

5.0 Housing Needs

In determining future housing need, Council needs to consider the quantity, location, and optimal housing types to appropriately plan for the future requirements of the Yarra Ranges community.

5.1 Quantity of New Housing

The number of dwellings across Yarra Ranges is expected to increase from 61,570 in 2021¹⁷ to 73,247 in 2041¹⁶, which is an average of 584 new dwellings per year, a faster annual rate of increase than the current rate of 528 dwellings per year.

This suggests that over the next 15 years, which is the lifespan of this Housing Strategy, there will be a need for 8,760 new dwellings.

Consistent with State Government direction, the Housing Strategy is planning for 10,700 new dwellings over the next 15 years, or approximately 700 dwellings per year.

While the Housing Strategy is planning for opportunities to provide an amount of new housing beyond current projected needs, Council must be guided by the Victorian Government in determining these targets.

5.2 Forecast Housing Supply vs Demand

An analysis of development capacity (ID Consulting, (2020) conservatively estimated that Yarra Ranges has development opportunities available to provide a net gain of 15,603 dwellings^{11(p.73)}. This shows that land capacity will easily meet the State Government’s target of 10,700 new dwellings. Even if development rates increase beyond the anticipated 584 dwellings per year, there is still capacity within existing residentially zoned land to accommodate further development.

The ID Consulting analysis only looked at existing residentially zoned land and did not include any opportunity from rezoning of industrial or commercial land. The **Lilydale Structure Plan 2022** recommended land areas in central Lilydale to be rezoned for residential development, with a potential capacity for a further approximately 250 further dwellings as described in Section 7.2.1.3 Table 4. In future, other similar rezonings may add to this.



5.3 Geographic Distribution of New Housing

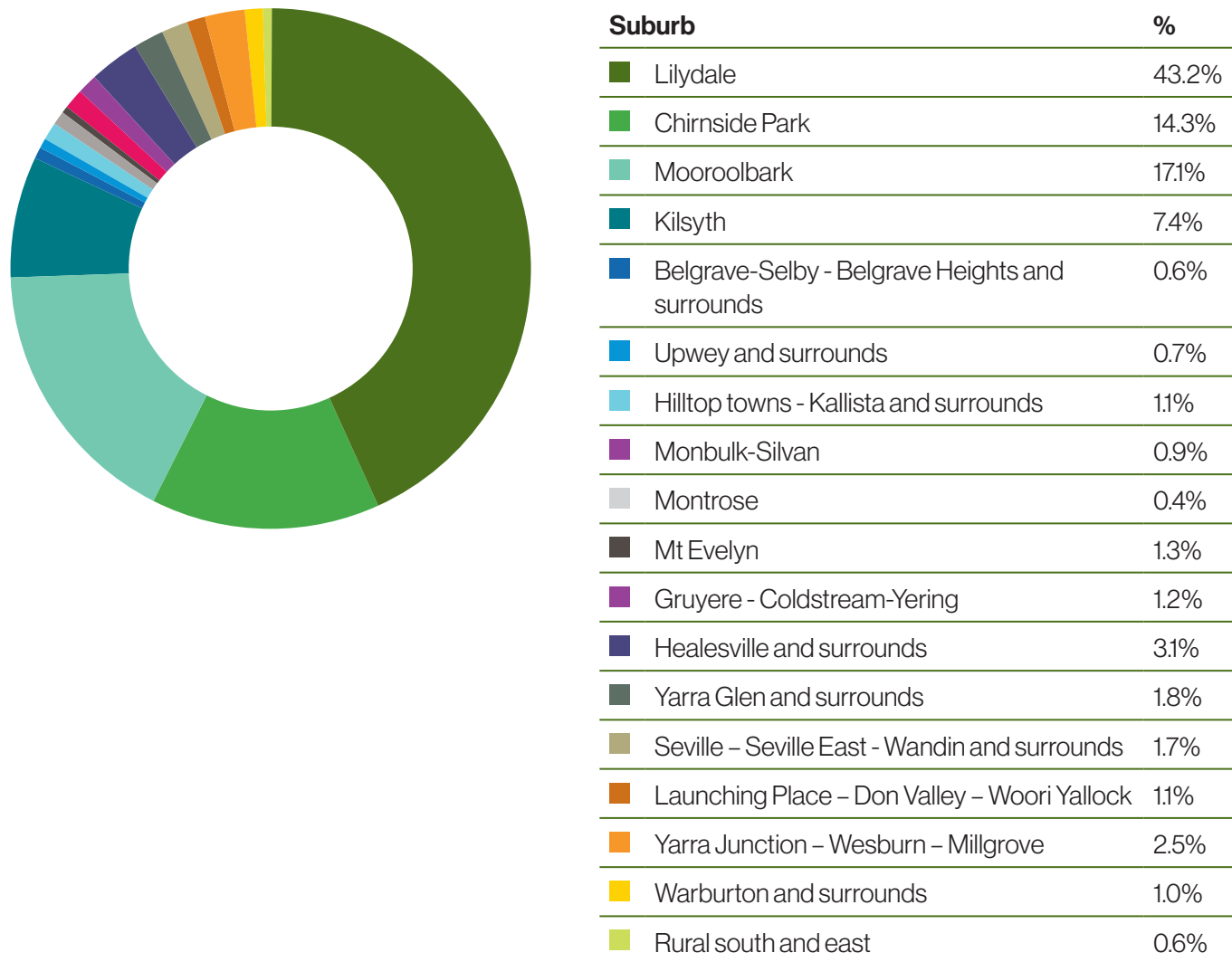
From 2021-2036, new housing is expected to be concentrated in the urbanised area comprising Lilydale, Chirnside Park, Mooroolbark, and Kilsyth, as shown in Figure 19 below.

Contrasted against Figure 12 which shows the geographic dwelling distribution over 2016-2021, Figure 19 shows that the share of total dwellings in the Lilydale, Chirnside Park, Mooroolbark and Kilsyth areas is anticipated to rise from 69.3% over 2016-2021 to 82% over the period from 2021-2036. This is a significant change in distribution. In particular the growth in Lilydale, from 18.3% to 43.2% shows the future role it plays for Yarra Ranges in housing provision.

This high growth in Lilydale is largely driven by the development of the Kinley Estate (former Lilydale Quarry), which has a 15+ year development timeframe^{22(p.8)} and may be roughly 75% completed by 2036 accounting for an estimated 2,250 new dwellings. However, aside from development at Kinley, the relatively high rate of growth that other parts of Lilydale have experienced in recent years is projected to continue. These areas alone constitute roughly 17% of total Yarra Ranges dwelling development to 2036.

The recently approved **Lilydale Structure Plan 2022** anticipates strong residential growth in central areas of Lilydale and nearby residential areas and provides a framework for how this may be achieved, which integrates with the approach taken by this Housing Strategy as presented in later chapters.

Figure 19. Proportions of future residential growth by district, 2021-2036¹⁶



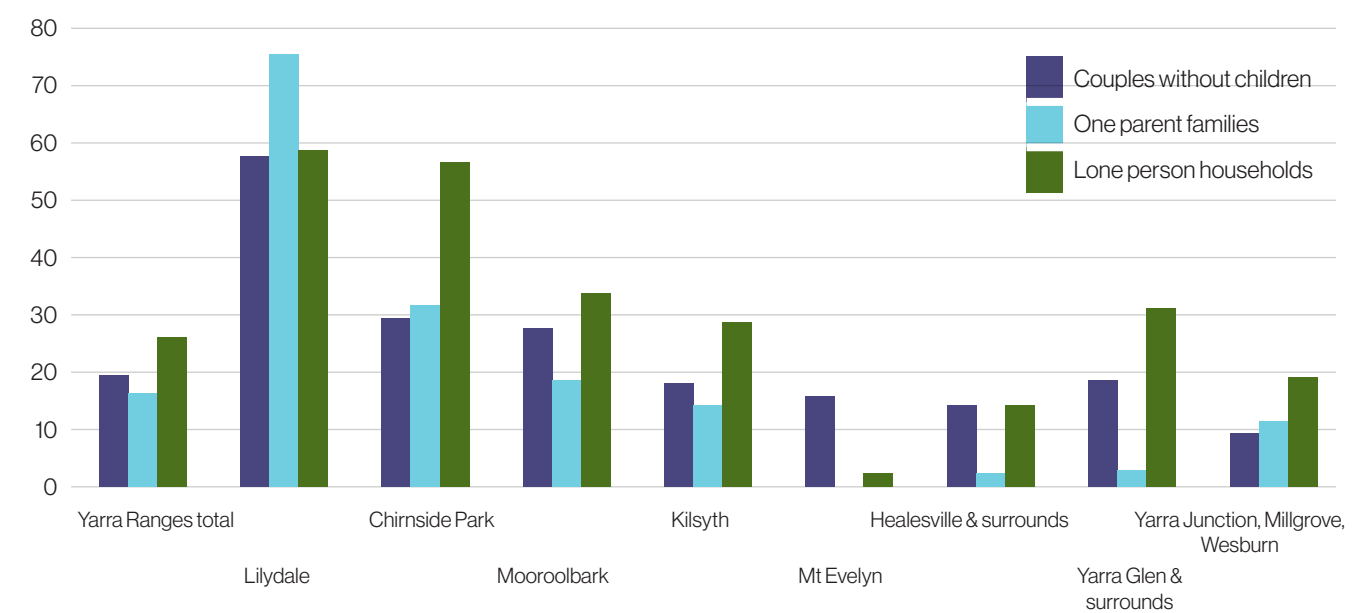
5.4 Future Household Type and Dwelling Type

The dominance of ‘couples with children’ as a household type in Yarra Ranges will continue to 2036. However, as shown by preceding sections, it is forecast that there will also be smaller household types, particularly parents without children, single-parent families, and lone-person households.

There is an emerging need for smaller, more affordable medium and high-density housing, and demand for dwellings with one or two bedrooms. For some household types, this will enable more ability to age in place, allowing people to stay within their communities as they progress through multiple life stages. For other groups, such as young couples without children, it will allow for an easier entry into first-time property ownership.

Geographically, this need will manifest itself in both townships and the main urban area of the municipality. In townships such as Mount Evelyn, Healesville, Yarra Junction and Yarra Glen, it will mean an increased need for smaller housing options to allow for aging in place. However, projections suggest that from 2021-2041, smaller household types will be strongly concentrated in the urbanised areas of Lilydale, Chirnside Park, Mooroolbark and Kilsyth as shown in Figure 20, which is where the majority of housing diversity will be needed.

Figure 20. Percentage increase in smaller household types by location in Yarra Ranges 2021-2041²³



5.5 What Has the Community Said on Housing Need and Issues?

Public consultation on the Housing Strategy Discussion Paper undertaken in 2022 provided insights into how the housing needs of Yarra Ranges residents may change in the next 15 years, and how new housing should be accommodated. This included the following feedback:

New housing should be located with reasonable access to shops and services.

New development should be limited to the capacity of infrastructure to absorb it.

While more housing is needed, overdevelopment needs to be avoided in a way that will undermine the valued character of Yarra Ranges’ neighbourhoods.

The lack of social housing needs to be addressed, and ways identified to increase affordability.

There is a need for a variety of new housing options to suit varying needs, circumstances and life stages.

New housing should be designed to be environmentally sustainable, which will lower living costs and increase liveability.

5.6 What Type of Housing Does Yarra Ranges Need?

Based on the analysis of demographic change in Yarra Ranges, the characteristics of the current housing stock and identified shortfalls, and the feedback from community consultation, anticipated future housing needs in Yarra Ranges are shown in Figure 21 and further discussed below

Figure 21.

Yarra Ranges housing needs:



5.6.1 Housing Diversity to Fit Varying Resident Needs

The emerging dominance of smaller household types will mean a need for smaller, more compact and affordable dwelling stock to provide options for these household types. This is particularly true in the urban areas of Lilydale, Chirnside Park, Mooroolbark and Kilsyth, where the majority of growth in smaller household types is projected to occur. However, it is also needed on a smaller scale in large townships across Yarra Ranges which serve a regional catchment such as Mount Evelyn, Healesville, Yarra Glen and Yarra Junction.

Providing a better mix of housing options will provide housing choices for residents through different stages of life. This is particularly important to accommodate an aging population. As residents age and seek to downsize, this will provide smaller housing options in, or close to, their local communities.

There will continue to be demand for larger, family sized homes in Yarra Ranges. Housing diversity therefore needs to be balanced across all suburbs, according to projected future needs.

Effective diversity in the housing stock not only relates to dwelling size, but has other important characteristics such as:

- Its suitability for a variety of residents with different mobility requirements.
- Achieving a reasonable proportion of single-level dwellings, as opposed to the large numbers of double-storey townhouses constructed in recent years.
- Achieving diversity within the medium and high-density categories, such as with a larger proportion of one and two bedroom dwellings.

5.6.2 New Housing Directed to Suitable Locations

The existing residential planning framework in Yarra Ranges directs the majority of housing growth to the residential areas of Lilydale, Chirnside Park, Mooroolbark and Kilsyth that are located in good proximity to commercial centres and which allow for development of strategic redevelopment sites at medium to high densities.

The Residential Framework has been in the planning scheme since 2013 and was designed to provide greater housing growth and opportunities closer to activity centres, shops, transport, and services, with less growth directed to other areas with poorer access to activity centres, or subject to other factors that would limit development capacity such as environmental hazards or significant landscapes.

The current framework also provides for housing intensification in the larger townships of Mount Evelyn, Healesville, Yarra Junction, and Yarra Glen.

The preceding analysis sections show that this existing approach should be continued, however some issues that have emerged since 2013 are:

- A need for more precise locations and planning controls for increased height and density in residential intensification areas, with regard to neighbourhood character and infrastructure capacity.
- The recent development, and partial development of some strategic redevelopment sites including Kinley, showing the need to more clearly consider the role of these sites in the municipal housing mix.
- The approval of strategy documents, such as the Lilydale Structure Plan 2022, encouraging high-density residential and mixed-use development in commercial centres.

Therefore, there is a need for refinement of the existing Residential Framework to account for these emerging factors.

5.6.3 New Housing that Respects Neighbourhood Character

There is a need to ensure that residential growth is allowed for in appropriate locations, in a way that is complementary to neighbourhood character.

As Yarra Ranges' neighbourhoods are predominantly made up of low scale buildings and tree canopy, new development can have significant impacts on streetscapes and the sense of neighbourhood character for the community. While a degree of change will be necessary to accommodate growth, the amount of change will vary by area.

New development will need to respond to the preferred neighbourhood character objectives and guidelines, which will be guided by the Yarra Ranges Neighbourhood Character Study, 2021. This Study provides a basis for planning scheme provisions to guide how the scale and form of new development can address the preferred vision for how particular neighbourhoods will change over time.

5.6.4 Increased Housing Affordability

There is a need for more affordable housing types in Yarra Ranges to accommodate people experiencing mortgage and rental stress, vulnerable groups, and the homeless population.

The issue of housing affordability is partly tied to the cost of living, which can be improved by locating new housing in or near activity centres to reduce household expenditure on transport and utility costs. It is also related to housing diversity, with smaller housing forms such as townhouses and apartments offering a range of price-points to complement larger dwellings that dominate the Yarra Ranges housing stock. The environmental sustainability of new housing stock is another contributing factor, which can further reduce living and utility expenses.

However, the housing affordability response also needs to progress beyond these issues to consider ways to achieve a larger provision of social housing in Yarra Ranges.

5.6.5 Housing with Better Environmental Performance

Yarra Ranges housing stock was primarily constructed in previous decades, and many dwellings lack sustainable approaches to energy management, waste and water management, and other issues now commonly considered in contemporary housing design.

The Yarra Ranges Planning Scheme has recently been amended to include new requirements for improved approaches to environmental sustainability in building design. These requirements apply to residential development of over 3 dwellings, and some non-residential development.

The renewed and revised focus on activity centres taken by the Housing Strategy, including development in commercial areas for future medium and high-density housing, provides an opportunity to realise improved environmental performance in a larger proportion of Yarra Ranges' dwellings in the future.

6.0 Housing Vision

Vision

“Yarra Ranges will have a variety of housing options that are adaptable for the changing needs of its residents and provide effectively for its population.

Residential streets will retain their spacious, leafy character, with substantial landscaping in new developments.

New housing will be environmentally sustainable and responsive to its surrounding context, with higher density housing located near townships and urban centres in a way that facilitates community participation and active living.

There will be higher rates of affordable housing to support Yarra Ranges' most vulnerable residents, reinforcing Yarra Ranges' sense of community spirit and identity.”

Objectives

The vision was formed from community feedback on the Housing Strategy Discussion Paper, 2022, and is consistent with existing State and Local policy direction for the future of housing in Yarra Ranges. It is written to incorporate the following objectives:

- ✓ To achieve more diverse and adaptable housing that will adequately address the needs of current and future residents, including an ability for older people to age in place in their communities, particularly in areas with good walking proximity to town centres.
- ✓ To achieve future development outcomes that respond to valued neighbourhood character attributes of Yarra Ranges' neighbourhoods, as well as landscape characteristics.
- ✓ To ensure that higher density housing is directed appropriately to targeted locations, where it enhances the sense of place and cultural identity and supports strong local communities and neighbourhood participation.
- ✓ To ensure new housing is designed and constructed with greater attention to environmental sustainability.
- ✓ To achieve social and affordable housing that will address the needs of elderly people, groups on low incomes, and disabled people.