



9.0 Housing Diversity

9.1 Overview

Based on the analysis discussed in Chapter 5, there is an emerging need for smaller, more affordable medium and high-density housing, and demand for dwellings with one or two bedrooms. This will be concentrated in the urbanised areas of Lilydale, Chirnside Park, Mooroolbark and Kilsyth in well located residential areas close to these centres. More diverse housing will also be needed in large townships serving a regional catchment, specifically Mount Evelyn, Healesville, Yarra Junction and Yarra Glen, where there will be an increased demand for smaller housing options to provide increased housing choices and allow for aging in place.



Providing a better mix of housing options will provide housing choices for residents through different stages of life. Higher proportions of medium and higher density housing will also complement objectives to achieve better housing affordability.

While the issue of housing diversity is often inter-related with that of housing affordability, due to the relationship of lot/house size to price-point, this Chapter will seek to focus on the diversity issue specifically, leaving discussion of affordability to Chapter 10.

Discussion of housing diversity is often accompanied by an underlying assumption that achieving increased diversity must equate to a need for higher residential densities, however the opposite can also be true. Through consultation on the Housing Strategy Discussion Paper, there were suggestions made that larger dwellings in some areas could also cater for multi-generational housing. This is a housing form that can support several generations of one family to live together in the one house and can be easily modified or used in different ways to suit changing household needs. It is particularly valued by some specific cultural groups such as migrants from Asian countries like Myanmar, China and India^{11(p.30)} and also by Indigenous communities^{24(p.6)}. Community feedback on the Discussion Paper indicated this housing form may also have broader appeal across all cultural groups^{24(p.6)}.






In March this year, Infrastructure Victoria released its report **Our Home Choices**, which identified that the ideal home type for Victorians is a detached house with at least three bedrooms in an established suburb, however this is now unaffordable for moderate income households^{27(p.22)}. This finding reinforces the value of Yarra Ranges' established suburbs on a metropolitan scale, which provide options for large family homes at a lower price point than found in many more inner urban areas. Planning policy should therefore partly aim to preserve this housing type in Yarra Ranges.

The Infrastructure Victoria report also found there is a lack of diversity among medium and higher density housing options. For example, only one in ten Melbourne apartments have at least 3 bedrooms, meaning they do not offer a substitute for growth area homes^{27(p.39)}. For Yarra Ranges, this finding appears contradictory to housing diversity objectives to encourage more smaller homes. However, it indicates that in encouraging medium and higher density housing types, there is also a need to achieve diversity within this category, in order to provide options for families with children and other groups.

Yarra Ranges contains a large diversity of residential areas, with differing neighbourhood and landscape character as outlined in Chapter 8, and therefore a challenge will be how to enable more diverse housing in a way that also responds to valued neighbourhood character attributes of particular areas.

Housing diversity needs in Yarra Ranges do not relate only to dwelling size but also to a variety of other characteristics. Policy will be needed in the Yarra Ranges Planning Scheme to achieve increases in the desired housing types and characteristics.

The following sections further explore housing diversity issues and means of policy implementation under the following four themes:

 Dwelling type and diversity	 Adaptability and accessibility
 Small and non-standard dwelling models	 Achieving housing diversity
 Housing for older people and people with a disability	

9.2 Dwelling Type and Diversity

The term **dwelling diversity** is distinct from **dwelling type**, which refers to broad categories of residential development such as detached dwellings, townhouses and units, and apartments. Within any of these dwelling types, there will be a need for diversity of characteristics to adequately provide for housing choice and a variety of life circumstances. These characteristics may include:

- Price
- Lot size (low density or medium density)
- Location (proximity to employment opportunities, public transport and services)
- Tenure
- Accessibility (suitability for varying ages and mobility levels, including for people with a disability)
- Adaptability (the ease with which a building can be modified to suit changing life circumstances)
- Floor area and number of bedrooms
- Amount of open space (large garden areas may be unsuitable for older people due to maintenance implications)
- Amount of parking (for 3+ bedroom retirement-village units a reduced parking rate may be appropriate from the standard under the Planning Scheme, however for large multi-generational houses, increased parking may be needed)

To address housing diversity issues, a new Council policy is needed to encourage specific dwelling types and characteristics in identified locations. This policy would make explicit to the development community the types and characteristics of housing Yarra Ranges is seeking, and would encourage negotiation with developers to reach these outcomes as part of future proposed subdivision and development.

9.3 Small-Format and Non-Standard Dwelling Models

As issues of housing availability and affordability, and homelessness have become more prominent at a national level, there are increasing suggestions that more should be done to enable land-owners the flexibility to realise small-format dwelling options on their properties without excessive regulatory burden, which may include options such as:

- Tiny houses
- Dependent persons units (granny flats)
- Relocatable and pre-fabricated buildings
- Secondary dwellings

There are also suggestions for non-standard housing options to be made easier to achieve within the planning system, such as cohousing.

This section further discusses these housing options and the regulatory frameworks needed to achieve them.

9.3.1 Tiny Houses

Tiny houses have grown in popularity in recent years and are now widely perceived as a viable small dwelling option. Generally, they range in size from 20-40 square metres, are designed to be transportable on a wheelbase, and are self-contained residences with a kitchen and bathroom. They can include external features such as a lowerable deck. However, the term encompasses a variety of potential scenarios, including:

- Positioned on land on wheels and moveable, or without wheels and resting on supports (skids) or blocks,
- Connected to reticulated sewer or septic system, or unconnected and relying on a composting toilet system or other approach,
- Associated with a larger house on a block (in which case its residents may live between the larger house and the tiny house, relying on some functions of the larger house), or being functionally independent,
- Used commercially, such as for short-term rental accommodation, or non-commercially,
- Occupied permanently, or occasionally,
- Associated with other tiny houses on land (in which case these may share common areas and facilities).

Given these variables, there is currently no standard definition in the Victorian Planning System for tiny houses, but rather Yarra Ranges Council defines and regulates them on a case-by-case basis. For example, if a tiny house is on wheels and moveable, in many cases it is considered a caravan, which is not generally regulated by the Yarra Ranges Planning Scheme but rather is subject to Council's Neighbourhood Amenity Local Law 12.3 (Caravans).

The intention of the Local Law is to provide a level of amenity protection for the use of caravans (which also applies to tiny houses on wheels), in situations where these are part of the primary use of land for a dwelling (i.e. an existing house on land). For example, the tiny house may rely on functions of that house, such as for a kitchen, bathroom, internal living areas, and potentially electrical power via an extension cord. In this case, a tiny house (or caravan) is secondary to the existing house, and part of that land use. Used in this way, Council's Local Law would ensure the tiny house did not cause adverse amenity impacts on neighbours or the local environment.

In the Green Wedge Zone, only one dwelling per lot is allowable, which means that if a lot already has an

existing dwelling, a tiny house that is considered a further dwelling is prohibited.

There is a need for State level policy guidance on how tiny houses should be defined and considered by local governments. As an Action of the Housing Strategy, Council will continue advocating to the State Government for a formal Planning Scheme definition for tiny houses, as well seeking clarity and guidance on their assessment and regulation in the Victorian planning system.

Case Study

Launch Housing Initiative – Footscray and Maidstone

This project uses vacant State Government owned land to accommodate a community of 57 tiny homes to house people with a chronic experience of homelessness, providing an affordable, long-term housing solution using prefabricated buildings.

This project provides a model that can be explored in other local government areas, including Yarra Ranges, which has been financed through a combination of philanthropic and public funding streams.

More information on the project can be accessed at this link: <https://www.launchhousing.org.au/harris-transportable-housing-project>

Council is interested to hear community views on the potential for this model to be used in residential parts of Yarra Ranges with large, unused areas of government-owned land. Suggestions are invited for any specific areas a project like this may be well-received, or any criteria Council should consider to identify potential sites.

9.3.2 Dependent Persons Units (Granny Flats)

Dependent Persons Units (DPUs) are currently allowable under the Planning Scheme in residential areas, generally without a planning permit, and rural areas where a planning permit may be required.

DPUs are small homes that provide accommodation for a person with a care dependence on residents of a larger, primary house on a property. A common example is an

elderly relative. DPU's are intended to be demountable and moveable from place to place on more than one occasion, and must therefore conform to Department of Transport requirements for weight and transportable dimensions, which can be accessed at the link below:

<https://www.vicroads.vic.gov.au/business-and-industry/heavy-vehicle-industry/heavy-vehicle-road-safety/transporting-houses-and-prefabricated-buildings>

DPUs are temporary buildings, even though they may remain on a property for many years. Once the dependent relationship ends between the occupants of the primary house and DPU, the DPU is no longer permissible and must be either moved from the property, or legitimised as a separate dwelling by a planning permit.

9.3.3 Relocatable and Prefabricated Buildings

Small, prefabricated buildings, or 'pods', can be moved onto and off sites by crane or other means for a variety of purposes including as a dwelling.

Similar to tiny houses, this can take a variety of forms, and the regulatory approach Council takes will vary according to the specifics of each proposal.

If a pod is moved onto a site as a self-contained residence with bathroom and kitchen, Council considers this under the Planning Scheme as a separate dwelling on a lot. This requires planning permission in residential areas and may be prohibited in rural areas.

Standard residential requirements for connection to sewerage and utilities apply.

The Victorian Government's 'Housing Statement' of 20 September includes an intention to exempt these buildings, if under 60m², from a planning permit. Changes are expected to the Yarra Ranges Planning Scheme to enable this.

9.3.4 Secondary Dwellings

In 2020-2021, the Victorian State Government explored the use of a code to enable a streamlined planning approval process for development of one small secondary dwelling on the same lot as an existing dwelling in some residential zones.

A pilot program was trialled in four Planning Schemes, where a secondary dwellings was defined as a single-storey dwelling of less than 60 square metres and located on the same lot as an existing dwelling. Some other parameters governing secondary dwellings were:

- Must be the only secondary dwelling on the lot
- Must not be on a lot that contains a DPU
- Must not exceed 5 metres in height
- Must not be subdivided from the existing dwelling

The purpose of the pilot program was to explore a new way to provide housing options for an ageing population, multigenerational families and lower income households in Victoria, based on similar allowances that exist in other Australian states.

At the completion of the pilot program, the secondary dwelling provisions were removed from the planning schemes of the four participating councils, and since this time, the Victorian Government has not progressed to refine the secondary dwelling provision or extend it to other local government areas.

However, The Victorian Government's 'Housing Statement' of 20 September includes an intention to exempt these buildings, if under 60m², from a planning permit. Changes are expected to the Yarra Ranges Planning Scheme to enable this.

Council will await further detail from the Victorian Government on this.

9.3.5 Cohousing

Cohousing is a model for community living developed by the American architect Charles Durrett, where private houses are clustered together on shared land, with communal open space, shared facilities such as laundries, eating areas and kitchens, and car parking at the periphery. Cohousing is not a well-established housing model yet in Victoria, but there is increasing interest in its potential benefits for affordability and environmental sustainability.

There are existing co-housing initiatives in Melbourne, which include:

- Brougham Street, Eltham:
<https://broughamstreetcohousing.com/>
- Murundaka, Heidelberg Heights:
<https://www.murundakacohousing.org.au/>

There is also a current proposal in Castlemaine targeting older women residents:

<https://winccohousing.org.au/>

Cohousing is allowable under the Planning Scheme in residential zones, and on appropriately zoned land near activity centres. It is not allowable in rural zones. A constraint to realising cohousing initiatives is the need to secure a large, affordable land parcel to build suitable housing – which may be in the form of a small apartment or single dwellings with communal facility areas.

9.3.6 Internal Division of Existing Dwellings

Community feedback on the Housing Strategy Discussion Paper indicated frustration that building and planning regulations can make it cost-prohibitive to modify established homes to changing life circumstances, such as to provide for multi-generational living. This is particularly relevant for elderly people who may live alone in large, detached houses. An ability to internally divide an established house, such as to create a separate tenancy under the one roof, may be one solution to providing additional, smaller housing options by better utilising existing housing stock.

However, State level planning and building regulations apply. Much like other non-standard housing options, there are a number of potential variations to this scenario, such as:

- Self-contained units, each with separate parking, open space, kitchen, bathroom and internal living areas, separated by fire-rated walls for safety
- Partially self-contained units, where some features may be shared or in commonly accessible areas
- Units that are not fully separated by fire-rated walls, or may have other kinds of safety risk, lack of disabled access, or other potential regulatory issues

As an action of the Housing Strategy, Council will investigate these regulatory issues and create a fact sheet for clarity.

9.3.7 Future Homes Pilot Program

In October 2022, the Victorian Government commenced a two-year pilot project in the Maribyrnong Planning Scheme to allow a streamlined planning process for use of generic apartment architectural designs, with four designs to choose from. The four designs were available

as adaptable templates, compliant with planning scheme policies, and intended as an affordable option for developers to minimise planning and construction costs. The designs were environmentally sustainable and 50% of dwellings within any development were designed to be accessible for people with limited mobility.

Following the The Victorian Government's 'Housing Statement' of 20 September, the project was applied to more areas, including parts of Yarra Ranges in a General Residential Zone, which are:

- Within 800m of a railway station
- Within 800m of a major or neighbourhood activity centre

Designs under 'Future Homes' are a maximum of three stories.

One of the main incentives for developers is that in the streamlined approval process, there is no ability for appeals for third party review by the Victorian Civil and Administrative Tribunal (VCAT).

9.3.8 Build-to-Rent Schemes

Build-to-Rent is an emerging model of housing in which well-located, high-density housing is developed with the intention that on completion of construction, the development firm will remain the owner of all units, which they will rent out and manage as a complex. This model is anticipated to grow in Australia over coming decades and provides advantages to the more traditional 'built-to-own' model, such as:

- More rental security for tenants, and potential for longer lease periods
- More certainty for tenants over rental price increases
- Flexible rental conditions, over matters such as the keeping of pets
- Good potential for affordable housing outcomes

Yarra Ranges Council will monitor the growth and development of this model in Melbourne with interest, and with a consideration of how it may complement the housing mix in Yarra Ranges in the future.

9.4 Housing for Older People and People with a Disability

Within the broader community, there are some groups with specific housing needs, including older people and people with a disability, who may have housing type, accessibility and adaptability requirements beyond those which the housing market would ordinarily provide. In these instances, there may be a need for a Council policy to ensure sufficient appropriate housing is provided so that people are not forced to relocate elsewhere.

9.4.1 Housing for Older People

Demographic forecasts indicate that currently 35.9% of Yarra Ranges is aged 50+, which is projected to increase to 38% by 2041^{28(p.4)}, largely driven by increases to the number of residents in the 70-79 age bracket^{28(p.8)}. Yarra Ranges therefore has an increasing need for a range of housing options for ageing residents, including aging-in-place options, retirement villages and aged care facilities.

Yarra Ranges has a very low provision of aged care places. In June 2016, it had a total of 1,205 places, or 54 places per 1,000 residents aged 65 plus, compared to 80 per 1,000 for Victoria^{28(p.13)}. Locations with significant deficiencies are Lilydale, Coldstream, Mooroolbark, and Yarra Valley, Belgrave-Selby, Chirnside Park, Monbulk, Silvan, Mount Dandenong, Olinda, Mount Evelyn, Upwey, Tecoma, Wandin and Seville^{28(p.13)}. Provision of aged care facilities is strongly concentrated in the urban parts of Yarra Ranges, even though these still have shortages relative to their needs as indicated above.

From consultation feedback on the Housing Strategy Discussion Paper, it was apparent that ageing residents value opportunities to down-size to stay in their local communities, and that opportunities need to be explored to enable this, not only through traditional forms of retirement home, but also multi-generational housing opportunities^{25(p.6)}.

In Yarra Ranges the majority of older residents live in private dwellings, with 95% of residents 65 years or over in private dwellings compared to 92% nationally^{30(p.16)}. This figure has implications for the types and locations of new dwellings needed, with a demand for small dwellings located close to facilities and services, and with particular characteristics such as being single level, and with reduced outdoor areas for lower maintenance.

An increased government focus on providing care to older residents in their own homes further supports the need for appropriate private housing for older persons in well located areas.^{30(p.17)}



Ageing in place

This term refers to elderly people being able to continue living in their community and local area, rather than in an aged care facility. It can take a variety of forms, from downsizing to a smaller dwelling or retirement village unit, living in a multi-generational household, or subdividing a large property to realise a smaller land area with less maintenance requirements.

According to the Australian Housing and Urban Research Institute, between 78 and 81% of Australians over 55 (depending on the age cohort) want to live in their own home as they age.²⁹

Retirement village

This is typically a multi-residence housing facility intended for people over 55 years old. Residents are generally fully independent and do not need the same level of care required for residents in aged care facilities. This may include communal facilities, such as recreational or medical.

Aged care facility

This is a specialist facility that caters for people with either high (i.e. nursing home) or low (i.e. hostel) care needs, and that provides accommodation, personal and nursing care, and social activities for residents.

Despite the large proportion of elderly residents in private dwellings, there is projected to be continued demand for retirement villages and aged care facilities as the Yarra Ranges population ages.^{30(p.23,20)} These facilities require sites with certain characteristics including land areas of 0.5 hectares minimum, close to shops and activity centres, with good access to public transport, in areas without environmental risks, and with good access to hospitals and health services^{30(p.33-34)}. Due to these factors, the range of available sites are limited. To provide opportunities for aged care facilities and retirement villages in the future, options include:

- Support new proposals for aged care and retirement villages in the urban area close to services and public transport, and consider this need as part of future structure plans.
- Support the expansion and/or redevelopment of existing facilities where demand can be shown for additional accommodation at existing sites.
- Support future facilities in the townships of Healesville, Yarra Glen, Monbulk, Belgrave and Yarra Junction, due to the extent of the population these centres serve and the accessibility to facilities and services.
- Support the provision of aged care facilities within or adjacent to retirement villages to provide an integrated ability for ageing in place.
- In assessing future planning applications, balance the impact on neighbourhood character against the important role of residential aged care provision and policy to provide housing for the expanding older population age group.

9.4.2 Housing for People with a Disability

According to 2021 census data, 5.4% of the Yarra Ranges population reported a need for help in their daily lives due to disability, which was a 0.8% increase from 2016³¹. This statistic relates to a need for assistance due to severe or profound disability.

For people who require specialist housing solutions to assist with support for extreme functional or very high support needs, there is an ability to apply for Specialist Disability Accommodation which is managed by the Victorian Government. Issues relating to the quantity and quality of this housing are beyond the scope of this Housing Strategy.

Disability can also take a variety of forms among people able to live relatively independently outside of specialist housing, such as:

- Mobility and physical impairments
- Intellectual disability
- Mental health conditions
- Sensory impairments
- Neuro-diversities such as Autism Spectrum Disorder (ASD) and Attention Deficit Hyperactivity Disorder (ADHD)

Disability can be a temporary condition, such as a condition that affects a person in the aftermath of an accident or injury, and thus can affect all people at particular stages of life, although it is increasingly more common with age.

Housing design, location, and characteristics can considerably affect the ease with which a person living with a disability can use and maintain household space, both interior and exterior, and get access to nearby commercial areas and services. While the range of housing needs will vary widely depending on the type of disability an individual has, considerations in encouraging housing that is adaptable for the needs of people with a disability include:

- Location - proximity and accessibility to commercial areas and public transport
- Presence of steps and level changes, including around porches and entries, and also to access internal features such as showers
- Internal design, such as the arrangement of doors and corridors, that does not impede movement between spaces
- Accessibility of parking areas to dwellings

To address housing diversity needs, Council will consider integrating the need for disability-friendly dwelling characteristics into a proportion of new dwelling approvals, which would be encouraged through inclusion of planning policy in the Yarra Ranges Planning Scheme.

9.5 Adaptability and Accessibility

Livable Housing Australia, which is a national accreditation body for accessible and adaptable homes, defines a 'livable home' as one that is designed to meet the changing needs of occupants across their lifetime. The aim is to provide a safe and functional environment for a variety of mobility levels including people with a disability, older Australians, people with temporary injuries, and families with young children. A livable home is designed to be:

- Easy to enter,
- Easy to navigate in and around,
- Capable of easy and cost-effective adaption,
- Responsive to the changing needs of home occupants.³²

It is common for people with disabilities or people with limited mobility to make dwelling modifications to make their home better meet their daily requirements. It is therefore important that the initial design of the house is conducive to achieving the modifications needed without extensive and costly renovations.

This is particularly important for rental properties, given that approximately one-third of Australian households now contain a person with a disability.³³

Current best practice in the design of accessible and adaptable housing is set out in the Australian Standard AS4299 **Adaptable Housing**. Other local governments in Australia have integrated AS4299 requirements into local planning requirements.³⁴

In considering the need for specific accessibility and adaptability requirements to apply to new dwelling development, Yarra Ranges will further consider key elements of AS4299, or other requirements, in the development of a new local planning policy for housing diversity.

9.6 Seasonal Worker Accommodation

In Yarra Ranges a lack of worker accommodation has created problems for agricultural businesses, which have struggled to attract permanent and seasonal workers.

Despite a recent Victorian Government's funding announcement of \$150 million for regional worker's accommodation, this accommodation is subject to a planning permit process in the Green Wedge zones, which are likely to result in:

- Key businesses and industries being unable to benefit from the Victorian Government's investment in workers' accommodation,
- Accommodation supply continuing to fall short of need,
- Agricultural industries of local, statewide and national significance struggling to meet demand for their products.

An action of the Housing Strategy will be to advocate to the Minister for Planning to consider planning permit exemptions for rural worker accommodation in the Green Wedge Zone.

9.7 Achieving Housing Diversity

To achieve greater housing diversity in Yarra Ranges, there is a need to consider development of policy guidance for dwelling design and diversity.

This would require a detailed analysis of diversity incorporating the following variables:

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| <hr/> <p>➔ Specified locations for application of a future housing design and diversity policy, complementary to Council's objectives for neighbourhood character as set out in Chapter 8.</p> <hr/> | <hr/> <p>➔ Priority housing types by location, including for multi-generational housing opportunities.</p> <hr/> |
| <hr/> <p>➔ Within medium and higher density developments:</p> <ul style="list-style-type: none">• encouragement of a diversity of dwelling sizes (i.e. no. of bedrooms) according to projected housing shortfalls• encouragement of a diversity of parking and private open space provisions, according to anticipated demographic characteristics and needs <hr/> | <hr/> <p>➔ Adaptability and accessibility requirements, including reference to Australian Standard AS4299 Adaptable Housing</p> <hr/> |

This work would seek to achieve:

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| <hr/> <p>✓ Actions to improve housing diversity</p> <hr/> | <hr/> <p>✓ Identify specific diversity requirements for aged and disabled residents</p> <hr/> |
| <hr/> <p>✓ Identify opportunities to reduce barriers to housing diversity</p> <hr/> | <hr/> <p>✓ Implement a data collection and monitoring system</p> <hr/> |

As part of the Strategy actions, Council may consider advocating to the State Government for an introduction of 'inclusionary zoning' into the Victorian Planning System, which requires developers to include housing diversity in new developments.

9.8 Actions

- 1.** Advocate to the State Government for a formal Planning Scheme definition for tiny houses, and clarity and guidance on their assessment and regulation in the Victorian planning system.
- 2.** Investigate issues impacting the regulation of internal division of existing dwellings (to create separate tenancies), and create a fact sheet for clarity.
- 3.** Consider the need for a Housing Design and Diversity Strategy, consistent with Section 9.7.
- 4.** Prepare a new local planning policy in the Yarra Ranges Planning Scheme to support increased housing diversity and guide future use and development outcomes.
- 5.** Explore the use of Australian Standard AS4299 Adaptable Housing, or other requirements, in any local policy.
- 6.** Integrate relevant housing diversity goals into Clause 16.01-1L (Housing) of the Planning Scheme.
- 7.** Advocate to the State Government for the introduction of inclusionary zoning into the Victorian Planning System, to allow Council to specify housing diversity outcomes for the rezoning of land for residential use and development.
- 8.** Support new proposals for aged care and retirement villages in the urban area close to services and public transport, and consider this need as part of future structure plans.
- 9.** Support the expansion and/or redevelopment of existing aged care facilities and retirement villages where demand can be shown for additional accommodation at existing sites.
- 10.** Support future aged care facilities and retirement villages in the townships of Healesville, Yarra Glen, Monbulk, Belgrave and Yarra Junction.
- 11.** Support the provision of aged care facilities within or adjacent to retirement villages to provide an integrated ability for ageing in place.
- 12.** Advocate to the Minister for Planning to consider planning permit exemptions for rural worker accommodation in the Green Wedge Zone.