

5. WHAT ARE WE PLANNING FOR?

Yarra has experienced rapid population and housing growth in the past five years, with an increase of 17,208 persons between 2011 and 2016²⁰, 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%. Over the next 15 years Yarra will need to accommodate its growing population.

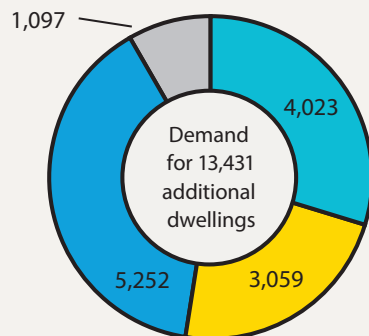
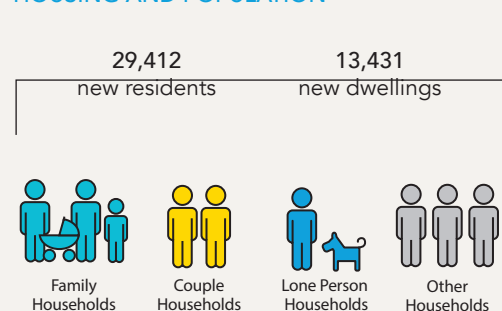
Population and household projections

The VIF2016 population and household projections indicate there will be 29,412 new residents in Yarra and 13,431 new dwellings required by 2031²¹. The VIF2016 projected change in household types in Yarra 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% which accounts for a 30% share of new households in the next 15 years.

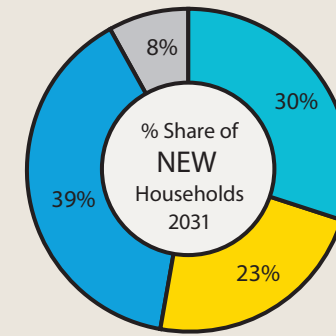
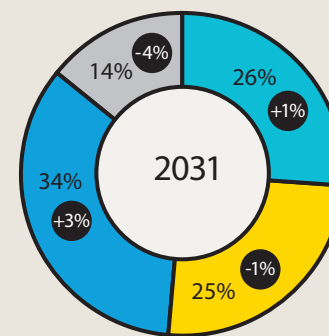
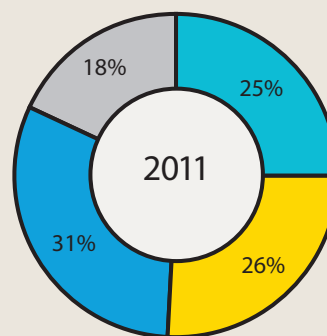
The additional 29,412 new residents will likely form households that are:

- 30% family households (including single parent families), or 4,023 households of this type;
- 23% couples households, or 3,059 households of this type;
- 39% lone person households, or 5,252 households of this type; and
- 8% share households, or 1,097 households of this type.

FORECAST 2016-2031 HOUSING AND POPULATION



PROPORTIONAL GROWTH IN HOUSEHOLD STRUCTURE



20 Australian Bureau of Statistics, Census of Population and Housing 2011 and 2016

21 Department of Environment, Land, Water and Planning, 2016, *Victoria in Future 2016: Population and Household Projections to 2051*, Melbourne

Implications for the Yarra Housing Strategy

The VIF2016 projections indicate that by 2031, there will be 29,412 new residents in Yarra who will require 13,431 new dwellings. Yarra supports the development of new housing to meet the demands of its growing residential population. However, as more housing is constructed in Yarra, it is important to ensure that it is designed to meet the needs of municipality's population over their lifetimes. This includes transitions between shared, sole person, couple and family housing, and downsizing later in life.

Yarra is planning for more housing choices to support a diverse community, by facilitating and advocating for more affordable housing, liveable apartments with sufficient communal internal and open space, and dwellings that are adaptable and accessible.



6. HOUSING TRENDS IN YARRA

Increased residential development

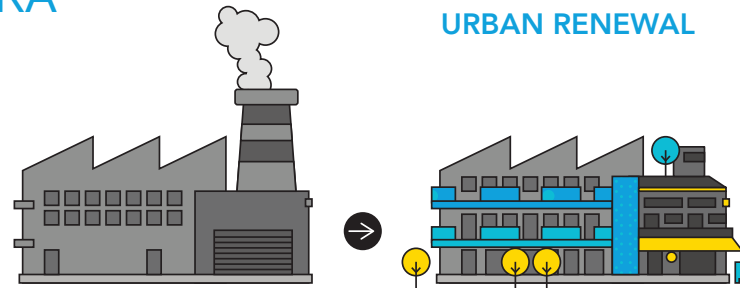
As the demand for living and working in Yarra has increased, so has the supply of commercial and residential development in Yarra. Development in Yarra is at its highest level in ten years.

Yarra's growth trajectory has mirrored metropolitan Melbourne's growth with the rate of new dwellings steadily increasing from 2010. Over the decade from 2005-2014²², 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.

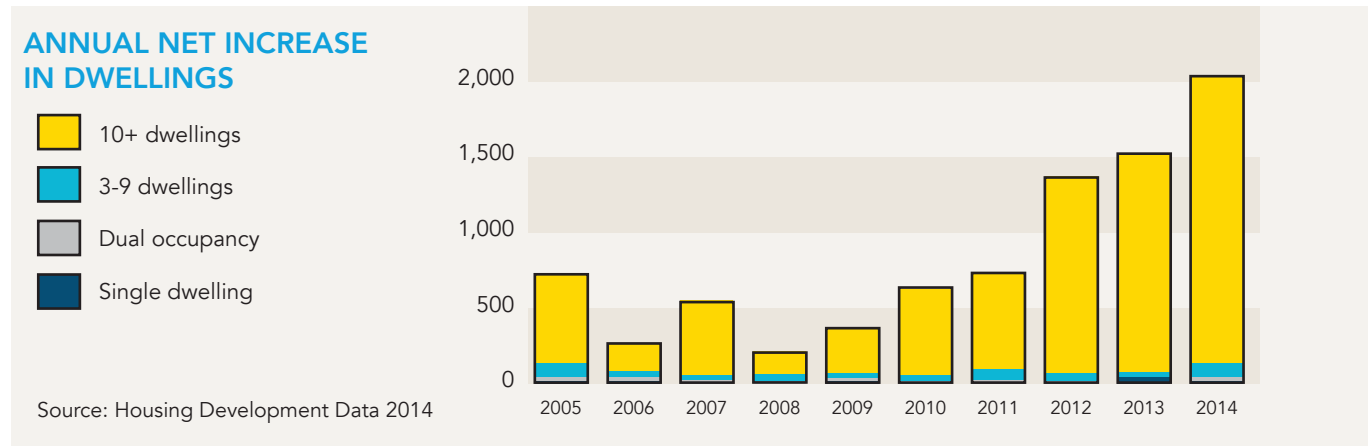
Over the decade, there were 581 projects in Yarra that produced a net dwelling increase.

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

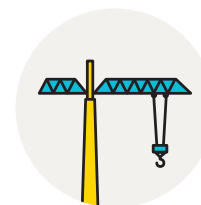


87% 87% of housing development was urban renewal (development of underutilised medium and large scale urban areas, precincts or sites for mixed land use purposes) and 13% was infill (development of vacant or underutilised land in existing urban areas)

72% 72% of new dwellings were in activity centres or on strategic redevelopment sites.



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).

Unprecedented population growth and strong economy supporting the housing market

Melbourne's high population growth, liveability²³ and booming economy has underpinned a strong housing market in recent years. Population forecasts and economic outlooks indicate that this is expected to continue to support the Melbourne housing market in the medium term. Indicators reflect a cooling housing market, but no downturn²⁴.

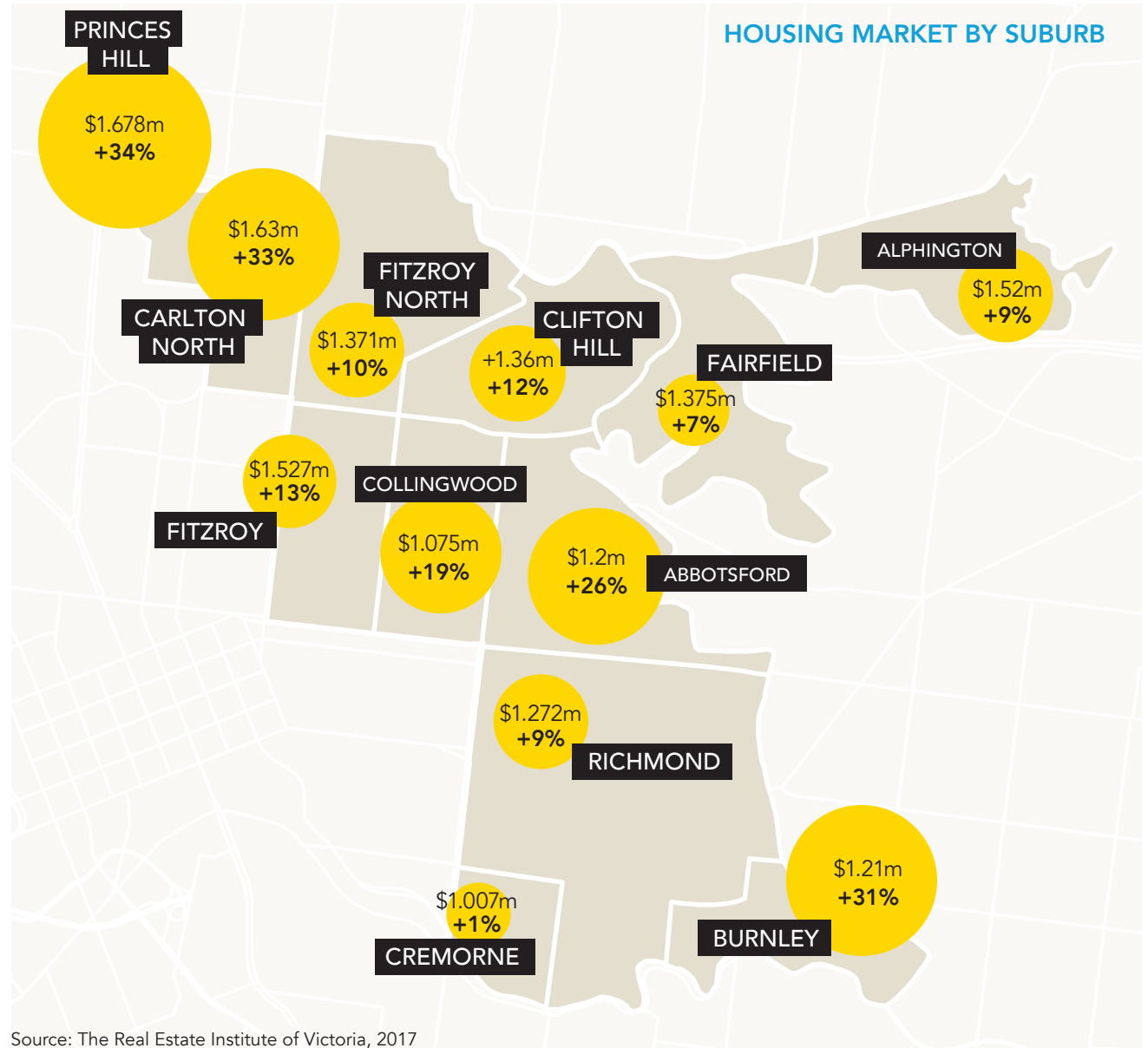
In the past two years Richmond and Abbotsford have emerged as two of the highest performing housing markets in Melbourne. Houses are outperforming apartments, due to the high number of new apartment developments under construction and a subsequent abundance of supply. Higher quality developments and larger apartments are attracting a growing population of downsizers.

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 municipality²⁵.

²³ 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>>..

²⁴ Lassell, J, 2017, *Australia Melbourne Housing Market Overview*.

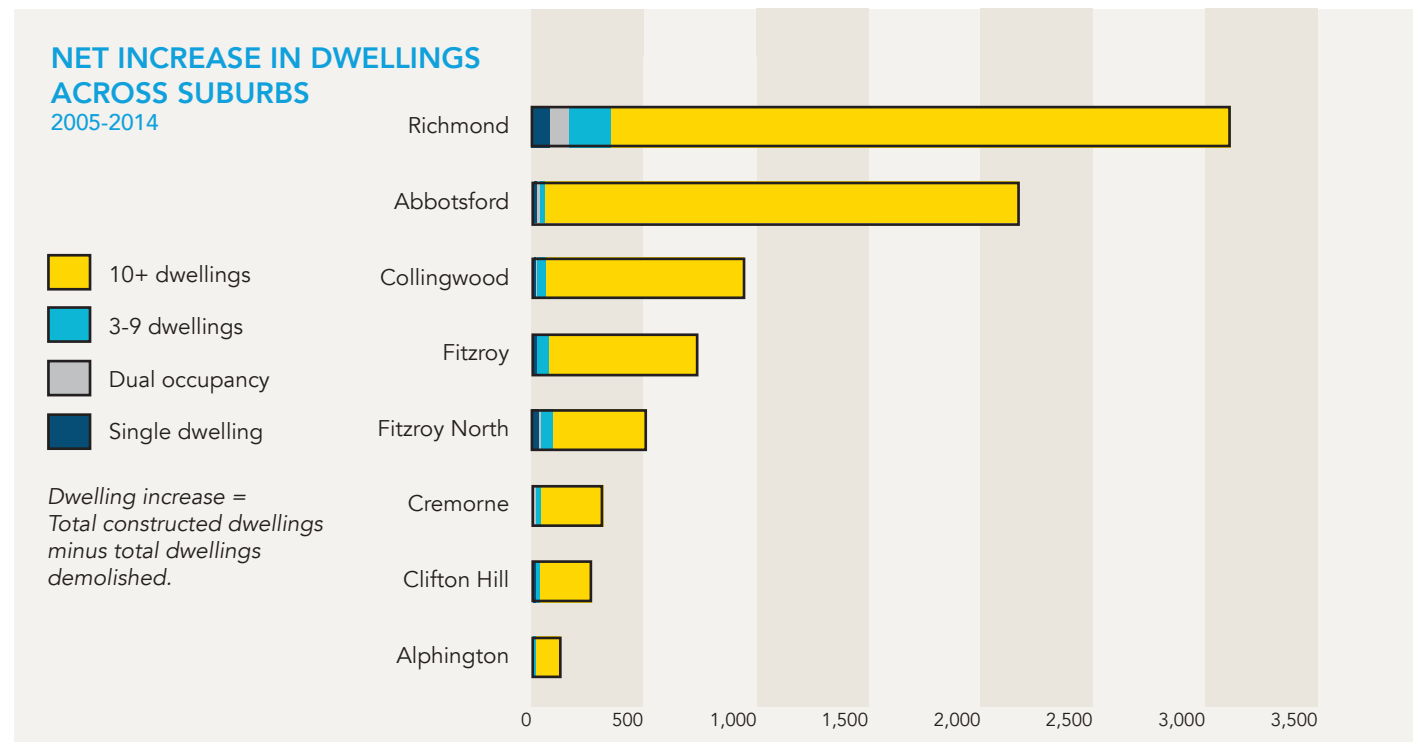
²⁵ Jellis Craig, 2017, *The Report Richmond and Surrounds*, 2017.



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 nominated strategic redevelopment sites, each accommodating approximately 30% of total housing growth.

Only 10% of the projects recorded in the Housing Development Data²⁶ were projects over 10 dwellings and the majority of larger projects were within (or close to) activity centres and on strategic redevelopment sites.



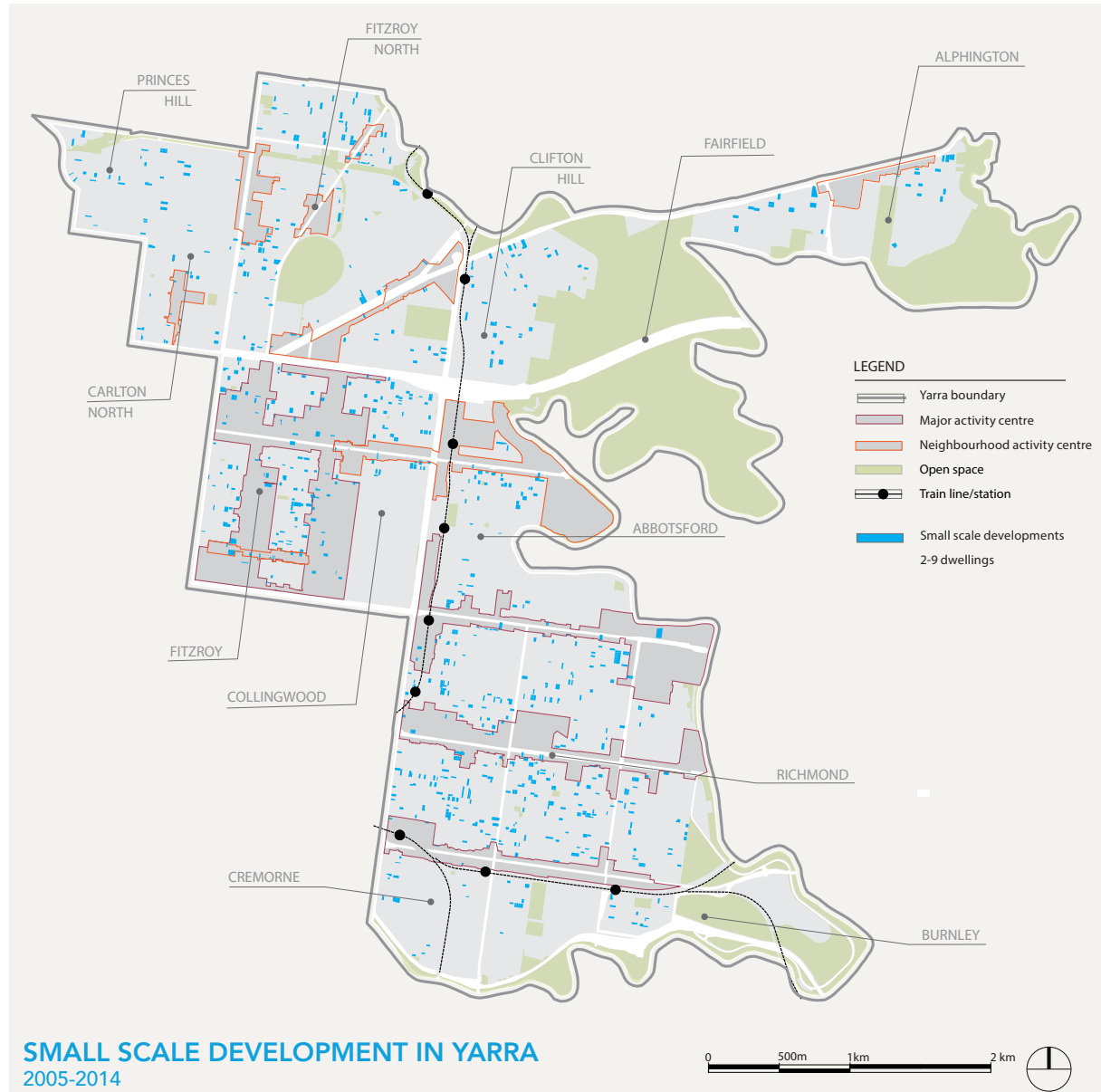
26 Department of Environment, Land, Water and Planning, 2014 Housing Development Data - Yarra, Melbourne.

Small scale development in residential neighbourhoods (2-9 dwellings)

Housing development in Yarra during this time was predominantly small-scale, comprising of 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 delivered 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 extensions across the municipality; cumulatively changing the housing stock, with most redevelopments and extensions increasing the size of dwellings and bedroom numbers.

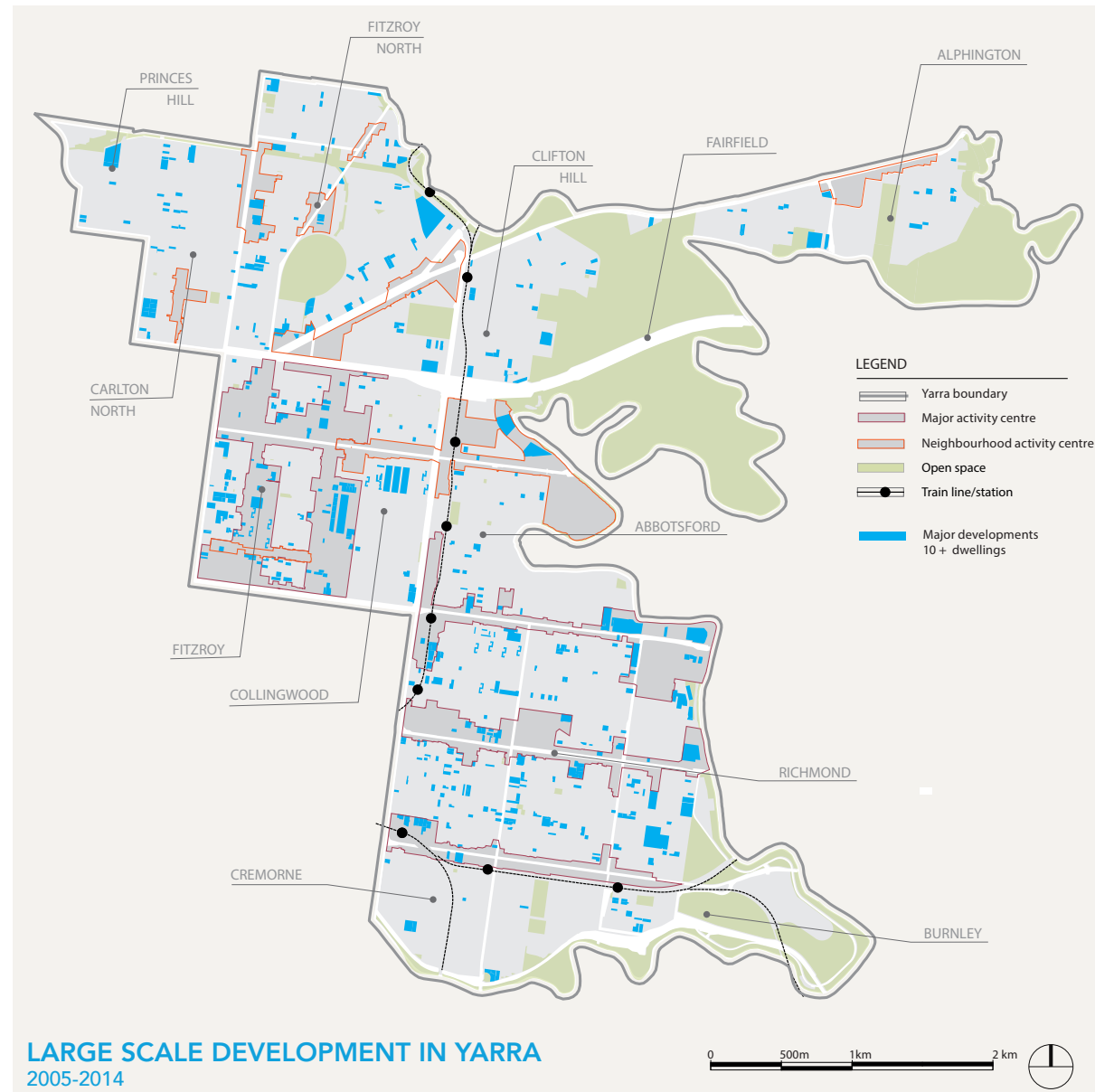
The established residential neighbourhoods of the municipality (including Fitzroy North, Clifton Hill and Alphington) have seen minimal housing development.



Larger developments in activity centres and Strategic Redevelopment Sites

The limited opportunities for substantial growth in Yarra's residential neighbourhoods has resulted in more intensive development in Yarra's major activity centres and former industrial areas, adding new housing near jobs, transport and services. Larger sites are common in these areas. Larger sites tend to be easier to develop and provide a greater level of design flexibility. Residential developments in these areas have typically taken the form of mid-rise (5-14 storeys) apartment buildings, with lower levels of mixed use development.

While more intensive development occurred in all of the major activity centres, the greatest levels of redevelopment occurred along the western section of Bridge Road, western end of Swan Street and the eastern end of Victoria Street, with mid-rise buildings up to 12 storeys high.



Development on strategic redevelopment sites in the Yarra Planning Scheme

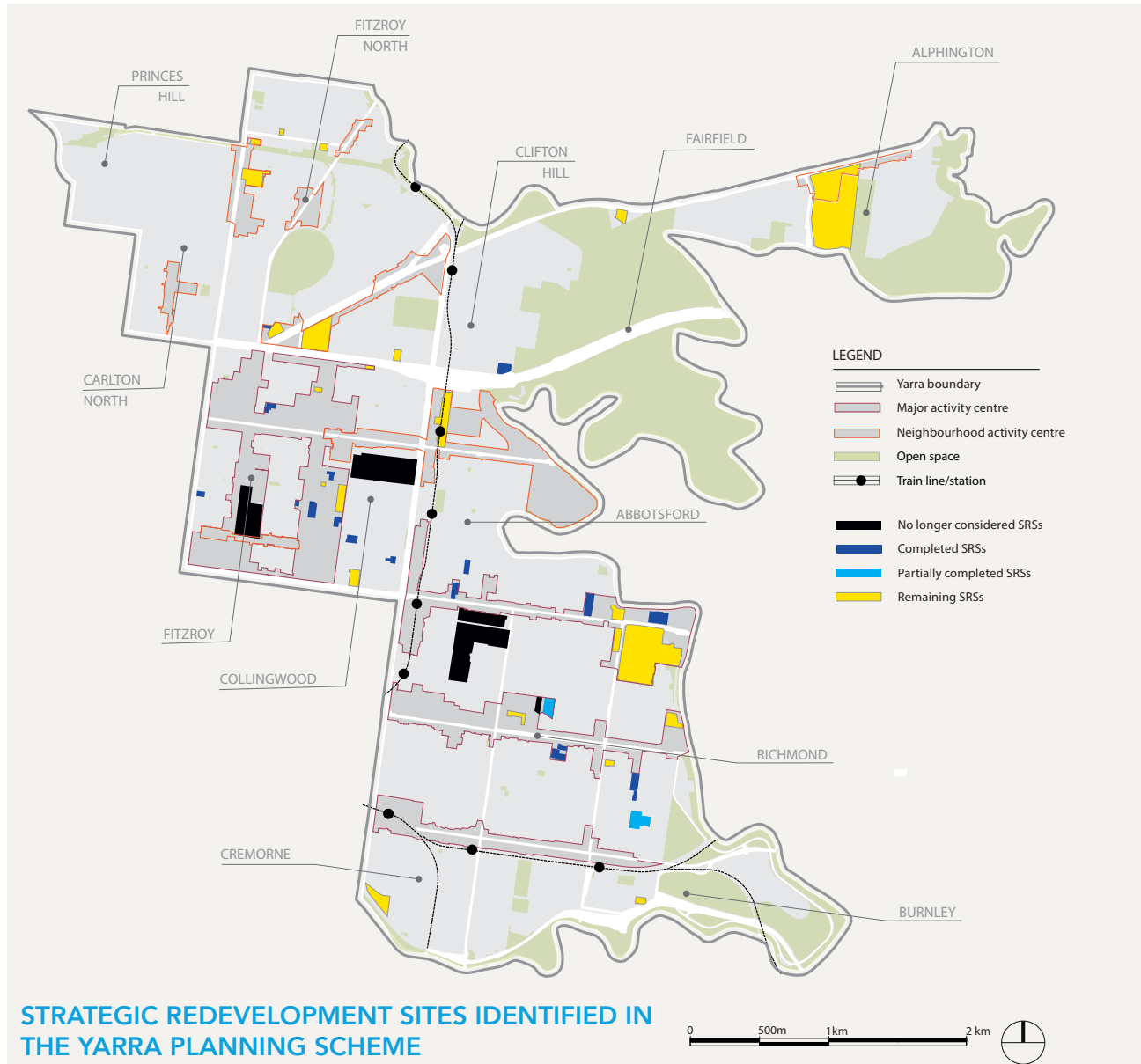
The Yarra Planning Scheme identifies 42 Strategic Redevelopment Sites (SRSs) and, since their introduction in 2009, they have absorbed significant housing growth.

In total the SRSs provided 42.6 ha of land for housing development. The diversity of locations of the SRSs 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 dwellings, followed by Collingwood with 742 dwellings and Richmond with 326 dwellings.

Just under 70% of the sites identified as SRSs have either been fully developed or are under active consideration by Council. This is a significant take-up rate since the policy was introduced. These sites accounted for a large amount of residential growth in line with planning scheme strategies. The remaining 13 sites will make an important contribution to future housing supply in Yarra.

The following sites will be excluded from future calculations of housing growth as they are no longer considered SRSs: the Griffiths Street site in Richmond (now under construction for Richmond High School); and the housing estates in Richmond, Collingwood and Fitzroy.







Implications for the Yarra 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;
- Sustained demand for inner city living and working; and
- Broader 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 new residential zones implemented to protect residential neighbourhoods and heritage areas in Yarra.

Established residential neighbourhoods shouldn't be relied on to contribute substantially to housing growth in Yarra, although some small-scale development will add to Yarra's housing supply over the next 15 years.

The trend of major residential developments in activity centres and on SRSs is set to continue with a high volume of planned developments already in the pipeline. Additional residential growth in activity centres should be encouraged due to their proximity to the city centre, jobs, schools, public transport, entertainment and services. New housing in these areas provides the opportunity to create a more sustainable and healthy municipality, with walkable neighbourhoods and reduced reliance on private vehicles.

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.