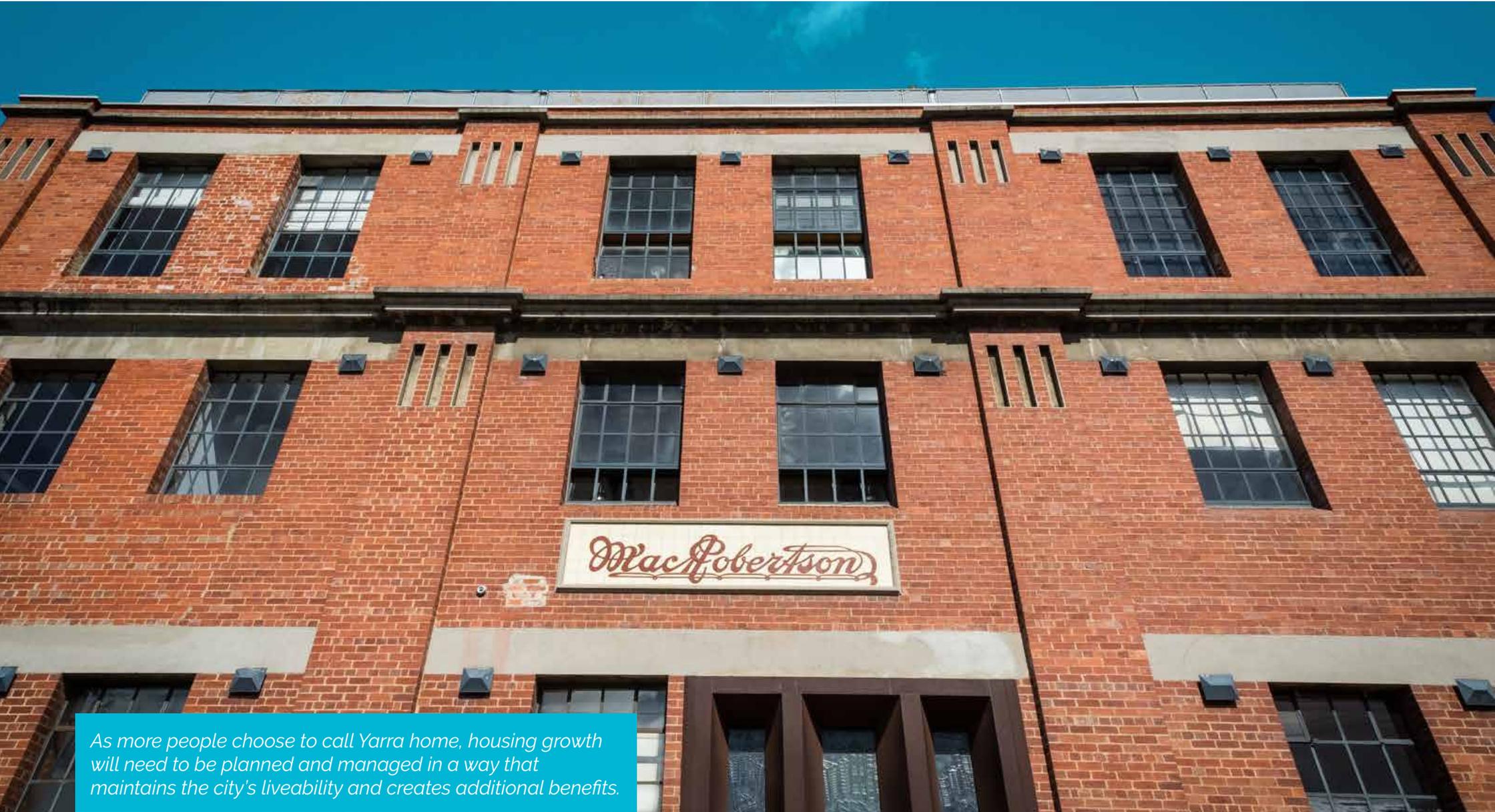


*Providing certainty around the locations and nature of housing change expected within the City of Yarra over the next 15 years.*



Adopted 4 September 2018



*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.*

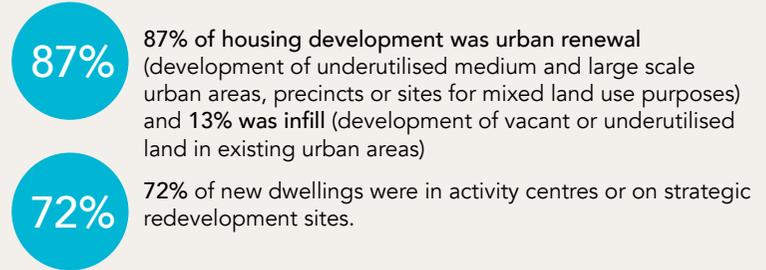
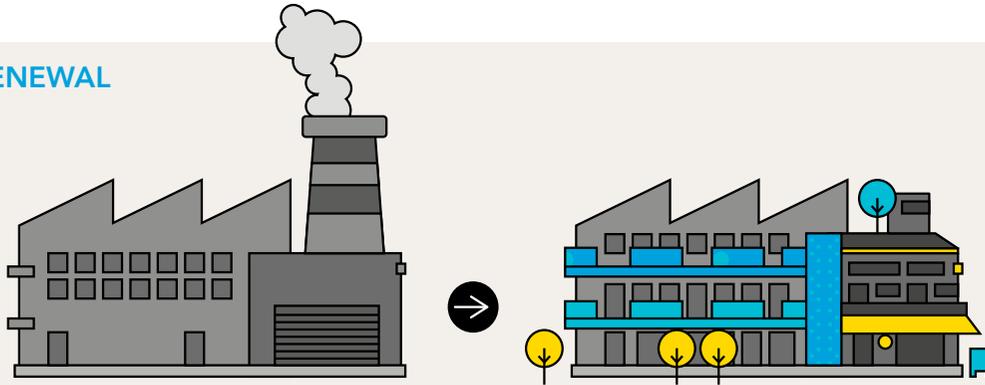
# CONTENTS

<b>Quick stats</b>	<b>4</b>	<b>4. A profile of housing in Yarra</b>	<b>32</b>
Key housing trends in Yarra 2005-2014	4	Historical development	32
Yarra today	5	Yarra community profile	34
Yarra 2031	6	<b>5. What are we planning for?</b>	<b>41</b>
<b>1. Introduction</b>	<b>7</b>	Population and household projections	41
Why prepare a housing strategy?	7	<b>6. Housing trends in Yarra</b>	<b>43</b>
What is the purpose of the housing strategy?	7	Increased residential development	43
How will the directions of the Yarra Housing Strategy be implemented?	7	Location of housing growth in Yarra 2005-2014	45
How has the community been consulted?	8	<b>7. Planning for future housing growth</b>	<b>51</b>
<b>2. What does our community value?</b>	<b>9</b>	Land use in Yarra	51
Community priorities for housing growth and change in Yarra	10	Planned developments 2017	60
<b>3. Policy context</b>	<b>22</b>	<b>8. Housing capacity</b>	<b>64</b>
Metropolitan planning strategy	22	Future housing growth in Yarra's activity centres	64
Planning Policy Framework	24	<b>9. A preferred growth strategy for Yarra</b>	<b>66</b>
Recent planning reforms	26	Strategic directions	67
Council Plan	28	Minimal change areas	70
Inner Melbourne Action Plan	29	Incremental change areas	71
		Moderate change areas	72
		High change areas	73

## QUICK STATS

### Key housing trends in Yarra 2005-2014

#### URBAN RENEWAL



#### 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)

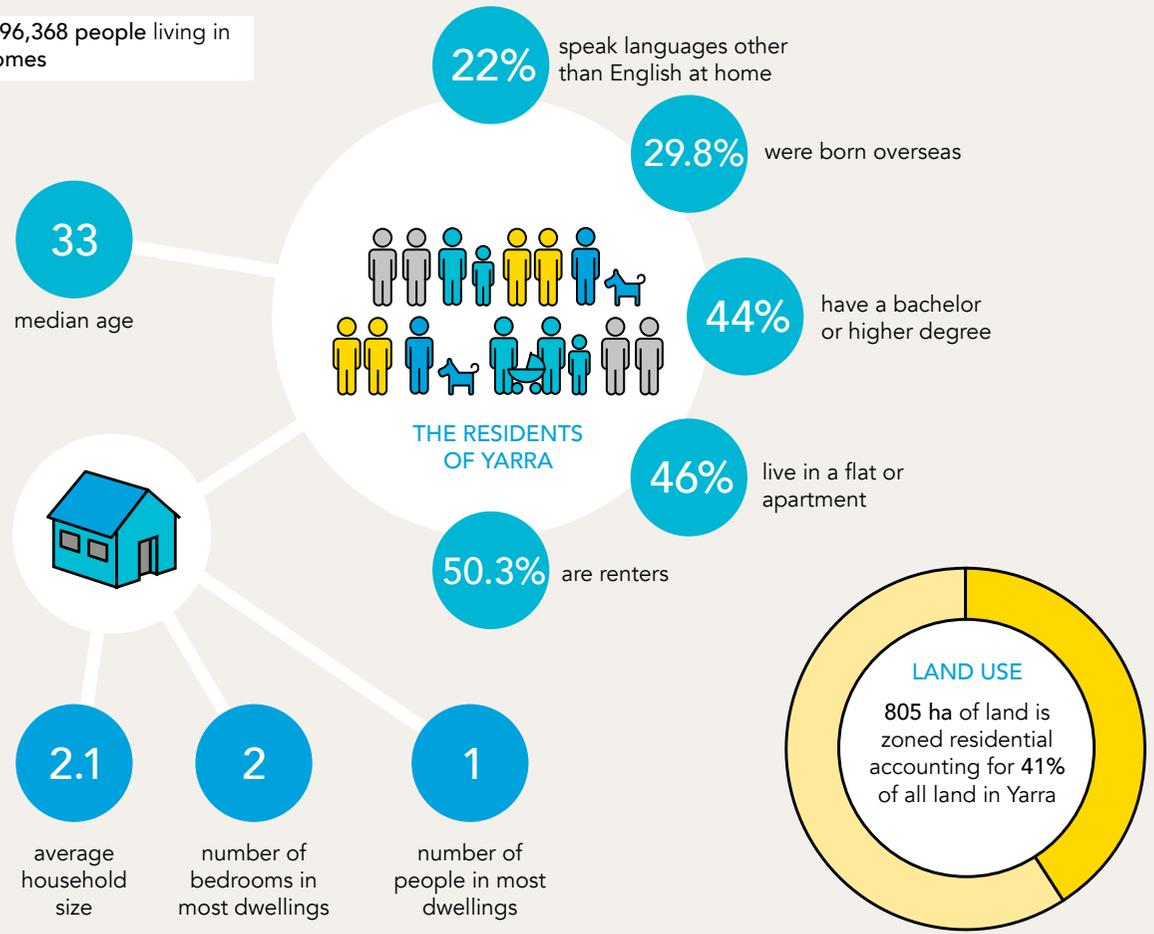
Source: 2005-2014 Housing Development Data.

## Yarra today



### THE NUMBERS

Yarra has 96,368 people living in 44,033 homes



## Yarra 2031

The State Government report, *Victoria in Future 2016: Population and Household Projections to 2051* (VIF2016) indicates there will be 29,412 new residents and 13,431 new dwellings required by 2031.

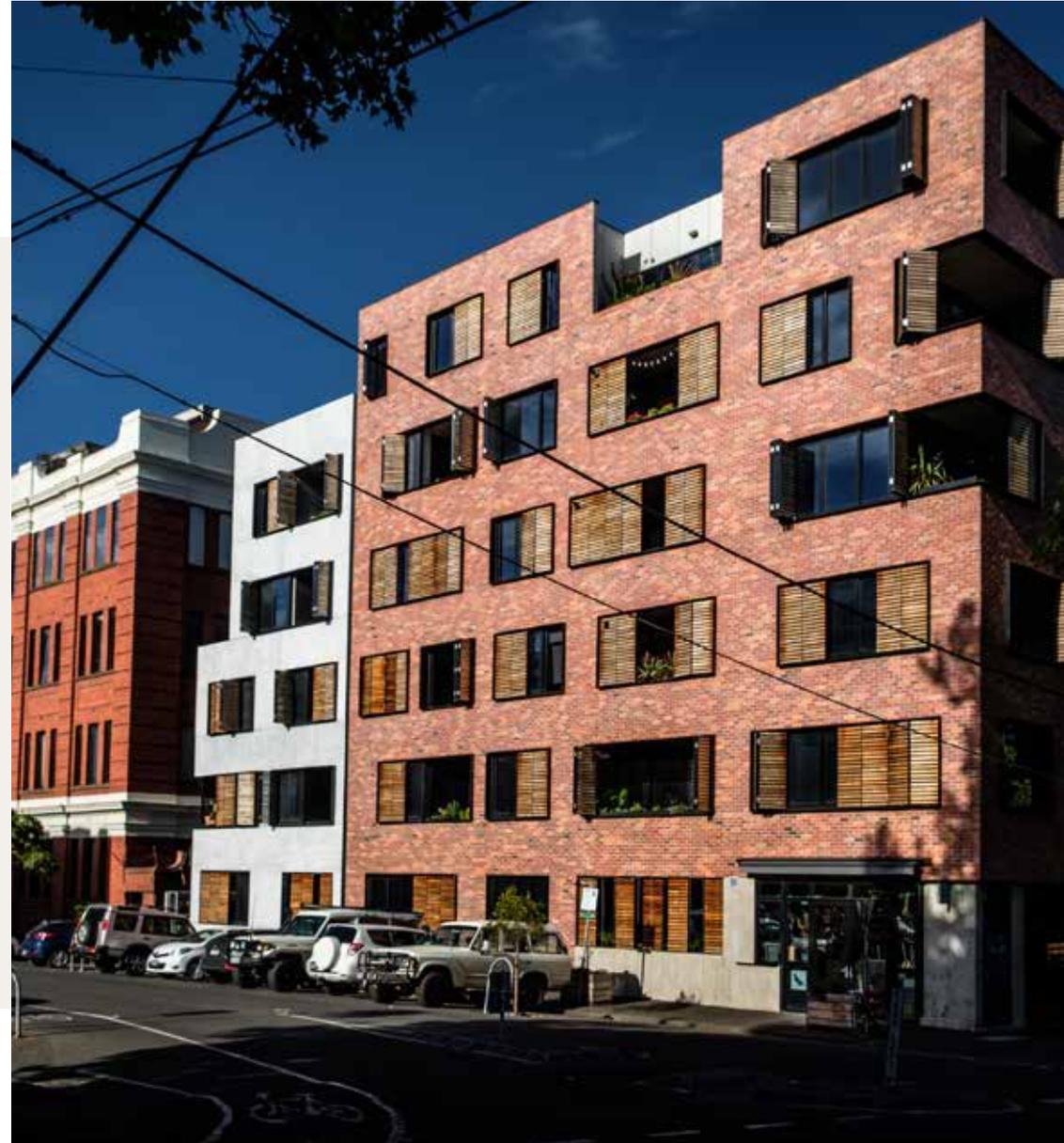
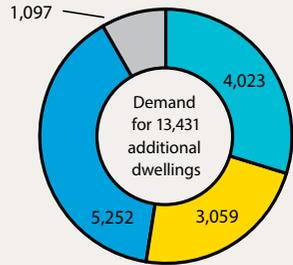
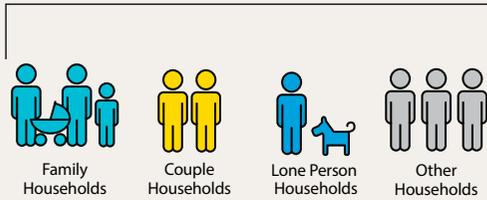
### FORECAST 2016-2031 POPULATION AND HOUSEHOLD PROJECTIONS



Yearly population growth rate of 2%

29,412  
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 its liveability, while creating additional benefits. These benefits include:

- Increased supply of affordable housing;
- Greater choice and diversity of housing; and
- Well designed internal and outdoor communal spaces in new development.

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?

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;

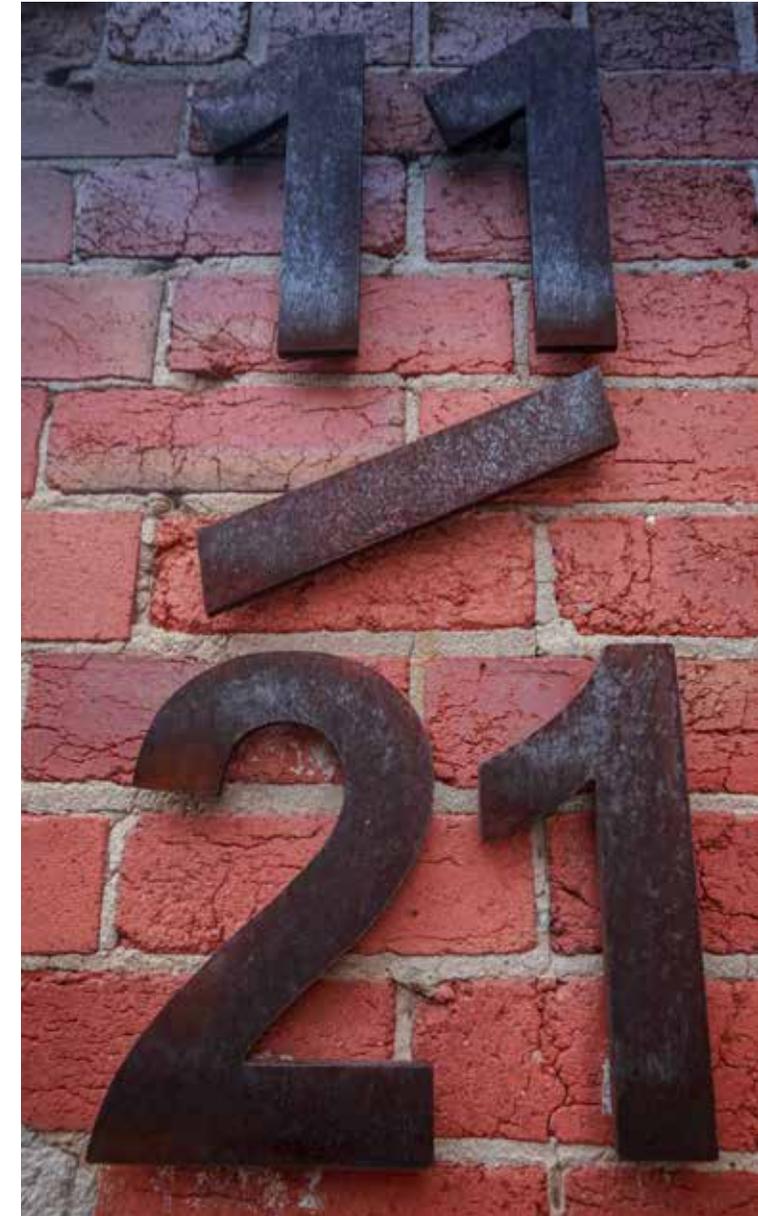
- Identify areas for housing growth and development, consistent with the strategic context and characteristics of Yarra's neighbourhoods;
- Provide a strategic approach to where and how Yarra guides and directs future growth;
- Provide direction on key issues such as housing diversity and adaptability, 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 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 Yarra Housing Strategy be implemented?

The Yarra Housing Strategy will be implemented as:

- A reference document in the Yarra Planning Scheme; and
- Local planning policy in the Yarra Planning Scheme.



## How has the community been consulted?

Council has developed and refined the strategy through extensive community consultation.

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 Liveable Yarra project included a panel of residents selected to represent the broader Yarra community. The actions and key messages of this panel informed the draft Yarra Housing Strategy.

Consultation on the draft Yarra Housing Strategy was held from 26 March to 30 April 2018 and included:

- Drop in sessions;
- An online survey;
- Articles in *Yarra Life*, a fortnightly e-newsletter;
- Social media posts; and
- News items on Yarra's website.

The online survey showed a gap in feedback from Yarra's younger population. To provide more insights from this age cohort, a youth workshop was undertaken by Council. The round table discussion included 10 young people, aged between 18-30.

2015

LIVEABLE  
YARRA  
PROJECT

Deliberative engagement process to identify the planning issues in Yarra and to develop actions for how Council should address these issues.

2018

GUIDING  
YARRA'S  
GROWTH

Public consultation on the draft Yarra Housing Strategy and in particular the strategy's four strategic directions.



## 2. WHAT DOES OUR COMMUNITY VALUE?

The Liveable Yarra 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; and
- Proximity and ease of access that living in Yarra affords – for example, to the CBD, the night time activities, 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 action identified by the 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

#### HIGHLY VALUED



Environmentally sensitive and sustainable design for the whole community



More detailed findings can be found in the *Liveable Yarra Engagement Summary Report*, Capire & City of Yarra, October 2015.

## Community priorities 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.

Seven actions in the *Liveable Yarra Engagement Summary Report* (Capire & City of Yarra, October 2015) related to the following issues.

- Heritage;
- Economic development;
- Communal open space;
- Diversity and adaptability;
- Affordable housing;
- Access and movement; and
- Sustainability.

In early 2018, Yarra sought community feedback on the actions. The majority of the respondents believed that the actions were still very important in terms of Yarra meeting future housing needs, reaffirming the findings of the Liveable Yarra panel.

This section provides an overview of how these key issues and actions have been considered in the development of the strategy, and outline where they are being addressed through other projects or policy.

### 2018 COMMUNITY RESPONSES TO: HOW IMPORTANT ARE THE FOLLOWING LIVEABLE YARRA ACTIONS?

Continue to protect existing high value heritage areas across Yarra

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

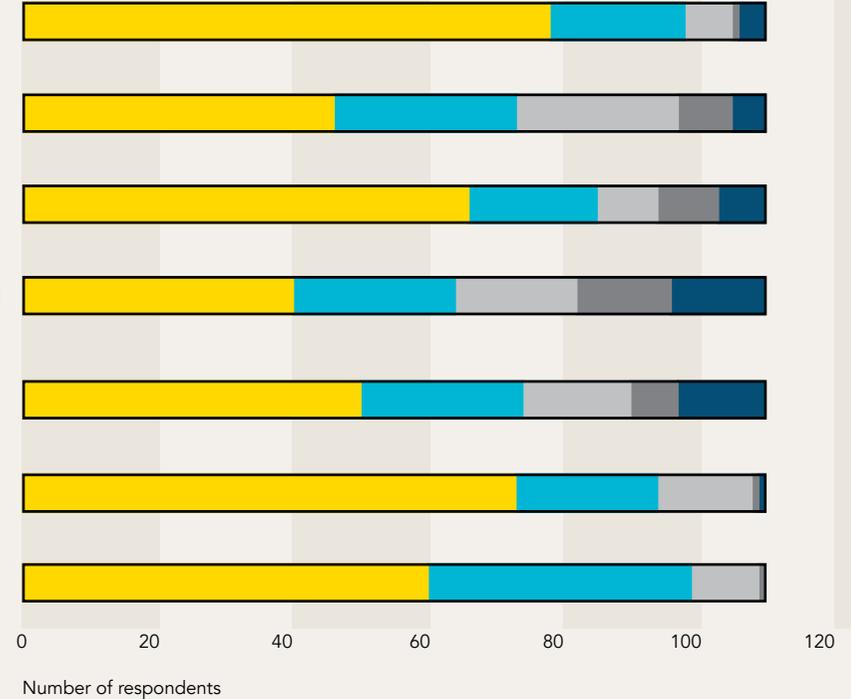
Encourage the provision of communal spaces in housing development

Support the provision of affordable housing, including through co-housing and housing associations

Increase space for pedestrians and bikes, dedicated lanes/corridors.  
Decrease car space on the streets

Encourage housing development with high environmental qualities

Retain land for non-residential uses to support arts, cultural and other employment and economic uses



- 5 - very important
- 4
- 3 - neutral
- 2
- 1 - not important

## Heritage

### *“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 significance. The Heritage Overlay is a tool that requires a planning permit to subdivide land, demolish, build or alter a property that has heritage significance. About two thirds of all properties in Yarra are covered by the Heritage Overlay and, in fact, more properties are covered by the Heritage Overlay in Yarra than in any other municipality in Victoria. The 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. Future growth in these areas will need to be managed to respond to the heritage significance of these centres.

Recognise 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 have been prepared for Swan, Victoria, and Johnston Streets, along with Queens Parade and Bridge Road. The frameworks are 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 opportunities for future housing and employment growth.

This work will form the strategic basis for new site specific built form controls that will guide the scale and form of new development in these activity centres.



*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.*

## Economic development

*“Retain land for non-residential uses to support arts, cultural and other employment and economic uses”*

Yarra hosts a diverse range of industry sectors, with an increasing emphasis on professional services, health care and education, creative industries and a diverse offering of retail and hospitality. It also has a long tradition as a location for arts and culture, with many galleries, artist run spaces and live music venues.

Yarra’s diverse range of businesses are vital to Melbourne’s economy. While Yarra represents just 0.2% of greater Melbourne’s land area, it constitutes 4.3% of Melbourne’s total economic output. Yarra’s economy is well-connected and benefits from an inner-city location with access to transport infrastructure, customers, other businesses and a large workforce. This spatial context is driving economic growth.

The municipality’s employment land is a strategic resource, accommodating a large and diverse range of businesses, and providing employment for an extensive and growing number of workers with a wide range of skills. To ensure there is capacity to grow Yarra’s economy, a Spatial Economic and Employment Strategy (SEES) has been prepared, which provides strategic directions and future opportunities for employment land. The strategy recognises a series of employment areas that accommodate business needs and additional employment to support the growth of the local economy.

Yarra’s employment areas include:

- Major and neighbourhood activity centres;
- Major employment precincts – Cremorne (Church Street) and Gipps Street, Collingwood;
- Commercial and industrial land outside activity centres; and
- Health and education precincts.

Yarra is an attractive location for residential development. If residential development is not managed and planned it can displace existing economic activity. To reduce pressure for ad hoc conversion of employment land, Council proposes to retain the existing zoning in these employment areas, except where residential development on employment land has been identified in strategic work, including structure plans and local area plans. Council recognises the primacy of employment activity above housing in these areas.

Yarra’s activity centres however are appropriate locations for new housing, given their proximity to services, facilities and public transport. Council recognises that there are economic benefits that flow on from additional housing in activity centres, including increased local expenditure, and supporting the generation of new land uses and commercial formats. Separate strategic work - structure plans and local area plans - will identify any rezoning potential.



## Communal open space

### *“Encourage the provision of communal spaces in housing development”*

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

Given apartments will 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.

It is anticipated that families will account for 30% of household growth over the next 15 years<sup>1</sup>. The City of Vancouver’s *High-Density Housing for Families with Children Design Guidelines*<sup>2</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 area.

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 strategy will provide specific directions on how this can be achieved through the planning system.



*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.*

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

## Diversity and adaptability

*"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 (including people with disabilities, older persons and families) helps support social inclusion and will maintain Yarra's vibrant community into the future.

### Planning for student housing

Yarra has four large tertiary institutions within its boundary, including:

- University of Melbourne, Burnley campus;
- Australian Catholic University, Melbourne campus;
- Melbourne Polytechnic, Fairfield and Collingwood campuses; and
- Kangan Institute, Richmond campus.

These institutions cater for a number of students from overseas, interstate and regional Victoria. Some of these students may require purpose built student housing to undertake their studies in Yarra. Student housing has a role in supporting tertiary institutions and their students. It allows students to more easily secure housing close to their place of study and also live with other students. Yarra supports the tertiary institutions and also student housing that has good access (by walking, cycling or public transport) to these institutions.



### Better housing for larger groups, including family and share households

As apartment development in Yarra is expected to increase, there is a need to integrate housing diversity to cater for a wider range of households.

If apartment living is to be adopted by family and share households, the design of high-density housing needs to consider their needs, including sufficient internal space and adequate outdoor space<sup>3</sup>. The participants in the youth workshop noted that there is a lack of suitable share housing options in Yarra. They suggested that having access to large communal open and private spaces are key housing needs for groups of 3-4 people.

The *Auckland Design Manual* includes the following apartment design checklist for larger households<sup>4</sup>:

- Provide a diversity of apartment types and sizes;
- Provide good levels of amenity both inside and outside for larger groups and children;
- Provide a mix of housing tenure including affordable housing; and
- Ground floor apartments should be specifically designed for families with children and people with limited mobility.

Apartment development in Yarra should provide for larger apartments (three or more bedrooms) and for these to be located on the ground floor, particularly around or near communal space. Lower level apartments are considered more accessible for the disabled, the elderly and families with children.

### Planning for an aging 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 a disability).

In Yarra, more older people are living in apartments. The number of people aged 60 and over living in apartments increased from 2,380 people in 2006 to 3,745 people in 2016<sup>5</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. People aged 65 and over are 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. An alternative is for larger homes to support intergenerational living.

Research on downsizing among older Australians revealed that satisfaction with a dwelling is often related to<sup>6</sup>:

- 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.

3 Waltham Forest Council, 2009, *High Density Housing Qualitative Study Presentation of Findings*, Urban Initiatives, London.

4 Auckland Council, 2018, *Auckland Design Manual: Apartment mix and designing for families*, Auckland.

5 Australian Bureau of Statistics, *Census of Population and Housing 2006 and 2016*.

6 Judd, B. et al, 2014, *Downsizing amongst older Australians: AHURI Final Report No.214*, Melbourne.

### Planning for more inclusive housing

The provision of apartments that adopt universal design principles helps support independence and improves a resident's 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 Guidelines*<sup>7</sup> is a benchmark for making housing more accessible and usable for everyone.

The 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.

New state-wide, apartment development planning requirements now require that 50% of dwellings include basic adaptability provisions.



<sup>7</sup> Livable Housing Australia, 2017, *Livable Housing Design Guidelines: Fourth Edition*, Sydney.

<sup>8</sup> Department of Social Services, 2017, *2016–17 Report on the Operation of the Aged Care Act 1997*, Canberra.

### Planning for more residential aged care facilities and retirement villages

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 or retirement village to receive adequate support.

In Yarra, seven residential aged care facilities provide 304 beds and two retirement villages provide 202 apartments. While an additional 501 beds have been recently approved via the planning permit process, Yarra will still have a predicted shortfall of 109 beds by 2025 (Federal Government target based on 80 aged care beds per 1,000 people aged 70 years or over<sup>8</sup>).

Yarra's adopted *River of Life Positive Ageing Strategy and Action Plan 2007-2016* identifies that a person's ability to age in place is determined by the availability of appropriate accommodation. To meet future demand from an aging population, Yarra will require more residential aged care facilities and retirement villages.

The Planning Policy Framework (PPF) recognises that residential aged care facilities are different to dwellings in their purpose and function, and will have a different built form (including height, scale and mass) to other forms of residential development.

Residential aged care facilities in inner Melbourne typically take the form of apartment buildings, given high land values and the industry's standard operating model. Yarra should encourage that this type of development is located in activity centres

that are well serviced by public transport, and accessible to hospitals and other specialist medical facilities.

The existing maximum building height controls in the current suite of residential zones often do not support state planning policy to facilitate aged care development. The Victorian Government is in the process of reforming existing planning controls to support a more streamlined approach to developing residential aged care facilities. The proposed controls will be in the form of a new Particular Provision that has been prepared to provide a focused point of assessment for residential aged facilities in residential areas. The Particular Provision will form part of the Victoria Planning Provisions and be included in every planning scheme across the state, including the Yarra Planning Scheme.

### Emerging housing model - cohousing

Cohousing is an emerging housing model that aims to mix private and shared spaces in a way that meets the need for both privacy and a sense of community and support.

Typical characteristics of cohousing include:

- Future residents are involved in the design process to ensure the building meets their needs;
- Both private and shared spaces, and encourages community interaction;
- Residents are usually actively involved in the governance of the property; and
- Mix of dwelling size and density.

Research<sup>9</sup> on cohousing has found that, for older people in particular, it can provide:

- An affordable home;
- Accessible design;
- Ageing in place and connections to their friends and local community across generations;
- Good access to care (e.g. shared residential carers); and
- Positive social and environmental outcomes.

Cohousing can provide housing that is affordable, accessible and facilitates social interaction. In Yarra, cohousing and its benefits are not well understood by the community and this may limit residents' acceptance of cohousing development. Planning policy support for cohousing can remove some barriers to this type of development.



<sup>9</sup> Institute for Sustainable Futures at the University of Technology Sydney, 2017, *Advancing Cohousing for Seniors*, viewed 24 July 2018, <<https://www.uts.edu.au/research-and-teaching/our-research/institute-sustainable-futures/our-research/social-change-4>>.

## Affordable housing

*“Support provision of affordable housing including through cohousing and housing associations”*

The strong demand to live in Yarra has resulted in rapid house price growth and high land values in the past decade. The high purchase prices in Yarra (the median house price in 2017 was approximately \$1,400,000 with units at \$582,750)<sup>10</sup> mean that many households are unable to purchase property 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.

Currently most of Yarra’s workers (86%), including key workers, live outside the municipality. Key workers, including teachers, fire/emergency workers, nurses, paramedics and police, provide essential services for the community and, due to the nature of their work, often need to live close to their workplace. Research has shown that key workers are increasingly being priced out of inner city areas, such as Yarra<sup>11</sup>, as they typically earn moderate rather than high incomes<sup>12</sup>.

To maintain Yarra’s social and economic diversity, there needs to be more affordable housing (as defined at section 3AA of the *Planning and Environment Act 1987*) in Yarra.

### Planning for more affordable housing

An objective of planning in Victoria is to facilitate the provision of affordable housing.

Within the current legislative framework, local government can provide for more housing for very low, low and moderate income households by:

- Entering into an agreement, under section 173(1A) of the *Planning and Environment Act 1987*, with a land owner for the development or provision of affordable housing;
- Advocating for policy and legislative changes; and
- Facilitating partnerships between developers and affordable housing associations/providers.

With respect to affordable housing (that is not social housing), the exact income ranges of very low, low and moderate income households are specified by the Governor in Council, based on Australian Bureau of Statistics data.

In November 2017, Council adopted the *Policy Guidance Note on Affordable Housing in Significant Redevelopments in Yarra*. The note is one way that Yarra encourages the provision of affordable housing in new developments.

The note 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.

Since adoption of the note, the property sector has become more receptive to providing more than 5% affordable housing at significant redevelopment sites. During public consultation of the draft strategy, many residents also stated that 5% is not a high enough target for affordable housing in Yarra, and that 10-15% would be more appropriate.

Yarra has worked with a number of site owners to provide at least 10% affordable housing. At the former GTV9 site, Richmond, affordable housing will represent at least 10% of the total number of new apartment dwellings. At the former Gasworks site, Fitzroy North a range of dwelling types will cater for a variety of housing needs including the provision of up to 20% affordable housing. Council will continue to seek additional affordable housing for our very low, low and moderate income community.

<sup>10</sup> Department of Environment, Land Water and Planning, 2017, *A Guide to Property Values: Annual data and analysis from Valuer General Victoria 2017*, Melbourne.

<sup>11</sup> MacLennan, D, Ong, R, Wood, G, 2015, *Making connections: housing, productivity and economic development*, AHURI Final Report No. 251, Australian Housing and Urban Research Institute Limited, Melbourne.

<sup>12</sup> Gurrán, N, Phibbs, P, Gilbert C, Zhang, Y. 2018, *Options to improve key worker access to home ownership*, the University of Sydney, Sydney.

This strategy recommends introducing requirements into the Yarra Planning Scheme that seek at least 10% affordable housing when sites are rezoned for residential use, and in significant developments of 50 or more dwellings.

### Emerging affordable housing models

There is currently a focus on strengthening the role of planning in facilitating and delivering affordable housing.

Emerging affordable housing models in Victoria include:

- Shared equity schemes, whereby an eligible purchaser shares the cost of purchasing a home with an equity partner;
- Inclusionary zoning that requires development in a certain zone include affordable housing;
- Utilising surplus government land to deliver additional affordable housing; and
- Specialist companies facilitating collaborative development projects for key workers<sup>13</sup>.

Yarra should continue to advocate for policy and legislative changes that enable councils to secure affordable housing. As the community and the affordable housing sector respond to the issue of affordability, Council needs to be receptive to innovative models that may arise.



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

<sup>13</sup> Gurrán, N, Phibbs, P, Gilbert C, Zhang, Y. 2018, *Options to improve key worker access to home ownership*, the University of Sydney, Sydney.

## 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. 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 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. There is a need to ensure car parking is supplied and managed to promote more sustainable transport modes.

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 congestion in Yarra will require a significant societal shift from private car based travel to more sustainable forms of transport. This cannot be addressed by the strategy alone.





## Sustainability

### *“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, communal open and internal space and responsiveness to local character.

Recent changes to the Yarra Planning Scheme [including the introduction of the Environmentally Sustainable Development (ESD) 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.

The Built Environment Sustainability Scorecard (BESS) is a free assessment tool created by local governments to assist planning permit applicants demonstrate that their development meets best practice sustainability requirements as part of their planning permit application. In Yarra, a large number of applicants are utilising the BESS tool to create environmentally sustainable development reports for both smaller and larger developments.

These ESD planning initiatives 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. This requires dwellings to achieve a minimum NatHERS rating of 5 stars and an average of 6 stars. With these planning provisions in place, no further guidance is required in the strategy to respond to this issue at this time.

### 3. POLICY CONTEXT

This strategy has been prepared within the context of relevant planning strategies and policies, which set the parameters for what can and should be addressed through local strategic policy.

#### Metropolitan planning strategy

##### Plan Melbourne 2017-2050

Promoting urban consolidation has been an important policy direction of metropolitan strategies since the 1980s. The Victorian Government's current metropolitan planning strategy, *Plan Melbourne 2017-2050* (Plan Melbourne)<sup>14</sup> builds upon the core strategies of the former strategy, Melbourne 2030, which encouraged urban consolidation and introduced an urban growth boundary. Plan Melbourne aims to create a city where most of a person's everyday needs are within a 20-minute walk, cycle or local public transport trip.

Key directions in Plan Melbourne relating to housing include:

- Deliver more housing closer to jobs and public transport;
- Manage the supply of new housing in the right locations to meet population growth and create a sustainable city;
- Increase the supply of social and affordable housing; and
- Provide greater choice and diversity of housing.

To manage the supply of housing in Melbourne, it is expected that established areas (including Yarra) will accommodate a greater share of housing growth. Plan Melbourne provides an aspirational outlook of 70% of new housing being provided within Melbourne's established areas.

It is also expected that new housing will be directed to activity centres and other places that offer good access to jobs, services and public transport.

Plan Melbourne identifies five major activity centres in Yarra:

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

Yarra also has seven designated neighbourhood activity centres; including:

- Johnston Street, Collingwood/Abbotsford;
- Queens Parade, North Fitzroy/Clifton Hill;
- Gertrude Street, Fitzroy;
- Heidelberg Road, Alphington;
- Nicholson Village, North Fitzroy/Clifton Hill;
- Rathdowne Village, Carlton North; and
- North Fitzroy Village (St Georges Road), North Fitzroy.

#### Regional housing context

Plan Melbourne includes 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>15</sup>. It forecasts the region to grow to 495,000 by 2031, and to 695,000 by 2051.

An initiative of Plan Melbourne is to focus investment and growth to 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 ha of land expected to accommodate 80,000 residents by 2025. Docklands is a 146 ha precinct 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 as a major urban renewal precinct (the Flinders Street Station to Richmond Station Corridor).

One of the key short-term activities of Plan Melbourne is the preparation of metropolitan regional housing plans by the regional metropolitan groups. This strategy will provide important information to inform the content of the inner metro regional housing plan.

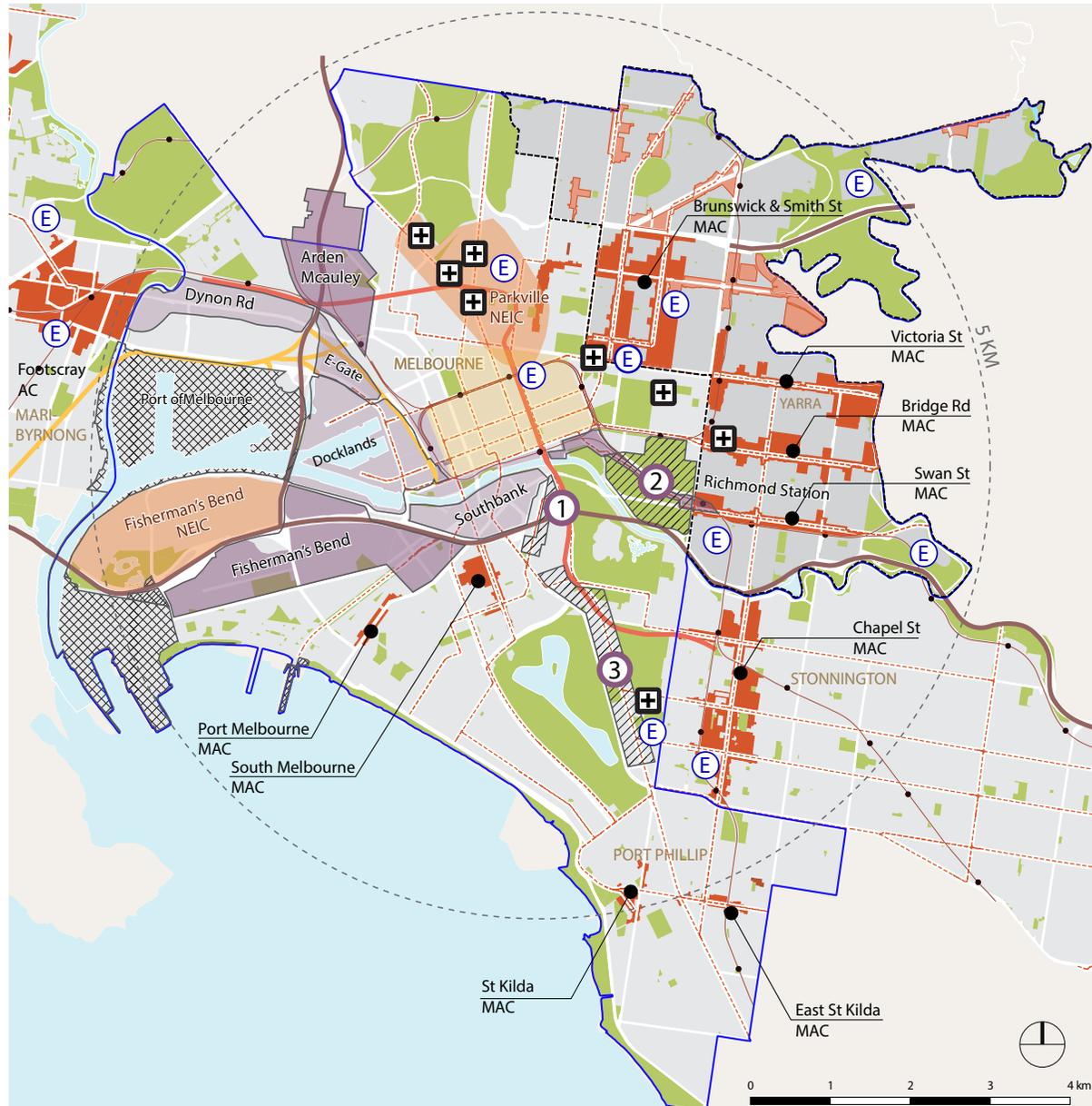
<sup>14</sup> Department of Environment, Land Water and Planning 2017, *Plan Melbourne 2017-2050*, Melbourne.

<sup>15</sup> Department of Environment, Land Water and Planning 2017, *Plan Melbourne 2017-2050, Five-Year Implementation Plan*, Melbourne.

### INNER MELBOURNE

LEGEND

<b>Features</b>		<b>Administration</b>	
	Tram route		Plan Melbourne 2017-2050 inner metro region
	Rail line		City of Yarra local government area
	Train stations		Inner Melbourne Action Plan (IMAP) area
	Freeways	<b>Activity centres</b>	
	Waterways		Melbourne central business district
	Open space		Major activity centres
	Health facility		Neighbourhood activity centres (Yarra only)
	Education facility	<b>Plan Melbourne 2017-2050 precincts</b>	
	Key precincts		Priority urban renewal precinct
	Arts precinct		Other urban renewal precinct
	Sports precinct		Port of Melbourne precinct
	St Kilda Road precinct		National employment & innovation cluster





## Planning Policy Framework

The Planning Policy Framework (PPF) is the policy content of the planning scheme. The PPF structure provides for three tiers of integrated planning policy, grouping state, regional and local planning policy by theme.

### State Planning Policy

#### Statewide

Statewide policies provide direction on planning and managing residential growth in Victoria.

Key housing directions for all Victorian councils are:

- Provide for housing diversity, and ensure the efficient provision of supporting infrastructure;
- Ensure the long term sustainability of new housing, including access to services, walkability to activity centres, public transport, schools and open space;
- Include the provision of land for affordable housing;
- Increase the supply of housing in existing urban areas by facilitating increased housing yield in appropriate locations, including under-utilised urban land;
- Ensure that an appropriate quantity, quality and type of housing is provided, including aged care facilities and other housing suitable for older people, supported accommodation for people with disability, rooming houses, student accommodation and social housing;

- Facilitate the delivery of high quality 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 VIF2016 projections; and
- Conserve places that have identified heritage significance.

### Regional

Regional policies provide planning guidance to councils within the same regional context. Yarra is grouped under the metropolitan Melbourne region.

The relevant housing strategies for metropolitan Melbourne councils are:

- Allow for a range of minimal, incremental and high change residential areas that balance the need to protect valued areas with the need to ensure choice and growth in housing;
- Create mixed-use neighbourhoods at varying densities that offer more choice in housing;
- Identify areas that offer opportunities for more medium and high density housing near employment and transport in Metropolitan Melbourne;
- Facilitate increased housing in established areas to create a city of 20 minute neighbourhoods close to existing services, jobs and public transport; and
- Create mixed-use neighbourhoods at varying densities that offer more choice in housing.

This strategy will undertake the necessary strategic work to identify and categorise areas in Yarra that can accommodate more medium and high density housing growth (near employment and transport in metropolitan Melbourne), which will provide more certainty to the community about where growth can and can't be accommodated within Yarra.

### Local Planning Policy

The Municipal Strategic Statement (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 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.

The MSS lists three key housing objectives:

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

The Yarra Planning Scheme relies upon 42 designated Strategic Redevelopment Sites (SRSs) 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, however, challenges with directing housing growth to designated SRSs. Yarra's list of SRSs in the MSS is not exhaustive and there are other sites in Yarra that can be considered to be appropriate locations for higher density housing development. The overall development pattern of Yarra also shows that a substantial proportion of development has occurred in Yarra's activity centres.

The new local planning policy, relating to housing, will reflect the key directions of the strategy and will provide:

- Current population and housing forecasts;
- Clear direction and guidance on the appropriate locations for growth;
- A growth strategy that takes a holistic approach to housing growth beyond directing housing growth to designated SRSs;
- Certainty about the levels of growth in neighbourhoods and activity centres; and
- Direction on key issues such as housing diversity and adaptability, affordable housing and family friendly apartments.

## Recent planning reforms

There have been extensive planning reforms over the last few years in Victoria to provide greater flexibility and housing growth opportunities in activity centres (directing housing growth away from established residential areas) and to improve residential amenity and sustainability of apartment developments.

### Residential design codes and guidelines

While metropolitan planning policy has supported urban consolidation since the latter part of the 20<sup>th</sup> century, initiatives such as the *Good Design Guide for Medium Density Housing* (GDGMDH)<sup>16</sup> have been unpopular with the community as they allowed 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 storm-water 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 and internal space should be provided in the Yarra Planning Scheme. The strategy's key directions seek to address this in a manner that is complementary to the provisions in the Yarra Planning Scheme.

### Planning 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 significance 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. The amendment applied:

- The Neighbourhood Residential Zone (NRZ) to areas within the Heritage Overlay, areas outside 400m of public transport pedestrian catchments and the Yarra River Corridor; and
- 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 NRZ and GRZ 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 NRZ 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 in March 2017.

<sup>16</sup> Department of Planning and Development, 1995, the *Good Design Guide for Medium Density Housing*, Melbourne.

The reforms 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:

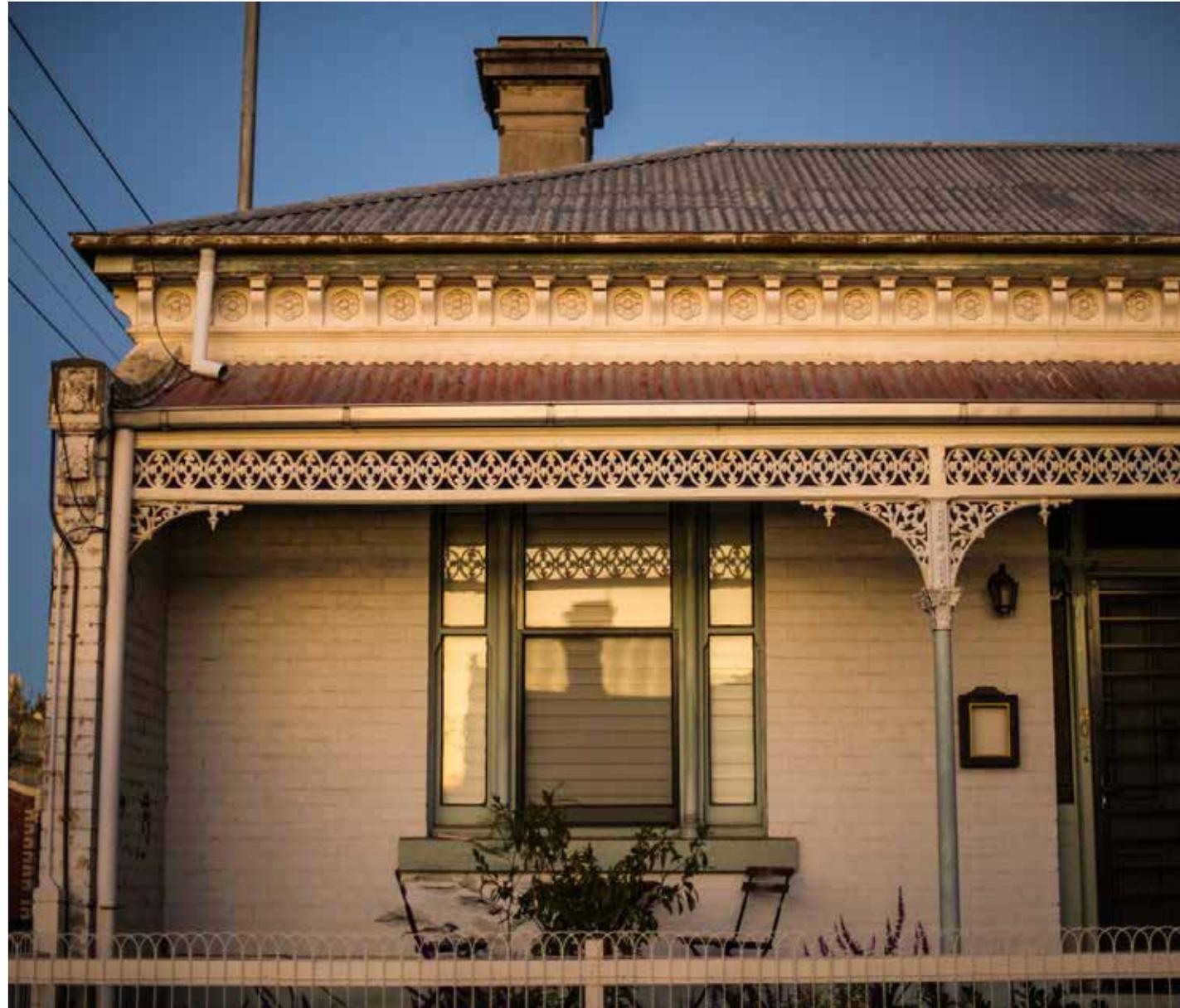
- Allowing councils to define neighbourhood character and design objectives;
- Removing the maximum number of dwellings on a lot in the NRZ;
- Mandatory building heights in the NRZ (9m and 2 storeys) and the GRZ (11m and 3 storeys) – Councils can set alternative height limits but they must be higher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





## 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 strategy will help achieve Yarra’s vision for development to be appropriately managed to maintain the character and heritage of the city.

### COUNCIL PLAN 2017-2021

#### OBJECTIVE



A liveable Yarra:  
Development and growth are managed to maintain and enhance the character and heritage of the city.



#### STRATEGY



Actively plan for Yarra’s projected growth and development and advocate for an increase in social and affordable housing.



#### INITIATIVE



Prepare a Housing Strategy to manage residential growth.



#### INDICATOR



Deliver the Housing Strategy.

## 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.

Given their geographical proximity, the IMAP councils share many similar issues and characteristics including, 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 changes in Yarra and inner Melbourne.

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. The action plan includes five main goals to achieve this:

- **Goal 1:** A globally significant, strong and diverse economy;
- **Goal 2:** A connected transport network that provides real travel choices;
- **Goal 3:** Diverse, vibrant, healthy and inclusive communities;
- **Goal 4:** Distinctive, high quality neighbourhoods and places; and
- **Goal 5:** Leadership in achieving environmental sustainability and climate change adaptation.

Under Goal 3, the relevant housing strategies for inner Melbourne are:

- Create a substantial increase in the supply of affordable housing; and
- Advocate to achieve improved design quality, internal amenity standards, environmental sustainability and diversity of apartments and all new/refurbished homes.



## Implications for the Yarra Housing Strategy

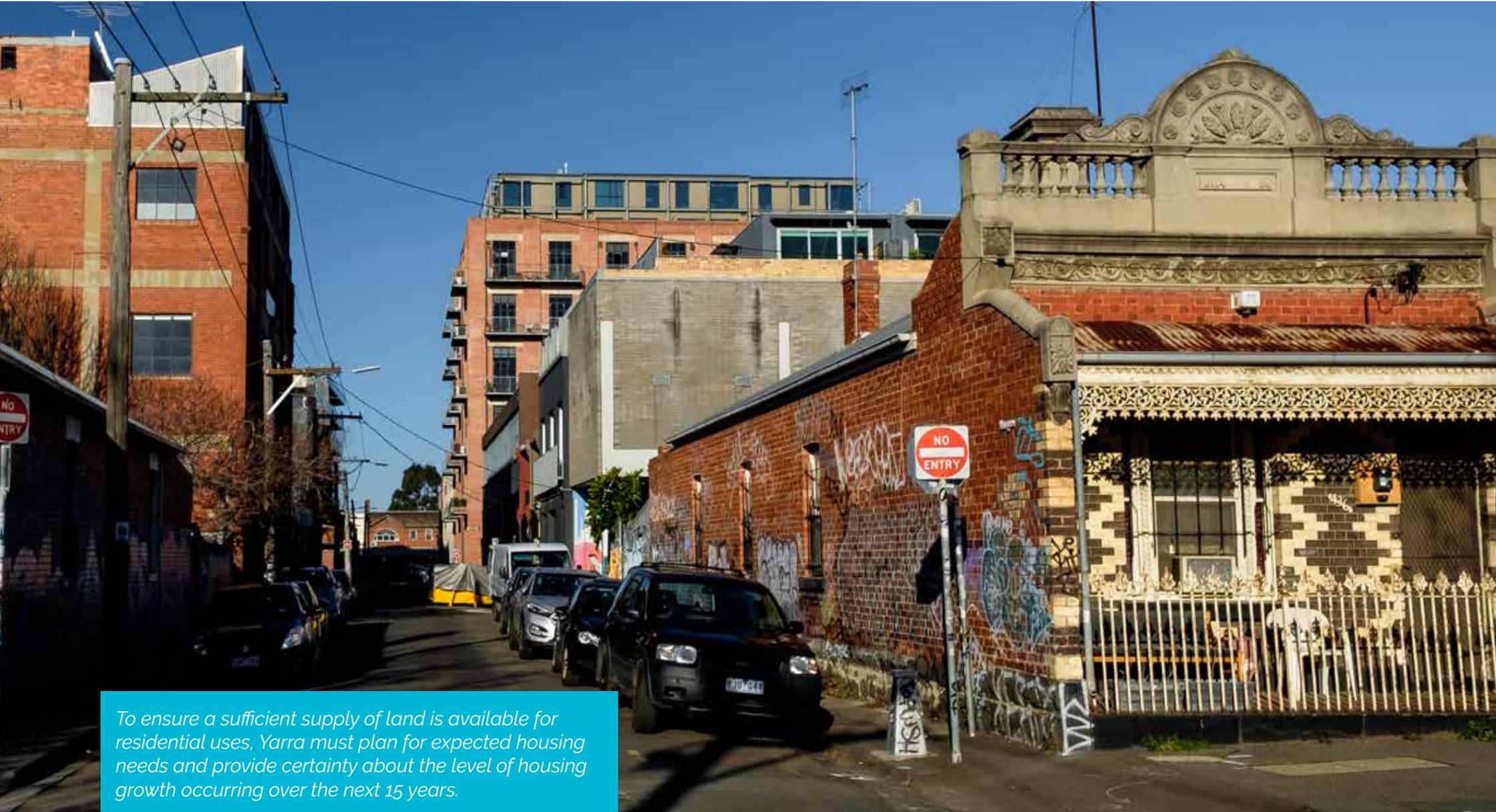
Plan Melbourne and the PPF provide clear support for the urban consolidation of Melbourne, particularly within and close to activity centres and along transport corridors (away from established residential neighbourhoods).

As Melbourne continues to grow, established municipalities such as Yarra will need to accommodate more housing growth. As such, Yarra must plan for expected housing needs and provide certainty about the level of housing growth occurring over the next 15 years. A significant part of this work has already been undertaken through the application of the new residential zones in 2015. This strategy seeks to build upon this significant body of work by defining locations best able to support housing growth in a way that maintains the city's liveability and also creates additional benefits, including:

- Increased supply of affordable housing;
- Greater choice and diversity of housing; and
- Well designed internal and outdoor communal spaces in new development to better cater for family and share households.

Specific directions on the scale and form of development in the residential neighbourhoods are appropriately captured through existing policy and zoning provisions. Structure Plans, local area plans and built form frameworks have also been prepared and will be translated into associated planning controls.



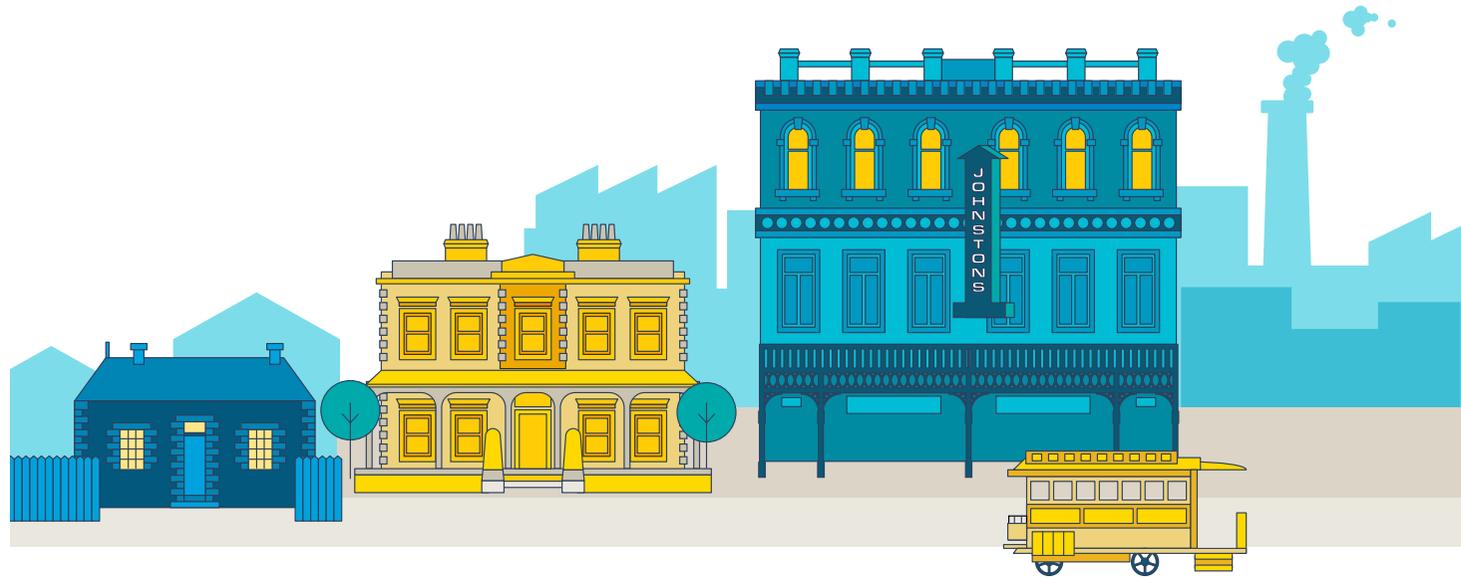


*To ensure a sufficient supply of land is available for residential uses, Yarra must plan for expected housing needs and provide certainty about the level of housing growth occurring over the next 15 years.*

## 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.

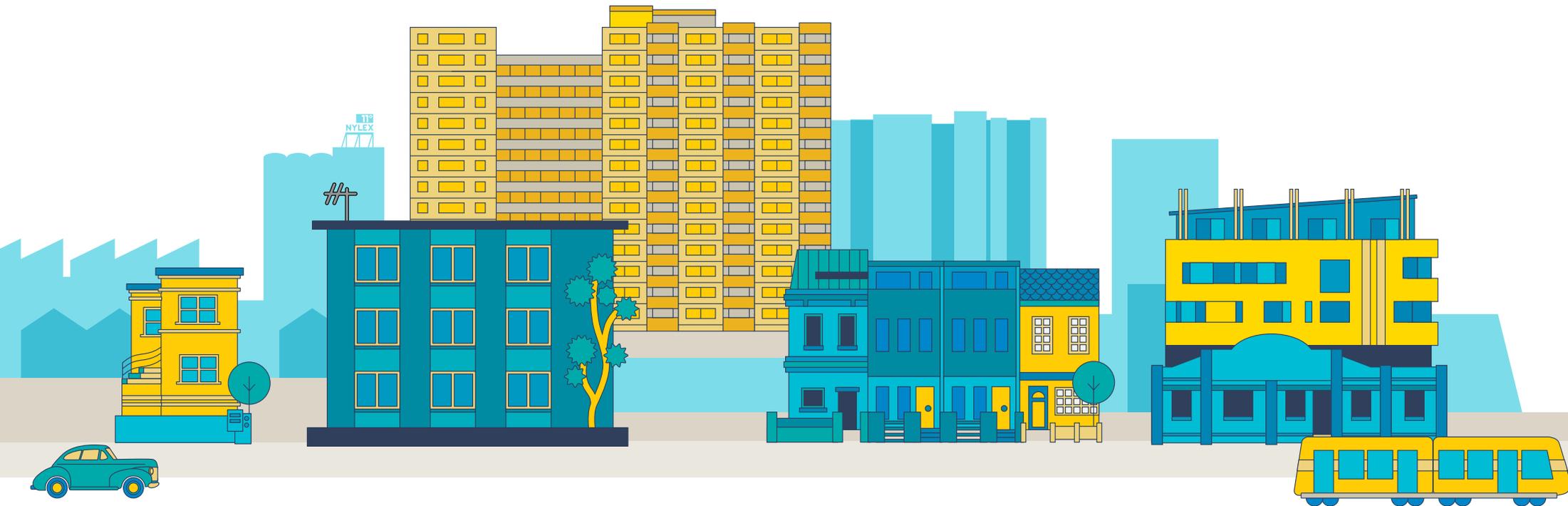
#### 1850-1890: GOLD RUSH TO MARVELLOUS MELBOURNE

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 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.

### 1980-2018: RETURN TO THE INNER-CITY

The increasing popularity of the inner suburbs in the 1980s 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>17</sup>, Yarra contains a multi-cultural population with 28.9% of the population born overseas and 19% from a non-English speaking background. The largest non-English speaking country of birth in Yarra was Vietnam, where 3.0% of the population were born. In Yarra, 22% of people spoke a language other than English at home.

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. The people in Yarra are also increasingly high earners, attracted to what Yarra has to offer such as 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.

Yarra has one of the highest turnover rates of residents in Melbourne. In 2016, 52.6% of residents were new to their address in the last 5 years, 41.4% moved from elsewhere in Australia and 11.2% moved from overseas.



### A DEMOGRAPHIC SNAPSHOT



28.9% of residents born overseas

3% of residents born in Vietnam



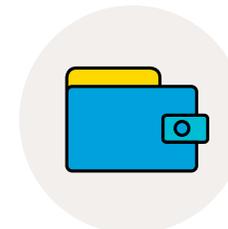
19% of residents come from a non-English speaking background

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



52.6% of residents were new to their address in the last 5 years

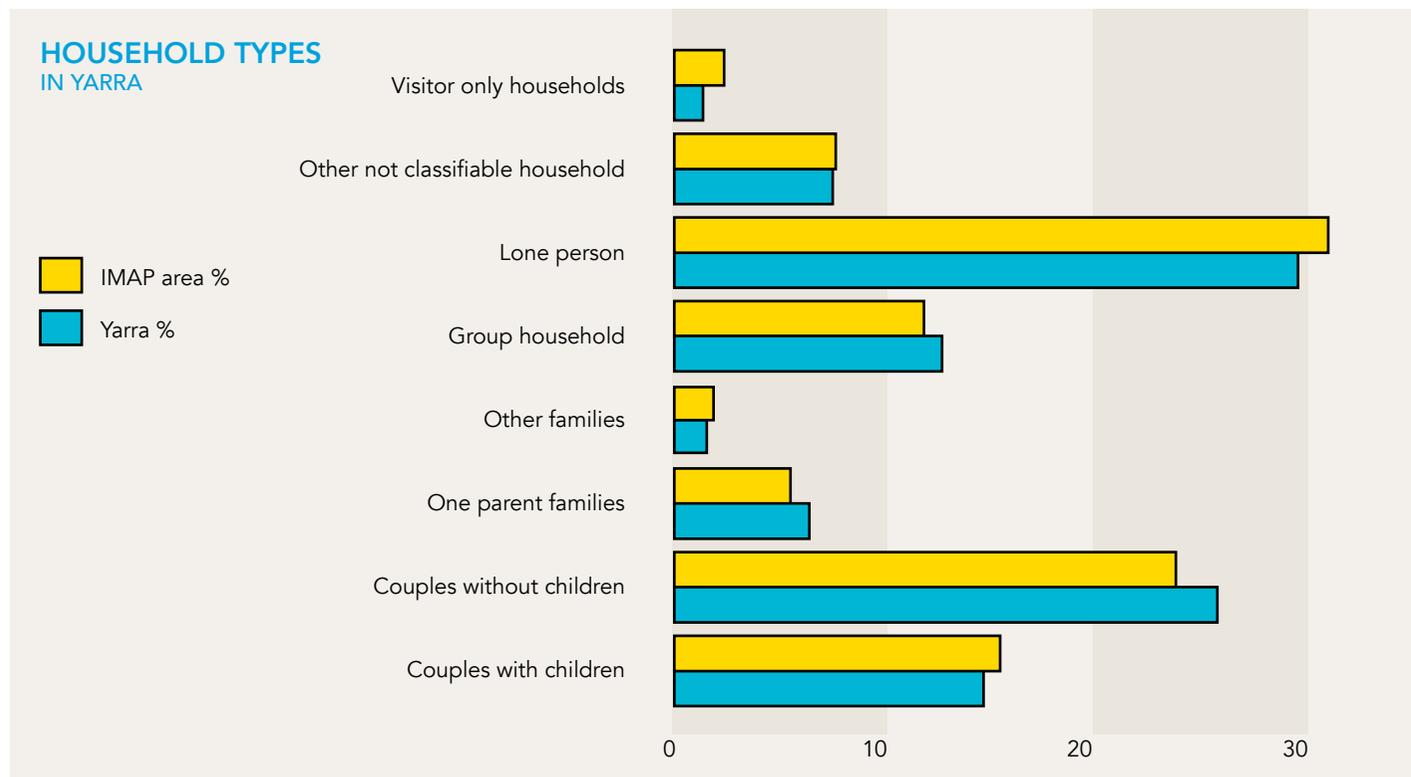
<sup>17</sup> Australian Bureau of Statistics, Census of Population and Housing, 2016. Compiled and presented in profile.id by .id, the population experts.

In 2017, the estimated resident population of Yarra was 96,368<sup>18</sup>, living in 43,033 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>19</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.



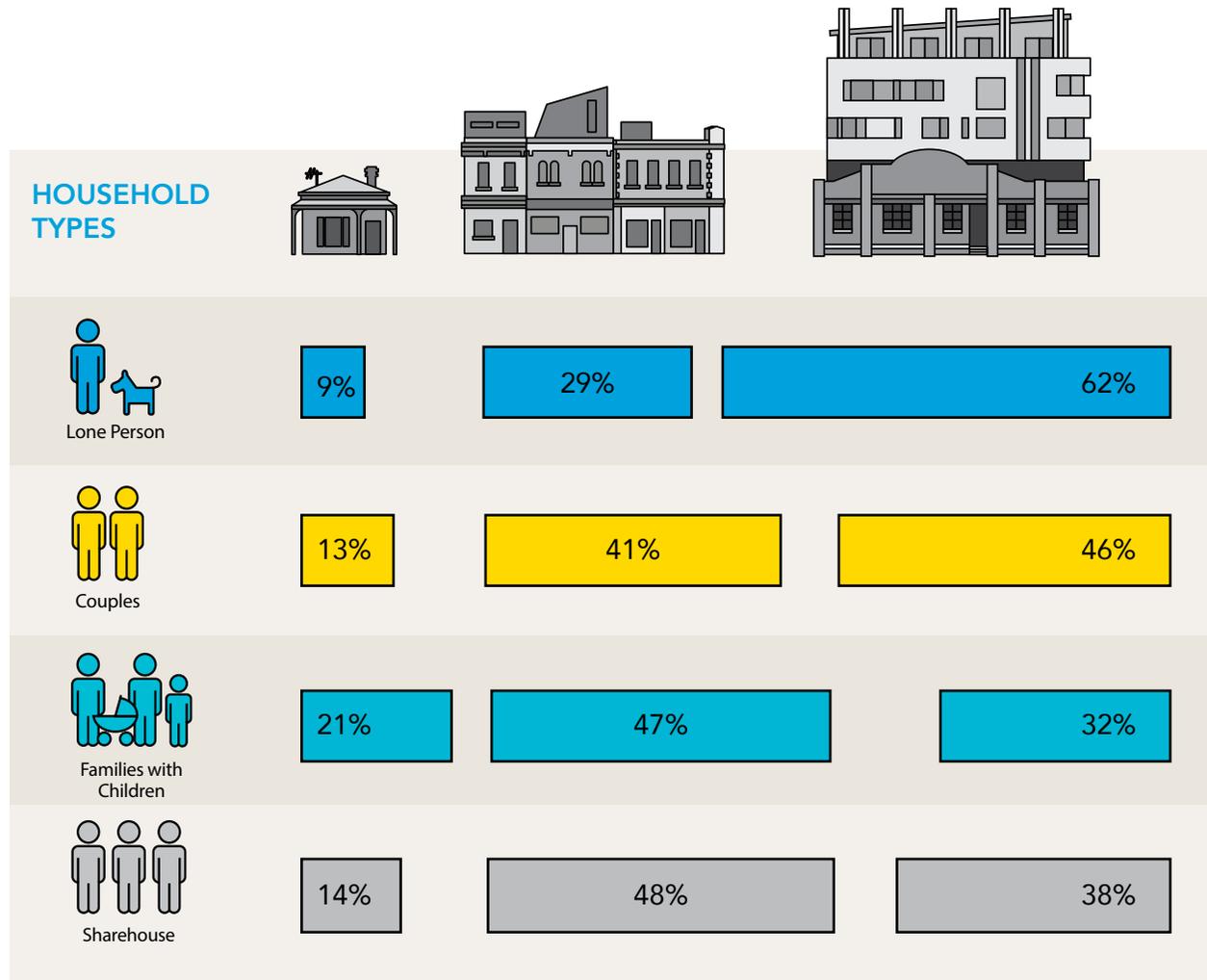
18 Australian Bureau of Statistics, Census of Population and Housing, 2016. Compiled and presented in profile.id by .id, the population experts.

19 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 were most likely to live in an apartment;
- Couples were most likely to live in an apartment or semi-detached, row or terrace or townhouse;
- Share households were most likely to live in semi-detached, row or terrace or townhouses, or apartments; and
- One third of families with children lived in apartments.

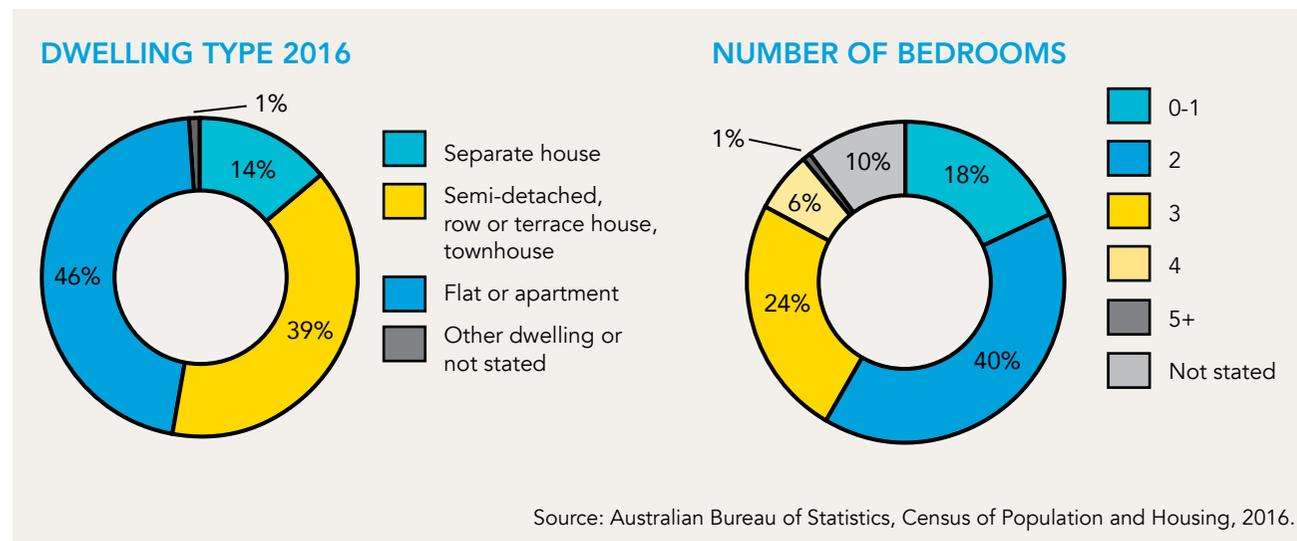


## Housing diversity – dwelling type and bedroom split

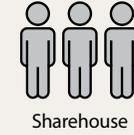
Yarra performs fairly well for an inner city municipality in terms of housing diversity. In 2016, more than 46% of the population lived in a flat or apartment, while only 14% of the population lived in separate housing.

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.



## HOUSEHOLD SPLIT BY DWELLING TYPE



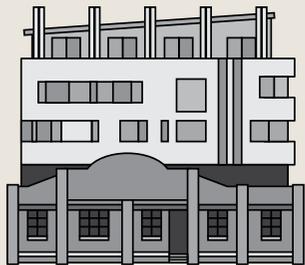
### SEPARATE HOUSE

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



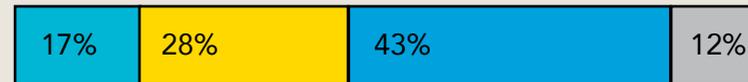
### SEMI-DETACHED, ROW OR TERRACE HOUSE, TOWNHOUSE

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

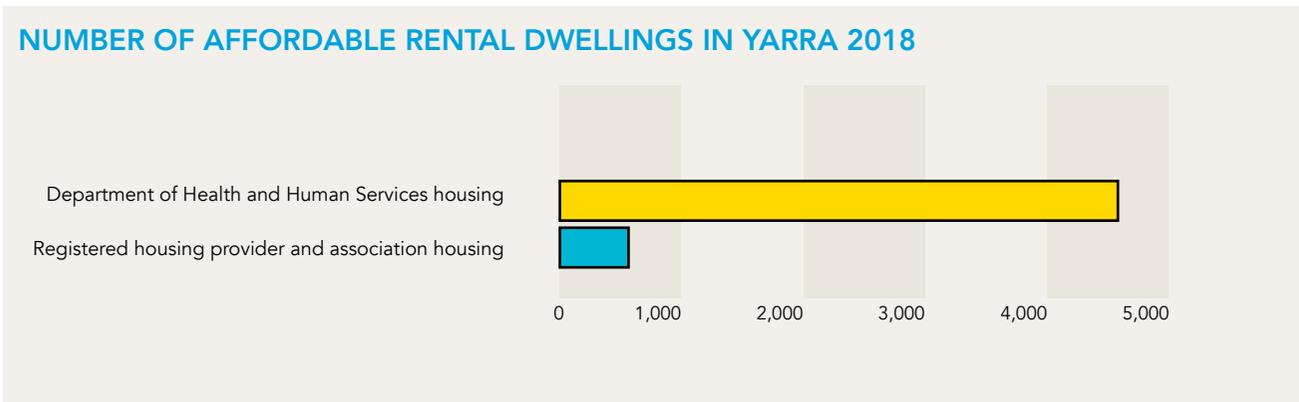
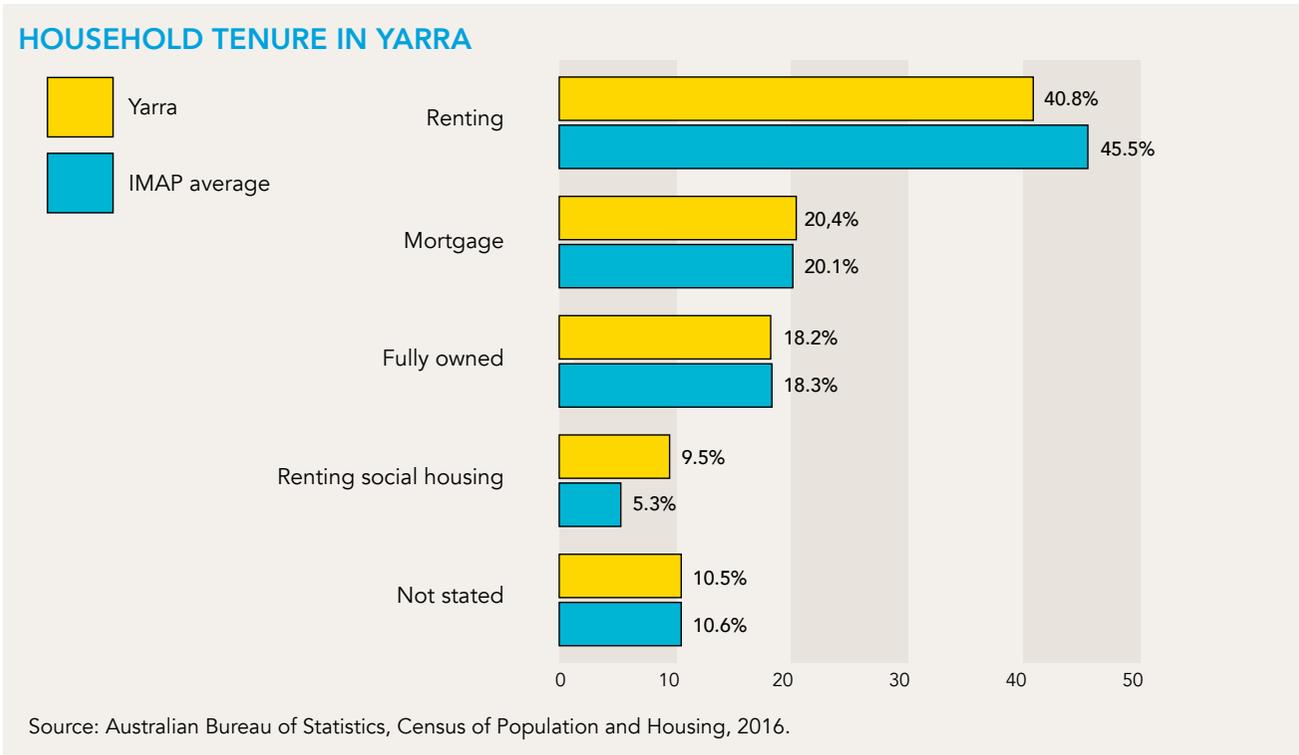
In 2016 the majority of people in Yarra rented (50.3%), followed by people who had a mortgage (20.4%).

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.

### Affordable and social housing

Yarra has a higher proportion of social housing compared to the broader IMAP area. In 2016, 9.5% of Yarra's households were renting their dwelling from a government authority, compared to the IMAP average of 5.3%. In Yarra, the Department of Health and Human Services owns and manages 4,615 dwellings. However, more and more, lower income households are facing reduced housing choice due to the limited availability of social housing in Yarra.

Registered housing associations and providers are increasingly delivering more affordable housing options. In Yarra, housing associations and providers manage and/or provide 573 affordable rental dwellings. Housing associations are companies that construct and/or acquire new affordable housing using a mix of government and private sector investment. They also manage housing properties owned by them or leased from other parties, such as the Director of Housing (DOH). Housing providers primarily manage rental housing portfolios for other parties, such as the DOH. Housing providers often specialise in particular client groups which may include disability housing, aged tenants and youth housing.



## People sleeping rough in Yarra

In Yarra, most homelessness is hidden, including people staying in boarding houses or temporary accommodation, living in unsafe conditions, or sleeping on friend's couches.

Homelessness is a complex issue and StreetCount helps councils to better understand the problem and plan support, services and longer term solutions. In June 2018, IMAP councils undertook a joint count of people sleeping rough in inner Melbourne. StreetCount 2018 recorded 392 people sleeping rough across inner Melbourne, with 29 people recorded in Yarra.

Key findings across the five municipalities include:

- 78% were male and 22% female;
- 54% of people were aged 26-40 and 34% aged 41-60;
- 79% were Australian born;
- 14% identified as Aboriginal and Torres Strait Islander;
- 35% of people were sleeping on the street, 13% in parks and 48% in various other locations including river banks;
- 42% of people surveyed were on the social housing waiting list; and
- 14% of people surveyed had been transient for more than five years.

The StreetCount 2018 results highlight the need for Yarra to advocate and facilitate more affordable and social housing in inner Melbourne.

## Implications for the Yarra Housing Strategy

Yarra has a young, well educated population and workforce. Despite relatively high income levels of residents in Yarra, renting is the most viable option for the majority of people, given high costs associated with purchasing a home. While renting is the cheaper option of the two, the cost of rent is still high and can be unaffordable for many very low to moderate income households. The strategy should seek to encourage an increase in affordable housing options to maintain social diversity.

Yarra also has a highly transient population. While many people generally prefer to stay in the same area, a lack of suitable housing options, particularly for families, can make this difficult. New apartment developments in Yarra predominantly have two bedrooms and as such are typically occupied by lone person households. For all life stages and household types, people should be able to access housing that meets their needs. The strategy should consider how best to facilitate, at the planning and design stage, apartment and other developments that meet the needs of a wider range of household types.



## 5. WHAT ARE WE PLANNING FOR?

Yarra has experienced rapid population and housing growth in the past decade, with an increase of 17,208 persons between 2011 and 2016<sup>20</sup>. This 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.

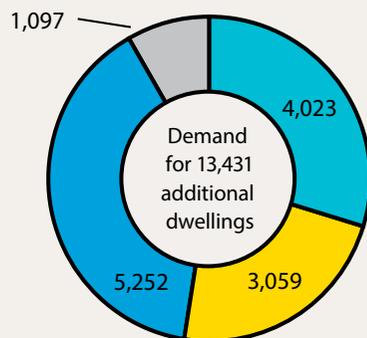
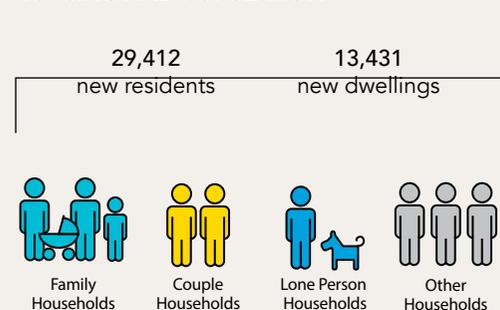
### Population and household projections

The VIF2016 population and household projections indicate there will be 29,412 new residents in Yarra and 13,431 new dwellings required by 2031<sup>21</sup>. 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.

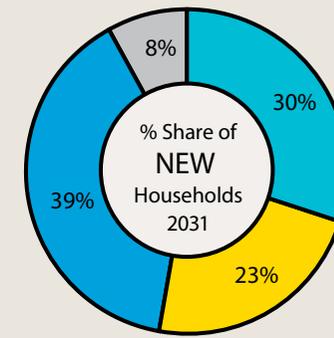
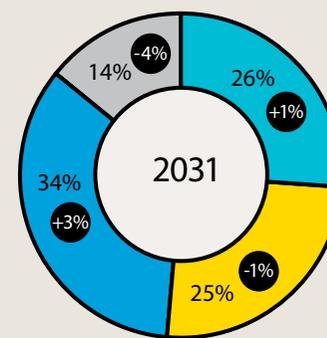
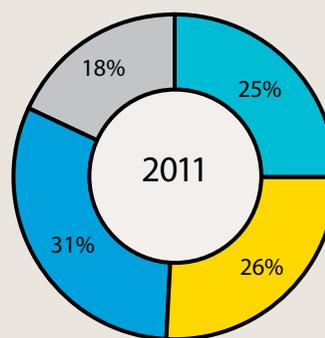
The additional 29,412 new residents will likely form households that are:

- 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

In the past decade, Yarra has undergone significant population and housing growth, which is expected to continue over the next 15 years. The State Government's population and household projections indicate that by 2031, there will be 29,412 new residents in Yarra requiring 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 the 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

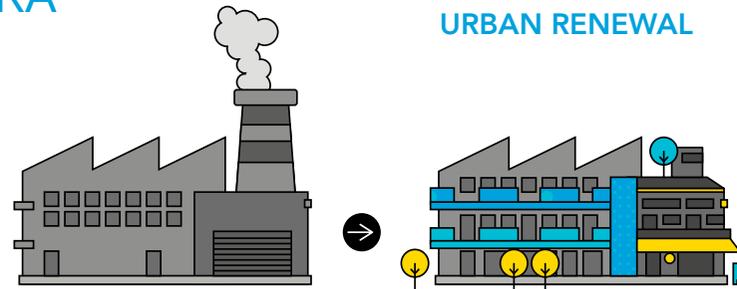
As the demand for living and working in Yarra has increased, so has the supply of commercial and residential development. Development in Yarra is at its highest level in ten years.

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.

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



### URBAN RENEWAL

87%

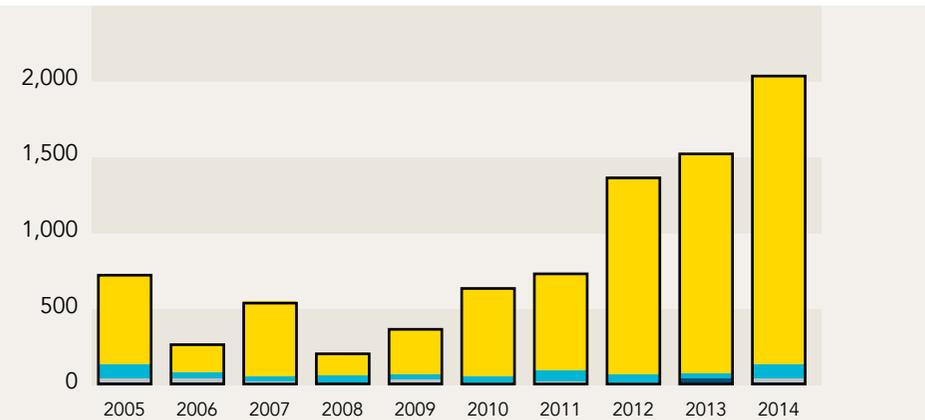
87% of housing development was urban renewal (development of underutilised medium and large scale urban areas, precincts or sites for mixed land use purposes) and 13% was infill (development of vacant or underutilised land in existing urban areas)

72%

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

### ANNUAL NET INCREASE IN DWELLINGS

- 10+ dwellings
- 3-9 dwellings
- Dual occupancy
- Single dwelling



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.



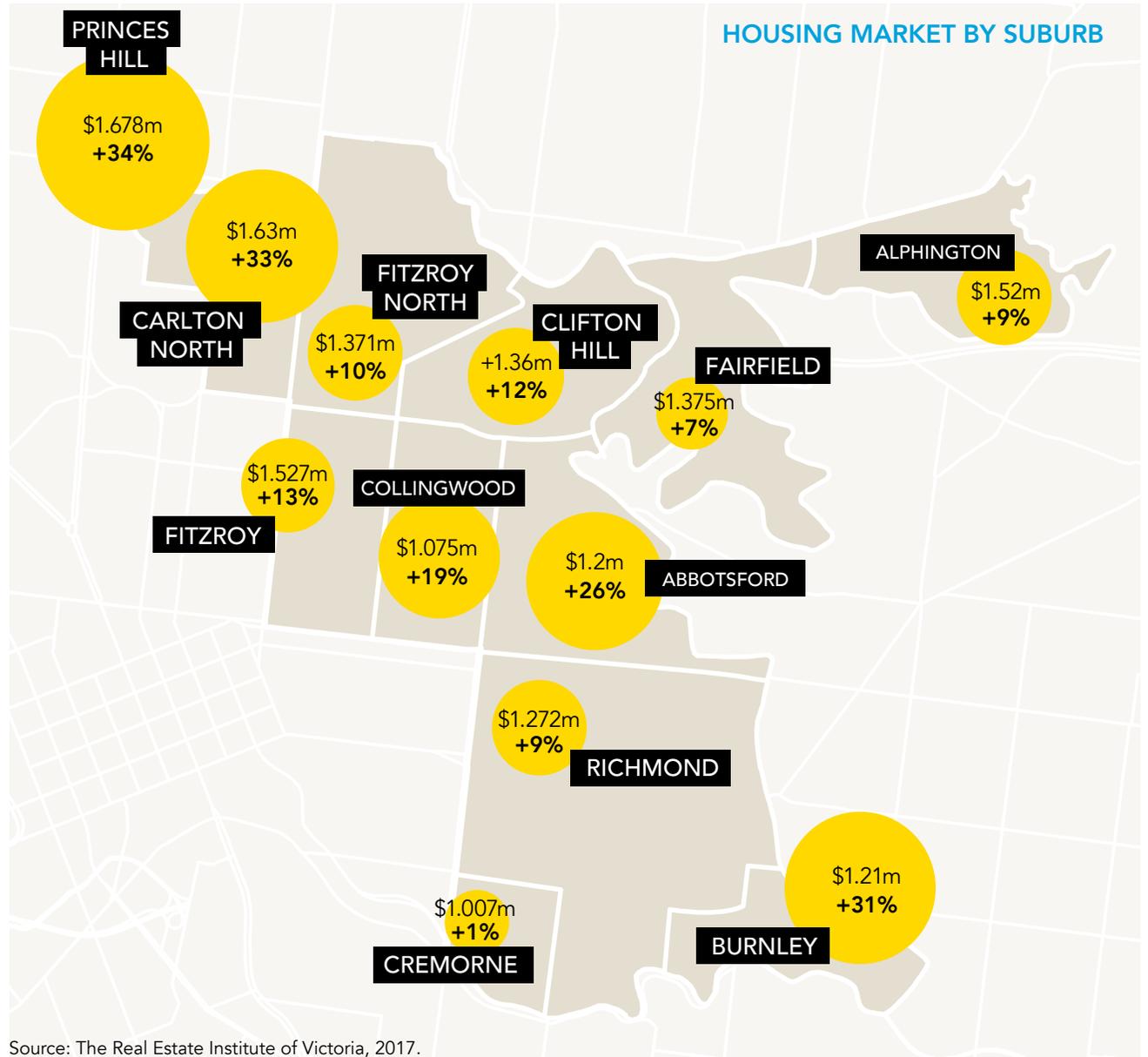
Approvals for apartments over 4 storeys have doubled from 2,394 (2006-2010) to 4,904 (2011-2015).

### Unprecedented population growth and strong economy supporting the housing market

Melbourne’s high population growth, liveability and booming economy has underpinned a strong housing market in recent years<sup>23</sup>. Population forecasts and economic outlooks indicate that this is expected to continue to support the Melbourne housing market in the medium term.

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

Yarra’s reputation as a prime residential property location continues with significant increases in property values in the last 12 months. Capital growth of more than 10% was almost universal across the municipality, but indicators reflect a cooling housing market currently<sup>24</sup>.



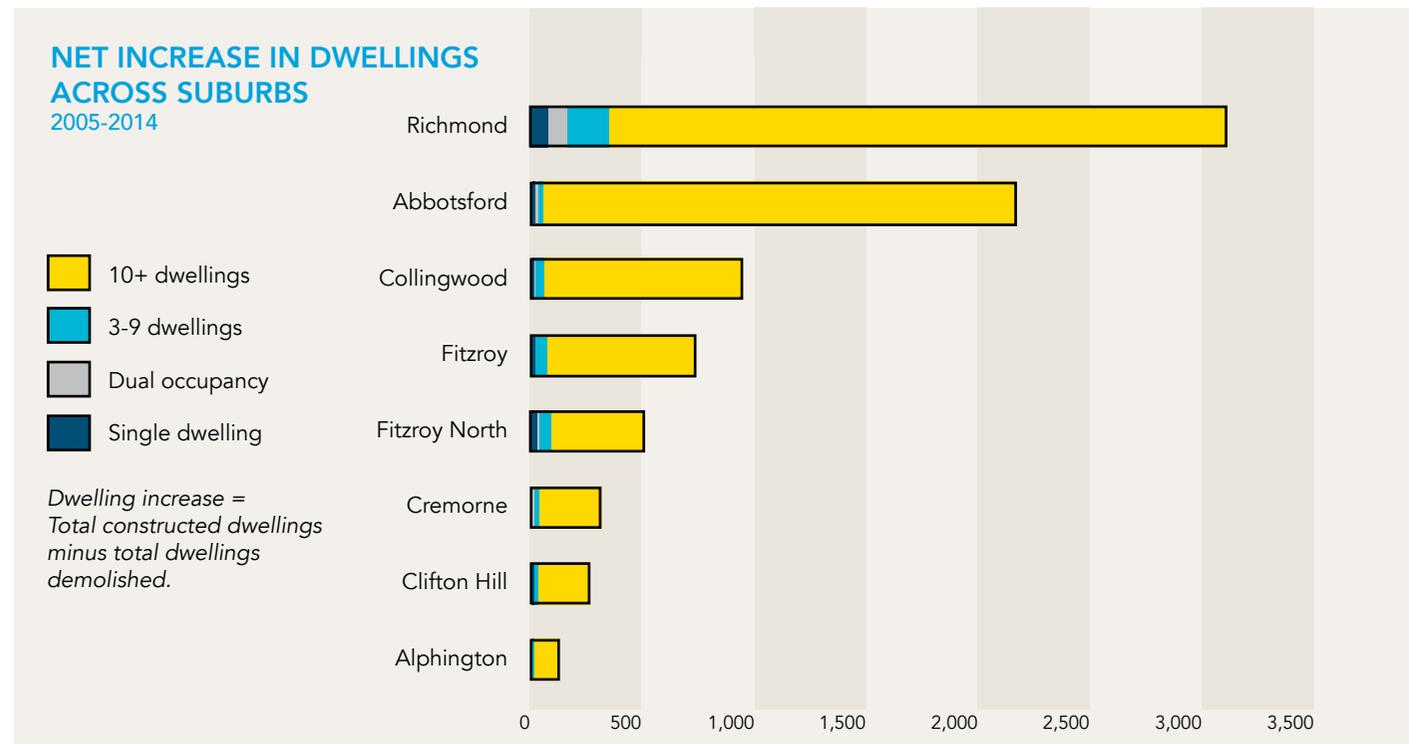
23 Lucas, C and Heffernan, M, 17 August 2017, *Melbourne named world’s most liveable city by The Economist for seventh year*, The Sydney Morning Herald, accessed 29 January 2018, <<http://www.smh.com.au/business/the-economy/melbourne-named-worlds-most-liveable-city-by-the-economist-for-seventh-year-20170815-gxx1kg.html>>.

24 Jellis Craig, 2017, *The Report Richmond and Surrounds*, 2017, Melbourne.

## 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 Data<sup>25</sup> were projects over 10 dwellings. The majority of larger projects were within (or close to) activity centres and on strategic redevelopment sites.



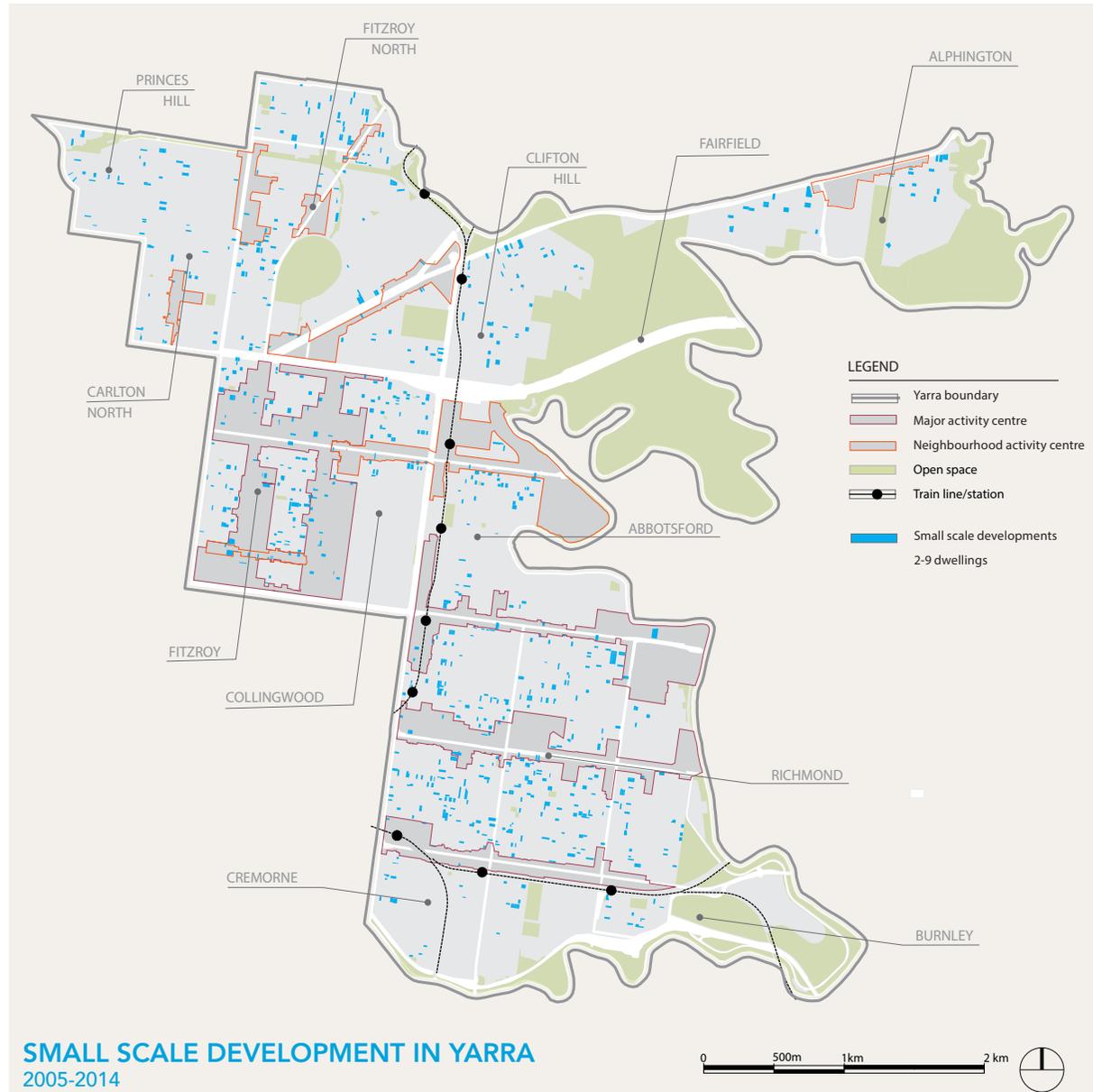
25 Department of Environment, Land, Water and Planning, 2014 Housing Development Data - Yarra, Melbourne.

### 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 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.

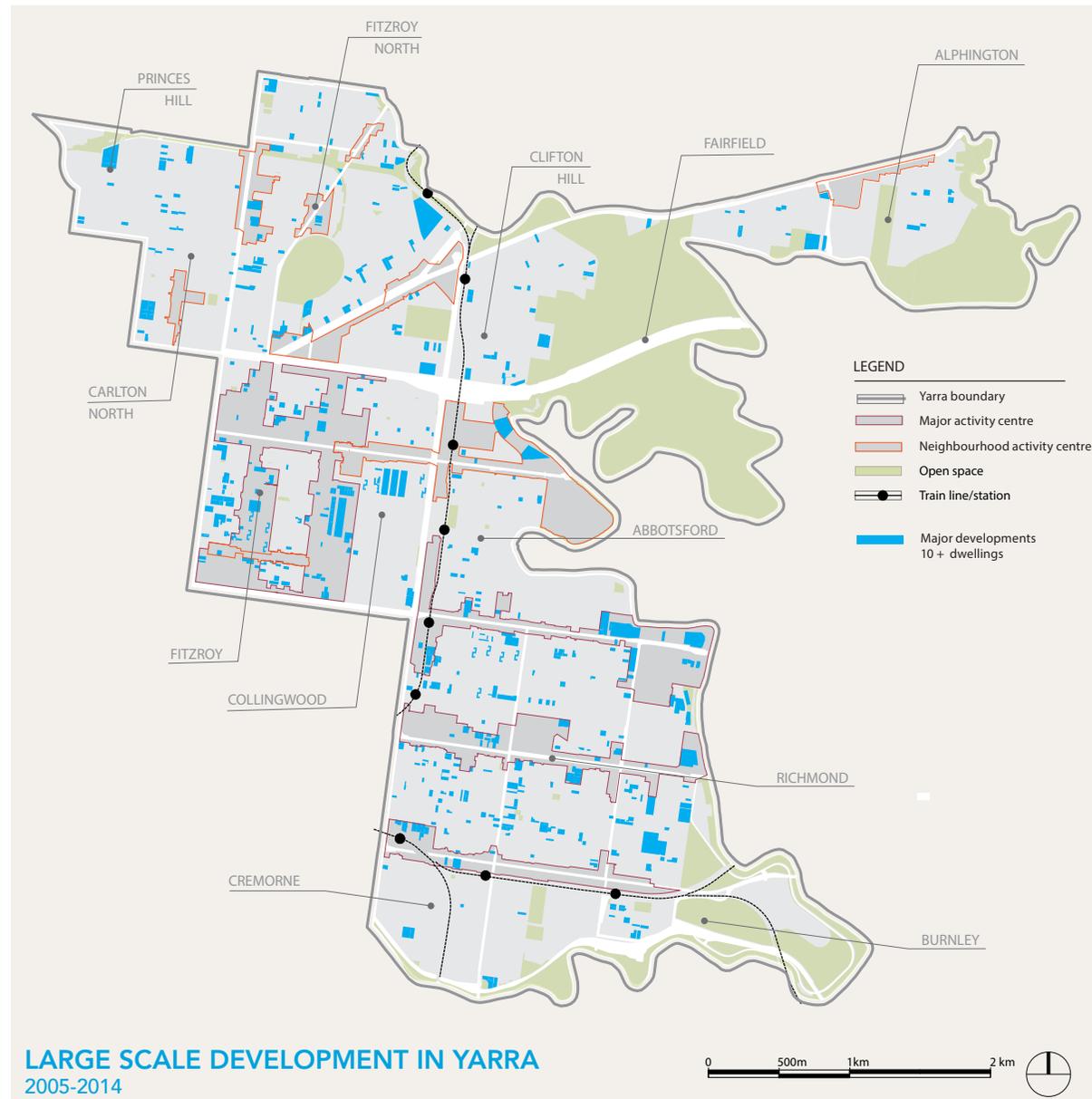
The established residential neighbourhoods of the municipality (including Carlton North, Fitzroy North, Clifton Hill and Alphington) have seen minimal housing development.



## Larger developments in activity centres and Strategic Redevelopment Sites

The limited opportunities for substantial growth in Yarra's residential neighbourhoods have 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.



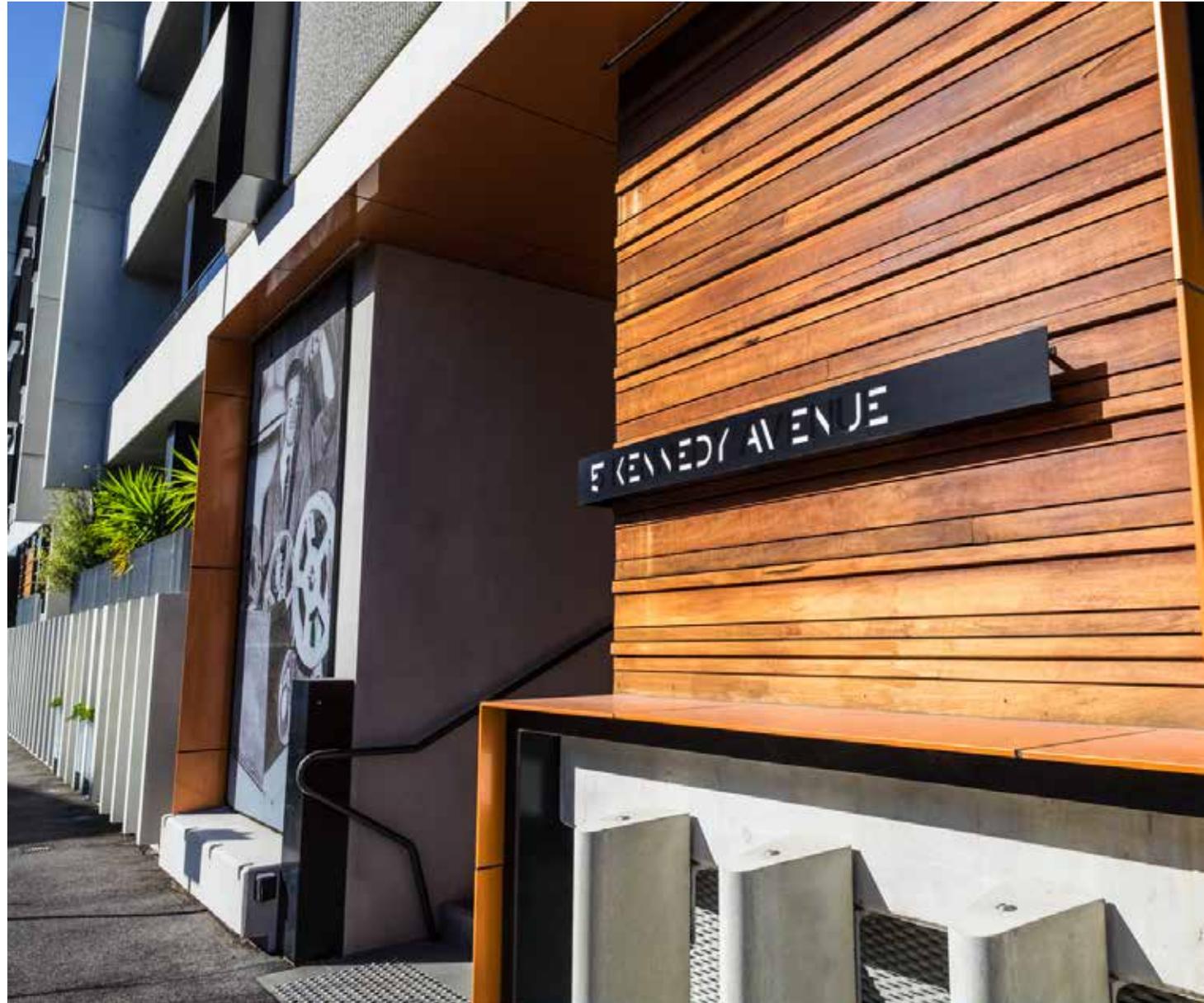
## Development on strategic redevelopment sites in the Yarra Planning Scheme

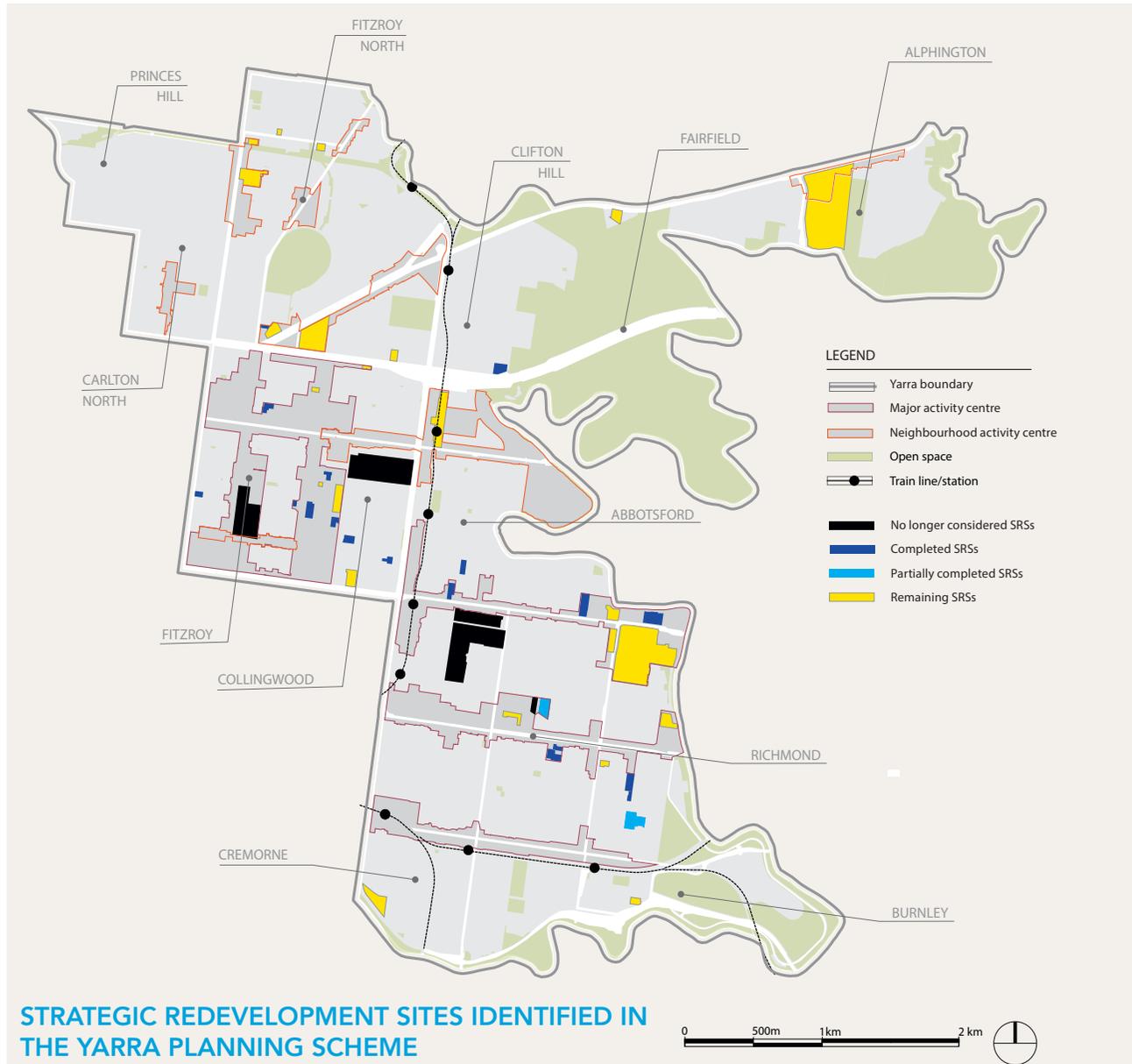
The Yarra Planning Scheme identifies 42 Strategic Redevelopment Sites (SRSs). Since their introduction in 2009, they have absorbed significant housing growth.

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.

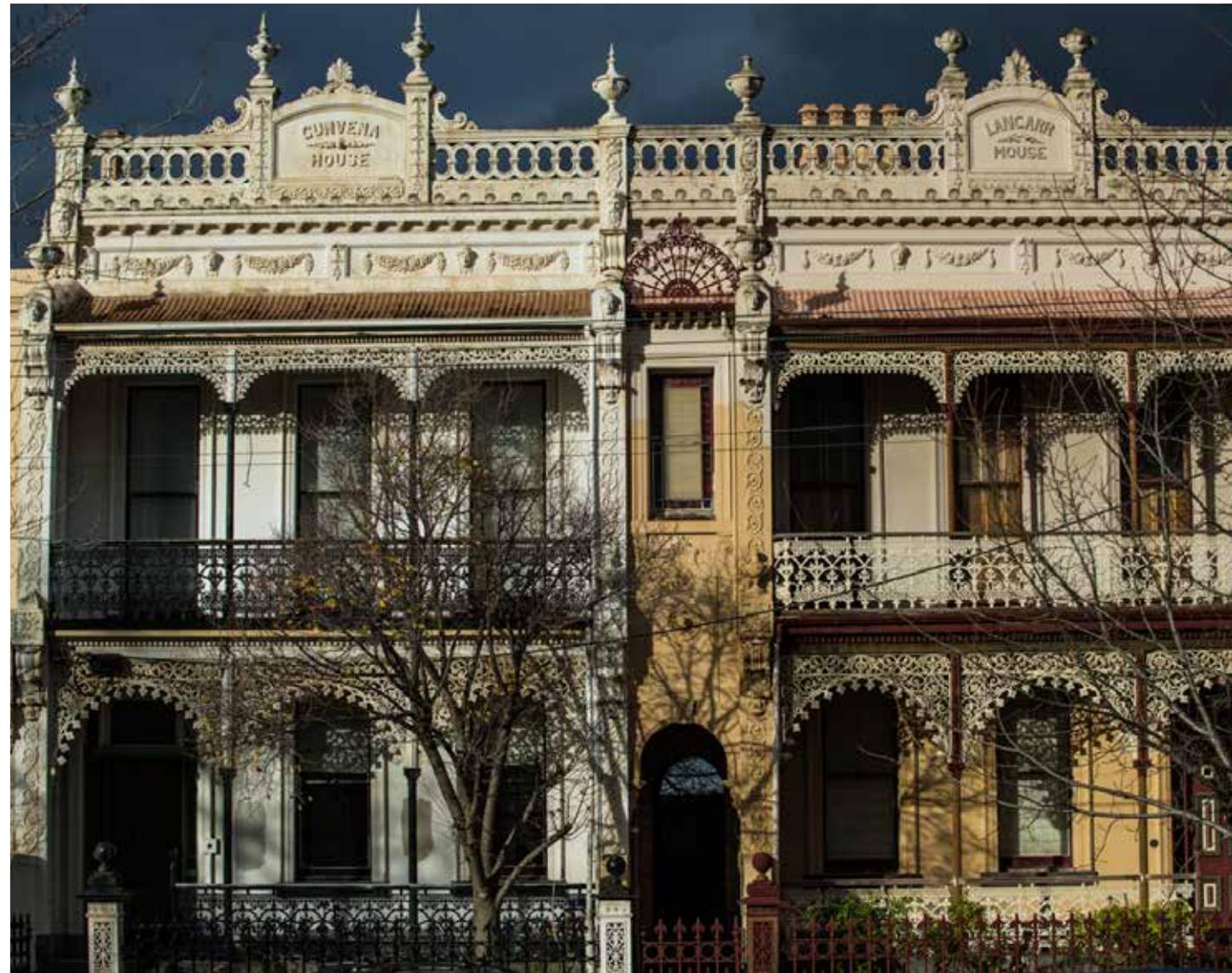
More detailed guidance is required to provide certainty to the community and land owners about the level of growth appropriate in these areas. Identifying the locations most appropriate to accommodate substantial growth will be important. Key directions for managing growth and change in the activity 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.

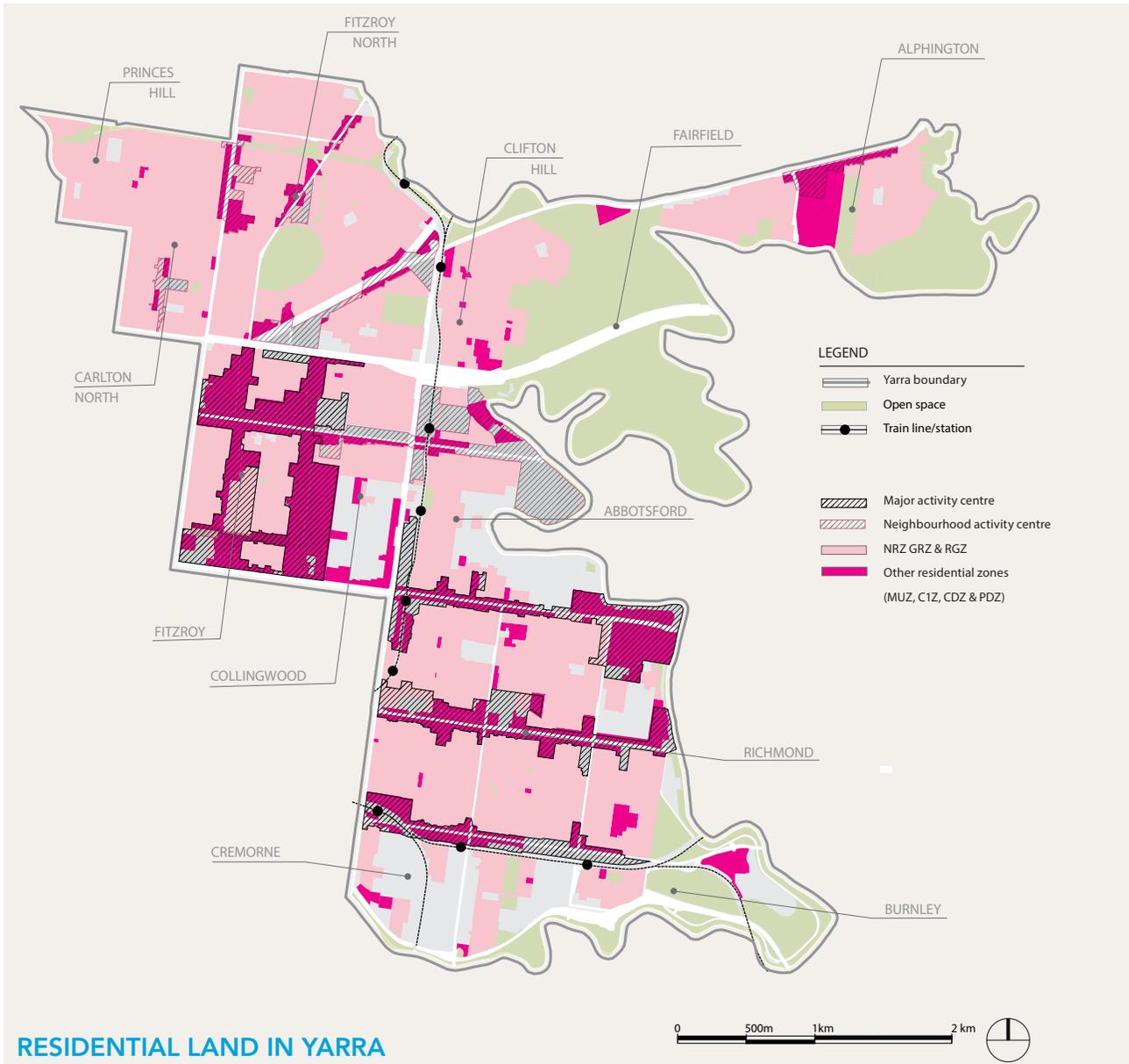
## 7. PLANNING FOR FUTURE HOUSING GROWTH

Yarra needs 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
<b>Total</b>	<b>805 ha</b>

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 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, 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.

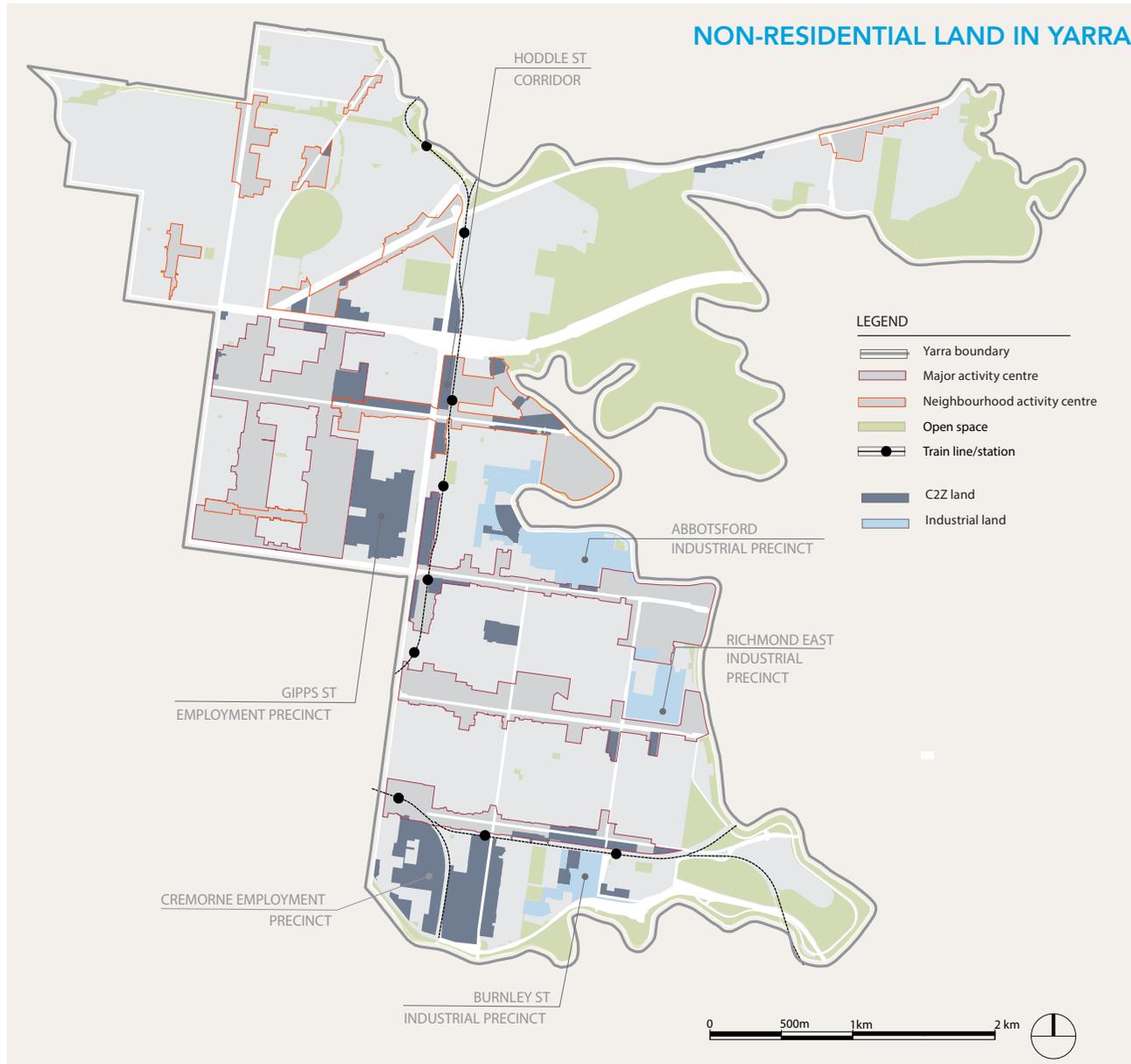
Compared to other councils in the inner metro region, Yarra has a significant amount of Commercial 2 Zone (C2Z) land, which is used for a variety of commercial purposes. Yarra's major employment precincts of Gipps Street/ Easy Street (Collingwood) and Cremorne Street/Church Street south (Cremorne) are 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.

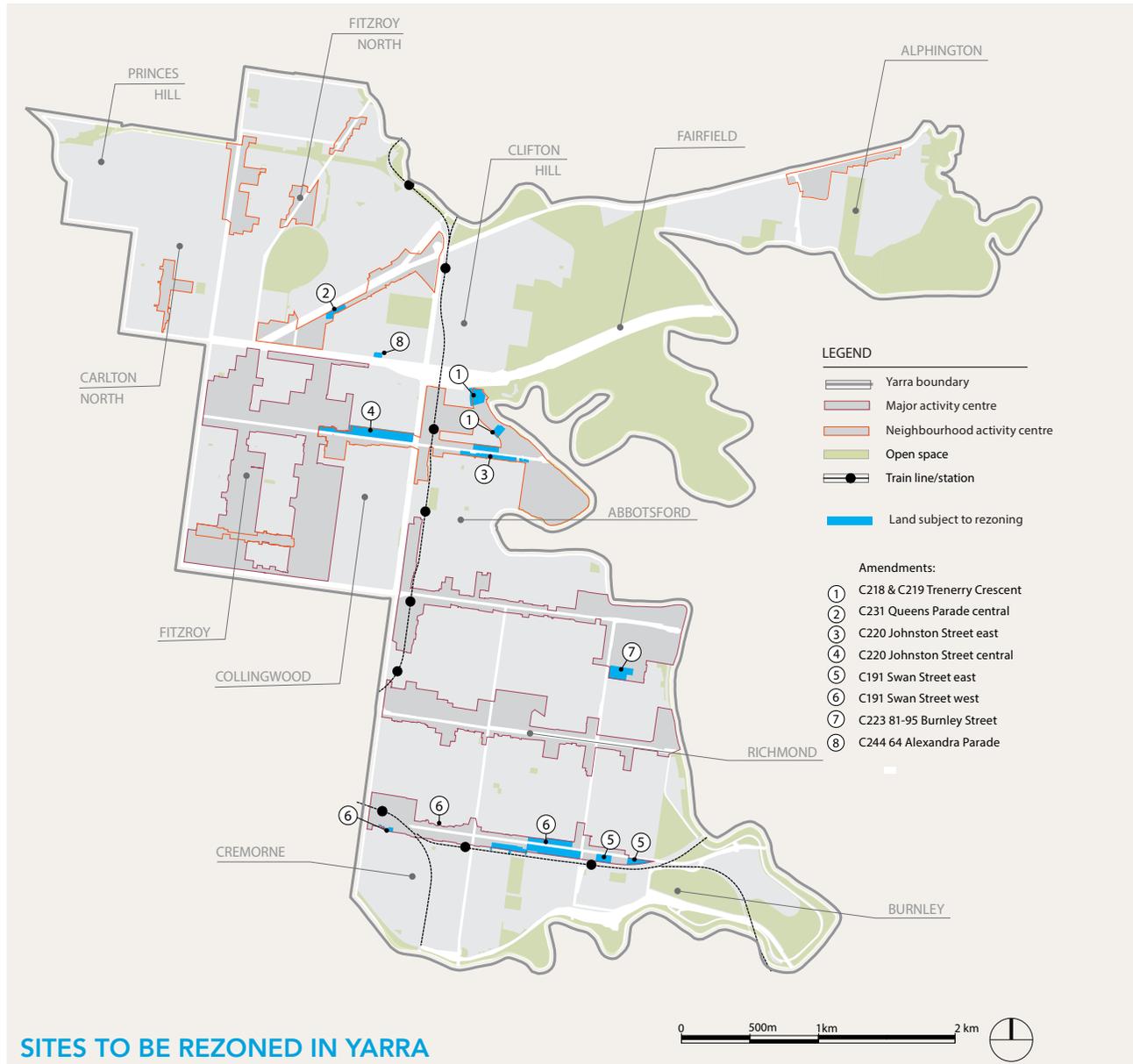
### Precincts affected by current strategic land use planning

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. If approved, they 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 <sup>2</sup>	Amendment C220
Johnston Street east	17,094 m <sup>2</sup>	Amendment C220
Queens Parade central	5,242 m <sup>2</sup>	Amendment C231
Swan Street east	41,410 m <sup>2</sup>	Amendment C185
Swan Street west	10,682 m <sup>2</sup>	Amendment C185
81-95 Burnley Street	13,000 m <sup>2</sup>	Amendment C223
Trenerry Crescent	13,582 m <sup>2</sup>	Amendments C218 & C219
64 Alexandra Parade	3,000 m <sup>2</sup>	Amendment C244
<b>Total</b>	<b>135,850 m<sup>2</sup> (13.58 ha)</b>	



## 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 2031<sup>26</sup>, 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 serves 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.

<sup>26</sup> 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. These zones 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)<sup>27</sup> 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 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.

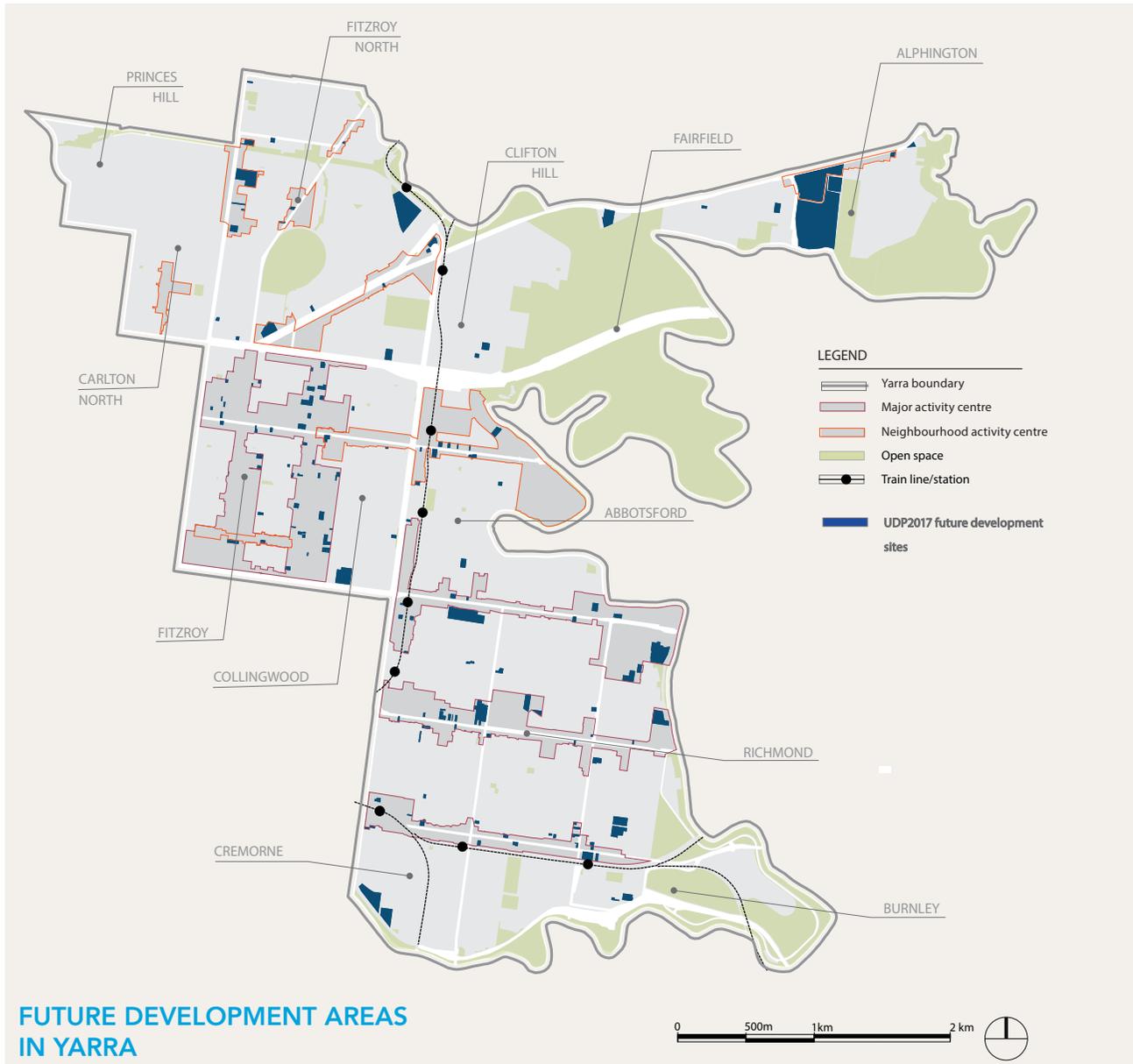
The majority of planned projects (83%) are developments with less than 100 dwellings. The remaining projects range in size as follows:

- 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).



<sup>27</sup> 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 UDP2017;
- 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.



## 8. HOUSING CAPACITY

### Future housing growth in Yarra's activity centres

The Planning Policy Framework seeks to direct housing growth to major and neighbourhood activity centres. Yarra's activity centres vary in size, catchment and function, and each has a different capacity for development and change. Assessing the ability of Yarra's activity centres to accommodate future housing growth is critical to plan for the spatial distribution of housing growth in Yarra.

### Housing capacity model assumptions

SGS Economics and Planning has created an interactive model to allow Council to estimate housing capacity within Yarra's major and neighbourhood activity centres over the coming 15 years.

Importantly, the model's estimates are based on the following assumptions for available land, capacity and take-up (eventual development realisation):

- All available land is included;
- All unavailable land is excluded, such as:
  - Multiple dwelling sites;
  - Recently developed sites;
  - Social housing housing sites; and
  - Community facilities.
- Building height limits, informed by current strategic work for the centres, assuming:
  - 4 metres per storey for non-residential; and

- 3 metres per storey for residential.

- 1 or 2 storeys for non-residential, based on the Yarra Spatial Economic and Employment Strategy;
- 85% site coverage;
- 90% building efficiency;
- 70m<sup>2</sup> average dwelling size; and
- Future take up rate of residential development based on UDP2017 data (in the short term) and housing trends from the last 5 years to estimate the medium and long term.

### Housing capacity analysis

An analysis of Yarra's activity centres indicate that the centres, alone, can supply approximately 14,300 dwellings by 2031 (greater than the 13,341 new dwellings required by VIF2016 for the whole of the municipality). The total amount of available land and estimated supply of new dwellings for the major and neighbourhood centres in Yarra are shown in Table 3.

**TABLE 3**

	TOTAL AVAILABLE LAND (HECTARES)	ESTIMATED SUPPLY OF NEW DWELLINGS (2016-2031)
MAJOR ACTIVITY CENTRES	96 ha	9,900
NEIGHBOURHOOD ACTIVITY CENTRE	41 ha	4,400
ESTIMATED TOTAL	137 ha	14,300

Source: SGSEP, 2018.

The capacity analysis shows that the level of housing growth is expected to differ across and also within the activity centres, due to the varying amount of land available for residential development.

The major activity centres have the most available land to supply new dwellings in Yarra. Of these centres, it is expected that Bridge Road and Victoria Street will accommodate a greater share of housing growth. A large amount of development is already occurring along the western end of Bridge Road and the eastern end of Victoria Street, which has influenced the estimated supply of net new dwellings in the centres.

It is expected that Queens Parade and Heidelberg Road will supply the most new housing of the neighbourhood centres. These centres include three large SRSs within their centre boundaries, which will accommodate over half of the estimated supply of new dwellings. In Queens Parade, the sites at 111 Queen Street and 433 Smith Street, Fitzroy North (former Gasworks site) and at 26-52 Queens Parade, Fitzroy North will supply approximately 1350 new dwellings. The site at 626 Heidelberg Road, Alphington (former Alphington Paper Mill site) is anticipated to supply approximately 850 new dwellings within the centre boundary. The supply of new dwellings across the remainder of the two centres is expected to be moderate.

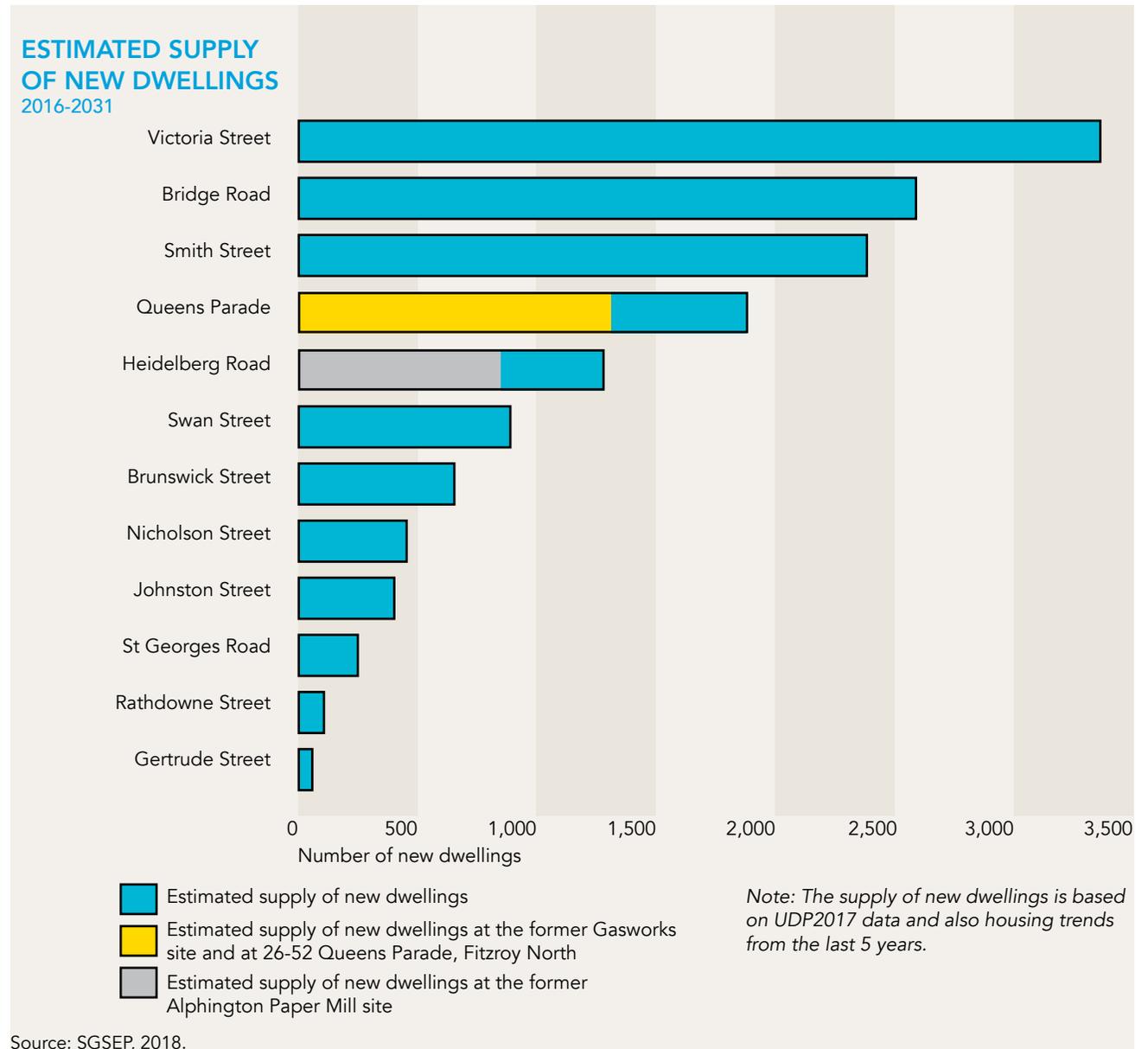
The Johnston Street and Swan Street activity centres appear to have a low estimated supply of new dwellings. This may change as the C2Z land within the centre boundaries (which does not permit residential uses), is rezoned as part of the current Yarra Planning Scheme Amendments C220 (Johnston Street) and C191(Swan Street). It is proposed to maintain the capacity model to accurately reflect land available for residential development, the density of development and eventual development realisation.

### Implications for the Yarra Housing Strategy

The housing capacity analysis indicates there is enough capacity within Yarra’s activity centres to accommodate sufficient housing growth. The analysis confirms that, while Yarra’s established residential neighbourhoods will continue to accommodate some housing growth, Yarra does not need to rely on these areas to supply projected housing growth.

The capacity analysis also demonstrates that the application of building height controls to the activity centres will not limit the supply of dwellings, but will provide more certainty for residents and developers and maintain the mid-rise character of Yarra.

The capacity model will be used to monitor housing delivery over time and assess implications of built form controls on housing capacity figures. The model will be a reliable source for understanding long-term housing capacity in Yarra.



Source: SGSEP, 2018.

## 9. A PREFERRED GROWTH STRATEGY FOR YARRA

The Yarra Housing Strategy provides direction on key issues such as housing diversity and adaptability, affordable housing, and apartments that are suitable for larger household groups to ensure there will be more housing choice to support Yarra's diverse community. The strategy has been informed by the issues and actions identified by the Liveable Yarra panel, a group of residents selected to represent the broader Yarra community.

Four strategic directions articulate Yarra's 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.

**Strategic direction 1:** Monitor population growth and evolving development trends in Yarra to plan for future housing growth and needs.

**Strategic direction 2:** Direct housing growth to appropriate location.

**Strategic direction 3:** Plan for more housing choice to support Yarra's diverse community.

**Strategic direction 4:** Facilitate the provision of more affordable housing in Yarra.



## Strategic directions

### Strategic directions 1 (SD1): Monitor population growth, land capacity, and evolving development trends in Yarra to plan for future housing growth and needs.

SD1 will be implemented through the following strategies:

- SD1.1** Monitor population growth forecasts and demographic changes in Yarra;
- SD1.2** Monitor housing delivery trends;
- SD1.3** Maintain the Yarra housing capacity model to reflect residential land available for development, the density of development and development realisation; and
- SD1.4** Monitor the outputs of the Yarra housing capacity model to maintain an adequate supply of residential land for future housing and population growth.

#### Rationale

Monitoring changes to population and housing growth forecasts will enable Council to more accurately plan for an adequate supply of housing land. Projections 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.

The UDP2017 indicates that Yarra's dwelling supply is mostly available through projects that are being considered, likely to occur or already under construction. Yarra's residential capacity model provides estimates of the potential of Yarra's activity centres to provide additional housing supply above the forecasts included in the UDP2017.

As shown by the assessment of the Yarra's activity centres to accommodate future housing growth, 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. 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 this achieve?

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



## 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 areas and apply them to all residential land in Yarra;
- SD2.2** Introduce the hierarchy of housing change areas as a strategic housing framework plan into the Yarra Planning Scheme; and
- SD2.3** Develop policy objectives and strategies to guide and direct the appropriate level of change on all housing land in Yarra.

### Rationale

The strategy seeks to direct new housing to areas within or close to activity areas that have good access to public transport, open space, and other services and limit housing growth in established residential areas, consistent with Plan Melbourne, state and regional policy, and also community feedback.

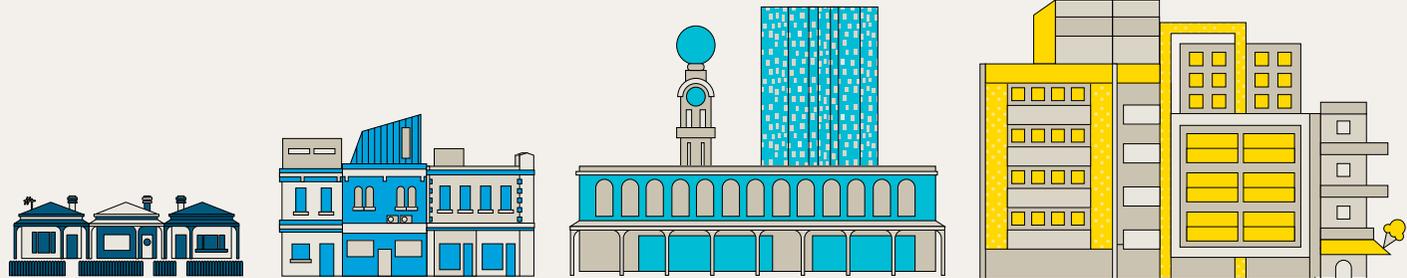
Further to this, the strategy categorises all residential land into four distinct housing change areas to provide more clarity and certainty to the community about the level of growth anticipated across the municipality.

The housing change areas differentiate between those that have the capacity to accommodate minimal, incremental, moderate, and high change housing growth.

The housing change areas are based on the following:

- **Current and proposed zone and overlay requirements:** Types of use and development allowed in each zone;
- **Context:** Walking distance and access to services, public transport and employment centres, proximity to activity centres;
- **Land attributes:** Land constraints (including sensitive interfaces), lot size, development activity and emerging character;
- **Strategic planning work:** Areas subject to structure plans, built form frameworks and proposed built form controls;
- **Capacity:** Amount of growth that is likely to occur in an area, given a set of assumptions; and
- **Community feedback:** Where growth is acceptable to the community and where it is not.

### HOUSING CHANGE AREAS



Minimal Change Areas

Incremental Change Areas

Moderate Change Areas

High Change Areas

Less suitable for growth

More suitable for growth

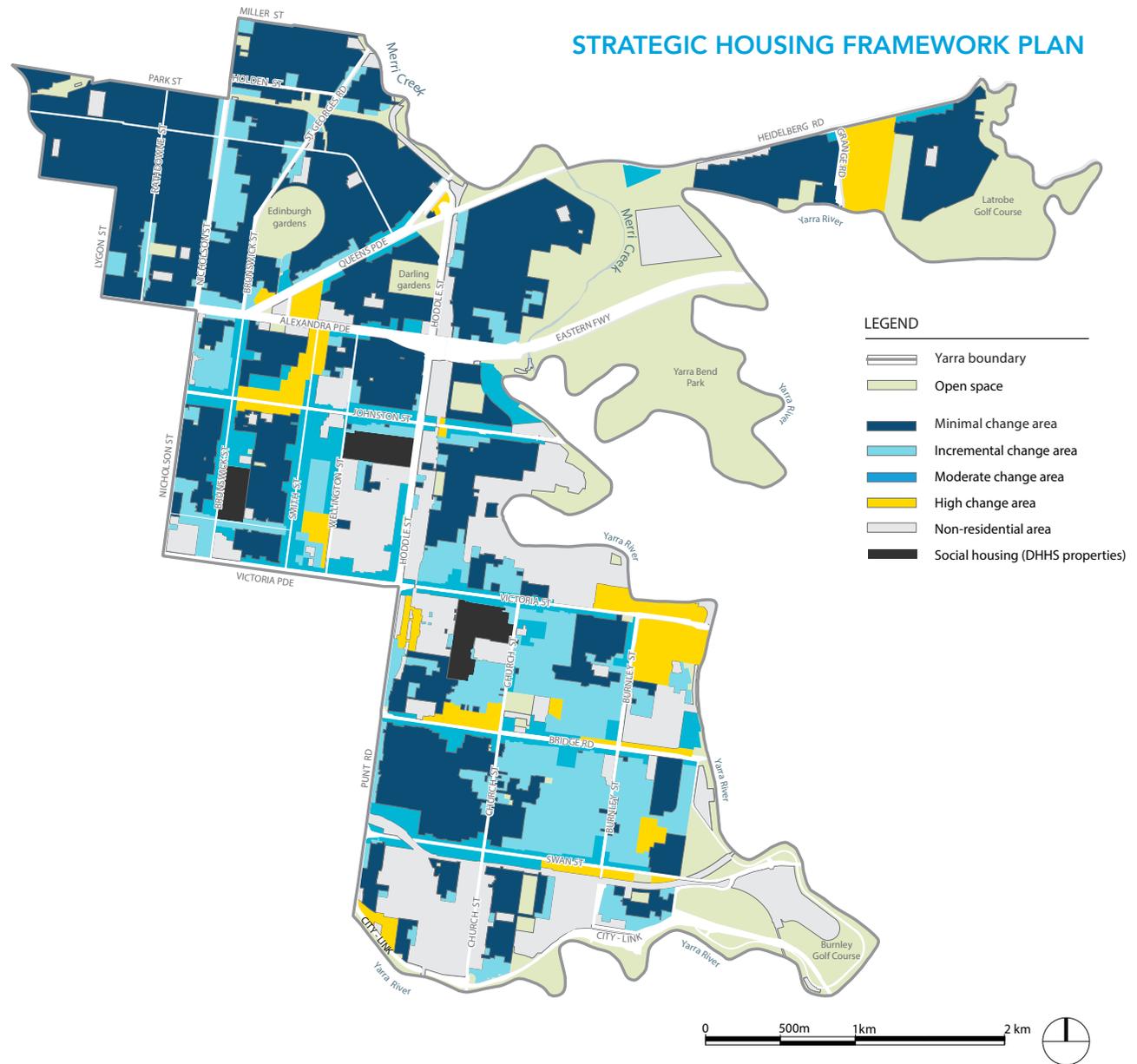
### Strategic housing framework plan

The housing change areas are shown on the strategic housing framework plan to visually represent the level of growth anticipated across the municipality. This is a common approach implemented by other metropolitan councils in their planning schemes. Yarra is currently rewriting its planning scheme and it is intended that the framework plan will be included in the revised planning scheme.

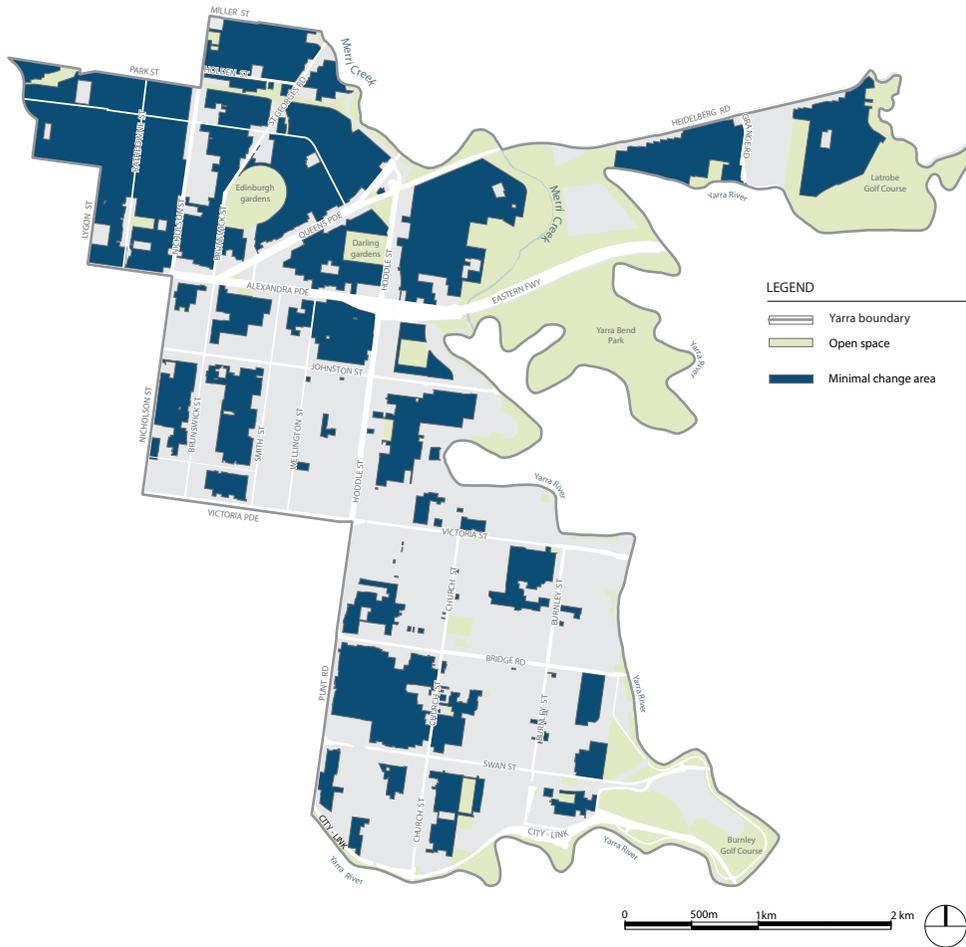
The four housing change areas have been applied to the strategic housing framework plan based on a set of categories. Some sites within these areas may have been recently developed. The scale and form of residential growth may differ across a change area and development proposals will need to appropriately respond to their context and the capacity of an individual site to accommodate housing growth.

#### What will this achieve?

- A clear policy framework for Yarra to guide and direct housing growth;
- Certainty for land owners, developers and the community about the level of housing growth 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.



MINIMAL CHANGE AREAS



Minimal change areas

Level of growth:

- Residential areas that have limited capacity to accommodate future housing growth over time.



Minimal change areas generally display one or more of the following characteristics:

- Within established residential areas (Neighbourhood Residential Zone) that have heritage significance;
- Have consistent fine-grain subdivision pattern and small lots sizes; and/or
- Have detached and dual occupancy dwellings.

Minimal change areas are proposed to apply to over 58% of Yarra’s residential land.

What type of development is likely in minimal change areas?

Minimal change areas are not proposed to prohibit additional residential development, but allow a level of development that respects the type, scale, and prevailing character of the area. It is expected that development of one or two dwellings on typically small individual lots (including alterations and additions to existing dwellings) will continue.

The provisions of the zone and/or Heritage Overlay in the Yarra Planning Scheme will determine the scale and form of residential growth in these areas.

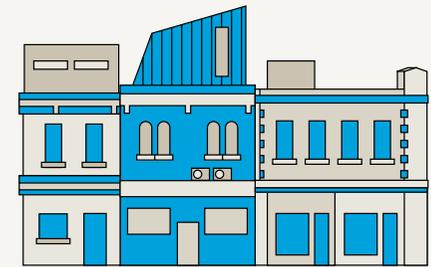
**INCREMENTAL CHANGE AREAS**



**Incremental change areas**

**Level of growth:**

- Residential, mixed use and commercial areas that have the capacity to accommodate a more modest level of housing growth over time.



**Incremental change areas generally display one or more of the following characteristics:**

- Within established residential areas (General Residential Zone);
- Within mixed use and commercial areas that have heritage significance, including cohesive and highly intact heritage streetscapes and buildings;
- Have consistent fine-grain subdivision pattern and small lots sizes; and/or
- Have detached, dual occupancy and smaller scale apartment dwellings.

Incremental change areas are proposed to apply to over 21% of Yarra’s residential land.

**What type of development is likely in incremental change areas?**

It is expected that incremental change areas will gradually evolve over time as development of one; two or more dwellings on individual lots (including smaller scale apartment developments and alterations additions to existing dwellings) will continue.

The provisions of the zone and/or Heritage Overlay in the Yarra Planning Scheme will determine the scale and form of residential growth in these areas.





### Strategic direction 3 (SD3): Plan for more housing choice to support Yarra's diverse community.

SD3 will be implemented through the following strategies:

- SD3.1** Support flexible housing design that allows for adaptations to support changing housing needs over time;
- SD3.2** Introduce a requirement in the Yarra Planning Scheme for housing diversity to be demonstrated in applications for residential rezoning and major residential developments (50 or more dwellings), based on available demographic information;
- SD3.3** Encourage the development of aged care, student accommodation and key worker housing within or close to activity centres, health and education precincts;
- SD3.4** Encourage more family-friendly design of communal open spaces in apartment developments;
- SD3.5** Support additions to existing houses to provide accommodation for larger household types;
- SD3.6** Encourage apartment development that includes the provision of sufficient internal common space; and
- SD3.7** Provide policy support for cohousing development in Yarra.

#### Rationale

As more housing is constructed in Yarra, it is important to ensure that it is designed to meet the changing needs of the population over their lifetimes. Providing a diverse mix of housing options for all residents in Yarra also helps support social inclusion and diversity within neighbourhoods, and allows people to age in place.

As most of the new housing being delivered in Yarra is in the form of apartments there is a need to ensure high density development can accommodate different housing needs, including design considerations to make higher-density living more attractive for larger household groups, students, and people with disabilities and older people in Yarra.

Specific needs for larger household groups include providing sufficient internal and outdoor space and also a diversity of apartment types and sizes. Larger apartments, for families in particular, are best located together, over-looking communal open space.

The specific needs of older people and people living with a disability include dwellings that have adequate storage space, are close to shops, transport and other services, have an accessible layout and are also easy and cost-effective to adapt. These issues are best dealt with at the design and planning stage.

Introducing a requirement into the Yarra Planning Scheme for housing diversity to be demonstrated would complement the new apartment design requirements. Housing diversity could be demonstrated by including the expected demographic mix, to enable consideration of particular housing needs in a planning application for a major redevelopment or rezoning. Early consideration of these issues will help ensure that future housing stock is suitable for a wider range of households.

While Yarra supports and encourages people remaining in their home for as long as possible, it is sometimes necessary for a person to relocate to a residential aged care facility or retirement village to receive adequate support. To meet future demand from an ageing population, more aged care facilities and retirement villages will be required to assist residents to age in place in Yarra. Supporting this type of housing development within and close to activity centres and health precincts will help residents receive adequate support and maintain connections with their community.

### What will this 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; and
- Better communal open and internal space within apartment developments that cater to the needs of a wider range of households.



## Strategic direction 4 (SD4): Facilitate the provision of more affordable housing in Yarra.

SD4 will be implemented by:

- SD4.1** Foster effective partnerships between registered housing associations or providers and the property development industry to deliver more affordable housing;
- SD4.2** Introduce requirements into the Yarra Planning Scheme for all rezonings to residential use, and in significant developments of 50 or more dwellings, to provide at least 10% affordable housing;
- SD4.3** Support opportunities for shared equity schemes and other emerging affordable housing models;
- SD4.4** Advocate for policy and legislative changes that enable Council to introduce inclusionary zoning or an alternative mechanism to secure affordable housing; and
- SD4.5** Support the improvement and retention of social housing in Yarra.

### Rationale

Yarra has experienced rapid growth in property prices in recent years, consistent with other parts of the IMAP area. As a result, many households cannot afford to rent or purchase a home in the municipality. Yarra aims to address this through the provision of affordable housing that is appropriate for the needs of very low, low and moderate-income households.

The provision of affordable housing will maintain Yarra's diversity and support the economy by providing greater housing choice for those working or starting businesses in the municipality. It will also enable key workers, who are employed in occupations important to the functioning of the municipality, to live closer to their workplaces.

The Victorian planning system provides an opportunity to secure a percentage of affordable housing when sites are being rezoned or redeveloped. In 2017, Council adopted the *Policy Guidance Note: Affordable Housing Outcomes at Significant Redevelopments*. 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 or provider to deliver affordable housing.

This strategy strengthens and builds upon the note by recommending the introduction of requirements into the Yarra Planning Scheme for all rezonings to residential use, and in significant developments of 50 or more dwellings, to provide at least 10% affordable housing. This will communicate a clear expectation to developers about their obligation to provide affordable housing stock as part of significant new developments, and reduce the need for this to be negotiated on a case by case basis.

There is also a need to support the improvement and retention of social housing in Yarra to ensure the needs of existing and future residents in need of this type of accommodation are supported.

### What will this achieve?

- An increase in affordable housing will help maintain and support a socially, economically and culturally diverse community; and
- Reduce the need for complex negotiations between Council and developers about providing affordable housing stock as part of significant new developments and rezonings.



