



*Providing certainty around the locations and nature of housing change expected within the City of Yarra over the next 15 years.*





*As more people choose to call Yarra home, housing growth will need to be planned and managed in a way that maintains the city's liveability and creates additional benefits.*

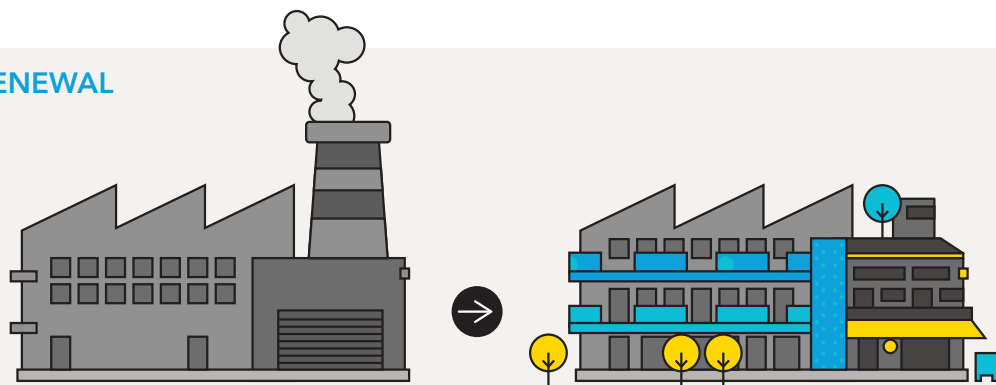
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## Quick Stats

### Key Housing Trends in Yarra 2005—2014

#### URBAN RENEWAL



87%

87% of housing development was urban renewal (development in commercial areas, formerly industrial areas – usually larger apartment projects) and 13 % was infill (small scale replacing older dwellings with new ones)

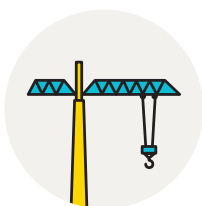
72%

72% of new dwellings were in activity centres or on Strategic Development Sites.

#### PROJECTS



581 housing projects in 10 years have transformed 54 Ha of land



Projects with 10+ dwellings were most prevalent in Richmond and Collingwood, while smaller projects with 2-9 dwellings were mostly in Richmond and Fitzroy North



Since 2010, the number of new dwellings in Yarra has grown at a rate of 1160 per year



Approvals for apartments over 4 storeys have doubled from 2,394 (2006-2010) to 4,904 (2011-2015)

Source: 2005-2014 Housing Development Data

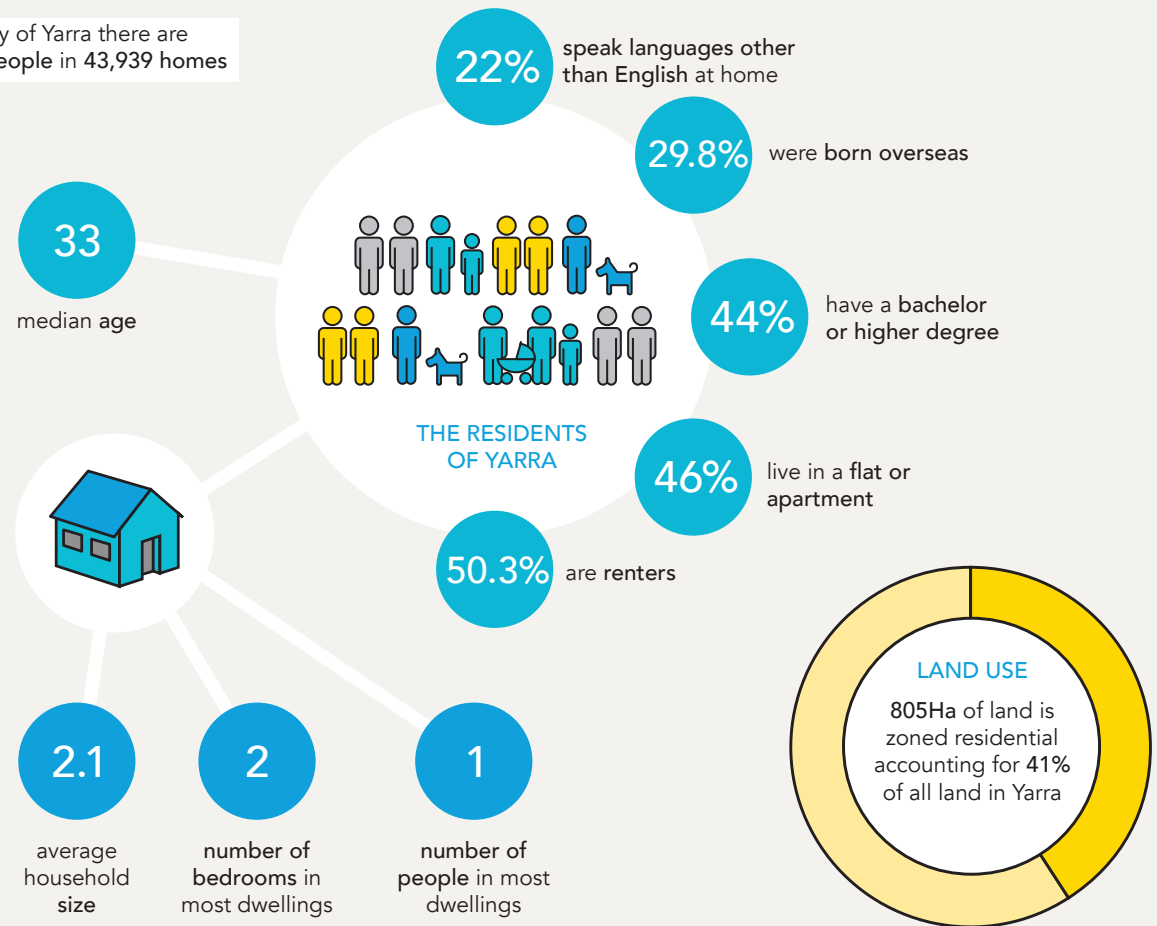


## Yarra Today



### THE NUMBERS

In the City of Yarra there are 91,300 people in 43,939 homes



# Yarra 2031

The *Victoria In Future* housing and population forecasts indicate there will be 29,413 new residents and 13,431 new dwellings required by 2031.

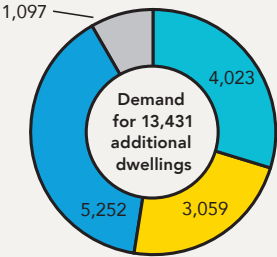
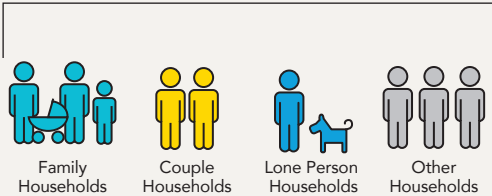
## FORECAST 2016–2031 HOUSING AND POPULATION



Yearly population growth rate of 2%

29,413  
new residents

13,431  
new dwellings





## 1. Introduction

### Why Prepare a Housing Strategy?

As more people choose to call Yarra home, housing growth will need to be planned and managed in a way that maintains the City's liveability while creating additional benefits. These benefits include enhancing the heritage streetscape character of our activity centres and increased housing diversity.

Yarra needs a Housing Strategy to inform how best to accommodate housing growth in the municipality and to underpin new housing policy in the Yarra Planning Scheme.

### What is the Purpose of the Housing Strategy?

The purpose of this Housing Strategy is to prepare a housing growth framework that sets a preferred vision for Yarra over the next 15 years.

To achieve this, the strategy will:

- Identify projected population and housing growth for Yarra;
- Provide an overview of the existing housing context and recent trends in Yarra;
- Demonstrate sufficient housing land availability to accommodate projected growth for the next 15 years;
- Identify areas for housing growth and development, consistent with the strategic context and characteristics of Yarra's neighborhoods;
- Provide a strategic approach to where and how the City of Yarra guides and directs future growth;
- Provide direction on key issues such as housing diversity and adaptability, affordable housing and family friendly apartments;
- Inform new planning policies in the Yarra Planning Scheme; and
- Have regard to broader metropolitan and state wide planning policy.

The Housing Strategy will provide clear policy direction about where residential development will be focused, and where it will be limited, in order to meet the changing needs of our community.





## How will the Directions of the Housing Strategy be Implemented?

Following adoption of the final version of the Yarra Housing Strategy by Council, an amendment to the Yarra Planning Scheme will be progressed to: introduce the new Housing Strategy as a reference document; and update the Municipal Strategic Statement (MSS), to reflect the key strategies outlined in the Housing Strategy.

The MSS provides a statement of the key strategic planning, land use and development objectives for the local government.





## 2. What Does Our Community Value?

A discussion with the Yarra community on housing began in 2015. *The Liveable Yarra* project provided an opportunity to have an in-depth conversation with the community on how Yarra can adapt to the challenges and opportunities brought about by growth. The deliberative engagement process included a panel consisted of residents selected to represent the broader Yarra community.

Overall, the Panel members were proud of the city they live in and wanted to see the following elements promoted and enhanced:

- Diversity of people and places, with a sense of multiculturalism and community throughout;
- Significant historical, heritage and natural spaces of the local areas;
- Proximity and ease of access that living in Yarra affords – for example, to the CBD, the night time economy, or sporting and cultural events.

The panel members indicated that residents valued environmentally sustainable design and new infrastructure. They were more willing to accept higher density housing with the provision of affordable housing options and activated communal spaces.

A key recommendation of the *Liveable Yarra* panel was for Council to actively plan for Yarra's projected housing growth, including identifying the range of housing needs and options to support a diverse community.

The panel acknowledged that this would deliver:

- A clear direction about how to accommodate projected housing growth;
- Better informed planning for infrastructure and community facilities;
- A more diverse housing profile; and
- Certainty regarding the locations and nature of growth, leading to a reduced need for Council resources associated with major developments.

### FINDINGS FROM THE LIVEABLE YARRA PANEL

#### PROMOTE AND ENHANCE



Diversity of people and place



Significant history, heritage and natural spaces



Proximity and ease of access to sporting and cultural events

More detailed findings are detailed in the 'Liveable Yarra Engagement Summary Report' (Capire & City of Yarra, October 2015).

#### HIGHLY VALUED



Environmentally sensitive and sustainable design for the whole community

## 2.1 Community Priorities About Planning for Housing Growth and Change in Yarra

The *Liveable Yarra* panel provided clear direction to Council on the key issues for consideration when planning for housing growth and change. There were seven relevant key themes:

- Heritage;
- Diversity and Adaptability;
- Communal Open Space;
- Affordable Housing;
- Transport and Infrastructure;
- Sustainability; and
- Economic Development.

Each of these themes relate to specific “Actions” in the *Liveable Yarra* Report.

The following few pages provide an overview of how these key issues have been considered in the development of the Housing Strategy, and outline where they are being addressed through other projects or policy.



*The housing strategy will need to respond to the high level of heritage protection and provide guidance on the appropriate level of growth in residential neighbourhoods and activity centres.*



## Heritage - Action 3 (Built Environment)

### *“Continue To Protect Existing High Value Heritage Areas Across Yarra”*

Home to some of Melbourne’s first suburbs, Yarra boasts many prized heritage streetscapes and residential, commercial, and grand civic buildings. The former industrial areas provide important links to Yarra’s past.

Yarra protects its unique and diverse heritage by applying the Heritage Overlay to properties of identified heritage value. A Heritage Overlay is a planning tool that requires a planning permit to subdivide land, demolish, build or alter a property that has heritage value. About two thirds of all properties in Yarra are covered by a heritage overlay and, in fact, more properties are covered by a Heritage Overlay in Yarra than in any other municipality in Victoria. The Housing Strategy will need to respond to the high level of heritage protection in Yarra.

While Yarra’s activity centres have key attributes that make them ideal for accommodating housing growth, they also include unique and intact heritage streetscapes and buildings. The Heritage Overlay applies to large sections of Yarra’s major activity centres including Brunswick, Smith and Swan Streets, as well as Bridge Road. These areas of identified heritage significance will need to be managed to ensure future residential growth is appropriate to the context.

Balancing heritage protection with other important factors – like sustainability, the demand for urban growth and metropolitan planning policy – is an ongoing responsibility for Council.

Built form frameworks are being prepared for Swan, Victoria, Brunswick and Smith Streets, Queens Parade and Bridge Road. The frameworks are being informed by detailed heritage reviews to determine how best to protect and enhance heritage streetscapes (as well as individual buildings) in each activity centre, while accommodating future housing and employment growth.



## Diversity and Adaptability - Action 6 (People and Housing)

*"Promote the inclusion of accessible and adaptable housing, and housing suitable for all life stages"*

As more homes are constructed in Yarra, it is important to ensure that they are designed and built to: meet the changing needs of occupants across their lifetime; and enhance the liveability of the dwellings for the longer term. Providing a diverse mix of housing options for all residents in Yarra (including people with disabilities, older persons and families) helps support social inclusion and will maintain Yarra's vibrant community into the future.

### Planning for more families in Yarra

As apartment development in Yarra is expected to increase, there is a need to integrate housing diversity into apartment developments to cater for all households. It is anticipated that families will account for 30% of household growth in the next 15 years<sup>1</sup>. If apartment living is to be adopted by families, the design of high-density housing needs to consider their needs – including sufficient internal space and adequate outdoor space<sup>2</sup>. The location of larger apartments suitable for family housing are also best located together and overlooking communal space<sup>3</sup>.

### Responding to an ageing population

New apartments also need to better accommodate the needs of older people and people living with a disability (in 2016 10.5% of the population in Yarra was 65 and over, and 3.5% needed help in their day-to-day lives due to disability).

In Yarra, more older people are living in apartments. The number of people 60 and over living in apartments increased from 2,380 people in 2006 to 3,745 people in 2016<sup>4</sup>. A person may choose to relocate to an apartment for many reasons including financial factors, health issues, death of a spouse, lifestyle change or wanting to downsize.

The Federal Government actively encourages older people to downsize, to free up larger housing for families. People 65 and over will soon be able to make a large contribution to their superannuation fund from the proceeds of selling their family home. The purpose of this measure is to encourage people to downsize into housing that is more suitable to their needs, freeing up larger homes that can accommodate families.

Research<sup>5</sup> on downsizing among older Australians revealed that satisfaction with a dwelling was often related to:

- Limited home maintenance;
- Having enough internal space to entertain;
- Having access to shared common spaces;
- The layout and accessible design of the dwelling;
- Adequate storage;
- Good owners' corporation;
- Proximity to shops, transport and services; and
- Living in a safe area with good security.

### Planning for more inclusive housing

The provision of apartments that adopt universal design principles helps support independence and improves residents' quality of life, by allowing them to remain in their local area longer. Yarra supports the Australian Network for Universal Housing Design and Rights and Inclusion Australia's position statement that the homes we build for today should be fit for all of tomorrow's Australians. The *Livable Housing Design (LHD) Guidelines*<sup>6</sup> is a benchmark for making housing more accessible and useable for everyone.

<sup>1</sup> Department of Environment, Land, Water and Planning, 2016, *Victoria in Future 2016: Population and Household Projections to 2051*, Melbourne.

<sup>2</sup> Waltham Forest Council, 2009, *High Density Housing Qualitative Study Presentation of Findings*, Urban Initiatives, London.

<sup>3</sup> Auckland Council, 2018, *Auckland Design Manual*.

<sup>4</sup> Australian Bureau of Statistics, *Census of Population and Housing 2006 and 2016*

<sup>5</sup> Judd, B. et al, 2014, *Downsizing amongst older Australians: AHURI Final Report No.214*, Melbourne.

<sup>6</sup> Livable Housing Australia, 2017, *Livable Housing Design Guidelines: Fourth Edition*.



The LHD Guidelines note that a liveable home is designed to be:

- Easy to enter;
- Easy to navigate in and around;
- Easy and cost-effective to adapt; and
- Responsive to the changing needs of home occupants.

The recent introduction of state-wide apartment design requirements resolve some of the issues relating to accessibility and adaptability. However there is room for improvement in how the particular housing needs of different households in Yarra are addressed at the planning stage.

### Aged Care Facilities

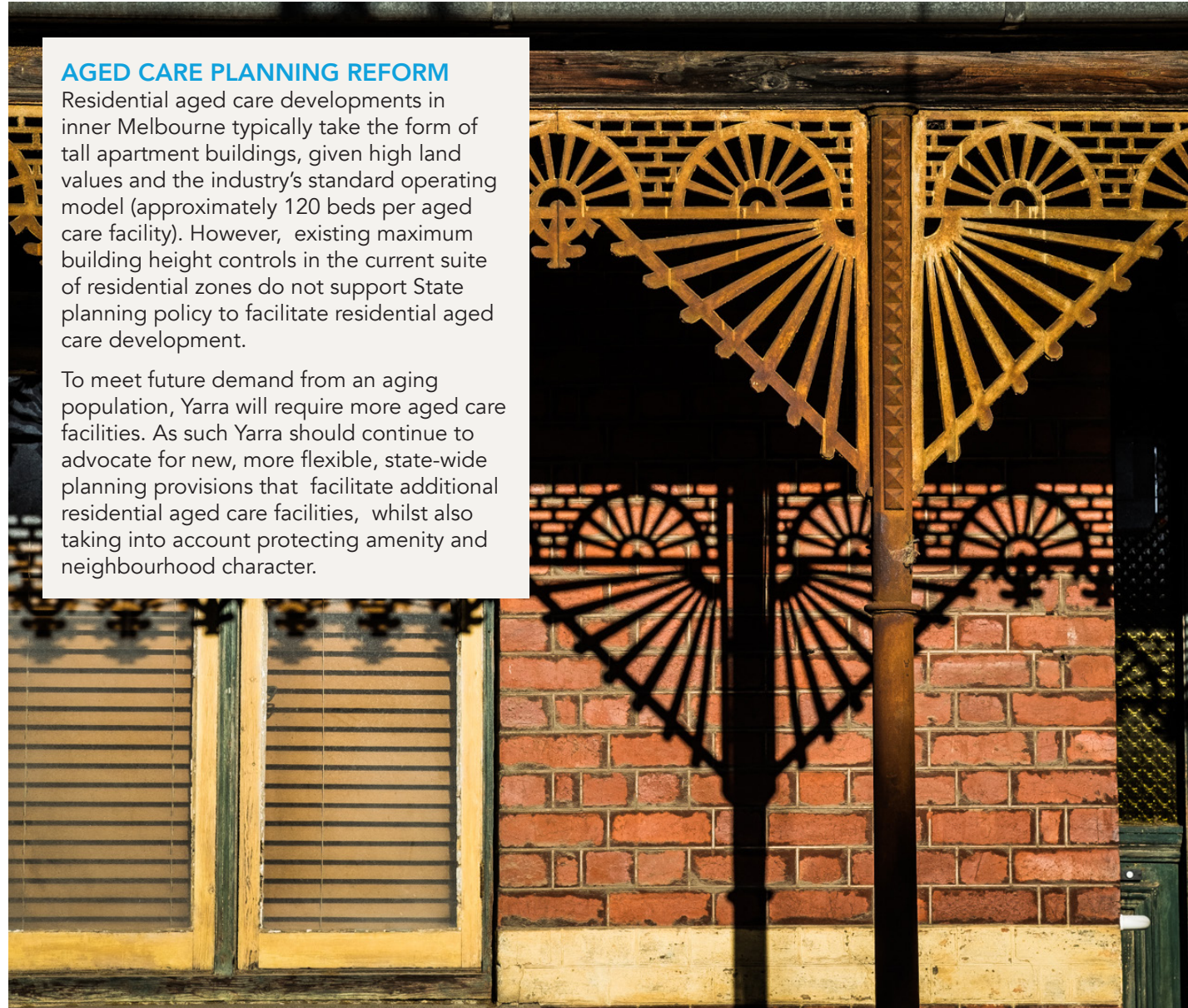
While Yarra supports and encourages people being independent long into retirement, it is sometimes necessary for a person to relocate to a residential aged care facility to receive adequate support.

In Yarra, seven residential aged care facilities provide 305 beds and two independent living / retirement homes provide 202 apartments. Yarra's adopted *River of Life Positive Ageing Strategy and Action Plan 2007-2016* identifies that a person's ability to live in Yarra and 'age in place' is determined by the availability of aged care facilities.

### AGED CARE PLANNING REFORM

Residential aged care developments in inner Melbourne typically take the form of tall apartment buildings, given high land values and the industry's standard operating model (approximately 120 beds per aged care facility). However, existing maximum building height controls in the current suite of residential zones do not support State planning policy to facilitate residential aged care development.

To meet future demand from an aging population, Yarra will require more aged care facilities. As such Yarra should continue to advocate for new, more flexible, state-wide planning provisions that facilitate additional residential aged care facilities, whilst also taking into account protecting amenity and neighbourhood character.





## Communal Open Space - Action 3 (People and Housing)

### *"Encourage the provision of communal spaces in housing development"*

The new state-wide apartment design requirements in the Victorian Planning Provisions require a minimum area of communal open space for development over 40 dwellings. However it does not provide provisions on the design, location, usability and accessibility of communal open space for particular households.

Given apartments are going to be the predominant housing form built over the next 15 years in Yarra, there is a need to ensure that the needs of all household types are considered in the design of communal open spaces in future high density developments.

Vancouver's *High-Density Housing for Families with Children Design Guidelines*<sup>7</sup> has been successful in providing clear guidance on designing family-orientated communal open space. The Guidelines recommend that family units are concentrated on lower floors and around common play areas, which incorporate a mixture of durable hard and soft surfaces. In larger developments, it is good practice to provide a hierarchy of communal open spaces to allow households with different needs to use and enjoy the spaces.

Recent trends in communal open space design in Yarra have included providing communal dining and entertaining areas, small grassed areas for play or quiet reading, and recreation facilities. These facilities create a good environment for residents to interact and provide a balance between private open space in apartments and public open space in the surrounding areas.

Improving the quality of the design and functionality of communal open spaces in apartment developments will enhance the long-term attractiveness of apartment living for all households in Yarra. The Housing Strategy will provide specific directions on how this can be achieved through the planning system.



<sup>7</sup> City of Vancouver, 1992, *High-Density Housing for Families with Children Guidelines*



## Affordable Housing Liveable Yarra - Action 8 (People and Housing)

### *“Support provision of affordable housing including through co-housing and housing associations”*

Melbourne’s high population growth and a booming economy have underpinned a strong housing market in recent years. Population forecasts and economic outlooks indicate this is expected to continue to support the Melbourne housing market in the medium term. Indicators reflect a cooling housing market but no downturn<sup>8</sup>.

These trends have been reflected in Yarra with consistently strong demand to live in Yarra resulting in rapid house price growth and high land values in the past 5 -10 years. The high purchase prices in Yarra (the median house price in 2016 was approximately \$1,200,000, with units at \$600,000)<sup>9</sup> mean that many households are unable to purchase in Yarra, especially lower income households. While renting for many households is more viable than purchasing a home, the cost of renting in Yarra is still cost prohibitive for many households.

To maintain Yarra’s social and economic diversity, their needs to be more affordable housing options suitable for very low, low and moderate income households. Research has shown that the poor relationship between the housing and employment markets has an impact on local productivity.<sup>10</sup>

Currently most of the Yarra’s workers (86%) live outside the municipality. Key public sector workers, such as nurses, teachers, police officers, fire-fighters and ambulance officers, often need to live close to their workplaces due to the nature of their work. Affordable housing enables low-to-medium workers, to live in areas that they may not otherwise be able to.

In Victoria, there is currently a focus on strengthening the role of planning in facilitating and delivering affordable housing. Emerging planning initiatives, outlined in *Plan Melbourne 2017-2050*, include introducing inclusionary housing requirements and utilising surplus government land to deliver additional affordable housing.

Within the current legislative framework, the role local governments can play in influencing affordable housing outcomes through the planning system is limited to securing a percentage of affordable housing through the rezoning process.

Current approaches to providing housing for very low, low and moderate income households in locations include:

- Requiring Section 173 Agreements under the *Planning and Environment Act 1987* to secure at least 5% community housing units to be managed by accredited housing associations when strategic development sites are being rezoned to residential use;
- Supporting shared equity models of development; Advocacy of policy and legislative changes that enable councils to introduce inclusionary zoning, or an alternative mechanism to secure affordable housing on strategic redevelopment sites; and
- Facilitating partnerships between developers and affordable housing providers on strategic redevelopment sites.

The adopted *Policy Guidance Note on Affordable Housing in Significant Redevelopments in Yarra* is one way Yarra advocates for more affordable housing. It outlines Yarra’s expectations relating to affordable housing at significant redevelopment sites. With significant rezoning of commercial and industrial land to residential use, developers are expected to provide at least 5% affordable housing at sites yielding 50 dwellings or more, and work with a Registered Housing Association/Provider to deliver affordable housing.

*The term affordable housing means housing, including social housing, that is appropriate for the housing needs of very low, low and moderate income households.*

<sup>8</sup> Lassell, J, 2017, *Australia Melbourne Housing Market Overview*

<sup>9</sup> Department of Environment, Land Water and Planning, 2016, *A Guide to Property Values: Annual data and analysis from Valuer-General Victoria 2016*

<sup>10</sup> AHURI, *Making connections: housing, productivity and employment*, 2015.

## **Transport Infrastructure - Action 3 (Access And Movement)**

### *"Increase Space For Pedestrians And Bikes, Dedicated Lanes/Corridors. Decrease Car Space on the Streets"*

Yarra is well serviced by all modes of public transport and has an extensive cycling and pedestrian network. The public transport network in Yarra has resulted in a large number of people using sustainable transport modes on a day-to-day basis. In Yarra, more residents per capita ride bicycles to and from work than in any other metropolitan Melbourne area. In 2016, 8.6% of people in Yarra travelled to work on a bicycle, compared to the greater Melbourne average of 1.4%. Yarra's compact urban form also promotes shorter travel distances and is conducive to active modes of transport.

The Yarra Housing Strategy should continue to promote Yarra as a place where people can get most of their day-to-day goods and services, or access schools and open spaces, within a short walk or cycle. Identifying areas in activity centres that are appropriate to accommodate housing growth will help achieve this outcome.

The availability of car parking is important in maintaining Yarra's liveability. However there is a need to ensure car parking is supplied and managed to promote more sustainable transport modes. The Housing Strategy should promote reduced car parking provision within new developments, in addition to its integration with other sustainable transport modes, including cycling and public transport.

While Yarra has excellent public transport options, it also includes a number of major arterial roads, which are highly utilised and important for the wider metropolitan region. These through-roads generate increased traffic volumes on Yarra's local road networks and create traffic congestion.

Addressing the impacts of traffic and congestion in Yarra will require a significant societal shift from petrol-based travel to more sustainable forms of transport. This cannot be addressed by the Housing Strategy alone.

*In Yarra more residents per capita ride bicycles to and from work than in any other metropolitan Melbourne area.*







## Sustainability - Action 2 (People and Housing) *"Encourage housing development with high environmental qualities"*

With increased growth and development there is a corresponding community expectation to increase the standards of design and amenity, open space, communal space and responsiveness to local character.

Recent changes to the Yarra Planning Scheme (including the introduction of the Environmentally Sustainable Development Local Planning Policy and the new apartment design requirements) have provided a robust, consistent planning framework to optimise ESD outcomes at the planning stage of development.

These changes are achieving substantial environmental benefits and contributing to enhancing the liveability of Yarra. Monitoring data of the ESD policy demonstrates that eligible dwellings commonly exceed the minimum energy efficiency requirements of the National Construction Code, which requires dwellings to achieve a minimum NatHERS rating of 5 stars and an average of 6 stars. No further guidance is required in the Housing Strategy to respond to this issue at this time.



## Economic Development - Action 7 (Business and Employment Recommendations)

### *“Retain Land for Non-Residential Uses to Support Arts, Cultural and Other Employment and Economic Uses”*

Yarra’s diverse range of businesses are vital to Melbourne’s economy, contributing \$10,085 million in 2015. While Yarra represents just 0.2% of Greater Melbourne’s land area, it constitutes to 4.3% of Melbourne’s total output. In Yarra, jobs are increasingly knowledge-intensive and service-oriented with office jobs increasing from 13,000 in 1996 to almost 30,000 in 2016. The retail and hospitality sectors have also grown substantially from 10,000 jobs in 1996 to an estimated 18,500 jobs in 2016. Health care is the largest single employment sector in Yarra with 18,500 jobs, and is expanding rapidly as Melbourne’s population ages.

Yarra’s activity centres are vital to Yarra’s economic and social landscapes; hosting retail, hospitality, entertainment uses and other services for residents and visitors.

They are also appropriate locations for new housing. There are economic benefits that flow from including additional housing in activity centres, including increasing localised retail expenditure, and generating new land uses and retail formats.

New residents in apartments are generally young and well educated, aligned with the creative and knowledge-driven nature of local businesses in Yarra.

While housing growth supports economic activity, by increasing the local population, it can also displace existing economic activity when it is not properly managed and planned. Residential development is generally the most profitable redevelopment option and, in Yarra, the majority of recent developments in activity centres are predominantly residential.

Yarra has prepared a *Spatial Economic and Employment Strategy* (SEES) to understand its economic strengths and respond to key economic drivers anticipated over the next 10-15 years. The Housing Strategy has been informed by the strategies of SEES. The SEES has identified the need to support employment growth in all activity centres, including Yarra’s smaller centres to ensure that they continue to be vibrant service and entertainment precincts. The SEES has also identified the need to locate preferred locations for housing growth to manage pressure for residential conversion and retain land for jobs and businesses.





### 3. Policy Context

This strategy has been prepared within the context of relevant state and local policies, which set the parameters for what can and should be addressed through local strategic policy. The following section provides an overview of the key policy directions that have shaped the strategy.

#### State Policy

##### What is the State Government's direction for planning and managing residential growth?

Promoting urban consolidation has been an important policy direction of metropolitan strategies since the 1980's. The Victorian Government's current Metropolitan Planning Strategy<sup>11</sup> builds upon the core strategies of the former Strategy<sup>12</sup>, that quantified the task of urban consolidation and introduced an Urban Growth Boundary.

A key principle of *Plan Melbourne 2017-2050* is to create accessible and attractive local areas where people can access most of their everyday needs within a 20-minute walk, cycle or local public transport trip. To create a city of 20-minute neighbourhoods, it is expected that established areas (such as the City of Yarra) will accommodate a greater share of Melbourne's growth.

*Plan Melbourne 2017-2050* provides an aspirational outlook of 70 per cent of new housing being provided within Melbourne's established areas. It directs new housing to activity centres and other places that offer good access to jobs, services and public transport. *Plan Melbourne* identifies the five major activity centres in Yarra including Brunswick Street, Smith Street, Bridge Road, Swan Street and Victoria Street.

#### Regional Housing Context

*Plan Melbourne 2017-2050* includes the City of Yarra, along with the Cities of Melbourne and Port Phillip, in the Inner Metro Region, which in 2015 had a combined estimated resident population of approximately 325,000<sup>13</sup>. *Plan Melbourne 2017-2050* forecasts the region to grow to 495,000 by 2031, and to 695,000 by 2051; accommodating an additional 215,000 dwellings by 2051.

An initiative of *Plan Melbourne 2017-2050* is focusing investment and growth to ten Major Urban Renewal Precincts within the Inner Metro Region including:

- Docklands, Arden, Macaulay, E-Gate and Dynon (City of Melbourne);
- Fishermans Bend (Cities of Melbourne and Port Phillip); and
- Flinders Street Station to Richmond Station Corridor (Cities of Melbourne and Yarra).

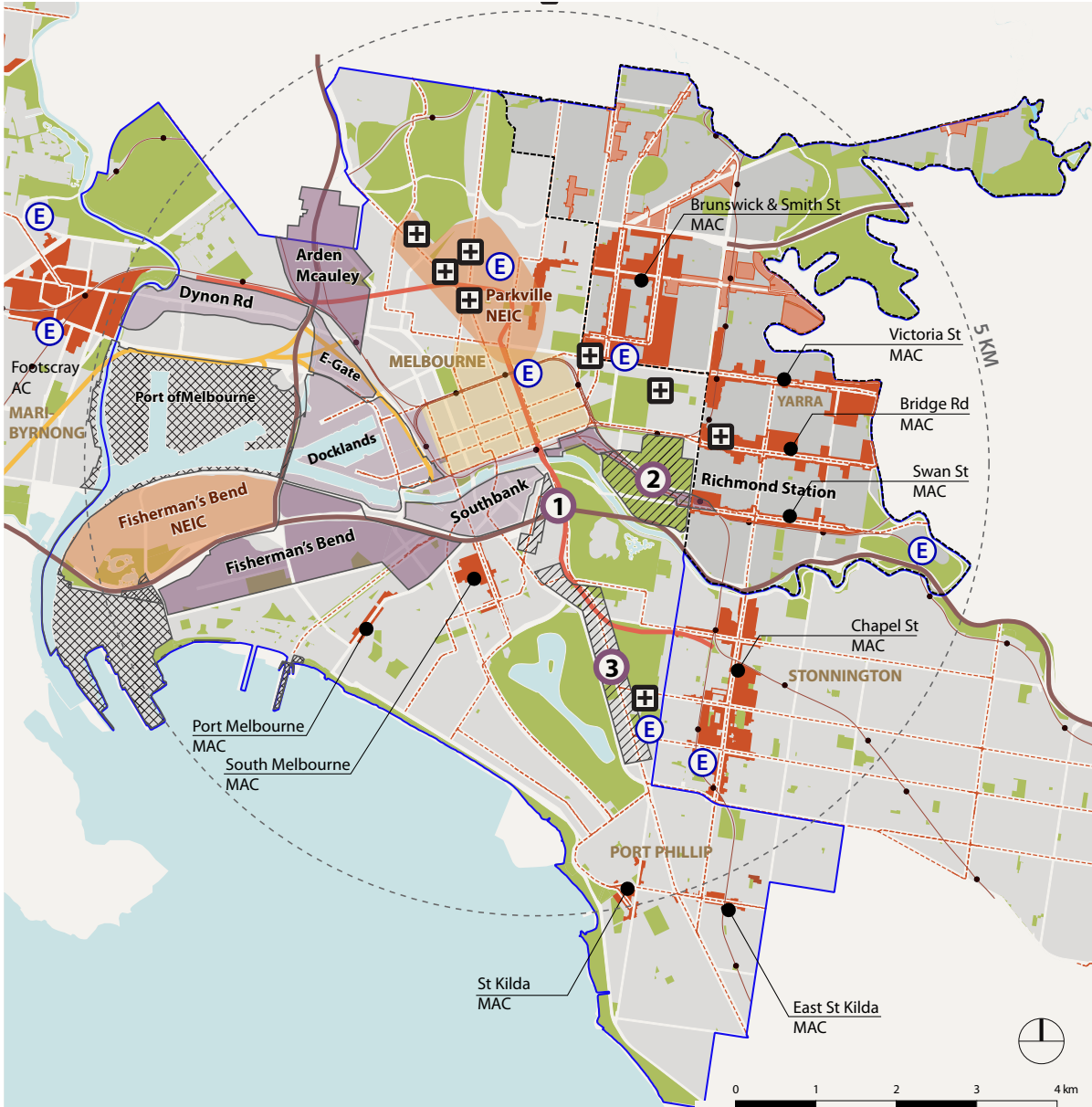
Fishermans Bend is Australia's largest urban renewal area, with 455 hectares of land expected to accommodate 80,000 residents by 2025. Docklands is a 146 hectare precinct in the City of Melbourne, and is expected to contain approximately 20,000 residents by 2051. Only a small area of Yarra (land in and around Richmond Station) is included in a Major Urban Renewal Precinct (the Flinders Street Station to Richmond Station Corridor).

One of the key short-term activities to implement *Plan Melbourne 2017-2050* is the preparation of metropolitan regional housing plans by the Regional Metropolitan Groups. This local Housing Strategy will provide important information to inform the content of the regional housing plans.

<sup>11</sup> *Plan Melbourne 2017-2050*, Department of Environment, Land Water and Planning 2017

<sup>12</sup> *Melbourne 2030*, Department of Infrastructure, 2002

<sup>13</sup> *Plan Melbourne 2017-2050*, Five-Year Implementation Plan, Victorian State Government, 2017



INNER MELBOURNE CONTEXT

**LEGEND**

Features	Administration
Tram Route	Plan Melbourne - Inner Melbourne Region
Rail Line	City of Yarra Local Government Area
Train Stations	Inner Melbourne Action Plan (IMPAP) area.
Freeways	
Waterways	
Open Space	
Health Facility	Activity Centres
Education Facility	Melbourne Central Business District
	Major Activity Centres
	Neighbourhood Activity Centres (Yarra Only)

**Plan Melbourne Precincts**

- Priority Urban Renewal Precinct
- Other Urban Renewal Precinct
- Port of Melbourne Precinct
- National Employment & Innovation Cluster

**Key Precincts (YHS)**

- 1 Arts Precinct
- 2 Sports Precinct
- 3 St Kilda Road Precinct



## State Planning Policy Framework

The *State Planning Policy Framework* (SPPF) provides direction (at Clauses 11, 15 and 16 of the Yarra Planning Scheme) on planning and managing residential growth. Councils must take account of these policies, which aim to integrate relevant environmental, social and economic factors in the interests of community benefit.

Key directions include:

- Provision of increased housing choice and affordability by providing a range of housing types to meet diverse needs;
- Increased housing supply near public transport, jobs and services in (or close to) activity centres;
- Identifying housing opportunity areas for medium and high density development in the central city;
- Support the appropriate quantity, quality and type of housing, including the provision of aged care facilities, supported accommodation for people with disability, rooming houses, student accommodation and social housing;
- Demonstrate a 15 year housing supply and provide clear direction on locations where growth should occur;
- When planning for urban growth consider the *Victoria in Future*<sup>14</sup> projections; and
- Conserve places that have identified heritage significance.

## Residential Design Codes and Guidelines

While metropolitan planning policy has supported urban consolidation since the latter part of the 20th century, initiatives such as the *Good Design Guide for Medium Density Housing* (GDGMDH)<sup>15</sup> have been unpopular with the community as they allow multi-unit development in established residential areas. *ResCode*, which replaced the GDGMDH in 2001, applies to residential buildings of up to four storeys on residential zoned land. Importantly for Yarra, *ResCode* requires that new development respect neighbourhood character, protect amenity and be sustainable.

In April 2017, the Victorian Government introduced state-wide requirements for apartment developments of five or more storeys (excluding a basement) in a residential zone and all apartment developments in other zones. The Particular Provisions at Clause 55.07 and Clause 58 (Apartment Developments) introduced requirements to improve the standard of apartment living and provide attractive living opportunities for a variety of household types in Victoria.

The requirements seek to improve:

- The layout of apartment developments, including building setbacks, communal open space and landscaping;
- The internal amenity of apartments, including daylight access, outlook, visual and acoustic privacy and storage;
- The functionality of apartments, including minimum room size and accessibility requirements; and
- The environmental sustainability of apartment developments, including water and stormwater management, waste and recycling, energy efficiency, natural ventilation and noise attenuation in noise affected locations.

These changes are considered to substantially respond to the internal amenity, accessibility and sustainability concerns identified by the *Liveable Yarra* panel. More guidance on the design of communal open space should be provided in the Yarra Planning Scheme, however, to ensure it meets the needs of all households – especially families with children in Yarra. The Housing Strategy key directions seek to address this in a manner that is complementary to the provisions in the Yarra Planning Scheme.

<sup>14</sup> VIF2016

<sup>15</sup> Department of Planning and Development, 1995, the *Good Design Guide for Medium Density Housing*, Melbourne

## Recent Zone Reforms

Planning zones in Victoria were reformed in 2013 to improve the range of zones, better manage growth and reflect evolving development trends.

### New Residential Zones

The new residential zones were introduced to provide clearer direction on levels of housing growth in residential areas, including the introduction of mandatory height controls. The new residential zones gave councils a way to protect neighbourhoods with special character and heritage value from inappropriate development, by directing housing growth to areas around main roads, shopping centres and transport hubs.

The new residential zones were introduced into the *Yarra Planning Scheme* in April 2015 via Amendment C176. Amendment C176 applied:

- The Neighbourhood Residential Zone (NRZ) to areas within Heritage Overlays, areas outside 400m of public transport pedestrian catchments and the Yarra River Corridor.
- The General Residential Zone (GRZ) to select main roads and key boulevards that have experienced substantial redevelopment and offer future redevelopment opportunities, warehouse sites within heritage residential streets and all other residential areas.

The application of the Neighbourhood and General Residential Zones in Yarra has resulted in limitations on development in established residential areas. Most sites covered by these zones have a maximum building height of between 8 and 9 metres. Some existing warehouses and main road locations can accommodate buildings up to 11.5 metres. Additionally, the Neighbourhood Residential Zone specifies a maximum number of dwellings that can be constructed on a lot.

In 2016 the Victorian Government completed a review of the new residential zones, and the subsequent reforms were introduced into Victorian Planning Schemes on 27 March 2017. The changes sought to provide a fairer approach to managing residential development, and deliver consistent outcomes across Victoria's suburbs, towns and cities.

Key reforms relevant to Yarra include:

- Allowing councils to define neighbourhood character and design objectives;
- Removing the maximum number of dwellings on a lot in the NRZ;
- Mandatory building heights in the NRZ (9m and 2 storeys) and the GRZ (11m and 3 storeys) – Councils can set alternative height limits but they must be higher than 9m and 11m respectively; and
- Mandatory minimum garden area requirements in the NRZ and GRZ.

Further strategic work is required to review the schedules against the residential zones and align them with the reforms.

### New Commercial Zones

The new commercial zone reforms were introduced in July 2013 to provide greater flexibility and growth opportunities for Victoria's business centres, directing housing growth away from established residential areas. The new Commercial 1 Zone, which applies to the majority of Yarra's activity centres, encourages housing in commercial centres by allowing a wider range of accommodation uses.

This Housing Strategy builds on the substantial strategic work undertaken to implement the new zones and does not seek to make any further changes to the current zoning provisions.





## Local Planning Policy Framework

The MSS in the *Yarra Planning Scheme* provides a statement of the key strategic planning, land use and development objectives for Yarra. The vision for housing in the MSS is that Yarra will continue to accommodate a diverse range of people including families, the aged, the disabled, and those who are socially or economically disadvantaged.

Yarra's housing policy (at Clause 21.04 ) lists three key housing objectives of the City of Yarra.

- Objective 1: To accommodate forecast increases in population.
- Objective 2: To retain a diverse population and household structure.
- Objective 3: To reduce potential amenity conflicts between residential and other uses.

The *Yarra Planning Scheme* relies upon 42 designated Strategic Redevelopment Sites (SRS) to accommodate the majority (85%) of Yarra's additional dwellings. These sites were chosen as they are good locations for growth and are able to absorb growth without major impacts on surrounding areas. There are challenges with the current policy. Yarra's list of SRS is not comprehensive. Many other sites in Yarra can be considered as strategic redevelopment sites under State planning policy criteria.

Of the 42 designated SRS, 74% have been developed, are under construction, or actively under consideration by Council for approval. The development pattern shows that a substantial proportion of development occurred in the activity centres, as well as other sites not identified but still considered to be appropriate development locations. The Housing Strategy will provide clarity on the level of change considered appropriate on the remaining sites. The list needs to be reviewed, since some sites are no longer considered suitable development areas. The MSS policy, relating to housing, will be updated to reflect the key directions of the Housing Strategy and will:

- Reflect current population and housing forecasts;
- Provide clear direction and guidance on the appropriate locations for growth;
- Provide a growth strategy that takes a holistic approach to housing growth beyond directing housing growth to strategic sites;
- Include a Housing Framework Plan to provide certainty about the levels of growth in neighbourhoods and activity centres; and
- Provide direction on key issues such as housing diversity and adaptability, affordable housing and family friendly apartments.



## Council Plan

Yarra’s *Council Plan* is a strategic document that puts forward a vision for how the Council will respond to the opportunities and challenges facing Yarra over the next four years.

Given the significant increase in population and residential development in Yarra since the adoption of the previous Council Plan (2013-2016), the current Yarra Council Plan (2017-2021) identifies the need to actively plan and manage growth through the preparation of a new Housing Strategy. This Housing Strategy will help achieve Yarra’s vision for development to be appropriately managed to maintain the character and heritage of the city.





## Inner Melbourne Action Plan

The *Inner Melbourne Action Plan* (IMAP) is a collaborative partnership between the Cities of Melbourne, Port Phillip, Stonnington, Yarra and Maribyrnong.

The Action Plan adopted in 2016 has been developed to continue to improve inner Melbourne's liveability while responding to the challenges of rapid growth. To achieve this, IMAP:

- Advocates for a range of actions;
- Collaborates to deliver strategies, policies and regional scale projects;
- Undertakes research and development initiatives and gather data; and
- Shares resources.

Given their geographical proximity, the IMAP Councils share many similar issues and characteristics such as having a high rate of employment and population growth, distinctive historic suburbs and extensive public transport networks. Comparing Yarra to the broader IMAP area provides a useful point of reference when trying to understand demographic trends and change in Yarra and inner Melbourne.

### INNER MELBOURNE ACTION PLAN COUNCILS



## Implications for the Yarra Housing Strategy

*Plan Melbourne 2017-2050* and the SPPF provide clear support for urban consolidation and intensification of inner Melbourne locations, particularly within and close to activity centres and along transport corridors.

Yarra has developed, and will continue to develop, an urban form that reflects its location between the high-rise towers of the CBD and the detached housing of the middle suburbs. As Melbourne continues to grow, future development in Yarra will need to respond to the opportunities of its inner city location and good access to services, jobs and public transport, while recognising the unique characteristics that separate Yarra from other inner city areas. Yarra will account for a smaller share of the total population and housing growth for the inner metropolitan region.

To ensure that a sufficient supply of land is available for residential use, Yarra must plan for expected housing needs and provide certainty about the scale of growth development occurring over the next 15 years. A significant part of this work has already been undertaken by the application of new residential zones in 2015.

The Housing Strategy proposes to undertake the necessary strategic work to define locations best able to support housing growth over a 15 year period in a way that maintains the city's liveability and creates additional benefits, including enhancing the heritage streetscape character of our activity centres and increased housing diversity. The Strategy will provide certainty about the varying levels of growth appropriate in residential neighbourhoods and activity centres. Directions on the form and scale of development in the residential neighbourhoods are appropriately captured through existing policy and zoning provisions. Structure Plans, Local Area Plans and Built Form Frameworks are currently being prepared which will be translated into associated planning controls (such as Local Areas Policy in the MSS and Design and Development Overlays) and will provide precinct specific directions on the form and scale of development in these areas.







*To ensure a sufficient supply of land is available for residential uses, Yarra must plan for expected housing needs and provide certainty about the scale of growth development occurring over the next 15 years.*

## 4. A Profile of Housing in Yarra

### Historical Development

The rich and varied history of Yarra is reflected in its built form and mix of residential, industrial and commercial areas. The people, places, activities and economy in Yarra have all undergone significant change in the past years, decades and centuries.



#### 1830–1850: GRID ROADS AND FIRST SUBURBS

Fitzroy was Melbourne's first suburb, following the subdivision of land between Melbourne City and Alexandra Parade in 1839.

Some suburbs, such as Carlton, were comprehensively surveyed and laid out while other areas, such as Collingwood and Richmond, were relatively unplanned. These areas had disjointed and often narrow streets and lots, and were places where cheaper housing was built.

#### 1850–1890: GOLD RUSH TO MARVELLOUS MELBOURNE

Introduction of grand houses in parts of Yarra in areas like Princes Hill, Carlton North, Fitzroy North and Richmond Hill.

More modest housing was constructed in Fitzroy, Collingwood, Abbotsford and Richmond for workers employed in developing industries nearby.

Melbourne's first cable tram routes were developed along the main roads in the latter part of the 19th Century, attracting long corridors of shops and businesses, forming the beginnings of what we recognise today as Yarra's major activity centres.

Many of Yarra's historical landmark buildings, including St Ignatius' Church and the Town Halls with their characteristic clock towers, were built during this period.





### 1920–1950: DEPRESSION AND AUSTERITY

The population decline of the interwar period resulted in different patterns of residential development across Yarra with some expansion of industrial buildings.

During the Depression, the poorer parts of Fitzroy, Collingwood and Richmond were affected by poverty and classified as slums.

### 1950–1980: POST-WAR CHANGE

In the 1950s, while many families were moving to Melbourne's new suburbs, newly arrived migrants from southern European countries were moving to Yarra. Many of them joined the workforce of the thriving textile, clothing and footwear industries. These new residents brought new foods, languages and a change to the street life and culture.

The Housing Commission's slum clearance projects in the 1950s and 1960s also had a huge impact on Yarra. Whole blocks of houses were demolished and replaced with towering housing estates, dramatically changing the streetscape. Yarra's built form was also being changed by the Melbourne-wide boom in the development of apartment buildings.

### 1980–2015: RETURN TO THE INNER-CITY

The increasing popularity of the inner suburbs in the 1980's as places to live spurred the support for Heritage protection for areas of cultural significance and provided the foundations for Yarra's existing heritage controls.

The turn of the millennium saw no slowing in demand for inner city living, business and leisure. Property development continued, diversifying to include creative work spaces, such as design and architectural studios, and niche manufacturing in industries that had a long history in Yarra, such as fashion and food production.

As urban consolidation gained more support in Melbourne in the early 2000s, development was actively directed to activity centres and former industrial areas within the inner city.

Recent changes in Yarra reflect a global trend of people wanting to live closer to city centres to access employment, an inner city lifestyle, nightlife and vibrant places. But change is not new; the area known now as the City of Yarra has been evolving since European settlement in the 1830s.

## Yarra Community Profile

Understanding the population and household characteristics of Yarra, and how they compare to other local government areas, provides a good insight into Yarra’s residential role and function, and how it is likely to change in the future.

Based on 2016 Australian Bureau of Statistic (ABS) Census data<sup>16</sup>, Yarra contains a multi-cultural population with 28.9% of the population of Yarra born overseas and 19% from a non-English speaking background. The largest non-English speaking country of birth in the City of Yarra was Vietnam, where 3.0% of the population were born. In the City of Yarra, 22% of people spoke a language other than English at home in 2016.

Yarra also has a young population and workforce, with the largest age group being 25 to 29 year olds, and the median age of residents being 33 years old. The people in Yarra are also increasingly higher earners, attracted to what Yarra has to offer which are its proximity to the city centre and its employment, entertainment and education attractors. In 2016 the median weekly personal income for people aged 15 years and over in Yarra was \$1,039, median family income was \$2,509 per week and median household income was \$1,958.



### A DEMOGRAPHIC SNAPSHOT



28.9% of residents born overseas  
3% of residents born in Vietnam



19% of residents come from a non-English speaking background  
22% speak a language other than English at home



Largest age group is 25 to 29 year olds  
Median age of residents is 33 years old



Median weekly income:  
Personal: \$1,039  
Family: \$2,509  
Household: \$1,958

<sup>16</sup> Australian Bureau of Statistics, Census of Population and Housing, 2016. Compiled and presented in profile.id by .id, the population experts.

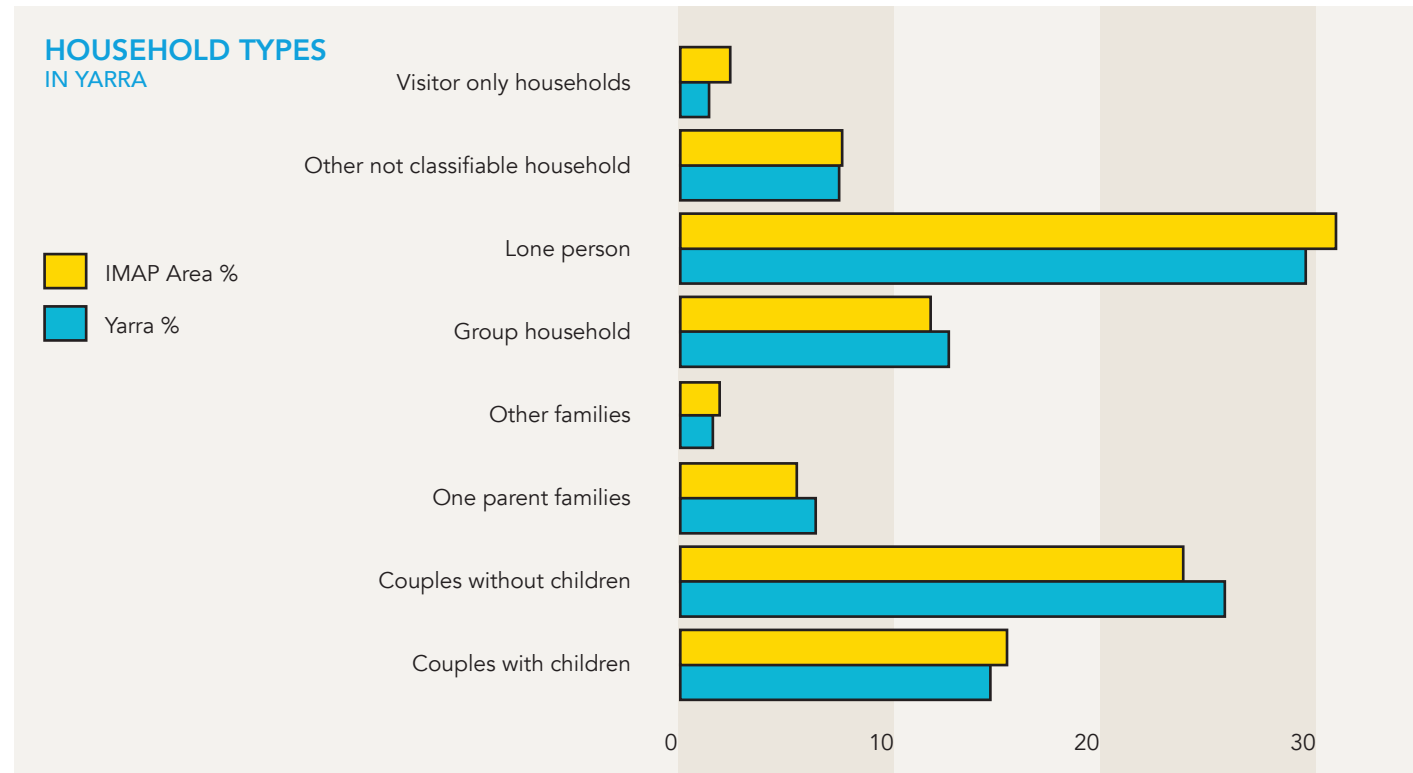


In 2016 the resident population of Yarra was approximately 91,300<sup>17</sup>, living in 43,939 dwellings with an average household size of 2.1. The number of dwellings in Yarra have been growing at approximately 1,160 dwellings per annum since 2010<sup>18</sup>.

## Household Structure

Household and family structure is one of the most important indicators for understanding and planning for housing needs, providing insights into the level of demand for different types of housing within a municipality.

In 2016, the dominant household type in Yarra was lone person households followed by couples without children. This social trend is reflected throughout the IMAP area. Overall, the proportion of lone person households in Yarra was 29.5% compared to 31.0% in the IMAP area while the proportion of couples without children was 25.7% compared to 23.8% in the IMAP area.



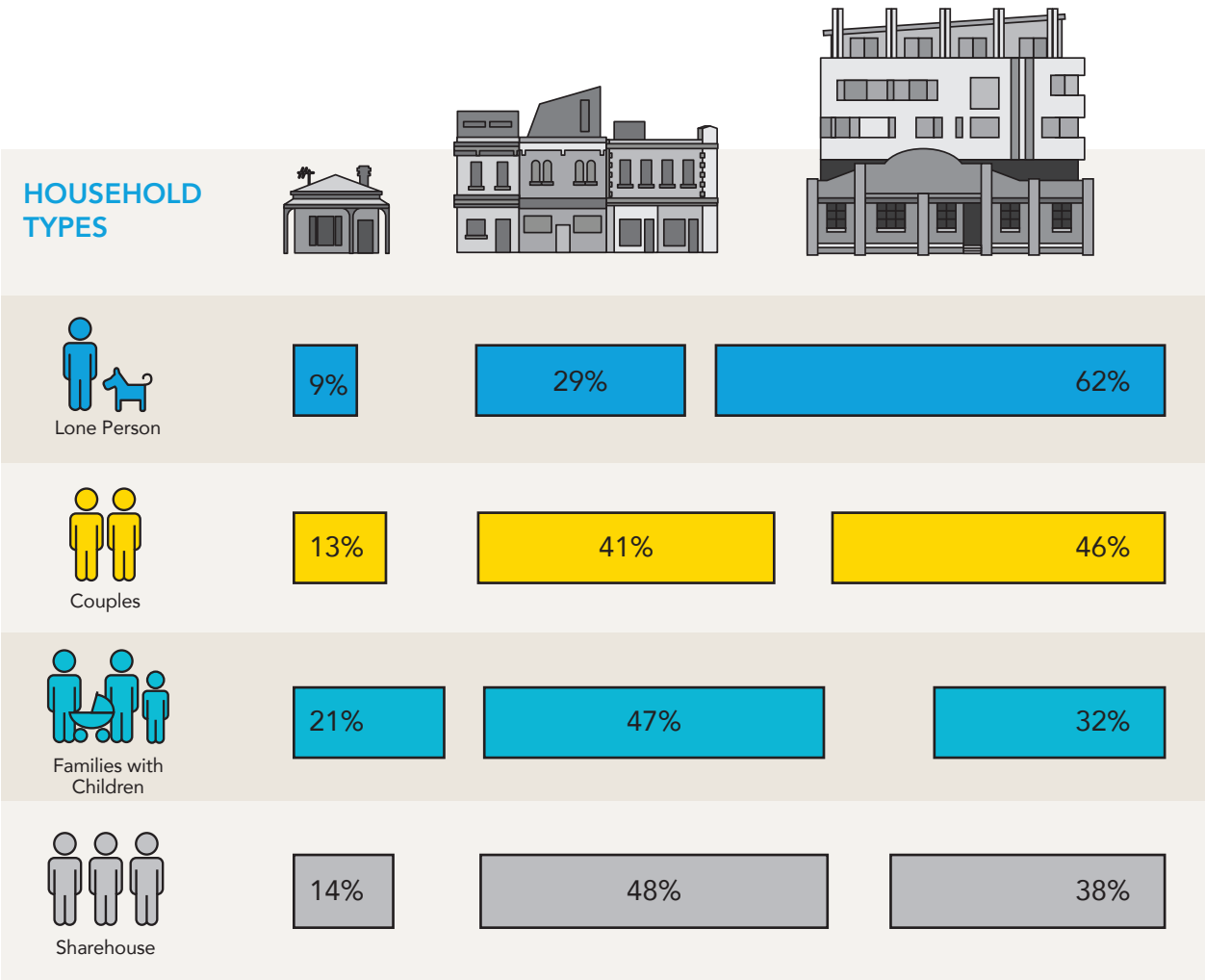
<sup>17</sup> Australian Bureau of Statistics, Census of Population and Housing, 2016. Compiled and presented in profile.id by .id, the population experts.

<sup>18</sup> Managing Residential Development Taskforce & Victoria. Department of Environment, Land, Water and Planning (issuing body) 2016, *Central Subregion: Residential Zones State of Play, Melbourne*

### Housing Structure Summary

In Yarra:

- Families with children were most likely to live in semi-detached, row or terrace or townhouses;
- Lone persons most likely to live in an apartment;
- Couples most likely to live in an apartment or semi-detached, row or terrace or townhouse;
- Sharehouses were most likely to live in semi-detached, row or terrace or townhouses, or apartments; and
- One third of families with children live in apartments.



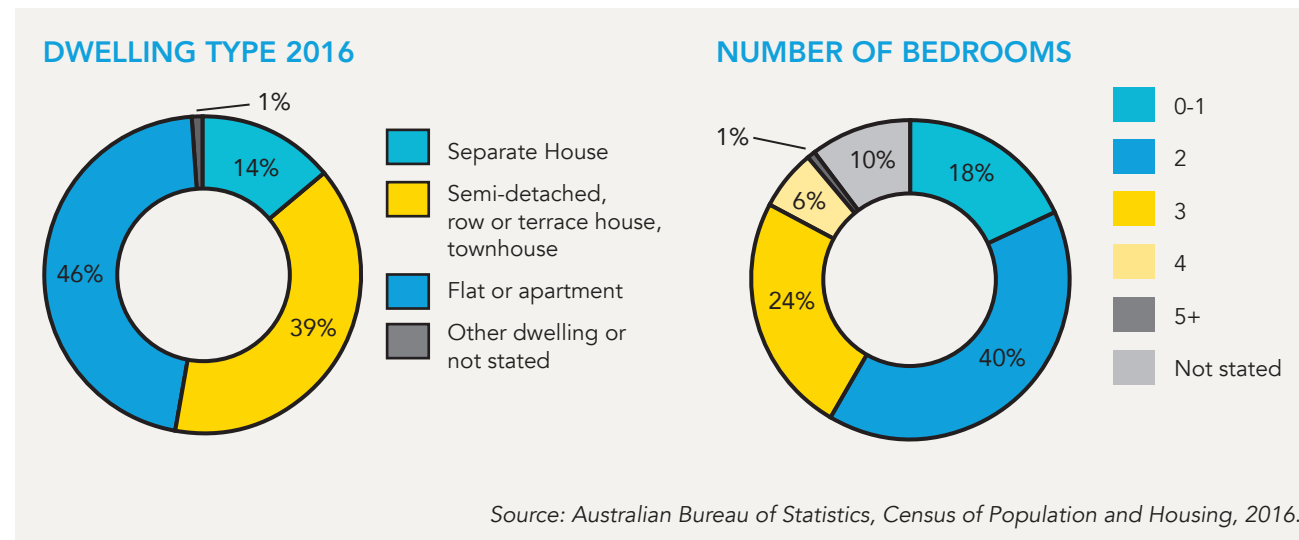


## Housing Diversity – dwelling typology and bedroom split

Yarra performs fairly well for an inner city municipality in terms of housing diversity in relation to the variety of bedrooms and types of dwellings. More than 46% of the population live in a flat or apartment, while only 14%<sup>19</sup> of the population live in separate housing.

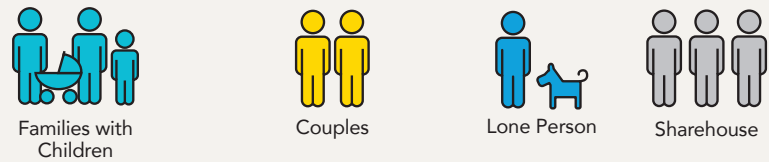
New dwellings in Yarra increasingly have two bedrooms and are located in apartment developments (in 2016, 44% of dwellings were two bedroom dwellings and 46% were apartment dwellings).

These statistics correspond with the high number of lone person households in Yarra, with only 15% of households in Yarra being made up of couples with children in 2016, compared with 33% in Greater Melbourne. This trend is likely to continue.



<sup>19</sup> Australian Bureau of Statistics, Census of Population and Housing, 2016.

HOUSEHOLD SPLIT BY DWELLING TYPE



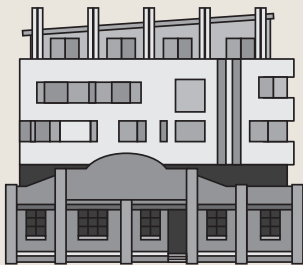
SEPARATE HOUSE

Separate houses are 14% of Yarra’s housing stock and are predominantly occupied by families with children or couples without children.



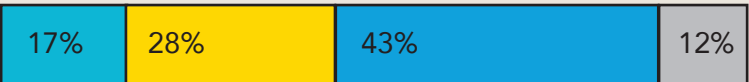
SEMI-DETACHED, ROW OR TERRACE HOUSE, TOWNHOUSE

Semi-detached, row or terrace houses and townhouses form 39% of Yarra’s housing stock and are predominantly occupied by families with children or couples without children.



FLAT OR APARTMENT

Flats or apartments are 46% of Yarra’s housing stock and are predominantly occupied by lone person households and couples without children.





### Housing Tenure

The 2016 ABS census data indicates that the majority of people in Yarra rented (50.3%), followed by people who had a mortgage.

The median mortgage repayment per month in Yarra was \$2,167 and median rent per week was \$421. These are comparatively high for metropolitan Melbourne prices but consistent with IMAP councils.

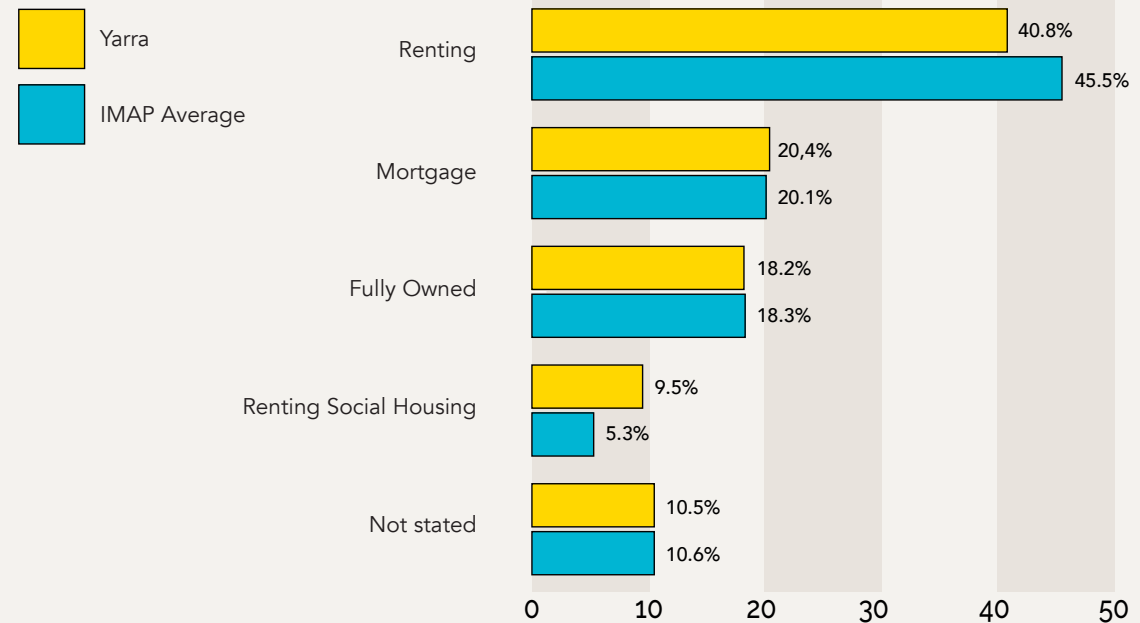
### Social Housing

Yarra has a high proportion of social housing. In 2016, 9.5% of the City of Yarra's households were renting their dwelling from a government authority, compared to the IMAP average of 5.3%.

While Yarra has a higher proportion of households who are renting from a government authority, this varied across the municipality. Proportions ranged from a low of 1.1% in Fairfield and Alphington, to a high of 19.3% in North Richmond.

Lower income households are increasingly facing reduced housing choice due to limited social housing availability. There is simply not enough social housing to meet the current need, let alone the growing need related to estimated population increase. In September 2017, there were 1,113 applicants on the public housing waiting list who were seeking public housing in Yarra.

### HOUSEHOLD TENURE IN YARRA



Source: Australian Bureau of Statistics, Census of Population and Housing, 2016.

### NUMBER OF SOCIAL AND AFFORDABLE HOUSING DWELLINGS IN YARRA 2017



## Implications for Housing Strategy

A diverse population requires a range of housing options that are suitable for different households at various life stages. While Yarra has a fairly young population, on average, in the future there will be a larger proportion of older persons in our community.

Despite the relatively high income levels of residents in Yarra, renting is the most viable option for the majority of people given the high costs associated with purchasing a dwelling in Yarra.

While renting is the cheaper option of the two, the cost of rent is still high and can be unaffordable for many low to moderate income households. Rental options for these households have been decreasing. The Housing Strategy should seek to encourage an increase in affordable rental options to maintain the diversity which is important to Yarra's identity.

Apartments appear to be the preferred choice for new residents in Yarra as they are typically more affordable and require less maintenance than a detached dwelling. New apartment developments in Yarra predominantly have two bedrooms and are occupied by lone person households.

Recent trends show an increase in three bedroom apartments across Yarra. This is creating more options for households with higher incomes seeking larger dwellings. One third of families with children live in apartments in Yarra, and this number is expected to grow.

The Housing Strategy should consider how best to ensure future developments meet the particular needs of families with children and older persons in the planning and design stage.



*The housing strategy should seek to encourage an increase in affordable rental options to maintain the diversity which is important to Yarra's identity.*



## 5. What are we Planning For?

In 2016 the resident population of Yarra was approximately 91,300<sup>20</sup>. Yarra has experienced rapid population and housing growth in the past five years, with an increase of 17,208 persons between 2011 and 2016, which represents a 3.7% yearly increase and corresponds with a peak in housing development completions.

This is an unprecedented growth rate for Yarra, but is forecast to reduce to a yearly growth rate of approximately 2.1%. Over the next 15 years Yarra will need to accommodate its growing and diverse population.

### Population and Housing Projections

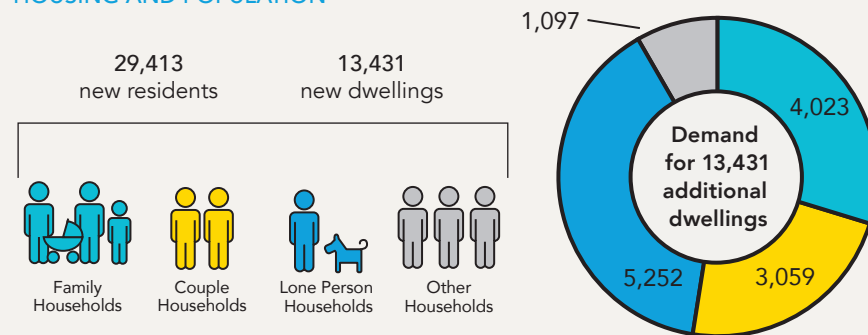
The VIF2016<sup>21</sup> population and housing projections indicate there will be 29,413 new residents in Yarra and 13,431 new dwellings required by 2031. The VIF2016 projected change in household types in the City from 2011 to 2031 indicates continual growth in lone person households, while the proportion of couples without children is expected to slightly decline. The number of families will increase to 26% percent which accounts for a 30% share of new households in the next 15 years.

The additional 29,413 new residents will likely form households that are:

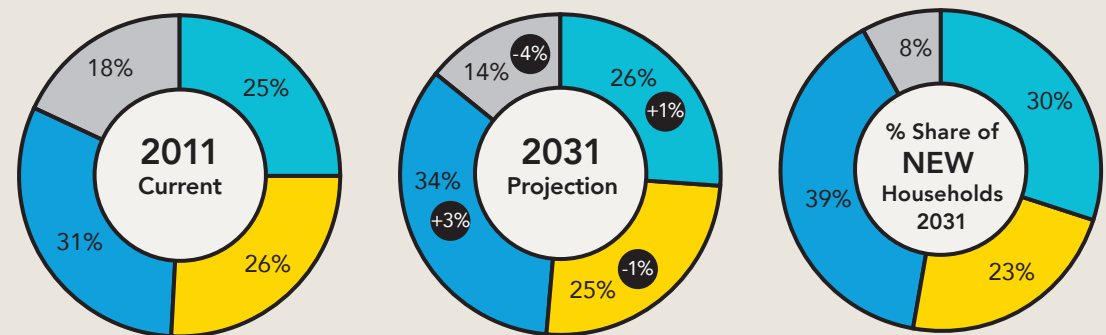
- 30% family households (including single parent families), which translates to 4,023 households of this type;
- 23% couples households, or 3,059 households of this type; and
- 39% lone person households, or 5,252 households of this type.

We're planning for more housing choices to support a diverse community, by offering affordable rental options, liveable apartments with family-friendly communal open spaces, and dwellings that are adaptable and accessible.

#### FORECAST 2016–2031 HOUSING AND POPULATION



#### PROPORTIONAL GROWTH IN HOUSEHOLD STRUCTURE



<sup>20</sup> Australian Bureau of Statistics, *Census of Population and Housing 2011 and 2016*

<sup>21</sup> *Victoria in Future 2016: Population and Household Projections to 2051*, Department of Environment, Land, Water and Planning, 2015.

## Increased Demand for Inner City Living

Yarra has experienced significant change to become the place it is today. Demand for inner city living and working has increased with developments diversifying to include creative work spaces, design and architectural studios, cafes and wine bars, and niche manufacturing industries that have a long history in Yarra (such as fashion and food production). This eclectic mix of uses creates the vibrant neighbourhoods Yarra is known for, and creates economic and social diversity in the community. Recent changes in Yarra reflect a global trend of people wanting to live closer to city centres.

For some residents, the increase in housing development can be seen as changing the character of an area, while for others development offers an opportunity to live in a desirable inner city location.



*The eclectic mixture of land use creates the vibrant neighbourhoods Yarra is known for.*



## 6. Housing Trends in Yarra

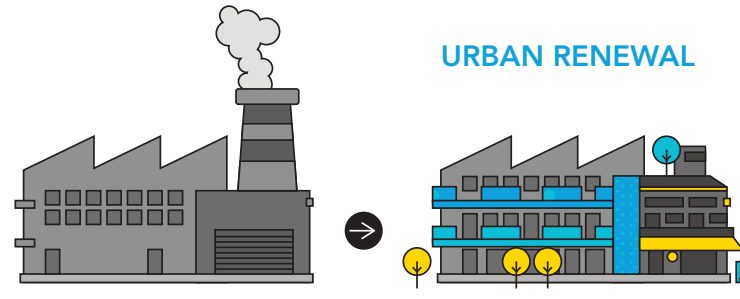
### Increased Demand for Residential Development

Apartment living in vibrant inner city neighbourhoods is highly sought after, and development in Yarra is at its highest level in ten years.

Yarra's growth trajectory has mirrored metropolitan Melbourne's growth with the rate of new dwellings steadily increasing from 2010. Over the decade from 2005-2014<sup>22</sup>, Yarra saw an average increase of 830 dwellings per annum, with Richmond seeing the greatest increase. Since 2010 the annual increase has risen to 1,160 dwellings per year.

Approvals for apartment developments over 4 storeys have doubled from 2,394 (2006-2010) to 4,904 (2011-2015). There appears to be a consistently high rate of conversion from development approval to construction in Yarra.

Over the decade, there were 581 projects in Yarra that produced a net dwelling increase.



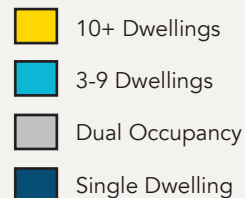
87%

87% of housing development was urban renewal (development in commercial areas, formerly industrial areas – usually larger apartment projects) and 13 % was infill (small-scale, replacing older dwellings with new ones).

72%

72% of new dwellings were in Activity Centres or on Strategic Development Sites.

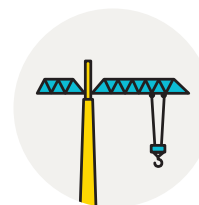
### ANNUAL NET INCREASE IN DWELLINGS



Source: Housing Development Data 2014



581 housing projects in 10 years has transformed 54 Ha of land.



Projects with 10+ dwellings were most prevalent in Richmond and Collingwood, while smaller projects with 2-9 dwellings were mostly in Richmond and Fitzroy North.



Since 2010, the number of new dwellings in Yarra has grown at a rate of 1,160 per year.



Approvals for apartments over 4 storeys have doubled from 2,394 (2006-2010) to 4,904 (2011-2015).

<sup>22</sup> Department of Environment, Land, Water and Planning, 2014 Housing Development Data - Yarra, Melbourne.

## Unprecedented Population Growth and Strong Economy Supporting Housing Market

Melbourne's high population growth, livability<sup>23</sup> and booming economy has underpinned a strong housing market in recent years. Population forecasts and economic outlooks indicate this is expected to continue to support the Melbourne housing market in the medium term. Indicators reflect a cooling housing market but no downturn<sup>24</sup>.

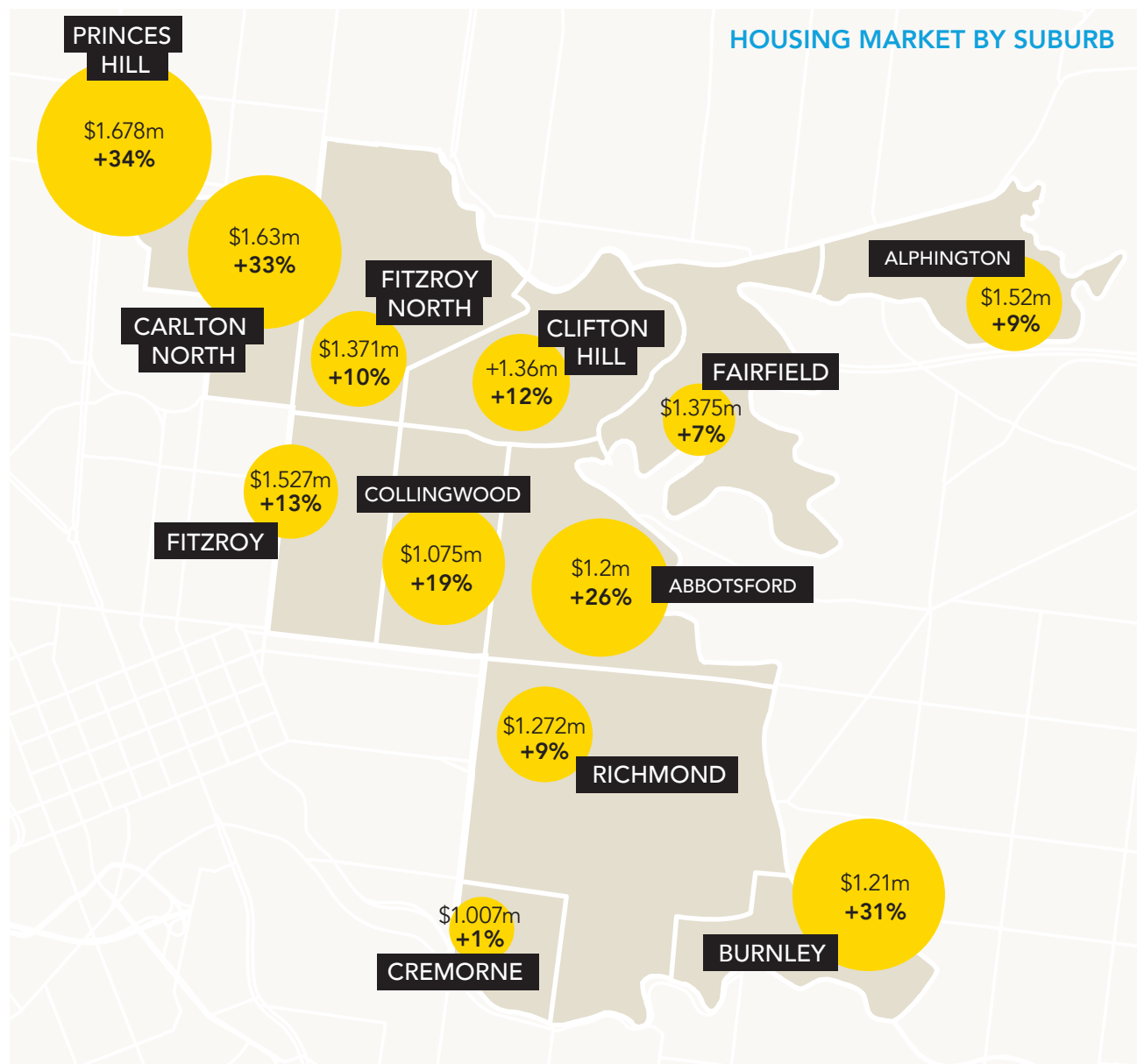
In the past two years Richmond and Abbotsford have emerged as two of the highest performing housing markets in Melbourne. Houses are outperforming apartments, due to the high number of new apartment developments under construction and a subsequent abundance of supply. Higher quality developments and larger apartments are attracting a growing population of downsizers. Richmond and surrounding suburbs have mainly been underpinned by local interest, leading to less impact to changes in foreign markets purchasing in Yarra.

The City of Yarra's reputation as a prime residential property location continued with significant increases in property values in the last 12 months. Capital growth of more than 10% was almost universal across the municipality<sup>25</sup>.

<sup>23</sup> Lucas, C and Heffernan, M, 17 August 2017, 'Melbourne named world's most liveable city by The Economist for seventh year', The Sydney Morning Herald, accessed 29 January 2018, <<http://www.smh.com.au/business/the-economy/melbourne-named-worlds-most-liveable-city-by-the-economist-for-seventh-year-20170815-gxx1kg.html>>.

<sup>24</sup> Lassell, J, 2017, Australia Melbourne Housing Market Overview

<sup>25</sup> Jellis Craig, 2017, The Reort Richmond and surrounds market insights, 2017 Report,

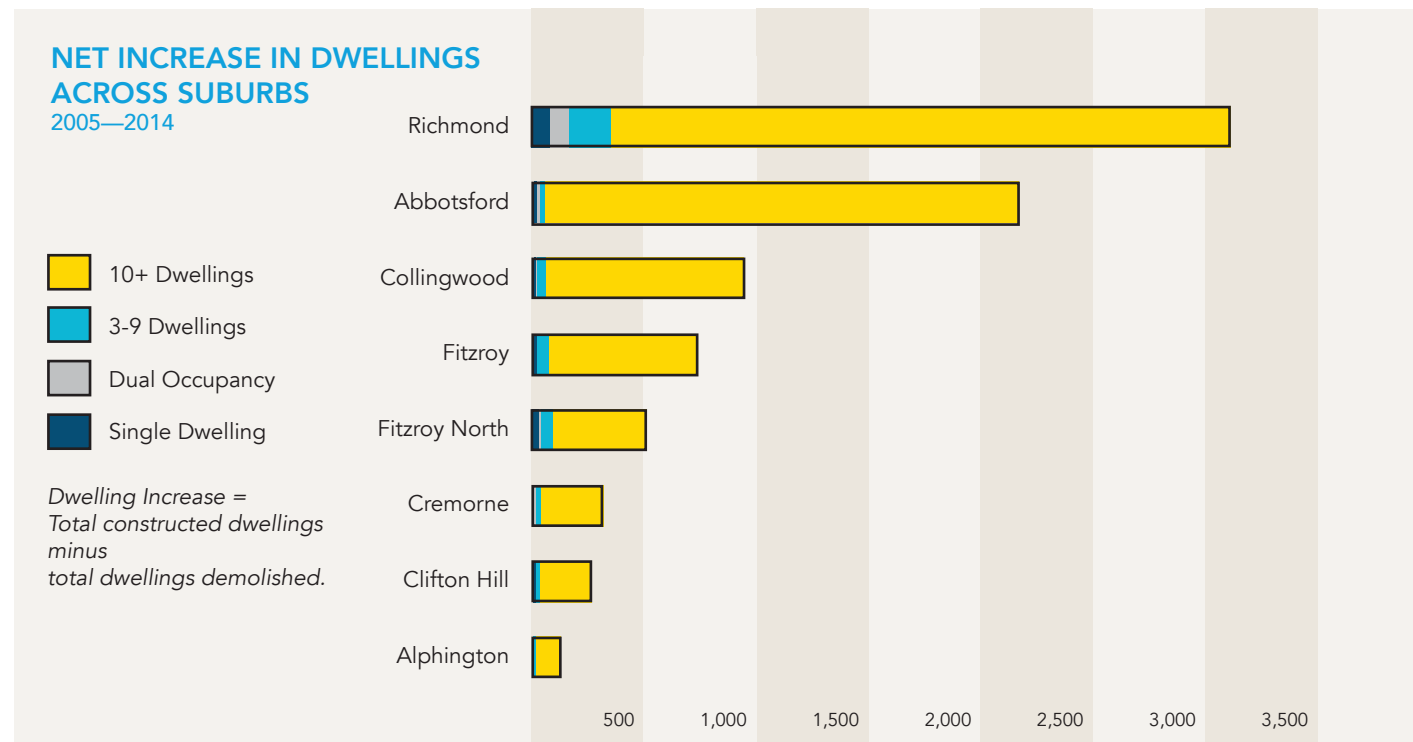




## Location of Housing Growth in Yarra (2005—2014)

Overall, the location of the housing growth in Yarra between 2005 and 2014 was spread fairly evenly between residential areas, activity centres and strategic redevelopment sites, each accommodating approximately 30% of total housing growth.

The development pattern during this time was a departure from the 2009 policy aspirations in the *Yarra Planning Scheme* of 85% of residential development to be on strategic development sites, 10% in activity centres and 5% in residential areas. Given the high level of small scale development and replacement developments, however, it is still considered a successful policy direction. Only 10% of the projects recorded in the Housing Development Data<sup>26</sup> were projects over 10 dwellings and, as outlined below, the majority of larger projects were within (or close to) activity centres and on strategic redevelopment sites. This is consistent with the MSS policy direction to direct higher density development to strategic redevelopment sites.



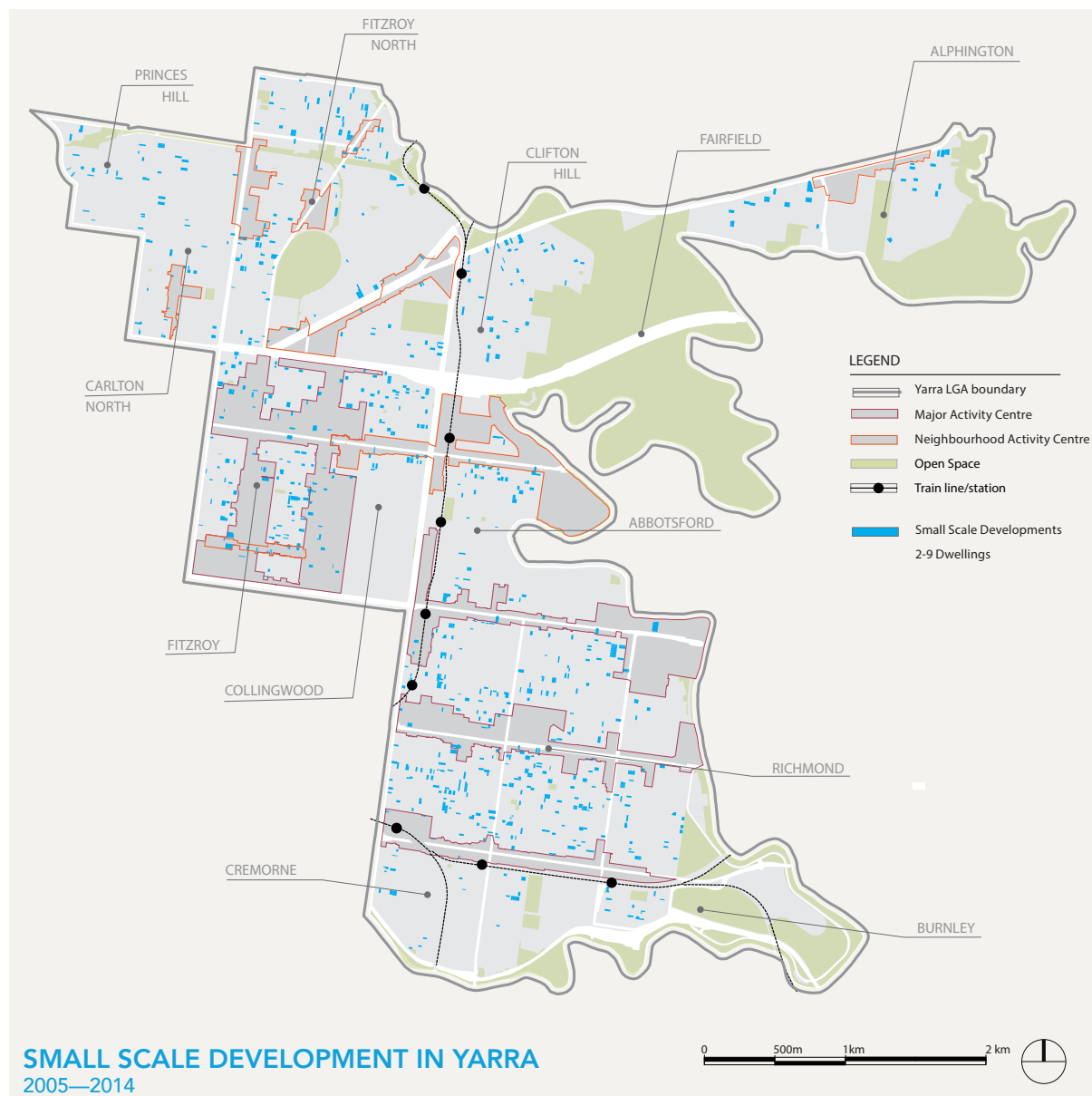
26 Department of Environment, Land, Water and Planning, 2014 *Housing Development Data - Yarra, Melbourne*.

## Small-Scale Development in Residential Neighbourhoods (2-9 Dwellings)

Housing development in Yarra during this time was predominantly small-scale, comprising dual occupancy and 3-9 dwelling developments. Yarra's residential neighbourhoods absorbed most of the small scale development, with the largest number of projects in Richmond. Small-scale development has increased housing diversity in Yarra's residential neighbourhoods, and provided more housing choice for residents. Approximately 75% of the small scale projects delivered only 2-3 dwellings (dual occupancy and townhouse developments), the remaining projects delivering between 4 and 9 dwellings (townhouses and low-rise small apartment developments).

There was a high level of renewal of individual houses across the municipality, with 148 dwellings recorded as demolished and replaced by a new single dwelling. These projects were most prevalent in Richmond and North Fitzroy. In addition to replacement dwellings, there has been a high level of residential extension across the municipality; cumulatively changing the housing stock, with most redevelopments and extensions increasing the size of dwellings and bedroom numbers.

The more suburban areas of the municipality (including Fitzroy North, Clifton Hill and Alphington) have seen minimal housing development.



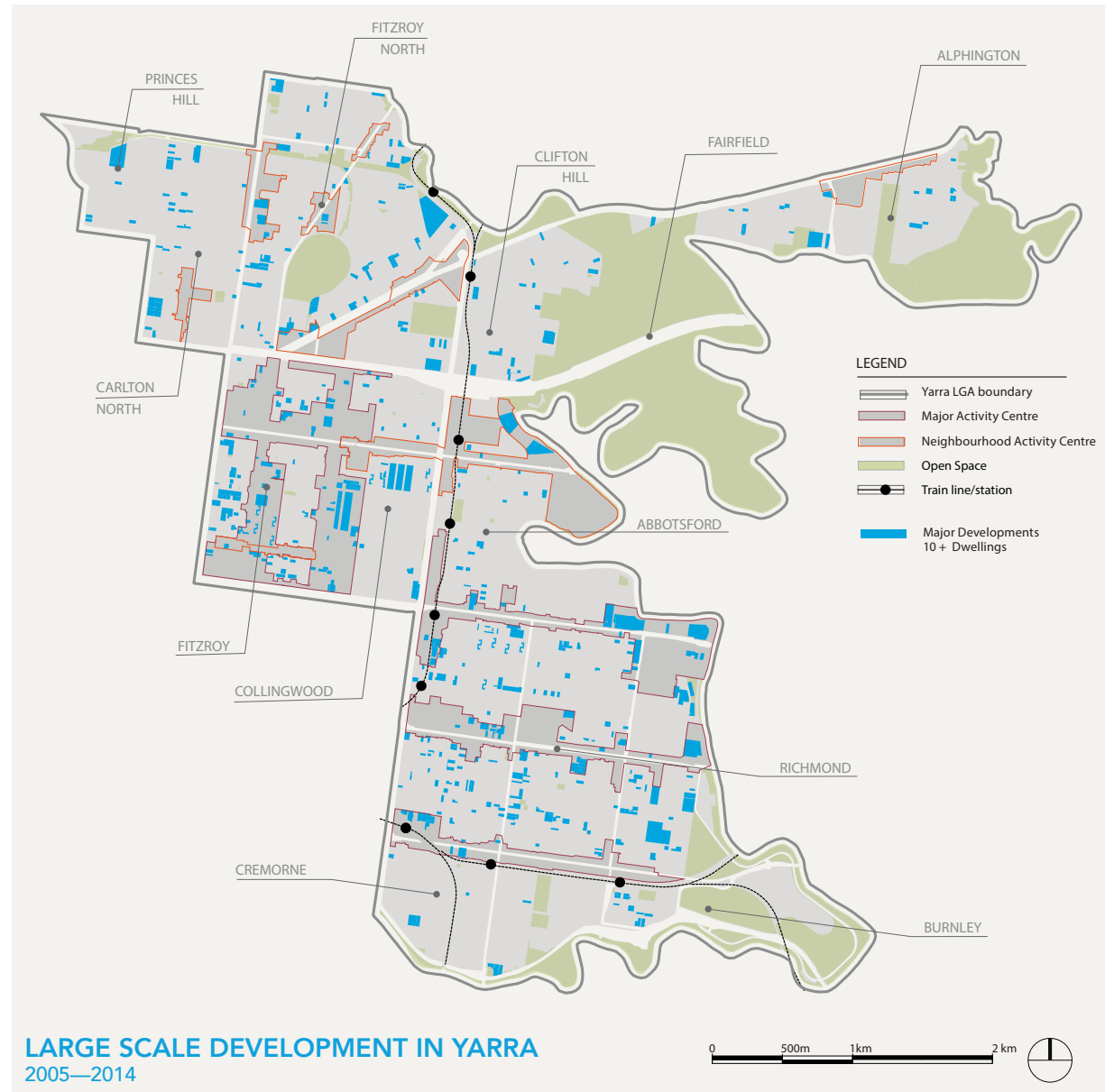


## Larger Developments in Activity Centres and Strategic Redevelopment Sites

The limited opportunities for substantial growth in residential areas of Yarra resulted in more intensive development in major activity centres and former industrial areas, adding new housing near jobs, transport and services. Larger sites are common in these areas. Large sites tend to be easier to develop and provide greater design flexibility to minimise amenity impacts on surrounding properties, streets and public space.

Residential development in these areas has typically taken the form of apartment buildings, often with small scale non-residential uses on the ground floors. Accommodating housing demand in these locations has been supported by long-standing metropolitan planning policy.

While more intensive development occurred in all major activity centres, the greatest redevelopment has been along the western section of Bridge Road and the eastern end of Victoria Street, with mid-rise buildings up to 11 storeys high. Recent development has also seen buildings over ten storeys high completed along Swan, Brunswick and Smith Streets. The mixed use precinct adjacent to Smith Street has also seen a recent increase in larger developments with mid-rise buildings.



## Development on Strategic Redevelopment Sites in the Yarra Planning Scheme

42 Strategic Redevelopment Sites (SRS's) were identified in the Yarra Planning Scheme in 2009. These sites were good locations for growth and absorbed significant housing growth without major impacts on the surrounding areas.

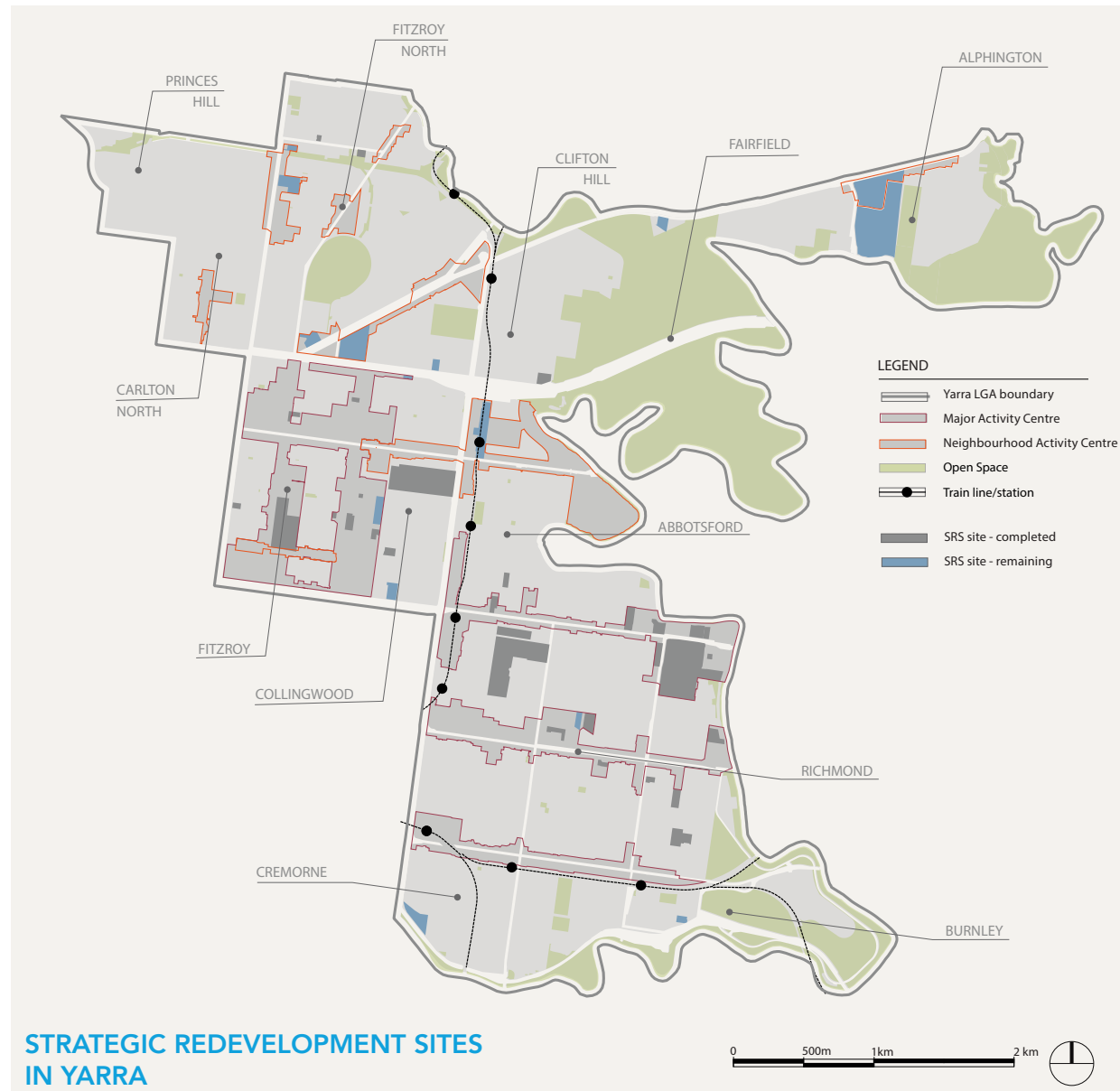
SRS's were in most suburbs of Yarra except Princes Hill and Carlton North, with a concentration in Fitzroy, Collingwood, Abbotsford and Richmond. In total the SRS's provided 42.6 Ha of land for housing development. The context of the sites varied as they were located in all types of areas: existing residential, major activity centres and former industrial areas. The diversity of locations has resulted in a range of development outcomes with different responses to built form, massing, building height and amenity. A large proportion of the sites were developed with a mix of uses, including offices, retail, hospitality and gyms and a couple of full line supermarkets. Abbotsford accounted for the largest proportion of constructed dwellings, with 1,044, followed by Collingwood with 742 dwellings and Richmond with 326 dwellings.





Over three-quarters of the sites identified as SRS's have either been fully developed or are under active consideration by Council. This is a significant take-up since the policy was introduced. While this level of development has not accounted for 85% of the total growth experienced in Yarra during this period, these sites accounted for a significant amount of residential growth, and higher density development has occurred on these sites, in line with planning scheme strategies. The remaining 14 sites will make an important contribution to future housing supply in Yarra.

There are a couple of sites that will be excluded from future calculations of housing growth, for example: the Griffiths Road Site in Richmond is now under construction for Richmond High School; and the housing estates in Richmond, Collingwood and Fitzroy are no longer considered Strategic Redevelopment Sites.





## Implications for the Housing Strategy

Demand for residential development in Yarra is likely to remain strong in the short to medium term, driven by a range of influences such as: strong population growth (natural and migration); sustained demand for inner city living and working; high land values; school zones; and metropolitan policies that support urban consolidation and inner city development.

Small scale development will continue in residential neighbourhoods, but is likely to be less than the 30% of total residential development seen over the past 10 years – given the high level of transformation that's occurred, as well as new Residential Zones implemented to protect residential neighbourhoods and heritage areas in Yarra.

Residential areas shouldn't be relied on to contribute substantially to housing growth in Yarra, although small-scale development will add to Yarra's housing delivery over the next 15 years.

The trend of major residential developments in activity centres and on SRS's is set to continue with a high volume of planned developments already in the pipeline. Additional residential growth in activity centres should be encouraged, since they are good locations for accommodating housing due to their proximity to the CBD, jobs, schools, public transport, entertainment and services. New housing in these areas provides the opportunity to create a more sustainable and healthy City, with walkable neighbourhoods, reduced reliance on private vehicles, and providing critical mass to support higher frequency and more accessible public transport connections.

More detailed guidance is required to provide certainty to the community and land owners about the level of growth appropriate in these areas. Identifying the locations most appropriate to accommodate substantial growth will be important. Key directions for managing growth and change in the activity centres will need to be responsive to the varied context of the centres and respond sensitively to the highly valued significant built heritage and character of each centre.



## 7. Planning for Future Housing Growth

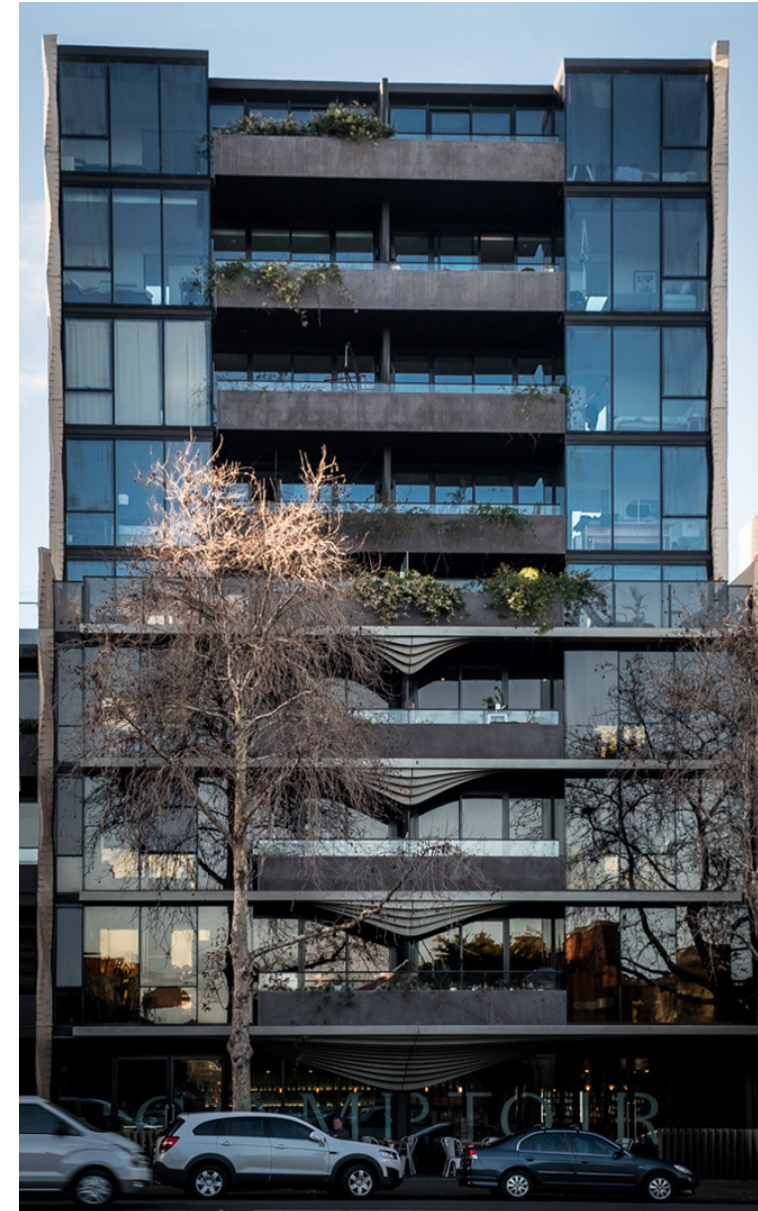
We need to identify land for over 13,000 new dwellings in the next 15 years. There is 805Ha of land zoned for residential use in Yarra, with an additional 13.3Ha set to be rezoned in the future. Housing supply will be from the remaining strategic redevelopment sites identified in the Yarra Planning Scheme, development sites in activity centres and incremental development in residential neighbourhoods. There is a strong pipeline of planned developments in Yarra which will also contribute substantially to accommodating housing growth.

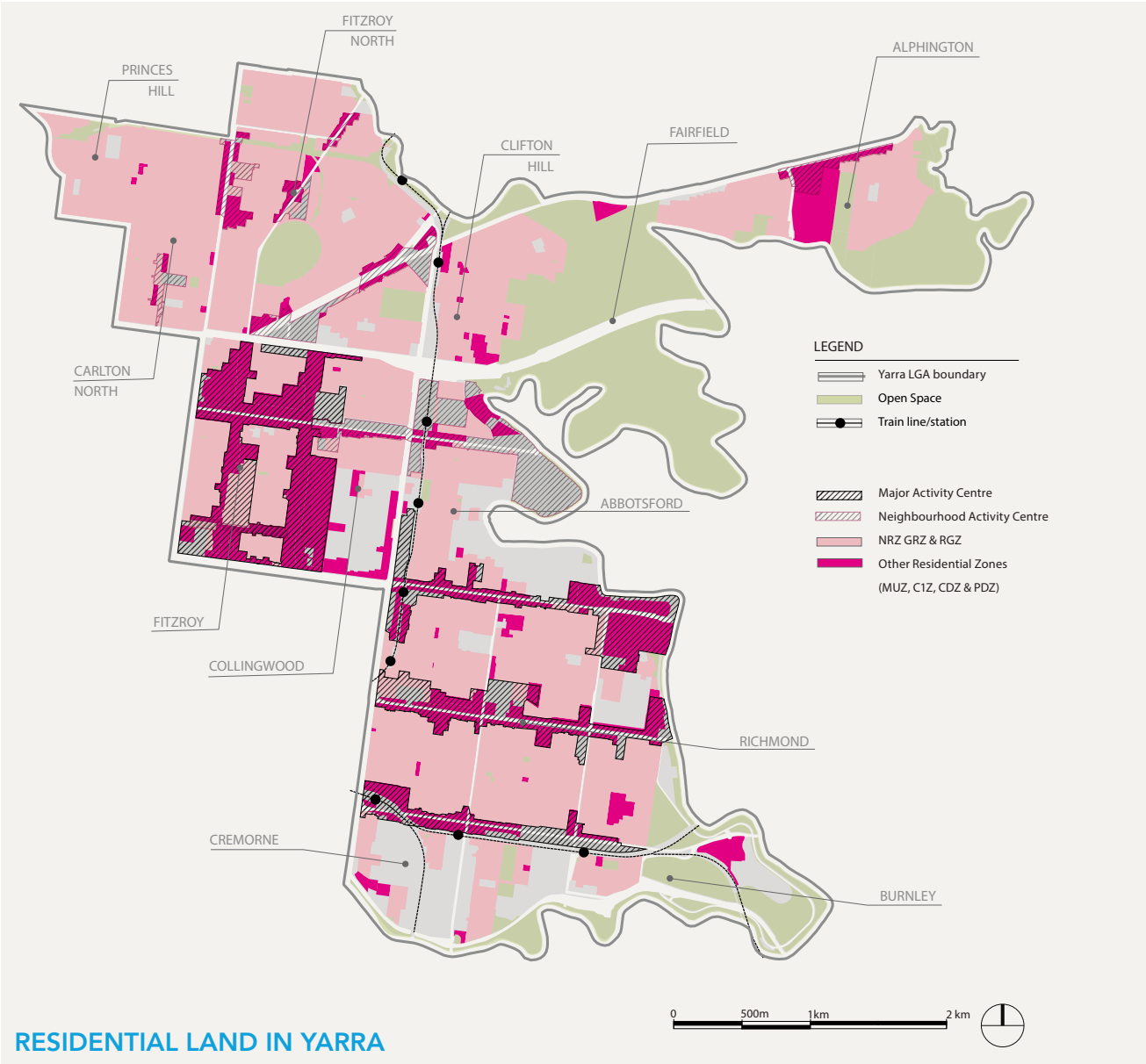
Yarra's vibrant neighbourhoods contain a diverse mix of evolving land uses, including residential, retail and entertainment precincts, mixed employment precincts, health and education facilities. The juxtaposition of a diverse range of land uses has long been a part of the character of Yarra and creates economic and social diversity. Land use planning influences residential and economic activity through regulations in the form of State Planning Policies, Local Planning Policies, land use zones, special overlays, and location specific spatial plans, such as Structure Plans. Land-use zones provide guidance on how land can be used, particularly what is and is not permissible. Each zone has a purpose, and its application provides planning certainty of what can occur. This directly influences housing land availability in Yarra.

It is important to plan for a continuous supply of housing land in the long-term to ensure that a perceived lack of supply does not impact unnecessarily on housing affordability. This strategy focusses on the 15 year supply, ensuring future growth is directed to the most appropriate locations. It also demonstrates Yarra's capability to identify future housing opportunity areas that will contribute to longer term housing supply.

The City of Yarra has experienced a high level of land transformation in residential neighbourhoods, combined with increasing numbers of apartment developments on larger sites in and close to activity centres. There is no available greenfield land in Yarra, so all future housing land needs to be identified from existing urban land in the municipality.

A key challenge for identifying housing land in Yarra is the absence of large urban renewal areas, which offer opportunities to plan entire precincts and accommodate substantial housing growth. There is only one large Urban Renewal Precinct in Yarra, known as the Amcor site, which will deliver 2,500 dwellings.





Land Zoned for Residential Use

There is a significant amount of land (805 Ha) zoned for residential use in Yarra, accounting for 41.6% of all land. The following provides a breakdown of the residential land by zone.

TABLE 1

ZONE	AREA (Ha)
Neighbourhood Residential Zone (NRZ)	420
General Residential Zone (GRZ)	186
Commercial 1 Zone (C1Z)	105
Mixed Use Zone (MUZ)	76
Comprehensive Development Zone (CDZ)	15
Priority Development Zone (PDZ)	3
Total	805

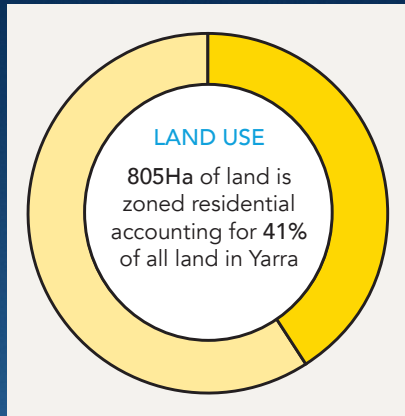
Over half of Yarra’s residential land is in the Neighbourhood Residential Zone, which incorporates largely low-scale residential neighbourhoods with special and intact neighbourhood character and heritage fabric. These neighbourhoods include Princes Hill, Carlton North, Fitzroy North, Clifton Hill, Fairfield, Alphington and Fitzroy. There are also pockets within Abbotsford, Richmond, Cremorne and Burnley between the activity centres.



These areas are considered the least suitable for growth and change. While there are some opportunities for new low scale 'infill' development, development is expected to mainly take the form of extensions and renovations. On sites with heritage protection, development will most likely result in extensions being constructed toward the middle or rear of sites to limit their visibility from the street.

Almost a quarter of residential land is in the General Residential Zone. This includes the established residential neighbourhoods of Fitzroy, Richmond, Abbotsford and larger sites on main roads and close to activity centres across the municipality. The land within these areas is made up of predominantly small, individual, residential lots that are unsuitable to accommodate substantial residential growth. There are some larger sites in the General Residential Zone that are suitable for low- rise apartment development.

Yarra also has a significant amount of land in other zones that allow for residential development including within the Commercial 1, Mixed Use Zone, Comprehensive Development Zone and Priority Development Zone. These zones define land use in and around the municipality's public transport corridors and activity centres, including land along Victoria Street, Swan Street, Bridge Road, Brunswick Street, Smith Street and Johnston Street. These zones generally allow for high density residential development and encourage a mix of land uses.



## Non-Residential Land

### Open Space and Land for Community Use

In Yarra, 24% of land is zoned for public open space (Public Park and Recreation Zone) and community use (Public Use Zone and Special Use Zone). This includes the many parks and gardens in Yarra as well as community and education facilities. These areas provide beautiful spaces for people of all ages and their furry friends to relax, play, walk, ride and just be. They also support an abundance of trees, plants, animals and waterways that are essential to our local environment and bio-diversity. Zone changes in these areas are not supported at this time, therefore they are unsuitable for review for housing potential.

### Employment Land

Less than 10% of land in Yarra is zoned for employment use (Commercial 1 and 2 Zones and Industrial 1, 2, and 3 Zones). The Commercial 1 Zone (C1Z) is the only employment zone that permits residential development and is predominantly in activity centres where employment is mainly in retailing and services.

Compared to other Councils in the inner city region, Yarra has a significant amount of Commercial 2 Zone (C2Z) land, which is used for a variety of commercial purposes. Office use is generally considered the highest value use in the C2Z (subject to specific site attributes). The C2Z in Yarra has accommodated over 70% of approved office floorspace over the last decade. Recent changes in the local economy have seen the C2 zoned areas consolidate their role and contribute towards the growth in Yarra's economic output, employment and business growth.

Yarra's major employment precincts of Gipps Street, Easy Street and Cremorne Street/Church Street south are within the C2Z. Residential development is not permitted in these precincts, which limits competition and speculation from residential developers. These precincts are highly sought after and highly valued as business locations (particularly creative and technology) due to their location and proximity to central Melbourne, access to transport, business synergies and a general attraction to the vibrancy of Yarra. These areas are functioning as significant inner city economic and business precincts, offering further economic development opportunities. Their strategic role should be supported and fostered.

Yarra has three core industrial areas including Victoria Crescent/CUB Site (Abbotsford), Palmer Street (Richmond) and South Burnley. These areas are often bordered by C2Z land and provide a range of commercial and industrial uses contributing to the local economy and employment. No change to the zoning in these areas is recommended until Council undertakes further strategic planning into their future roles and development potential.

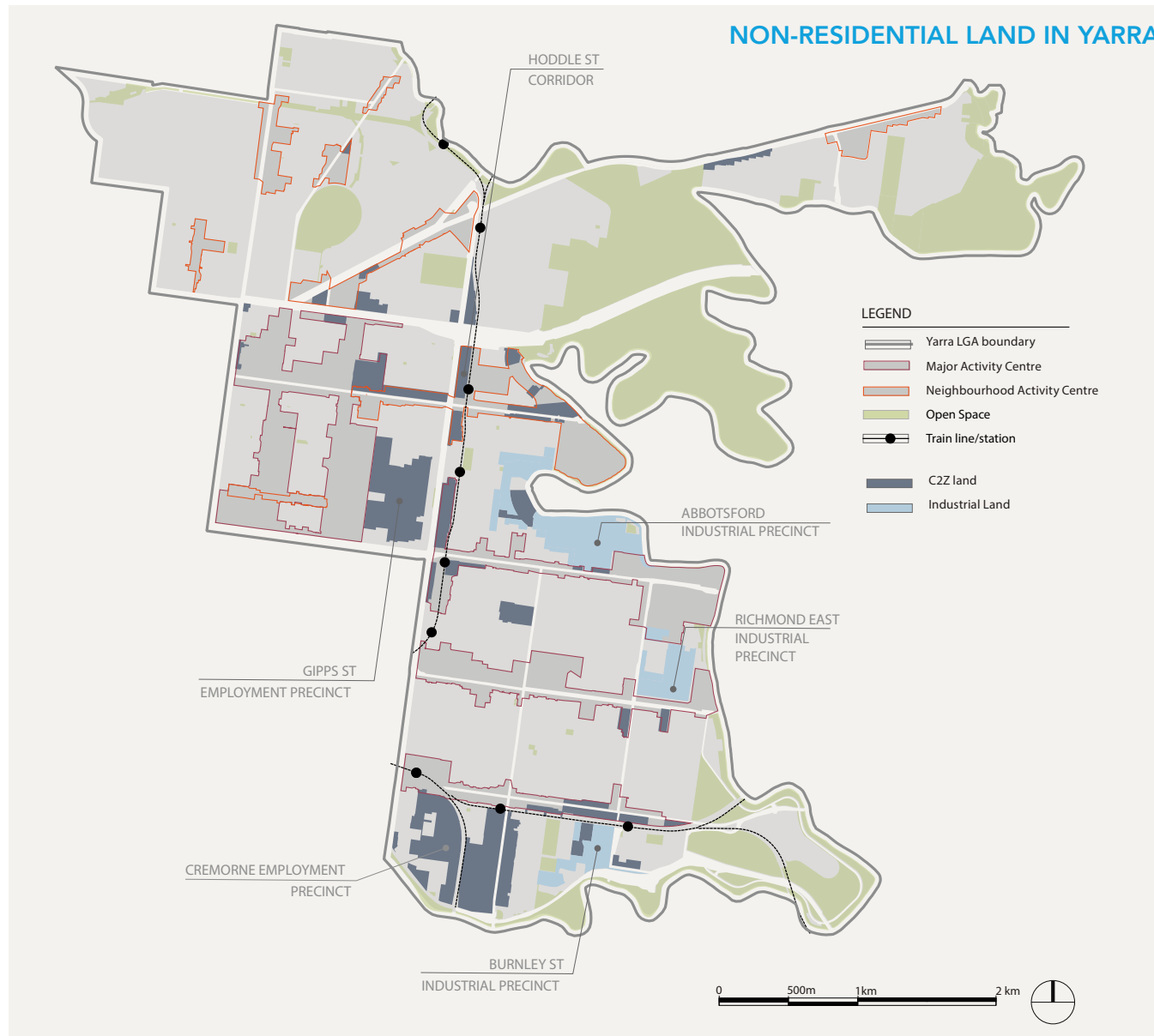
Yarra is experiencing significant overall economic and employment growth driven by key commercial employment areas, retail activity centres and industrial precincts.

It is important to keep the balance between land available for housing growth and ensuring adequate employment land to accommodate growth in businesses and jobs.

There is often a tension between retaining and protecting employment land versus allowing land to transition to residential use over time. Council has undertaken significant strategic work through the draft *Spatial Economic and Employment Strategy 2017* (SEES) to understand economic strengths and respond to the key economic drivers in Yarra over the next 10-15 years. The SEES reinforces the need to locate preferred locations for housing growth to retain employment precincts.

No further review of employment land for residential potential is proposed for the Housing Strategy.







### Strategic Identification of Future Residential Land

Land use planning is an iterative process and from time to time there is a need to revise land use zonings to better reflect the changing needs of the community. This must be supported by sufficient strategic justification and contribute to delivering net community benefit.

#### Precincts Affected by Current Strategic Land Use Planning Strategies

Council is currently undertaking work to inform the preparation of structure plans and local plans for all its major and neighbourhood activity centres. In respect to Swan Street, Johnston Street and Queens Parade, a Structure Plan, Local Area Plan and Built Form Framework (respectively) have been prepared that support the rezoning of some C2 zoned areas. In addition, site specific rezonings in Trenerry Crescent (Abbotsford) and Doonside (Burnley) support rezoning of additional Commercial and Industrial Zoned land.

The proposed rezoning of these areas has occurred on the recommendations of the adopted Business and Industrial Land Strategy (BILS), the draft SEES and additional strategic land use planning by Council.

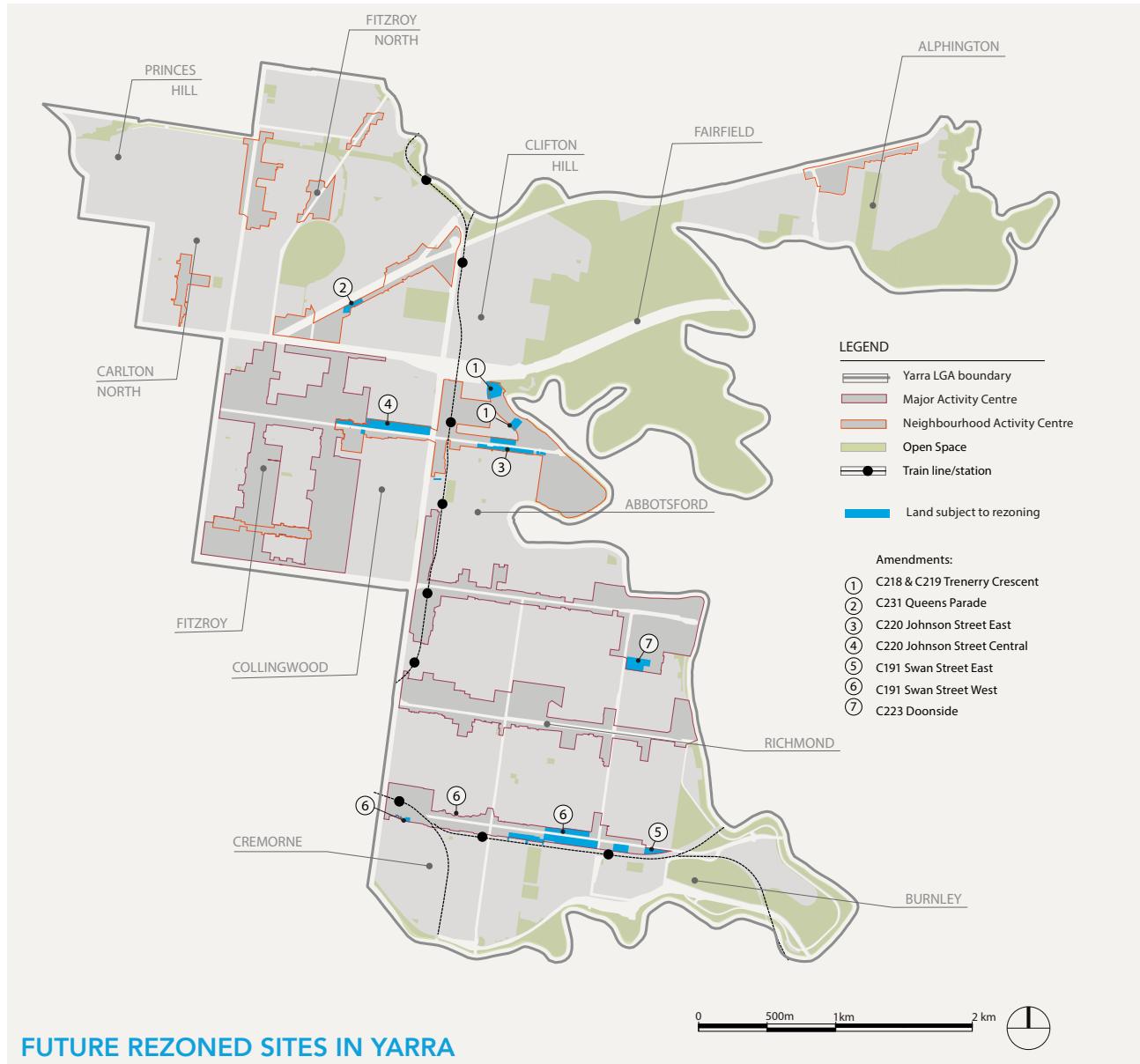
The proposals in Johnston Street, Queens Parade, Swan Street, Trenerry Crescent and Doonside will deliver an additional 13.3 Ha of residential land, a substantial contribution to Yarra’s housing land availability in the short-term.

Table 2 identifies the land area by sub-precinct for each area proposed to be rezoned. The implementation of the zone changes are being proposed through individual Planning Scheme Amendments for each area. These proposed rezonings are generally located in Yarra’s activity centres and will, if approved, support further commercial and residential development in the centres, consistent with state planning policies.

TABLE 2

SUB-PRECINCT	LAND AREA	PLANNING SCHEME AMENDMENT
Johnson Street Central	31,840	Amendment C220
Johnson Street East	17,094	Amendment C220
Queens Parade	5,242	Amendment C231
Swan Street East	41,410	Amendment C185
Swan Street West	10,682	Amendment C185
Doonside Street (Harry the Hirer)	12,735	Amendment C223
Trenerry Crescent	14,403	Amendment C218 & C219
Total	133,407	





## Housing Supply

The factors that drive demand for housing in Yarra are likely to continue into the future. It is important to ensure a constant level of supply of housing land over time, even when there are periods when the level of supply is well in excess of what is required. This is especially important if the objective of protecting existing residential areas from substantial residential development is to be maintained.

Given the high level of land transformation that has occurred in Yarra, there are limited remaining large development sites or major urban renewal precincts to absorb substantial housing growth in defined locations. In the short-to-medium term, housing growth in Yarra will be accommodated across many small to medium sized developments (10 to 250 dwellings). This is quite different to other inner city locations in Melbourne that can rely on large precincts to deliver substantial housing growth in major urban renewal precincts or on large strategic redevelopment sites.

In the short to medium term (5-15 years), future housing supply in Yarra is anticipated to be provided from the following sources:

- The remaining 14 Strategic Redevelopment Sites identified in the *Yarra Planning Scheme*;
- The 10 year pipeline of planned major residential developments identified in the *State Government's Urban Development Program (UDP)* ;
- Development sites in activity centres and mixed use precincts that have been identified as suitable for future residential growth in *Activity Centre Plans* for Swan Street, Johnston Street, Queens Parade, Bridge Road, Victoria Street, Brunswick Street, Gertrude Street and Smith Street; and
- Small scale and incremental development in residential areas and neighbourhood activity centres.



*There are limited remaining large development sites or major urban renewal precincts to absorb substantial housing growth in defined locations.*





## Future Investigation Areas

Yarra can rely on existing capacity and does not need to undertake any significant changes to rezone employment land (apart from zoning proposals already approved or proposed by Council) at this time to provide additional housing supply.

In the long-term, any zone changes for employment land must be strategically based rather than dealing with individual sites or parts of precincts. Some areas might have residential potential, but Council should consider the impact of the loss of employment land on the existing economy and businesses, as well as the potential capacity for land to provide future business growth.

Further strategic work should be undertaken to explore planning issues and determine appropriate development and land use.

The SEES identifies some employment areas that may be suitable to investigate for alternative land use which may include residential use.

The following investigation areas have been identified:

- Bridge Road Activity Centre site (Officeworks, Richmond);
- Hoddle Street Corridor; and
- Core Industrial precincts - Victoria Crescent/CUB Site (Abbotsford), Palmer Street (Richmond) and South Burnley.

Each of these large precincts needs to be planned 'as a whole' – in an integrated manner – to determine their preferred strategic land use and development directions.

In the longer-term, these areas offer potential for further land use and development opportunities that support Yarra's economy, and should not be considered solely to accommodate housing growth. All future rezoning of employment land will be informed by the SEES.

The housing strategy will not rely on these areas to contribute to accommodating housing growth within the next 15 years, but it is anticipated that these areas may contribute in the longer term.

## Implications for the Housing Strategy

There is enough land zoned for residential development in Yarra to meet the forecast housing demand for the next 15 years. There is no need to review land used for open space, community or employment uses to contribute to housing land availability at this time.

A large proportion of residential land is in the Neighbourhood and General Residential Zones, which do not allow for significant residential growth and should not be expected to contribute substantially to future housing growth. Small scale infill development and residential extensions are likely to continue in these areas.

Established low-scale residential neighbourhoods should be maintained by promoting lower rise development as the preferred character for these areas, directing housing growth to other locations.

The current and proposed residential land identified in Yarra's activity centres, mixed use zone precincts and key development sites are the most appropriate locations for directing future housing growth. They are well serviced by public transport, community services, provide access to jobs, shops and entertainment for residents and can accommodate substantial growth with the least impact.

The level of housing growth in these areas will need to vary depending on the individual context and suitability for accommodating housing growth.

Directions for guiding future residential and growth in these areas will be informed by the detailed *Heritage Reviews and Urban Design Analysis* being undertaken for Yarra's activity centres and will provide guidance on the levels of growth appropriate in each precinct.

## Planned Developments 2016-2026

Yarra has a strong housing supply pipeline, the *UDP 2016* identifies 158 planned major residential development projects (10+ dwellings) which propose to deliver 12,892 dwellings in Yarra over the next 10 years. These include projects which are under construction, have planning permits or planning applications that are under active consideration by Council.

The map on the next page shows the proposed locations of planned major residential developments in Yarra over the next 10 years.

Less than 10% of planned major residential developments are proposed in Yarra's residential neighbourhoods. This supports the community desire to protect existing residential neighbourhoods and significant heritage areas from substantial growth and development, and is a sign that the existing planning controls are effective in supporting this outcome.





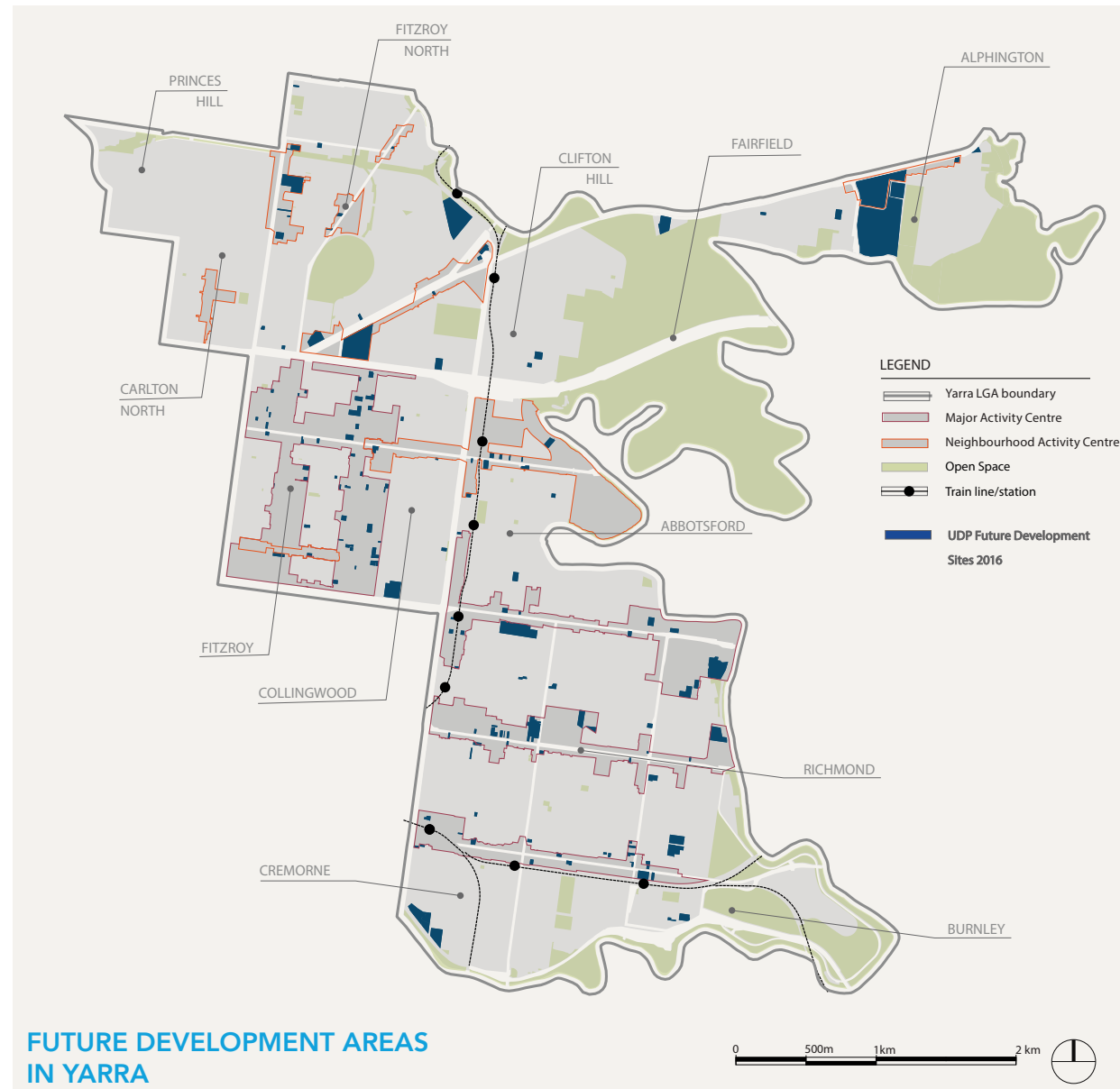
The trend of developments with 10 or more dwellings locating within or close to activity centres will continue. Over 90% of planned developments are proposed in these areas. This supports a more sustainable pattern of development, providing better access to public transport, services, jobs and entertainment for future residents, while making efficient use of land in inner Melbourne.

The level of planned growth varies significantly across activity centres due to the diversity of existing land uses, character, heritage protections, site sizes and the rate of land transformation that has already occurred.

The majority of planned projects (138 projects, 87%) are developments with less than 100 dwellings. The remaining projects range in size as follows:

- 8 projects of between 100-200 dwellings;
- 10 projects of between 200-500 dwellings; and
- 2 projects of over 500 dwellings.

It is difficult to predict what percentage of the planned developments will proceed through to construction. In the past there has been a fairly high conversion rate of permits to construction in Yarra. The UDP represents a potential 10 year supply pipeline of residential development. The timing of proceeding to develop these sites, however, is up to land owners and developers and can be influenced by changes in market conditions. It is likely to take longer than 10 years for all proposed developments to be realised (if they do indeed all proceed to construction).



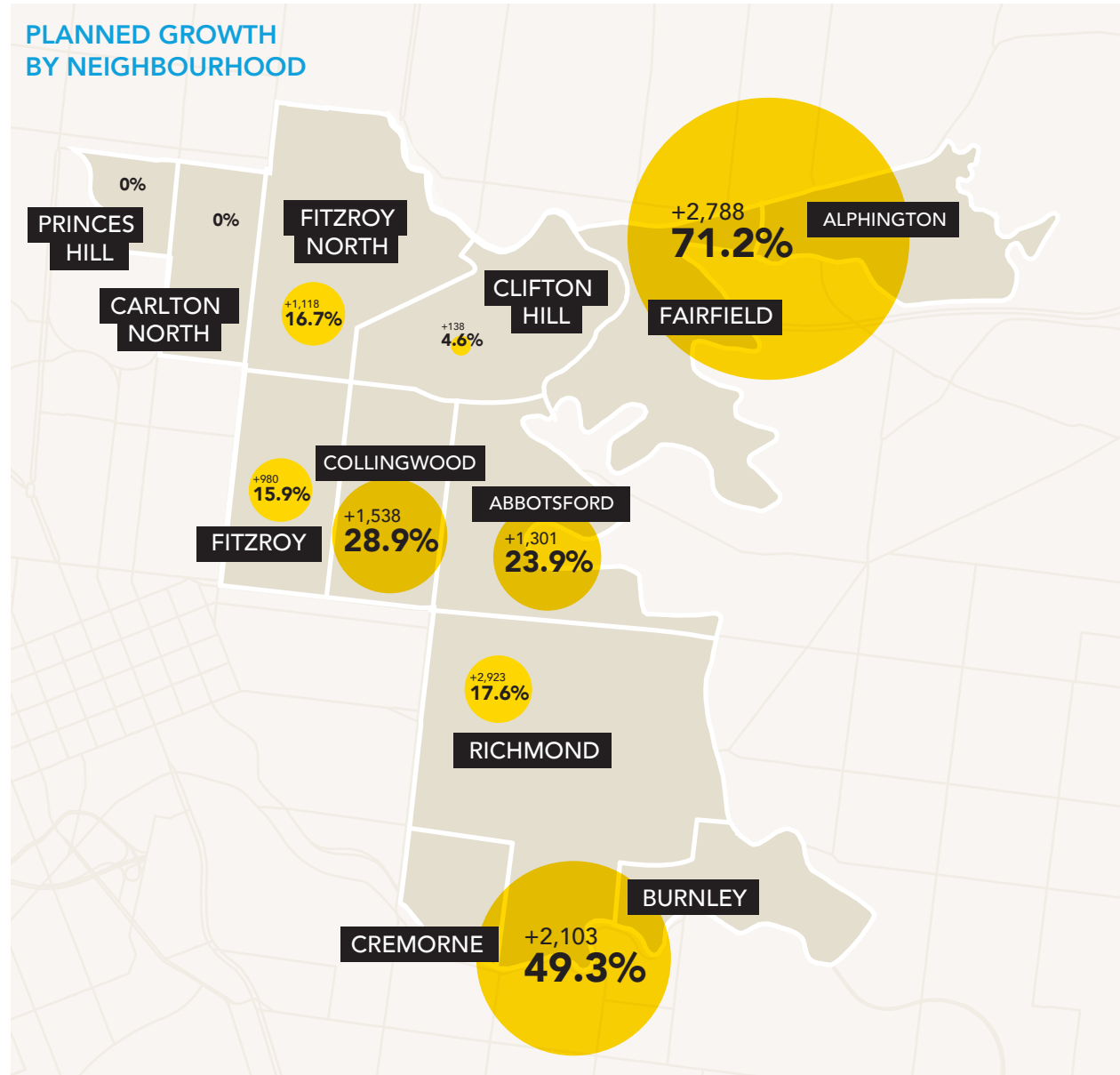


## Planned housing growth by neighbourhood

The distribution of housing growth is focussed in Richmond, Collingwood, Cremorne and Abbotsford. These suburbs account for 68.7% of the total planned dwellings and could deliver over 7000 dwellings in the next 10 years.

Carlton North/Princes Hill, Fairfield and Clifton Hill have very limited growth projections for developments over 10 dwellings.

It is useful to understand the growth figures relative to the existing number of dwellings in each suburb, the following provides an overview of the UDP dwelling projections by suburb and the calculation of what percentage growth that represents for the neighbourhood.



## How Do Yarra's Planned Developments Compare to Other Inner City Areas?

Yarra's planned major residential redevelopments of 12,892 dwellings will contribute 5% of metropolitan Melbourne's total planned development of 246,966 dwellings over the next 10 years.

Collectively IMAP Councils account for 60% of metro Melbourne's housing growth, identified in the UDP with 147,087 new dwellings proposed across 968 sites. City of Melbourne redevelopments will contribute the largest share with 85,714 planned developments providing 35% of Metro Melbourne's housing growth. By comparison, Maribyrnong and Port Phillip Council's contribute 8%, and Stonnington the least at 4%.

These figures highlight the different role Yarra plays in the inner city housing market. Unable to rely in the short-to-medium term on large housing opportunity areas to deliver the biggest gains, the volume of small-to-medium developments in activity centres still provide a decent contribution to regional housing supply. Yarra is unique in the sense that the majority of planned developments are in established, diverse and vibrant activity centres which provide instant amenity and access to jobs, services, culture and character.

## Future Residential Growth Potential Capacity analysis

In addition to planned development projects, there is further capacity within and close to Yarra's activity centres, and surrounding mixed use precincts, that are zoned appropriately to accommodate substantial residential growth.

An updated capacity analysis is being undertaken for Yarra's activity centres and surrounding mixed use precincts to calculate a long-term residential growth potential capacity estimate for Yarra. This will be used to monitor housing delivery over time and assess implications of built form controls on housing capacity figures. This work is underway, and will be updated in the revised draft of the Housing Strategy in mid-2018.

The following activity centres will be the focus for identifying key sub-precincts that are suitable to accommodate future residential growth:

### Major Activity Centres

- Bridge Road, Richmond
- Victoria Street, Richmond
- Smith Street, Collingwood/Fitzroy
- Brunswick Street, Fitzroy
- Swan Street, Richmond

### Neighbourhood Activity Centres

- Johnston Street, Collingwood/Abbotsford
- Queens Parade, North Fitzroy/ Clifton Hill
- Gertrude Street, Fitzroy

Neighbourhood residential areas, general residential areas and neighbourhood activity centres will continue to accommodate small-scale infill development and replacement dwellings, but will not substantially contribute to housing growth in the future. No capacity analysis will be undertaken for these areas in the near future.

Residential growth estimates will be informed by strategic plans for the areas including local area plans, structure plans and detailed built form and heritage reviews prepared for each centre. This will ensure preferred scale and form is appropriately considered to provide a realistic future capacity estimate.

The final capacity figures will be a reliable source for understanding long-term housing capacity estimates in Yarra.



## 8. A Preferred Growth Strategy for Yarra

The Housing Strategy provides direction on key issues such as housing diversity and adaptability, affordable housing, and family friendly apartments to ensure there will be more housing choice to support Yarra's diverse community. The Strategy has been informed by community values and priorities for planning housing growth and change in Yarra; identified by the *Liveable Yarra* 'peoples panel', a group of residents selected to represent the broader Yarra community.

Four Strategic Directions articulate the preferred growth strategy, which responds to the unique context of Yarra and provides a strategic approach to where and how Council will guide future housing growth.

### THE FOUR STRATEGIC DIRECTIONS

- **Strategic Direction 1:** Actively Plan for Future Population Growth and Housing Needs
- **Strategic Direction 2:** Direct Housing Growth to Appropriate Locations
- **Strategic Direction 3:** To Plan For More Housing Choice to Support Yarra's Diverse Community
- **Strategic Direction 4:** Facilitate the Provision of More Affordable Rental Housing in Yarra



## Strategic Directions

### Strategic Directions 1 (SD1): Actively Plan for Future Population Growth and Housing Needs

SD1 will be implemented through the following strategies:

- SD 1.1** Monitor population and housing growth forecasts.
- SD 1.2** Ensure an adequate supply of residential land is available to accommodate future housing growth.
- SD 1.3** Monitor housing delivery trends and demographic changes.
- SD 1.4** Identify future investigation areas for long term residential potential including key boulevards and surplus employment land.

#### Rationale

Monitoring changes in projections to population and housing growth forecasts will enable Council to more accurately plan for an adequate supply of housing land to accommodate future growth. Projections are not an exact science, and often vary from realised growth, but are important in assisting Council to plan for anticipated growth more effectively.

Monitoring development trends and demographic changes will be necessary to respond to any major shifts in population and housing growth projections, ensuring the ongoing currency of the Strategy. A review of the Housing Strategy will be required within 5-7 years of adoption.

The *Urban Development Program* (UDP) indicates that housing supply for the next 15 years is mostly available through known strategic redevelopment sites and projects that are being considered, likely to occur or already under construction.

Current structure planning and built form framework projects (together with residential growth assessments being undertaken by Council for activity centres and mixed use zoned land around activity centres) will enable Council to prepare estimates of the potential of these areas to provide additional housing supply above the forecasts included in the UDP. Yarra can rely on existing capacity and does not need to make significant changes to rezone other land at this time to provide additional housing supply. The Housing Strategy will not be used as the basis to support changes in residential zones.

If housing delivery trends continue to be strong in Yarra, within the next 5 to 10 years it will be important to identify key precincts to undertake further strategic planning to identify long term housing land availability.

#### What will Strategic Direction 1 Achieve?

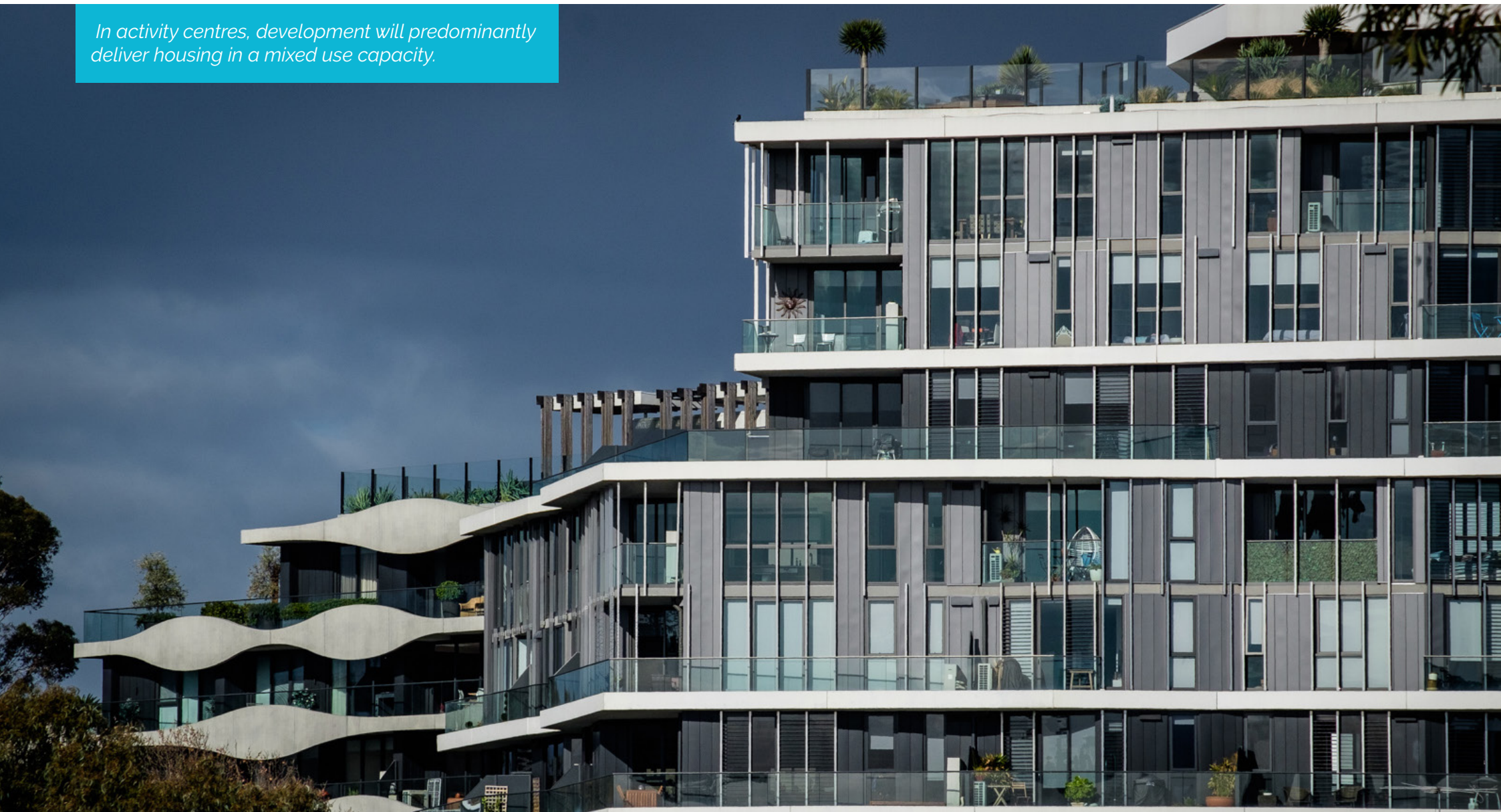
- Certainty to the community that Council are actively planning for future housing growth and have an understanding of changing housing needs in Yarra.
- Certainty to State Government that Yarra can provide a rolling 15 year supply of housing land.
- A clear plan for ensuring forecast population and housing growth can be accommodated appropriately in Yarra.

#### Further Strategic Work Required to Support Strategic Direction 1:

- Develop a housing development activity monitoring program for Yarra.
- Undertake further strategic work to identify long term housing land availability.
- Undertake a review of the Housing Strategy within 5-7 years of adoption to ensure currency of projections, housing delivery trends and housing land availability.



*In activity centres, development will predominantly deliver housing in a mixed use capacity.*



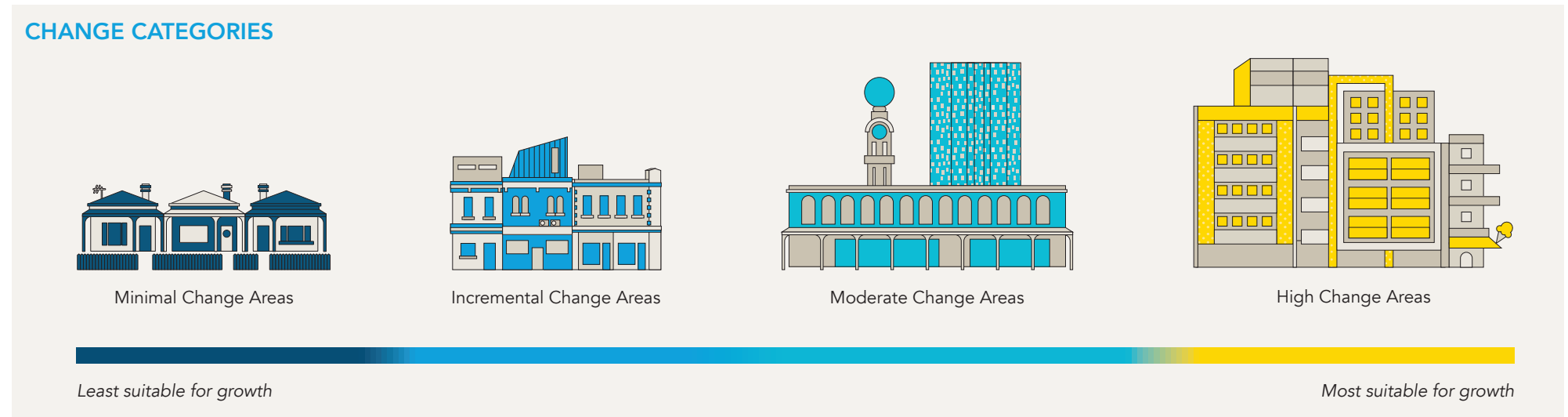


## Strategic Direction 2 (SD2): Direct Housing Growth to Appropriate Locations

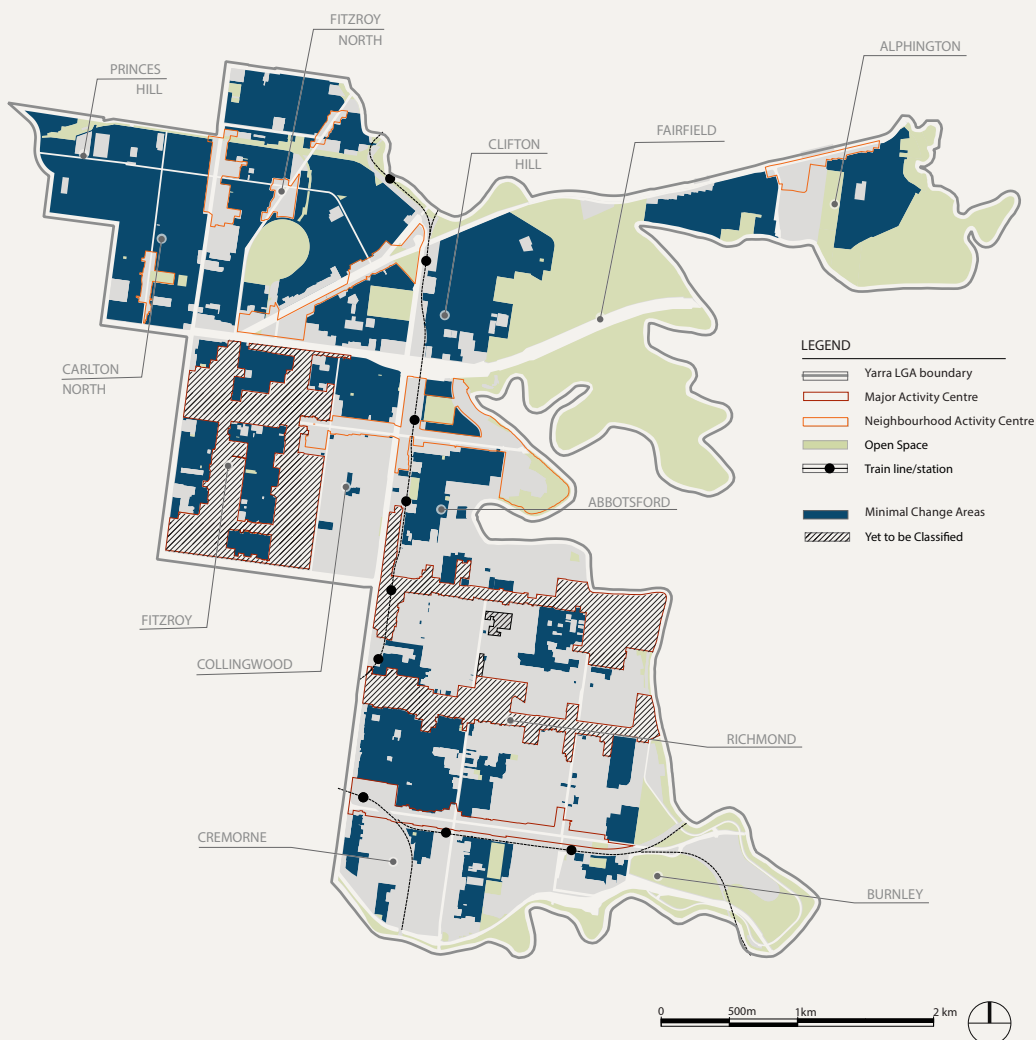
SD2 will be implemented through the following strategies:

- SD2.1** Develop a hierarchy of housing change categories and apply them to all housing land in Yarra.
- SD2.2** Introduce the hierarchy as a Strategic Housing Framework in the Yarra Planning Scheme.
- SD2.3** Develop clear policy directions to guide and direct the appropriate level of change on all housing land in Yarra.

The following four change categories are proposed:



## MINIMAL CHANGE AREAS



## Minimal Change Areas



### Level of growth:

- Minimal housing growth

### Where:

- Established residential areas (Neighbourhood Residential Zone land) within the Heritage Overlay, as identified in the Yarra Planning Scheme.
- Heritage precincts of Princes Hill, Carlton North, Alphington, Fitzroy North and Clifton Hill,
- Smaller residential pockets within Richmond, Fitzroy and Collingwood between the activity centres

The Minimal Change Area designation is proposed to apply to over 50% of Yarra's residential land.

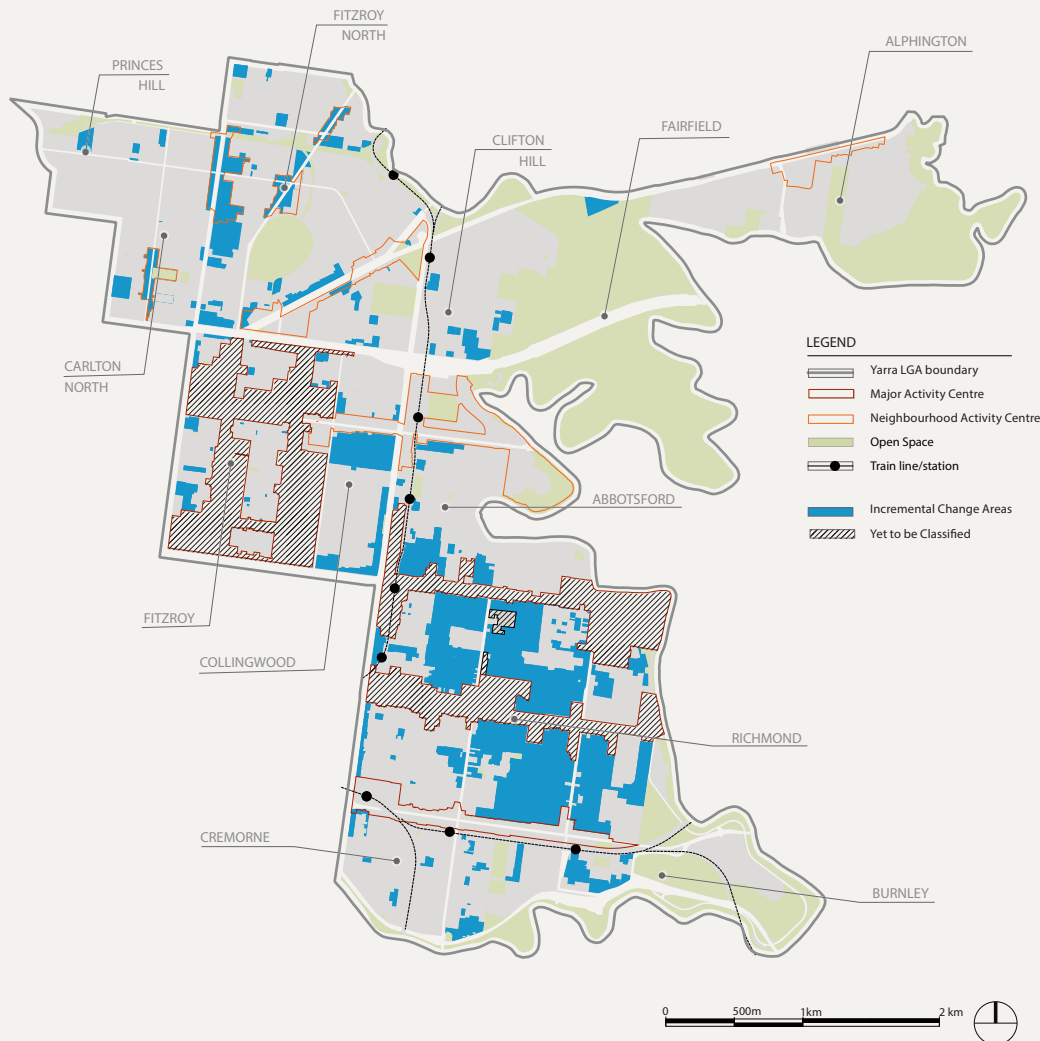
### What type of development is likely in Minimal Change Areas?

The existing scale of established residential areas is to be maintained by promoting lower rise development as the preferred character in Minimal Change Areas.

Future housing development will be two storeys or less, predominantly in the form of restoration and extensions to individual houses, dual occupancy development and small scale residential developments which respond to identified elements of heritage significance and streetscape character.

The provisions of the Neighbourhood Residential Zone and Yarra's Local Heritage Policy will determine the built form outcomes on these sites.

## INCREMENTAL CHANGE AREAS



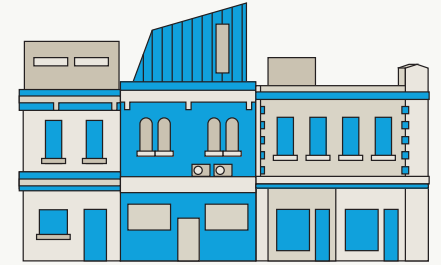
## Incremental Change Areas

## Level of growth:

- Incremental housing growth

## Where:

- General Residential Areas
- Neighbourhood Activity Centres (General Residential Zone land) that do not have recognised heritage significance.



Development will occur in these areas incrementally, must be consistent with the scale and character of the streetscape context, and respond appropriately to sensitive residential interfaces. The Incremental Change Area designation is proposed to apply to approximately 23% of Yarra's residential land.

## What type of development is likely in Incremental Change Areas?

Future housing development will be predominantly low-rise residential development in the form of renovations and extensions to individual houses, dual occupancy development and small scale residential developments.

In Neighbourhood Activity Centres, development will be predominantly low to mid-rise infill residential development – depending on the site context. Some developments will be mixed-use to ensure the preservation of their "high street" function for retail, commercial and entertainment purposes.

The provisions of the General Residential Zone and Urban Design Policies will determine the built form outcomes on these sites.



## MODERATE CHANGE AREAS



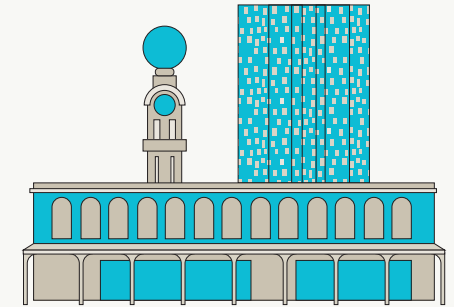
## Moderate Change Areas

### Level of growth:

- Moderate housing growth

### Where:

- Activity centres
- Mixed use zone precincts
- Key development sites.



Moderate Change Areas are identified from the residentially zoned land at a site or precinct level, and have been identified in a detailed heritage and built form review or structure planning process as requiring a more moderate development outcome.

### Typical Characteristics:

- Medium to large development sites that are in the Heritage Overlay, Significant Heritage Streetscape
- Sensitive residential interfaces or other site constraints (Lot size, access etc.) that need to moderate the development outcome
- Highly accessible to public transport, jobs and services
- Located in (or close to) activity centres

Moderate Change Areas in activity centres are often located within a significant Heritage Streetscape area which requires retention of existing building fabric and a more considered design response to ensure development is complementary to the heritage character and elements of significance.

### What type of development is likely in Moderate Change Areas?

Future housing development will be predominantly medium to large, mid-rise residential developments that respond to the identified elements of heritage significance and streetscape character. In activity centres, development will predominantly deliver housing in a mixed-use capacity to ensure the preservation of their "high street" function for retail, commercial and entertainment purposes. The scale and form of development in Moderate Change Areas will be informed by Design and Development Controls prepared for each activity centre. Where no site-specific planning controls apply, the Zone provisions and Urban Design Policies will determine the built form outcomes for the sites.

## HIGH CHANGE AREAS



## High Change Areas

### Level of growth:

- Moderate housing growth

### Where:

- Activity centres
- Mixed use zone precincts
- Key development sites.



High Change Areas are identified from the residentially zoned land at a site or precinct level, and have been identified in a detailed heritage and built form review - or structure planning process - as suitable for accommodating substantial change.

### Typical Characteristics:

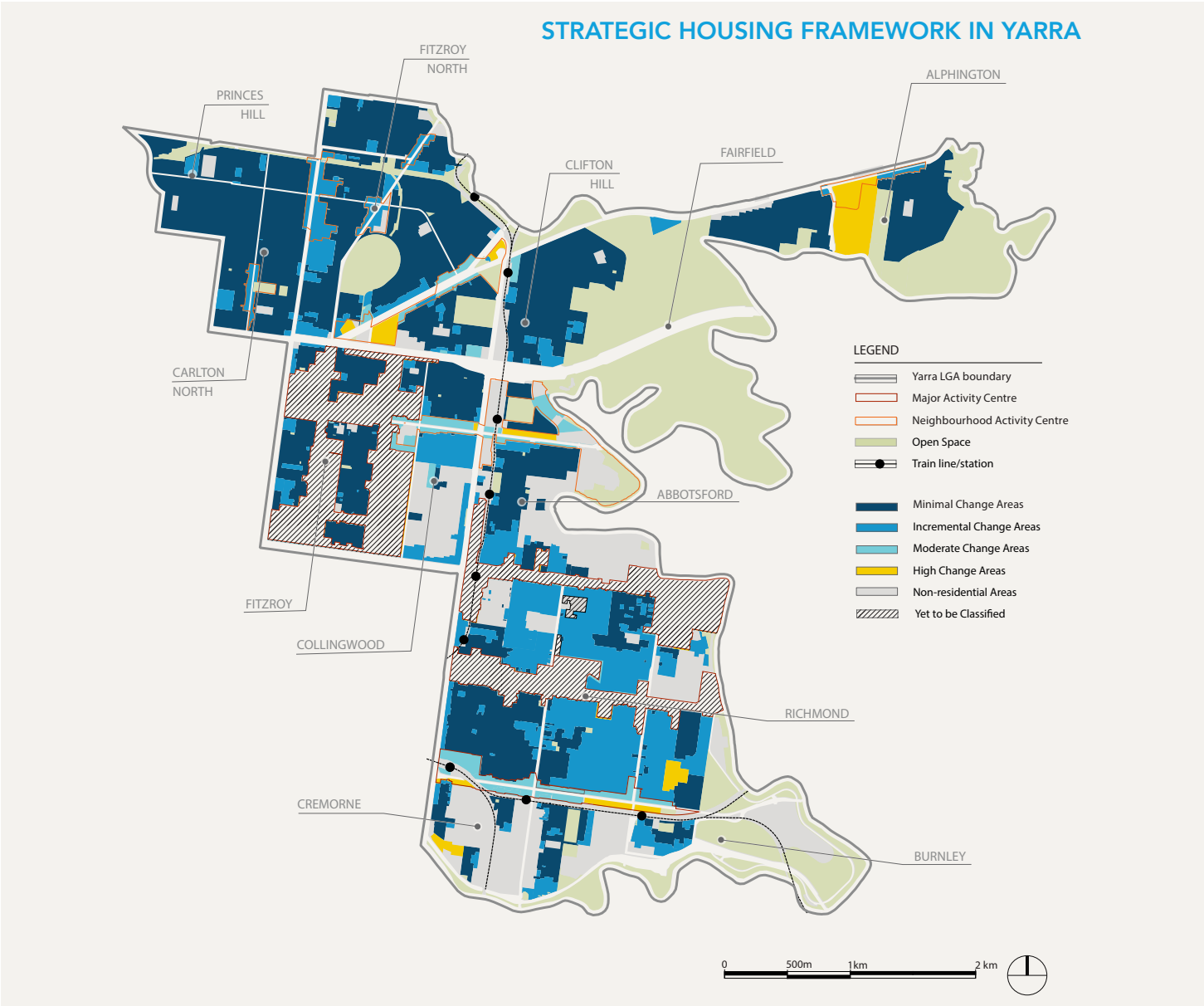
- Superior access to public transport, jobs and services
- Located in (or close to) activity centres
- Tend to be larger development sites with fewer physical development constraints
- Not covered by a Heritage Overlay or located within a significant Heritage Streetscape.

### What type of development is likely in High Change Areas?

Future housing development will be predominantly medium to large, mid-rise residential developments that establish a new built form character for the site or precinct that is complementary to the surrounding context. These sites are not in the Heritage Overlay.

In activity centres, development will predominantly deliver housing in a mixed-use capacity to ensure the preservation of their high street function for retail, commercial and entertainment purposes.

The scale and form of development in High Change Areas will be informed by Design and Development Controls prepared for each activity centre. Where no site-specific planning controls apply, the Zone provisions and Urban Design Policies will determine the built form outcomes for the sites.





## Rationale

The introduction of a Strategic Housing Framework in Yarra will implement a common approach used across Metropolitan Melbourne to provide clarity for the community about the level of growth anticipated across the municipality, and is consistent with State policy directions.

The levels of change proposed build on the three tiered approach adopted by Council when implementing the new residential zones in 2015. A fourth category has been proposed to account for the level of variation in activity centres. This model is designed to provide further clarity and local strategic guidance on the level of change supported in activity centres and mixed use precincts; rather than relying on State urban consolidation provisions, which support a blanket approach to the highest level of growth being directed to activity centres. The unique context of Yarra's activity centres means a more fine-grained approach is necessary.

The Minimal and Incremental Change designations have been applied to be consistent with implementation of the new zones. The largely low-scale established residential areas, with special and intact neighbour character and heritage fabric, are the least suitable areas for accommodating residential growth so have been designated as Limited Change Areas. The remaining established residential areas and Neighbourhood Activity Centres have been designated Incremental Change Areas.

The zoning provisions for these areas are considered appropriate for guiding future built form outcomes; the exception being in Neighbourhood Activity Centres where Design and Development Controls have been developed by Council to guide future built form and heritage outcomes.

The introduction of the Moderate Change category for Yarra allows precincts in – and close to – activity centres suitable for residential growth, but which require a more moderate development response to preserve the heritage significance of the streetscapes or respond to site constraints, to be differentiated from the Incremental and High Change categories. This category helps communicate that not all precincts in activity centres will deliver a high level of housing growth.

The Moderate Change category provides a balance between signalling that growth can occur, but that the area is not a complete “go-zone” for development. The significance of Yarra's heritage streetscapes requires careful consideration. Appropriate design and form that is complementary to the existing character is needed, while still allowing development to occur. There is an increased expectation of the design response of development in these areas to ensure heritage streetscapes are enhanced, not compromised. The significant heritage streetscapes are located within activity centres where built form controls are being prepared.

The Structure Plans, Built Form Reviews and associated Planning Controls will provide clarity on the retention of heritage fabric and the scale and form of development in these areas.

## What Will Strategic Direction 2 Achieve?

- A clear policy framework for Council to guide and direct housing growth.
- Certainty for land owners, developers and the community about the level of change expected in each neighbourhood and activity centre.
- Clarity over the areas that are most suitable for accommodating substantial residential growth over the next 15 years.
- Reduce development application negotiations around the appropriate scale of development.

## Further strategic work required to support Strategic Direction 2:

- Apply the housing change categories to residential land within the Bridge Road, Brunswick, Gertrude, Smith and Victoria Street Activity Centres once the activity centre planning work is finalised.

### Strategic Direction 3 (SD3): To Plan For More Housing Choice to Support Yarra's Diverse Community

SD3 will be implemented through the following strategies:

- SD 3.1** Promote the inclusion of more than 50% of dwellings in apartment developments to be accessible and adaptable housing and housing suitable for all life stages.
- SD 3.2** Encourage the development of aged care, student accommodation and key worker housing within and close to activity centres, health and education precincts.
- SD3.3** Introduce a requirement for a Housing Diversity Assessment for larger developments.
- SD3.4** Encourage more family-friendly design of communal open spaces in apartment developments.
- SD3.5** Support the retention of larger homes for families.
- SD3.6** Monitor trends on down-sizing among older persons.

#### Rationale

As more dwellings are constructed in Yarra, it's important to ensure they are designed and built to meet the changing needs of occupants across their lifetimes and enhance liveability for the longer term. Providing for a diverse mix of housing options for all residents in Yarra – including people with disabilities, older persons and families – helps support social inclusion and maintain Yarra's vibrant community.

The majority of future housing development is likely to be predominantly apartment developments in activity centres and on strategic redevelopment sites. This proposes a unique challenge for Yarra; in seeking to ensure that apartments are designed to accommodate all household types throughout their life stages, we will ensure that people can stay in their communities and reduce the chance of Yarra becoming a highly transient community.

With a projected increase in "families with children" and "older persons" in Yarra over the next 15 years, it will be important to ensure the particular needs of these households are considered in the design and location of apartments. Specific needs for families include providing sufficient internal and outdoor space. Larger apartments suitable for family housing are best located together, over-looking communal open space.

Specific needs for older people and people living with a disability include the overall layout and accessible design of the dwelling, adequate storage, proximity to shops, transport and other services, easy to navigate in and around, being capable of easy and cost-effective adaption and responsive to the changing needs of occupants. These issues are best dealt with at the design and planning stage.

The introduction of new apartment design requirements in the Yarra Planning Scheme resolve some issues relating to accessibility and adaptability, but the introduction of a policy guideline to request a Housing Diversity Assessment Report for larger developments will allow Council to assess the matters which aren't already addressed.

A Housing Diversity Assessment Report would complement the new apartment guidelines in the Yarra Planning Scheme. To ensure the report is effective will require careful drafting so that there is no duplication with ResCode. Areas which the report might cover include the:

- Expected demographic mix, to enable consideration of particular housing needs;
- Location of larger dwellings, with a preference for them to be clustered together and overlooking communal open space; and
- Landscape design of communal open spaces for all household types, ensuring they are easily accessible and visible from the larger apartments, incorporate child friendly materials (assuming children play everywhere) and provide weather protection.





Early consideration of these issues will help to ensure that future housing stock is more suitable for all households throughout their life stages.

To meet future demand from an ageing population, more aged care facilities will be required to assist increased numbers of residents to 'age in place' in Yarra. Supporting the development of new residential care facilities within and close to activity centres and health precincts will help residents receive adequate support and maintain connections with their community.

### What Will Strategic Direction 3 Achieve?

- More housing choice for our diverse community to support social inclusion and maintain Yarra's vibrant community
- Better alignment between the design of new developments and housing needs in Yarra
- Allowing more residents to "age in place"
- More family friendly apartments
- Better communal open space in apartments for all households.

### Further Strategic Work Required to Support Strategic Direction 3:

- The drafting of a policy guideline, requesting a Housing Diversity Assessment Report, and determining an appropriate threshold for the report.



## Strategic Direction 4 (SD4): Facilitate the Provision of More Affordable Rental Housing in Yarra

SD4 will be implemented by:

- SD4.1** Fostering effective partnerships between community housing providers and the property development industry to deliver more affordable rental housing;
- SD4.2** Introducing a requirement in the Yarra Planning Scheme for all future significant redevelopment rezonings to provide a minimum 5% affordable housing;
- SD4.3** Supporting shared equity models of development; and
- SD4.4** Advocating policy and legislative changes that enable Council to introduce inclusionary zoning or an alternative mechanism to secure affordable housing on strategic redevelopment sites.

### Rationale

Yarra's high population growth, liveability and a booming economy has underpinned a strong housing market in recent years. High purchase prices mean many households are unable to purchase in Yarra, especially lower income households. Renting is often the most viable option for these households.

Rental options for low-to-moderate income households in Yarra have been decreasing, and Council wants to ensure that more housing options suitable for these demographics are made available to maintain social and economic diversity in our community.

The planning system provides an opportunity to secure a percentage of affordable housing when strategic development sites are being rezoned. Council recently adopted a *Policy Guidance Note on Affordable Housing in Significant Redevelopments in Yarra*. It lays out Yarra Council's view that developers should dedicate a minimum 5% of significant new developments to affordable housing, when they are likely to yield 50 dwellings or more.

Introducing a minimum 5% requirement of affordable housing into the Yarra Planning Scheme will communicate a clear expectation to developers about their obligation to provide affordable rental housing stock as part of significant new developments, and reduce the need for this to be negotiated on a case by case basis.

### What will this achieve?

- An increase in affordable rental housing, maintaining the diversity which is important to Yarra's identity
- Reduce the need for complex negotiations between Council and developers about providing affordable rental housing stock as part of significant new developments.





## Notes



## Notes

