFICATION

Methods

Three interrelated analyses were employed to assess the scale and identify locations of KDR activity in Sydney. First, all 42 local councils in the metropolitan area were approached for Development Application (DA) data from 2004 to 2008. A total of 29 councils supplied the information in a format that allowed analysis. The DAs were sorted in excel spreadsheets by addresses. Each application for complete demolition of an old house and for construction of a new detached dwelling at the same address was marked as a DA for KDR. In cases where two separate applications were submitted for demolition and construction for the same address, these were also coded as a single DA for KDR. DAs for partial reconstruction of a dwelling or for redevelopment of semi-attached dwellings or flats were excluded. Overall, just over 6800 DAs for KDR were identified this way.

Second, a questionnaire was sent by mail to the 6800 addresses identified. A total of 1218 completed questionnaires was returned by post or online, a response rate of about 20%. The questionnaire included questions about the reasons for and experience of undertaking KDR.

Third, follow up face-to-face interviews were held with 30 owners who were recruited through the survey. The interviews took place in four different areas in Sydney with different socio-economic characteristics (in and around Maroubra, Bankstown, Ryde and Avalon Beach). The interviews provided a more in-depth understanding of the multiple factors influencing households to undertake KDR.

The analysis presented in this paper also makes use of several additional sources of data from the Australian Bureau of Statistics: data from the 1999 Australian Housing Survey, and 2001 and 2006 censuses.

Evidence of gen-X-trification

A number of sources of data in our study suggest that KDR activity typically involves young families purchasing older dwellings from older households. One of the key findings from the mail survey is the high-proportion of young families with children. The majority of respondents (66%) were couples with children. Other significant but smaller subgroups were elderly and younger couples without children and multigenerational households (i.e., including three or more generations in the household). Gen Xers were the dominant group with over three times more Gen-X headed-households than for Baby-boomers (Figure 1).
The survey did not include any question about the previous residents of the house. While there was clear indication that young families are moving into older houses and rebuilding them, the survey provided no indication of the age and socio-economic profile of previous residents. However, one survey finding that strengthened the hypothesis about the prominence of older residents was in response to our question about the age of dwellings demolished during the KDR process. Most of the old dwellings demolished (71%) were over 50 years old, with 46% dating from the immediate post-war period, 1946 to 1960. Very few (4%) of the old houses demolished were less than 30 years old. Analysis of secondary data from the ABS 1999 Housing Survey found that approximately 30% of all dwellings between 40 to 70 years old were occupied by residents over 65 years old (Table 2). This observed relationship between the age of dwelling and the age of residents is not surprising and can be explained by the desire of people to age in place, in the house they have occupied for many years.

The 30 follow-up face-to-face interviews conducted after the mail survey provided additional evidence that many of the houses demolished were previously occupied by older residents. Most of the participants reported that the old house later demolished was owned and occupied by an elderly person or couple before them. The circumstances under which the old house was transferred from the elderly household to the younger owners were diverse, including purchase from older residents who chose to downsize or relocate to coastal NSW (sea change). In some cases, the dwelling was inherited or purchased as a deceased estate.

Table 2: Proportion of over 65 year old residents by age of dwelling

<table>
<thead>
<tr>
<th>Age of Dwelling</th>
<th>Melbourne</th>
<th>Sydney</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 10 years old</td>
<td>12%</td>
<td>12%</td>
</tr>
<tr>
<td>Between 10 to 40 years old</td>
<td>19%</td>
<td>19%</td>
</tr>
<tr>
<td>Between 40 to 90 years old</td>
<td>31%</td>
<td>30%</td>
</tr>
<tr>
<td>90 years old or more</td>
<td>12%</td>
<td>12%</td>
</tr>
</tbody>
</table>

Source: Customised tables based on the 1999 ABS Housing survey (ABS 2000)

A very illustrative description of the process of gen-X-trification unfolding in a neighbourhood can be found in this transcript of our interview with Anna, a woman in her early forties who undertook KDR in the suburb of Matraville, in Sydney’s eastern suburbs:

A: When we came here we were the youngest ones in the street. Everybody else [was] mature or older, quite a lot older couples.
Q: Did you buy this [house] from an older couple?
A: Yes, whose children all had grown up ... So they downgraded [downsized] and we actually knew who they were and we still see them sometimes around and say hello and whatever. I think we heard that they were a bit, you know, sort of sad that we knocked the house down ... But times change and things move on, they’re not here anymore... we knocked down and rebuilt, then the house next door on the other side, they renovated. They were tossing up whether to knock down and rebuild.

The gen-X-trifiers

The Gen-Xers in our sample of KDR owners represent a very affluent group. 41% of them earning over $200,000 a year compared to Sydney’s median annual income of approximately $60,000 at the latest census (ABS 2006). They have chosen KDR as a means to build houses that are new and more modern than those they demolished, typically two-storey, four-bedroom houses, with more bathrooms and parking spaces (Wiesel et al. 2011). Their decisions were informed by life-style expectations as well as considerations of resale value. Many of the owners we interviewed did not consider their newly built home as a residence for
the rest of their lives, a mindset more typical of the Austerity Generation. Figure 2 illustrates two typical examples of KDR in the middle ring suburb of Ryde.

A typical KDR narrative was illustrated in our interview with John, a person in his late thirties who works in the finance industry. John owned a flat in Bondi as a single and after marriage decided with his wife to buy a bigger house in which to raise their future children. They would have preferred to stay in Bondi, but could not afford a house there so decided to buy in Maroubra - still in the eastern suburbs but more affordable, and where many of their family and friends live. Although their children were not yet born, they bought the house as soon as they could afford it because the housing market was booming and they were concerned about rising future costs. They bought an old house and rented it out for several years, until the children were born when they decided to rebuild it and move in. John calculated that KDR will be about $100,000 more expensive than renovations (an optimistic calculation, John comments now on hindsight), but will provide much better value – a bigger and more modern house.

[Image 1 of Figure 2: Two KDRs in Ryde, before and after]

Source: images provided by participants and reproduced with their permission

Two themes in John’s case are very characteristic of the Gen-Xers in our study. First, for most of the participants KDR has not been a way to enter homeownership as much as a means to upgrade their housing. Many have owned a flat before, but wanted a bigger detached house to raise children in. Second, local attachment was a critical factor shaping the decisions of KDR owners. Many of them have lived many years in the same or nearby area, and often they have relatives living nearby. Often, as in John’s case, they made compromises concerning the specific suburb they bought into, because of financial constraints, but were determined to remain in the general locality.

For many, buying an older house was a way of finding a property that is reasonably affordable in the area they desired. Indeed, rebuilding that property significantly added to the overall cost, but provided them some flexibility with regard to timing. A gap of several years between the purchase of the house and its demolition was typical among our participants, providing them an option to repay in part or in full the loan for the original house before taking another loan for KDR. At the same time, some of our participants were in a financial position that did not require them to make significant compromises. For them, KDR was not about affordability, rather about an opportunity to build exactly the house they wanted, in the location they wanted, as explained by one participant, Megan:

We were looking for a house that we didn't have to rebuild but we couldn't find anything we liked ... It wasn't [about] affordability, we were looking at the top end of the market and we just couldn't find anything we liked. We thought it was actually better value for money to pull down and rebuild than it would've been to buy something outright because for what we spent on the rebuild we would've gotten an older house with not as much room. We looked in three suburbs, Epping, Cheltenham and Beecroft, it was going to be near my son's school and my husband wanted it to be close to the train line.
All participants in our study chose KDR as a means to build a house they intended to live in, one that fitted their family’s needs and expectations, rather than a purely financial investment opportunity. Yet, resale value was an important factor influencing their decisions about the design of their new houses, typically four bedrooms as noted above. This reflects, to some extent, the characteristics of the Gen-Xers in our sample as investors and consumers and at the same time the characteristics of the KDR industry which encourages the building of larger dwellings. Further, planning restrictions also play a role in encouraging development of larger two-storey dwellings. Two of our participants, for example, a couple with no children, wanted to build a single-storey house because of the husband’s health problems and the cheaper cost. But single storey houses cover a larger proportion of the lot and theirs was too small to get a council permit for a single-storey dwelling and thus they were forced into building a two-storey house.

The demographic impact of gen-X-trification

The evidence presented above implies that KDR typically involves not only the replacement of older dwellings in an area with new ones, but also replacement of older residents with younger ones. This further implies some correlation between the scale of KDR activity in an area, and a reduction in the proportion of residents over 65 years old. There is, however, no evidence in our analysis of such a correlation at either Local Government Area (LGA) or suburb scale. This may be explained by the fact that overall, the impact of population ageing on a neighbourhood’s demography overshadows the incremental replacement of older residents with younger ones through KDR activity. Additionally, most Gen-Xers who have undertaken KDR have lived in the area for many years, thus not significantly influencing any demographic change. Nevertheless, our analysis does suggest that the most significant decline in the proportion of residents who are over 65 years old has occurred in those areas where a significant level of urban consolidation activity has taken place (that is, replacement of low-density with medium to high-density housing stock), such as Strathfield, Auburn, Willoughby, Bankstown and Parramatta LGAs (Table 3).

<table>
<thead>
<tr>
<th>LGA</th>
<th>KDR Rate*</th>
<th>Consolidation rate**</th>
<th>Ageing rate***</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strathfield</td>
<td>5%</td>
<td>+11.2%</td>
<td>-1.4%</td>
</tr>
<tr>
<td>Mosman</td>
<td>2.5%</td>
<td>-1.6%</td>
<td>+1.1%</td>
</tr>
<tr>
<td>Hurstville</td>
<td>2.5%</td>
<td>+1.8%</td>
<td>0%</td>
</tr>
<tr>
<td>Woollahra</td>
<td>2.5%</td>
<td>-2%</td>
<td>+0.7%</td>
</tr>
<tr>
<td>Waverley</td>
<td>2%</td>
<td>-3.3%</td>
<td>-0.6%</td>
</tr>
<tr>
<td>Pittwater</td>
<td>2%</td>
<td>-0.8%</td>
<td>+1.1%</td>
</tr>
<tr>
<td>Ku Ring Gai</td>
<td>2%</td>
<td>+0.5%</td>
<td>+0.8%</td>
</tr>
<tr>
<td>Lane Cove</td>
<td>2%</td>
<td>-0.9%</td>
<td>-0.3%</td>
</tr>
<tr>
<td>Auburn</td>
<td>2%</td>
<td>+7.1%</td>
<td>-1.4%</td>
</tr>
<tr>
<td>Warringah</td>
<td>2%</td>
<td>+2.2%</td>
<td>+0.7%</td>
</tr>
<tr>
<td>Randwick</td>
<td>1.5%</td>
<td>-2.1%</td>
<td>0%</td>
</tr>
<tr>
<td>Ryde</td>
<td>1.5%</td>
<td>+1.7%</td>
<td>+0.1%</td>
</tr>
<tr>
<td>Canterbury</td>
<td>1.5%</td>
<td>+2.2%</td>
<td>+0.6%</td>
</tr>
<tr>
<td>Willoughby</td>
<td>1.5%</td>
<td>+4%</td>
<td>-1.4%</td>
</tr>
<tr>
<td>Bankstown</td>
<td>1.5%</td>
<td>+4.7%</td>
<td>-0.2%</td>
</tr>
<tr>
<td>Fairfield</td>
<td>1%</td>
<td>+0.1%</td>
<td>+1.3%</td>
</tr>
<tr>
<td>Parramatta</td>
<td>1%</td>
<td>+5%</td>
<td>-0.1%</td>
</tr>
<tr>
<td>Botany Bay</td>
<td>1%</td>
<td>+1.3%</td>
<td>+1%</td>
</tr>
<tr>
<td>Burwood</td>
<td>1%</td>
<td>-0.7%</td>
<td>+0.5%</td>
</tr>
<tr>
<td>Hornsby</td>
<td>1%</td>
<td>+2.1%</td>
<td>+1%</td>
</tr>
</tbody>
</table>

* KDR Rate represents the number of DAs for KDR as a proportion of all detached dwellings in the LGA. The table excludes LGAs with less than 1%. ** Consolidation Rate represents the decline in the proportion of detached dwellings, between the 2001 and 2006 censuses. *** Ageing Rate represents the increase in the proportion of 65 years old residents, between the 2001 and 2006 censuses.

DISCUSSION
The coming of age of one generation, and the ageing of another, can involve a dramatic shift in the power relations between the two, both in a general sense, and dominance in the housing market in particular. For most Gen-Xers, however, this shift has yet to arrive and overall as a birth cohort they continue to experience lower levels of home ownership and higher levels of housing stress compared to the Baby-boomers and the Austerity Generation (Yates 2007; NATSEM 2008). Yet, within the larger cohort of Gen-Xers there is also a smaller but significant subgroup of affluent couples who have already owned their first home (typically a flat), and are in a financial position to upgrade into a larger detached house to accommodate a growing family and to fulfil the ‘Australian dream’. Further, many of them wish to continue living in places where they have resided for many years (often the places they grew up in), close to their current familial and social connections.

Our study reveals KDR as one practice that allows this latter subgroup of Gen-Xers to fulfil their housing aspirations - by purchasing older properties in the locations they desire, and replacing these dwellings with new, bigger and more modern homes that respond to their lifestyle expectations. The evidence suggests that this practice also involves replacement of older residents who previously lived in these old houses. Hence, while a generation shift has not yet occurred for Generation X in the housing market as a whole, in some specific neighbourhoods significant KDR activity can be understood as a localised generation shift. Statistically, even in neighbourhoods with extensive KDR activity, the demographic change associated with that activity is negligible and is overshadowed by two wider processes with a far greater demographic impact: population ageing and urban consolidation.

Yet the impact of KDR can be more significant than what such statistics imply. In assessing the impact of KDR on neighbourhood change, we need to consider not only the single household that has moved in or out, but also the downstream impact on the potential for higher density development. As noted by Pinnegar et al. (2010: 222), KDR activity to some extent constrains consolidation efforts by precluding redevelopment of lots at higher densities. In other words, while KDR does involve some replacement of older residents with younger ones, by reproducing low-density urban form it can also be seen as inhibiting generation shifts of a far greater scale.

In the literature on neighbourhood change, the ageing of population and housing stock is very often associated with a neighbourhood’s decline that is manifested through physical degradation and increasing social disadvantage (Schwirian 1983: 84-5; Newton 2010). From this perspective, the replacement of older dwellings and older residents can be seen as an essential phase in the neighbourhood life-cycle leading towards renewal. Yet, from a social justice perspective, one key concern is the implications for existing residents. As with gentrification, KDR typically involves a relatively affluent group taking over dwellings that were previously inhabited by lower-income groups. However, in a gentrified area where rents increase, the displacement of low-income renters, including older residents, is essentially involuntary (Atkinson et al. 2011). In contrast, the older owner-occupiers who sell their homes to younger buyers do so voluntarily. The option of KDR stimulates demand for these older dwellings that – even when structurally sound – are considered by younger buyers as obsolete. This provides an opportunity for older residents to move out and downsize, if they so choose.

Further, the findings presented here challenge the notion that the ageing of a neighbourhood is necessarily associated with its decline, as some models of neighbourhood change imply (Schwirian 1983). This notion is predicated on the assumption that the ageing of a neighbourhood will drive away younger residents and the potential reinvestment they can contribute. Our findings in Sydney indicate the exact opposite: for young home buyers, ageing neighbourhoods are desirable locations and are perceived as good investment opportunities.

CONCLUSION

Our study of KDR activity in Sydney indicates a wide range of drivers for this phenomenon. One of the key findings is the prevalence of families headed by couples from the Gen-X cohort, who purchase homes from older households. This implies that KDR is associated with some form of neighbourhood change that can be described as a localised generation shift. At the same time, by reproducing low-density urban form, the process which we describe as gen-X-trification can be seen as hindering a far greater generation shift that could have occurred through higher density development of the same lots. In other words, the real impact of KDR should not be understood as the displacement of older people, but the limiting of housing opportunities for generation X itself. The increasingly uneven distribution of housing wealth is manifested in more modern and larger dwellings developed through KDR, “beyond the capacity of earlier generations to even imagine” (Yates 2007: 6), but within reach for an increasingly smaller segment of the population.

REFERENCES