Appendix 6 Illustrative example of New Urban Development

Caroline Springs provides a typical example of the process of urban development on the fringe of Australian cities. In 1992, planning consultants, representing farmers and land developers, made a submission to rezone the land from agricultural to residential purposes for a self-supporting and diverse housing development for 30,000 people. With zoning in place, the owners approached Delfin to convert 800 raw lots into the community of ‘Caroline Springs’113. Delfin sells its expertise in development and marketing and project management and receives a proportion of the profits of the sale of the developed land. They ensure the provision of all necessary infrastructure and negotiate with local governments to secure funding for certain style of social and transport amenity to realise their ideal of community in which to “live, learn, work and rest”114.

Builders compete for display space on the estate. Only those able to deliver the most marketable product are permitted on site and included in Delfin’s catalogue of house and land packages (Delfin, 2000). This high cost, risky venture leads to the participation of small number larger builders who can achieve economies of scale (Hayward, 1992). Small builders are simply unable to compete. One small builder suggested that only the largest: Jennings, Pioneer, and Wimpey, had a chance. These players could cut the cost of labour, materials and, through key alliances with financial institutions, and offer attractive financing deals to new buyers (such as payment for three months rent for deposit). Subsequently, small builders play almost no role in fringe development, and rely on medium density infill, extensions and renovations for work.

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113 Named after Caroline Chisholm, colonial philanthropist assisting women to find suitable housing in adverse conditions.

114 A concept Delfin has embedded in the marketing the Caroline Springs estate and negotiations with infrastructure partners.