

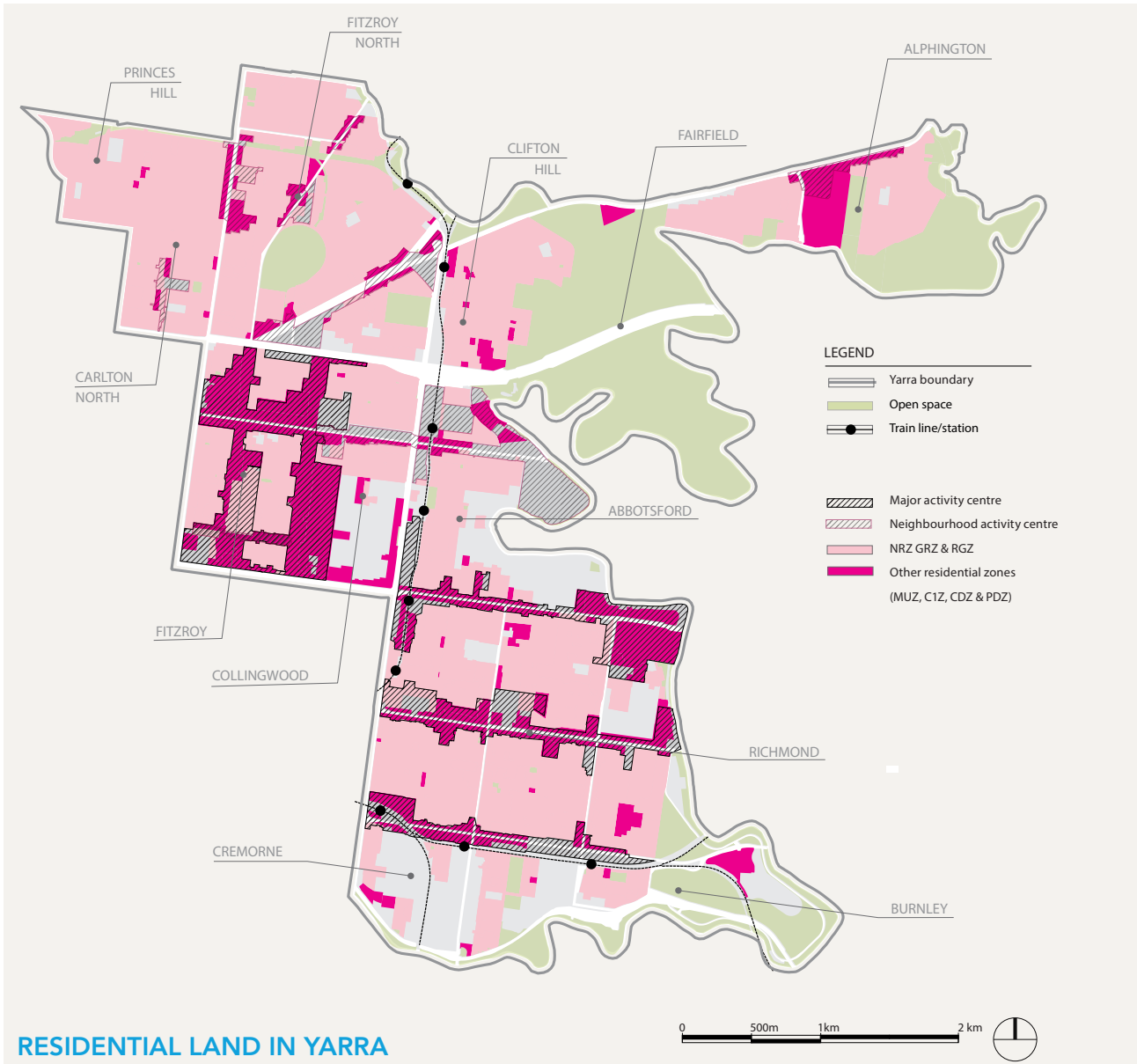
7. PLANNING FOR FUTURE HOUSING GROWTH

We need to identify land for over 13,000 new dwellings in the next 15 years. 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.

Land use in Yarra

Yarra's vibrant neighbourhoods contain a diverse mix of evolving land uses, including residential, retail and entertainment precincts, mixed employment precincts, health and education institutions. 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, regional and 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.





Residential land

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

Over half of Yarra’s residential land is in the NRZ, which incorporates largely low-scale residential neighbourhoods with special and intact neighbourhood character and heritage significance.

These neighbourhoods include Princes Hill, Carlton North, Fitzroy North, Clifton Hill, Fairfield, Alphington and Fitzroy. There are also pockets within Abbotshill, 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, it is expected to mainly take the form of extensions and renovations.

Almost a quarter of residential land is in the GRZ. 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 GRZ 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 C1Z, MUZ, CDZ and PDZ. 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 spaces to relax, play, walk and cycle. They also support an abundance of trees, plants, animals and waterways that are essential to the local environment and biodiversity. These areas are not suitable for housing.

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 C1Z is the only employment zone that permits residential uses and is predominantly in activity centres where employment is mainly in retailing and services.

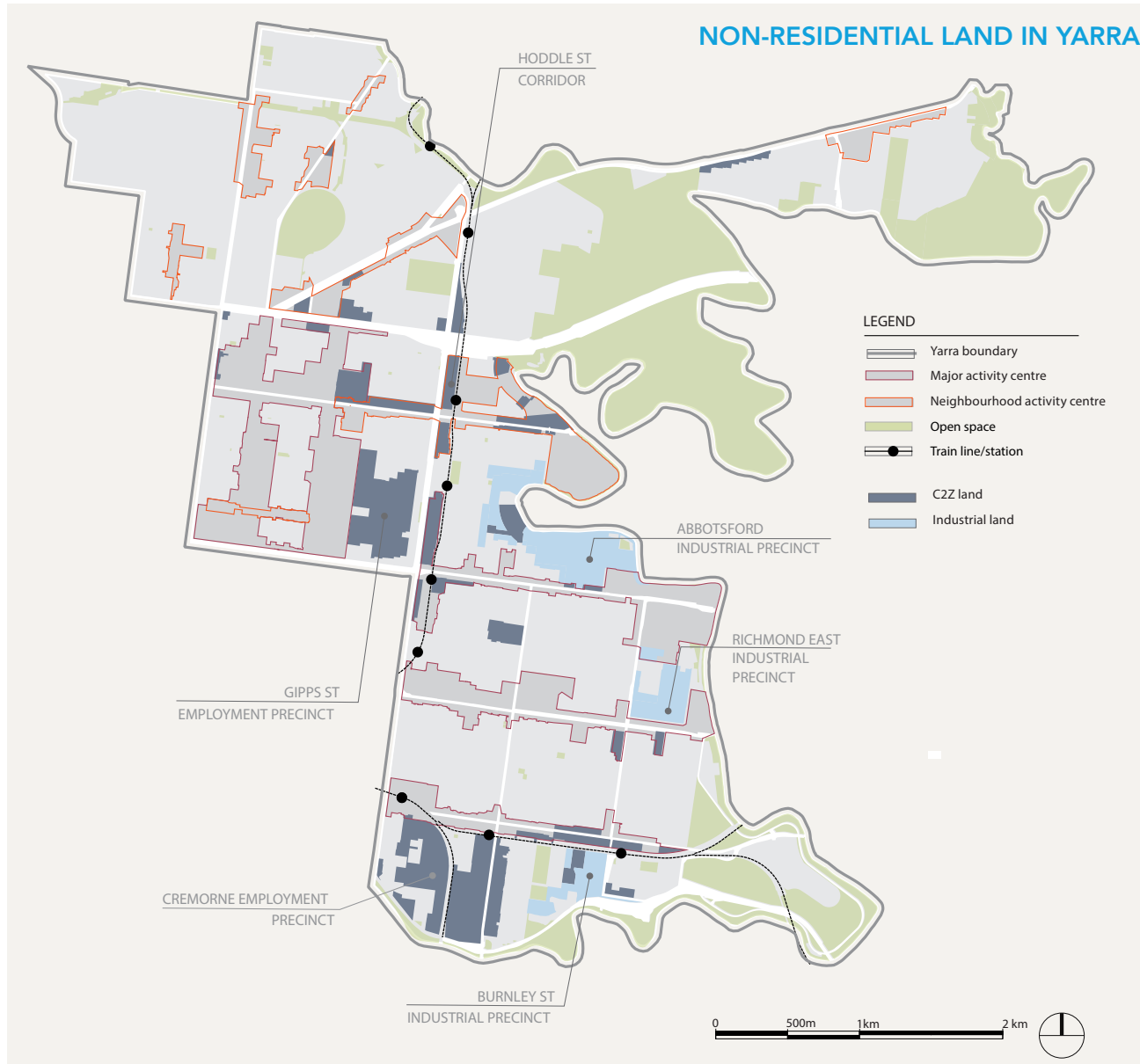
Compared to other councils in the inner metro region, Yarra has a significant amount of Commercial 2 Zone (C2Z) land, which is used for a variety of commercial purposes. Yarra's major employment precincts of Gipps Street/ Easy Street (Collingwood) and Cremorne Street/Church Street south (Cremorne) are within the C2Z. Residential uses are not permitted in these precincts. These precincts are highly sought after as business locations (particularly in the technology and creative sectors) due to their transport connectivity, business synergies and proximity to vibrant activity centres.

Office use is generally considered the highest value use in the C2Z (subject to specific site attributes). Over the past seven years, Yarra has averaged approximately 20,000sqm of office floorspace approved per annum. The current level of office development interest is unprecedented in Yarra.

Yarra's employment precincts are uniquely positioned in the municipality to cater to the needs of contemporary businesses and workers. 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.

Given Yarra is experiencing significant overall economic and employment growth, 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. No further review of employment land for residential potential is proposed in this strategy.





Future residential land supply

From time to time there is a need to revise land use zoning to better reflect the changing needs of the community. This must be supported by sufficient strategic justification and a demonstrated contribution to delivering net community benefit.

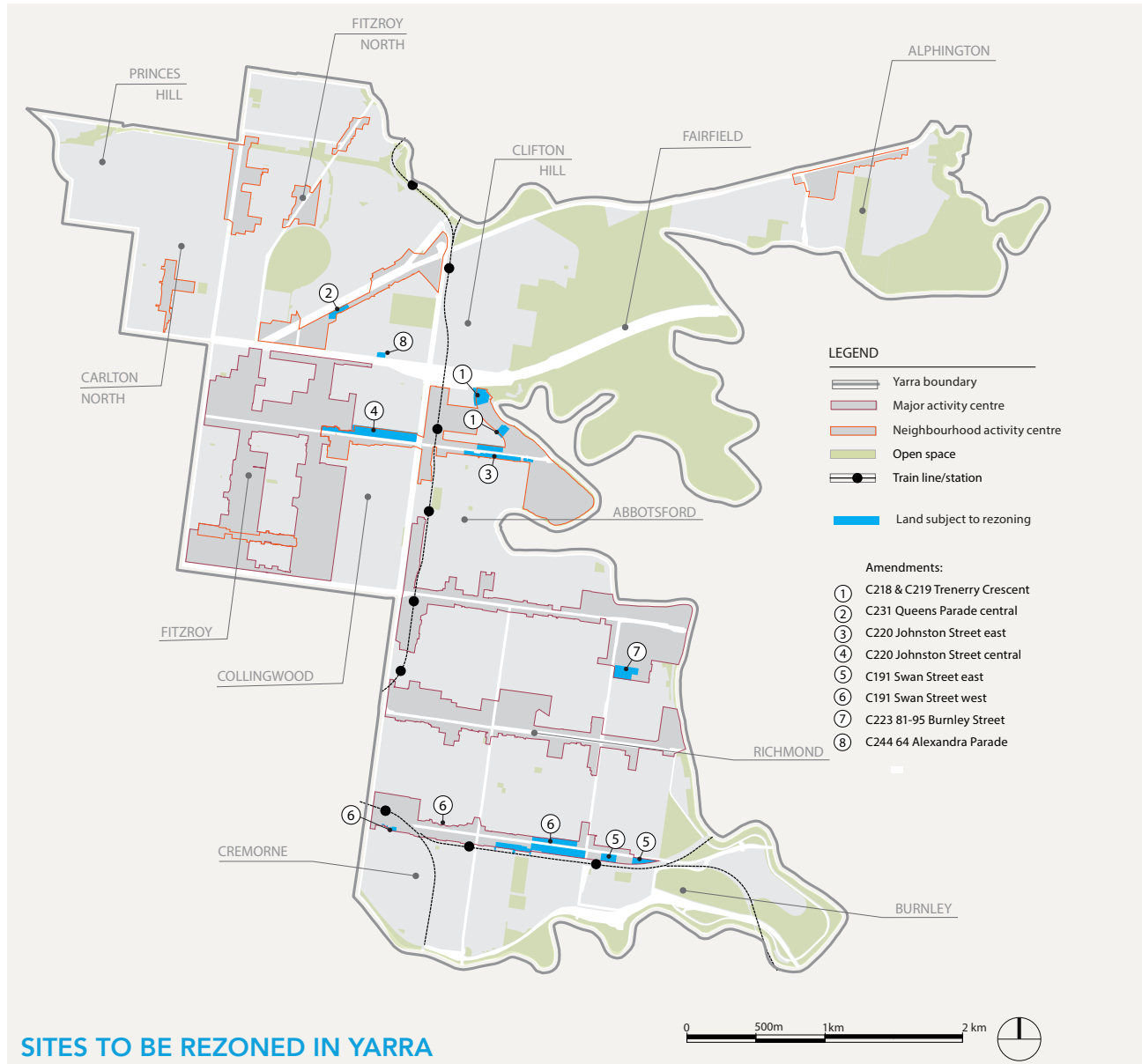
Precincts affected by current strategic land use planning

Council has or is undertaking work to inform the preparation of structure plans, built form frameworks 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 C2Z areas to C1Z (to allow for commercial and residential uses). In addition, site specific strategic work has been undertaken for a number of sites in Fitzroy North, Burnley and Abbotsford to support rezoning the land to allow for commercial and residential uses.

Table 2 identifies the land area to be rezoned. The zone changes are being proposed through individual planning scheme amendments for each area. The proposed rezonings are generally located in Yarra's activity centres and, if approved, would support further commercial and residential development in the centres, consistent with state planning policies.

TABLE 2

AREA TO BE REZONED	TOTAL LAND AREA	PLANNING SCHEME AMENDMENT
Johnston Street central	31,840 m ²	Amendment C220
Johnston Street east	17,094 m ²	Amendment C220
Queens Parade central	5,242 m ²	Amendment C231
Swan Street east	41,410 m ²	Amendment C185
Swan Street west	10,682 m ²	Amendment C185
81-95 Burnley Street	13,000 m ²	Amendment C223
Trenerry Crescent	13,582 m ²	Amendments C218 & C219
64 Alexandra Parade	3,000 m ²	Amendment C244
Total	135,850 m² (13.58 ha)	



Future investigation areas

Yarra has a substantial amount (805 ha) of land zoned for residential use. To accommodate the additional 13,341 dwellings required by 2031²⁷, Yarra does not need to rezone employment land (apart from zoning proposals already approved or proposed by Council) at this time to provide additional housing supply. An analysis of Yarra's capacity for future residential growth is discussed further in section 8 of this strategy.

The Yarra Spatial Economic and Employment Strategy (SEES) recommends that the majority of C2Z land in Yarra is retained, unless and until future strategic planning work supports change.

The C2Z areas adjacent to the industrial precincts at Abbotsford (Victoria Crescent/Carlton United Breweries), Richmond East (Palmer Street) and Burnley South, and C2Z land at Church Street North provide the following functions:

- Supports established business areas and serve a useful economic and employment function;
- Contributes to the economic diversity of the Yarra economy; and
- Offers locations for different land uses and businesses.

These areas are part of broader employment precincts of sufficient size and importance that further strategic planning investigations are required to determine if alternative land uses, economic activities and built form outcomes are appropriate. All future rezoning of employment land will be informed by the SEES.

²⁷ Department of Environment, Land, Water and Planning, 2015, *Victoria in Future 2016: Population and Household Projections to 2051*, Melbourne





Implications for the Yarra 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 NRZ and GRZ, which do not allow for significant residential growth and should not be expected to contribute substantially to future housing growth.

Smaller scale infill development and residential extensions are likely to continue in these areas. Yarra's 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 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 vary depending on a site's context and suitability to accommodate housing growth.

Directions for guiding future residential growth in these areas will be informed by the detailed heritage reviews and built form frameworks being undertaken for Yarra's activity centres and will provide guidance on the levels of growth appropriate in each precinct.

Planned developments 2017

Yarra has a strong housing supply pipeline. The Victorian Government's *Urban Development Program: Metropolitan Melbourne Redevelopment 2017* (UDP2017)²⁸ identifies 145 planned major residential development projects (10+ dwellings), which propose to deliver 12,192 dwellings in Yarra in the longer term (VIF2016 forecasts that by 2031 Yarra will need an additional 13,341 dwellings). 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.

Less than 10% of planned major residential developments are proposed in Yarra's residential neighbourhoods. This supports the community's 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 located 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 places, lot sizes and the rate of land transformation that has already occurred.

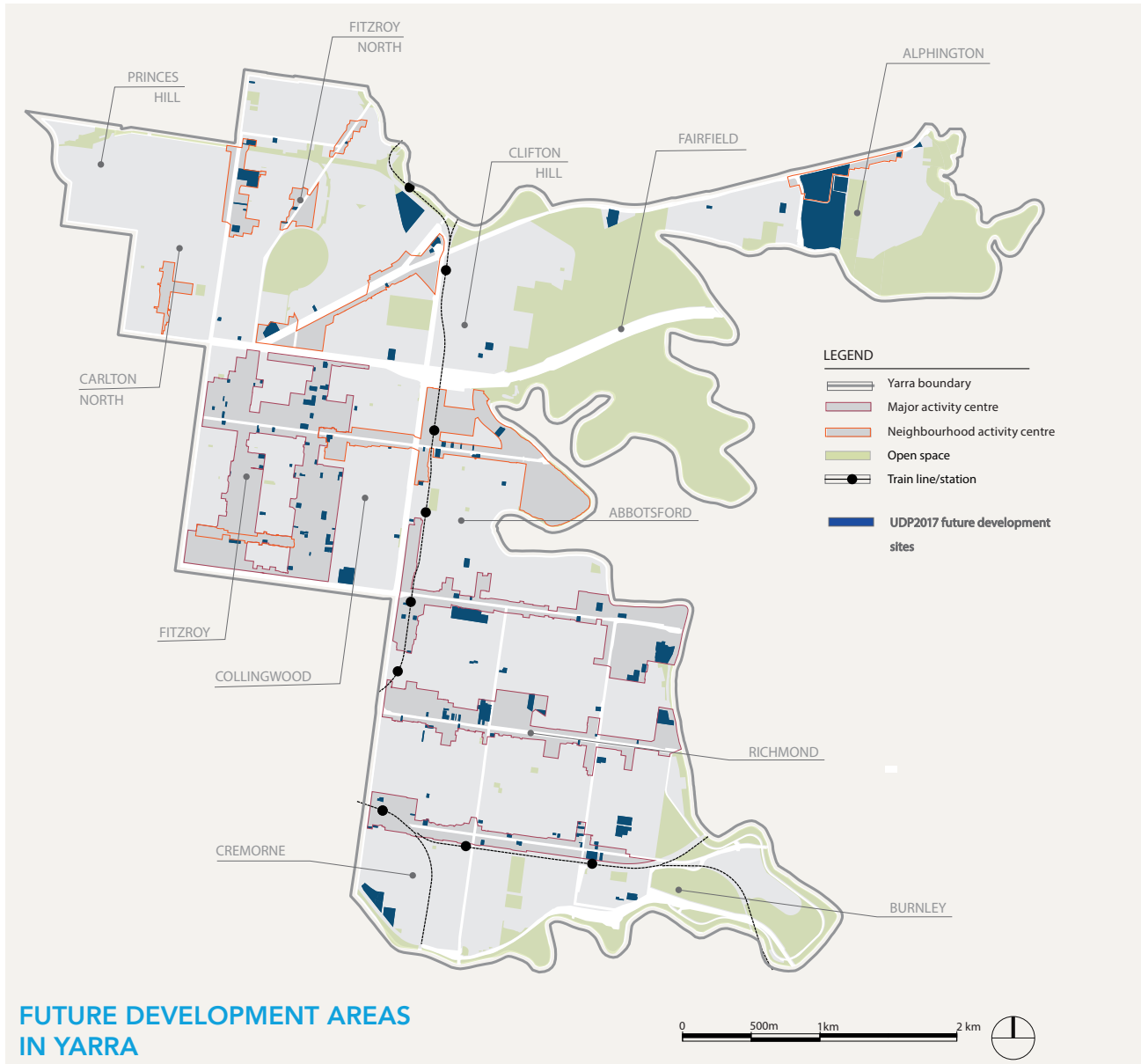
The majority of planned projects (83%) are developments with less than 100 dwellings. The remaining projects range in size as follows:

- 12 projects of between 100-200 dwellings;
- 12 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 UDP2017 represents a potential supply pipeline of residential redevelopment. The timing for the development of 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 5 years for all proposed developments to be realised (if they do proceed to construction at all).



²⁸ Department of Environment, Land, Water and Planning, 2017, *Urban Development Program: Metropolitan Melbourne Redevelopment 2017*, Melbourne.



Planned housing growth by neighbourhood

The distribution of housing growth is focussed in Alphington/Fairfield, Richmond, Collingwood, Cremorne/Burnley and Abbotsford. These suburbs will account for approximately 80% of the total planned dwellings and could deliver over 9,000 dwellings in the next 15 years. Carlton North/Princes Hill and Clifton Hill have very limited growth projections for developments.

How do Yarra's planned developments compare to other inner city areas?

The UDP2017 identifies that the inner metro region (Cities of Melbourne, Port Phillip and Yarra), will account for 42% of the dwelling supply for metropolitan Melbourne.

Yarra's planned major residential redevelopments of 12,192 dwellings will contribute 5% of metropolitan Melbourne's total planned development of 234,113 dwellings. The City of Melbourne's developments will contribute the largest share, with 248 planned developments providing 29% of metropolitan Melbourne's dwelling supply. By comparison the City of Port Phillip will contribute 8%.



Implications for the Yarra Housing Strategy

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 the short to longer term (0-15 years), future housing supply in Yarra is anticipated to be provided from the following sources:

- The remaining 13 SRSs;
- The 10 year pipeline of planned major residential developments identified in the Victorian Government's UDP17;
- Development sites within activity centres and mixed use precincts that have been identified as suitable for future residential growth; and
- Minimal and incremental development in established residential areas.

