



City of Yarra

Housing Strategy

2010 – 2013

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1. Introduction

The Housing Strategy is designed to provide a strategic approach to planning for and managing housing growth and change across the municipality up to 2026. The Strategy considers Yarra's capacity for housing growth and identifies areas capable of accommodating increased residential development.

Yarra is experiencing exponential housing growth, particularly in the apartment market segment. Positive locational attributes offered by the City, together with high land values and strong demand, provide the preconditions for housing growth that is exceeding levels of growth anticipated in the Inner Regional Housing Statement (2005). To keep in step with this trend and proactively manage housing growth, the City requires appropriate policy and effective planning controls.

In acknowledging this, the Yarra Housing Strategy gives priority to the Yarra Planning Scheme which 'sets the stage' for land use planning and development at the local level. The local planning policies included in the Scheme express important principles about land use planning and development and provide guidance to Council in decision making. Other tools include, but are not limited to, structure plans, urban design frameworks and precinct plans. They also play a significant role in shaping housing growth and are considered in the Strategy. To this end, a number of actions included in the Strategy reflect the importance placed on the review of existing local policy and the formulation of new policies and tools to enable an effective response to emerging issues related to housing growth in Yarra.

The scope of the Strategy is largely confined to Council's land-use planning roles and functions, with the Yarra Planning Scheme used as the primary means for achieving the Strategy's goals. It is not intended that the Strategy will address housing across all areas of Council. However, synergies with other areas of Council as they relate to housing will be included in the Strategy and a joint approach will be promoted where possible.

A vision for future housing in the City of Yarra is expressed together with strategic objectives, strategies and actions for achieving them.

2. Background

The total population of Yarra is growing each year. Yarra's estimated resident population in 2008 was 76,402 which included an increase of 1,274 residents over the previous year. By 2026 the total population of Yarra will number approximately 100,000 along with a 27% increase in the number of households. The average household size is expected to fall from the 2006 average of 2.20 to 2.17. Accommodating the needs of current and future residents is a key challenge for Council.

Industry remains a key feature of Yarra's economy and its land use pattern. In the last two decades however, the land use geography of the City has undergone change with the closure of older industrial establishments and the increased value of land for residential purposes. This is reflective of the changing economic function of the Melbourne inner region in general. Retail and commercial strips in the City are focussed on the arterial road network with many being known for niche marketing. The City also comprises significant areas of parklands, educational and medical uses.

Without a systematic and coordinated approach to managing housing growth, Yarra's liveability could be significantly undermined through poorly designed and located housing. The Housing Strategy will play a key role in both tackling the challenges and facilitating positive housing outcomes for existing and future residents of Yarra.

3. Policy Context

3.1 National Policy Context

At present, there is no comprehensive or integrated approach to housing policy at the national level. However, there are a number of national policy portfolios that influence housing at the local level either through stimulating demand or influencing supply. A number of policies are non-spatial, yet their influence over the development of cities cannot be underestimated. The majority of policy levers serve to exacerbate demand with supply clearly lagging. The following is not intended to be an exhaustive list but rather provides an indication of the breadth of policy areas impacting on housing:

- National Affordable Housing Agreement (2009) – a whole of government approach to tackling housing affordability.
- Social Housing Program (2009). Victoria is responsible for delivering \$1.265 billion of the social housing program up to June 2012. The purpose of the funding is to provide upgrades and repairs for 5600 existing homes and construction of a further 4500 new rental homes for people on low incomes.
- Various monetary and taxation programs that provide demand side incentives and impact on affordability. (For example, the First Home Owners Scheme, which is also supplemented by a State level scheme)
- Commonwealth Rent Assistance.
- National Rental Affordability Scheme

3.2 State Policy Context

- Melbourne 2030 (2002) provides a 30 year plan for Melbourne and the surrounding region. Future directions include the concentration of housing growth around activity centres and on strategic sites that are well located in relation to public transport infrastructure.
- Melbourne @ 5 Million (2008) includes policy initiatives that are complimentary to the directions of Melbourne 2030. It outlines implications of the Victoria in Future 2008 growth projections for Melbourne, which indicate that the city's population is likely to reach 5 million before 2030.
- Housing Growth Requirements Project (2009). The project aims to establish a baseline of housing growth capacity in each local metropolitan government area in order to establish targets for housing growth and facilitate local housing strategies that focus on promoting housing development and diversity.
- The State Planning Policy Framework (SPPF) is a 10 year vision for Victoria that brings together economic, social, and environmental goals and actions. Of

particular note, actions promoting sustainable development are included and growth in the supply of secure, affordable and appropriate public housing is identified as a priority action.

- A Fairer Victoria (2005) includes a commitment to expand the supply of affordable and social housing, create a greater range of affordable housing in new residential developments, address barriers in the Victorian Planning System that impede the supply of affordable housing and increase the level of homeownership of people on low incomes.
- As part of the overall objective of ensuring that residential areas can accommodate future housing requirements, the State Government is proposing three new residential zones which would be based on identifying areas where substantial, incremental and limited housing change should occur. The development of a local Housing Strategy will be a critical part of informing where new residential zones would apply within the city of Yarra.

Of note:

- The provision and management of social housing assistance to low income or special needs groups is administered by the Office of Housing. This includes public housing.
- The delivery of affordable housing is primarily provided through Housing Associations.

3.3 Regional Policy Context

- The Inner Regional Housing Statement (IRHS 2005) is a regional strategic framework to plan for the housing needs of (then) present and future households in the Inner Metropolitan Region of Melbourne up to 2031. The Statement identifies how the inner Melbourne municipalities of Melbourne, Port Phillip, Yarra and Stonnington propose to accommodate the projected increase of approximately 90,000 additional households by 2030 (approximately 11,800 additional households in the City of Yarra) and their likely distribution. Capacity work completed as part of the IRHS, concluded that 85 percent of residential growth for Yarra could be accommodated through strategic redevelopment sites, 10 percent in established residential areas and the remaining 5 percent in existing activity centres.

3.4 Local Policy Context

There are a number of Yarra policies and/or strategies relevant to consider in relation to housing growth. The list includes, but is not limited to, the following:

- The Council Plan (2009-2013)
- The Yarra Planning Scheme which includes the Municipal Strategic Statement and local Planning Policies. The Municipal Strategic Statement lists 41 major strategic redevelopment sites identified for the primary purpose of residential development.
- Economic Development Strategy (2009)
- Affordable Housing Statement (2004-2008, currently under review)

- Yarra Environment Strategy: Towards Local Sustainability (2008-2010)
- Development Guidelines for Heritage Places (1999)
- Yarra River Corridor Urban Design Guidelines (2004)

The Municipal Strategic Statement includes a number of strategies that are relevant to the distribution to housing growth across Yarra, in particular:

- Direct higher density residential development to Strategic Redevelopment Sites identified at Clause 21.08 and other sites identified through any structure plans or urban design frameworks (1.2)
- Support residential population increases in established neighbourhoods (1.3)
- Encourage the retention of dwellings in established residential areas that are suitable for families with children (2.4)
- Permit residential development that does not compromise the business function of activity centres (5.4)
- Protect the subdivision pattern within heritage places (14.4)
- Ensure that development outside activity centres and not on strategic redevelopment sites reflects the prevailing low-rise urban form (17.1)
- Development on strategic redevelopment sites or within activity centres should generally be no more than 5-6 storeys unless it can be demonstrated that the proposal can achieve specific benefits (17.2)
- Require development of strategic redevelopment sites to take into account the opportunities for development on adjoining land (20.2)
- Reflect the fine grain of the subdivision pattern in building design where this is part of the original character of the area (20.3)
- Require development within Yarra's activity centres to respect and not dominate existing built form (21.1)
- Support new development that contributes to the consolidation and viability of existing activity centres (21.3)

4. Council Roles and Responsibilities

4.1 Land-Use Planning and Development

The legislative framework for land use planning in Victoria is established by the State Government through the Planning and Environment Act 1987. From this framework flows Yarra's Planning Scheme which sets out policies and provisions for the use, development and protection of land within the City of Yarra.

The demand for different types of land uses reflects a broader societal transformation in the way we live, work and recreate. The demand for some land uses has waned as markets become increasingly global and costs associated with local production rise. Particularly relevant to Yarra is the shrinking manufacturing base and growth of the service sector which is reflected in changing land use patterns across the municipality. In Yarra's more recent history, population growth has fuelled a growing demand for land for the purpose of residential development. The greater proportion of demand for new housing has been met through land previously used for other purposes, such as strategic redevelopment sites. Activity centres and existing residential areas have absorbed the remaining levels of demand for new housing growth.

Council plays a central role in planning for and managing this complex process of change and transformation in Yarra's urban landscape. Specifically, Council plays two **key** roles with respect to land use planning and development. As the **Planning Authority**, Council sets the strategic policy framework for the municipality and initiates changes to the local provisions of its Planning Scheme.

Responsibility for development of local planning policy, including the Municipal Strategic Statement (MSS) rests with Council. The MSS effectively 'sets the stage' at the local level, outlining the strategic vision for land use and development for the City of Yarra and expressing important underlying principles. Included are specific objectives and, strategies and actions for achieving those objectives.

Local planning policies assist Council to exercise discretion regarding both use and development of land. Tools such as Structure Plans and Urban Design Frameworks also play an important role in guiding decision making. Tools such as these set specific planning guidelines for designated areas of the municipality which, once approved by Council and the Minister, are integrated into the Planning Scheme.

Amendments or changes to the Planning Scheme are predominantly prepared and overseen by Council as the Planning Authority. Responsibilities include undertaking a preliminary investigation, completing a strategic assessment, consultation and preparation of amendment documentation.

As the **Responsible Authority**, Council administers the Planning Scheme for the municipality and makes decisions on individual applications for a planning permit.

This role includes consideration of proposals to use or develop land, issuing permits in accordance with the Planning Scheme and ensuring that land is not used or developed in conflict with the Planning Scheme's requirements.

The two primary roles of Council described above are complemented by additional roles that sit outside of the planning system but make an important contribution towards influencing housing outcomes.

These important complementary roles include a range of actions such as those highlighted below.

4.2 Planning and Research

Council is committed to proactively planning for housing growth and achieving positive housing outcomes. This commitment is supported by activities such as the exploration and investigation of ideas, developing a good understanding of issues pertaining to housing in Yarra and clarifying areas of influence with respect to Council's planning and land use roles and functions. Considering the likely impacts of housing growth, both positive and negative represent the type of important research inputs in developing a planned approach to future housing. Examples of projects or activities reflecting Council's planning and research roles include the following:

- Undertaking consultation to obtain feedback or input into a particular issue or policy process;
- Conduct of literature reviews;
- Identifying anticipated land-use demand over the next 20 years;

- Undertaking analysis of planning controls across the municipality with a view to designating areas for future conversion of land-use to meet anticipated demand; and
- Maintaining local data about housing development.

4.3 Advocacy and Information Provision

Council plays a key role in advocating for appropriate housing outcomes. As part of this role, Council meets regularly with State Government and representatives of the development industry to articulate issues of concern and argue for improved housing outcomes that meet the current and future needs of Yarra's communities. Additionally Council undertakes a range of advocacy and information provision activities that includes but is not limited to:

- Advocating to other levels of government about significant housing issues and policy gaps;
- Initiating or participating in campaigns on relevant issues;
- Ensuring community members are informed and engaged in planning processes such as structure planning;
- Provision of information about Planning Scheme amendments or rezoning process; and
- Conduct of information forums targeting the development community

4.4 Partnership Building and Facilitation

Council is committed to building relationships and working in partnership with other stakeholders to facilitate positive housing outcomes. Examples of this role in action include:

- Regional collaboration on shared issues with Council's comprising the Inner Melbourne Action Plan (IMAP) group
- Provision of incentives to leverage specific housing outcomes. For example, fast tracking particular types of development applications if congruent with Council's policy directions
- Establishing alliances with providers of social housing to deliver more affordable housing on the ground.
- Working with State and Federal Government agencies to explore opportunities for collaborative work on increasing housing stock including affordable rental housing and social housing

5. Developing the Yarra Housing Strategy

The Inner Regional Housing Statement (IRHS) (2005) and Yarra's Municipal Strategic Statement (MSS) provide important guidance regarding the distribution of future housing in Yarra. The Yarra Housing Strategy continues to support the IRHS and the MSS in directing the majority of housing growth to strategic redevelopment sites with remaining growth to be absorbed by existing residential areas and activity centres.

Public consultation conducted during the development of the Housing Strategy highlighted what was important to people in Yarra with respect to housing growth. Public comment provided on the Issues and Opportunities Paper confirmed that many people recognised the need to meet Yarra's increasing population, but equally wished to protect Yarra's existing liveability, diversity of communities and to achieve greater sustainability for the future. Discussions held with a variety of stakeholders representing residents, not-for-profit organisations and the development industry, provided an important basis for framing a vision for future housing in Yarra.

A Vision for Future Housing in the City of Yarra:

Future housing in Yarra will meet the needs of our growing population whilst promoting liveability, diversity and sustainability.

In responding to the Vision for Future Housing, the Yarra Housing Strategy identifies 3 key objectives with a series of strategies for achieving the objectives. Actions are included under each strategy.

6. Built Environment

Over the past decade in particular, a new pattern of built form has begun to emerge in Yarra. This pattern is predominantly represented by the large scale residential and/or mixed use developments popping up across the municipality. This form of development is contrasted with the pattern of low rise urban form that is characteristic of many existing areas within Yarra. To manage this growth and change, the following strategic objective articulates a preferred future for the built environment as it relates to residential growth in Yarra.

Strategic Objective - Built Environment:

Future housing in Yarra will be well designed, appropriately located and sensitive to Yarra's urban context

To achieve this objective the following strategies and actions are included:

Strategy		
6.1	Support the direction articulated in Yarra's Municipal Strategic Statement and the Inner Regional Housing Statement with respect to the distribution of future housing growth in Yarra	
Action		Stakeholder
6.1.1	Direct the majority of future housing growth (85%) towards strategic redevelopment sites with remaining growth (10%) directed towards existing residential areas and 5% towards existing activity centres.	Strategic Planning
6.1.2	Monitor housing growth in the City of Yarra.	Strategic Planning
Strategy		
6.2	New housing will provide design and built form outcomes that integrate successfully with Yarra's existing urban fabric	
Action		Stakeholder
6.2.1	Prepare design objectives on building heights and other built form outcomes for Strategic redevelopment sites.	Urban Design

Strategy		
6.3	Direct future housing towards preferred strategic locations that are suitable for increased residential densities	
Action		Stakeholder
6.3.1	Review the local LPPF to ensure that sufficient clarity is provided with respect to directing housing growth to strategically preferred locations	Strategic Planning
6.3.2	Undertake detailed preparatory work to support the introduction and implementation of new residential Zones as proposed by the State Government	Strategic Planning
6.3.3	Develop key characteristics that can be applied to the selection and identification of strategic redevelopment sites	Strategic Planning
6.3.4	Investigate the proposed model of urban consolidation commonly known as 'Residential Intensification in Tramway Corridors' and its relevance for Yarra and identify locations where the model might be applied.	Strategic Planning
6.3.5	Prepare and implement structure plans for Yarra's key activity centres and other precincts as identified, to provide clear direction on the extent, form and location of residential use and development responsive to local capacity and conditions.	Strategic Planning
Strategy		
6.4	Ensure that internal and external amenity outcomes of large future residential developments provide a positive benefit for existing and future residents	
Action		Stakeholder
6.4.1	Amend if necessary, Clause 22.10: Built Form and Design, to strengthen the consideration of internal and external amenity.	Strategic Planning Statutory Planning
6.4.2	Ensure that local planning policy addresses internal and external amenity standards for residential developments over a clearly identified size or yield threshold.	Strategic Planning Statutory Planning Urban Design

Strategy		
6.5	Ensure that future housing responds to all potential interface issues and land-use conflicts.	
Action		Stakeholder
6.5.1	Review Clause 22.05: Interface Uses Local Planning Policy in response to emerging interface issues and amend if necessary.	Strategic Planning Statutory Planning
6.5.2	Identify additional planning tools that could be employed to minimise land use conflicts between residential and other land uses	Strategic Planning Statutory Planning
Strategy		
6.6	Ensure the significance of heritage places continues to be valued and is not compromised by future residential development	
Action		Stakeholder
6.6.1	Review heritage controls for existing and potential strategic redevelopment sites to ensure there is an adequate level of heritage protection and opportunities for the adaptive reuse of buildings	Strategic Planning Statutory Planning Heritage Advisors
6.6.2	Investigate the application of existing heritage policies and planning controls to large industrial complexes and retail/commercial sites to ensure existing heritage fabric is appropriately protected.	Strategic Planning Statutory Planning Heritage Advisors
6.6.3	Continue to implement the recommendations of further heritage studies in accordance with budgetary allocations.	Strategic Planning

7. Social Environment

Yarra is a rich urban tapestry comprising many different components that collectively contribute to the vitality of the city. This includes:

- Population and dwelling density,
- housing affordability,
- diversity of housing type and land-use,
- quality and design of housing,
- connectivity of housing to public transport, activity centres and other important community infrastructure

A comprehensive approach to planning for housing growth and change will strengthen the links between these important components and assist in managing change to protect Yarra's liveability.

The IMAP Councils in conjunction with Swinburne University developed a website that provides data on housing and housing affordability indicators in Melbourne. It provides useful and accessible data that will inform the identification of affordable housing needs at regional and local government levels

Strategic Objective – Social Environment

Future population growth in Yarra will be accommodated through the provision of appropriate housing that provides positive community benefits.

To achieve this strategic objective the following strategies and actions are included:

Strategy		
7.1	Promote and encourage access to appropriate and affordable housing.	
Action		Stakeholders
7.1.1	Continue to work collaboratively with Inner Melbourne Action Plan (IMAP) partners to progress Action 5.2, Affordable Housing as part of the Inner Melbourne Action Plan 2005.	IMAP Councils
7.1.2	Monitor local demographic trends, changes in the diversity of housing stock and housing affordability to provide systematic information to assist in identifying future housing needs.	IMAP Councils Strategic Planning
7.1.3	Ensure that future planning for Yarra's key activity centres include opportunities for well located, affordable and social housing.	Strategic Planning

7.1.4	Investigate options for facilitating planning applications for social housing projects through the planning permit system. This may include a range of concessions such as fast tracking or fee subsidies.	Strategic Planning Statutory Planning
7.1.5	Continue to work with State and Federal Government agencies to explore opportunities for collaborative work on increasing housing stock including affordable rental housing and social housing.	IMAP Councils Social Planning Strategic Planning
Strategy		
7.2	Encourage a diversity of housing type across Yarra	
Action		Stakeholders
7.2.1	Develop and review local planning policies to encourage an increased range of dwelling types targeted to respond to identified 'gaps' in housing types.	Strategic Planning Statutory Planning
7.2.2	Investigate planning tools and other mechanisms to promote and provide for increased housing diversity.	IMAP Councils Strategic Planning Statutory Planning
7.2.3	Investigate planning tools and other mechanisms to promote and encourage adaptable housing. For example, housing where interior spaces can be adapted in response to different life stages.	IMAP Councils Strategic Planning Statutory Planning
7.2.4	Investigate alternative models of housing that could be promoted to the development industry as options to consider in the Yarra context.	Strategic Planning
Strategy		
7.3	Encourage residents to be actively involved in influencing positive housing outcomes	
Action		Stakeholders
7.3.1	Work collaboratively with residents to identify and understand key concerns about housing density to inform future policy review and development.	Strategic Planning
7.3.2	Identify and promote positive examples of housing densities that demonstrate good housing outcomes.	Strategic Planning

8. Sustainability

Housing that is well located in relation to public transport, employment locations and activity centres creates a more sustainable future through promoting better access to jobs, shops and services and reducing greenhouse gas emissions through reducing car dependence.

Future housing that promotes improved water and energy efficiency through greener design and built form outcomes is essential for Yarra's long term sustainability particularly as the city becomes denser and population growth continues to rise.

Strategic Objective – Sustainability

Future housing in Yarra will be a leading exemplar in achieving sustainable outcomes.

To achieve this strategic objective the following strategies and actions are included:

Strategy		
8.1	Council to demonstrate leadership in promoting environmentally sustainable future housing in Yarra	
Action		Stakeholders
8.1.1	Introduce a local planning policy and/or best practice guidelines to encourage flexible and multi-functional adaptable housing design that promotes improved energy and water efficiency.	Strategic Planning Statutory Planning Environmental Sustainability
8.1.2	Investigate the merit in applying a reduced car parking rate to strategic redevelopment sites where it has been predetermined that the site context can support an on-site car parking reduction	Strategic Transport Strategic Planning Statutory Planning
8.1.3	Investigate the links between Local Area Traffic Management Plans and strategic redevelopment sites to identify opportunities for improving the management of car parking and traffic flows in the immediate locale	Strategic Transport Strategic Planning
8.1.4	Introduce a local Ecologically Sustainable Development Policy into the Yarra Planning Scheme	Strategic Planning Statutory Planning Environmental Sustainability
8.1.5	Support the continued implementation of ESD training program with Council staff.	Strategic Planning Statutory Planning Environmental Sustainability

Strategy		
8.2	Adopt a collaborative and planned approach to future housing growth that includes consideration of physical and social infrastructure and service requirements	
Action		Stakeholders
8.2.1	Foster an integrated and joint approach between land-use, transport, social, environmental and economic planning when planning for long term future housing growth.	Strategic Planning Statutory Planning Environmental Sustainability
8.2.2	Continue to work collaboratively with member Councils of the Inner Melbourne Action Plan (IMAP) to address regional infrastructure concerns and to participate in regional advocacy where appropriate.	Strategic Planning IMAP Councils