

# 1.0 Introduction

Housing needs and preferences across Australia have changed dramatically over recent years. Among the list of change factors has been the effects of the pandemic on settlement patterns, increasing cost of living pressures, an aging population and changing household structures.

Yarra Ranges' housing stock has traditionally been dominated by detached family homes. However, it has experienced a high degree of change in recent years. An increasing number of units and townhouses are now being constructed in urban areas, which is a trend projected to continue. There is a need to review the scale and location of housing development to ensure it best serves the needs of Yarra Ranges' population into the future.

As the population has grown and diversified, there is also a need for housing diversity, affordability, and environmental sustainability in housing design in Yarra Ranges.

## 1.1 What is a Housing Strategy?

A Housing Strategy is a Council's long-term plan to manage future housing growth and change so that it best meets the ongoing needs of the community. It allows Council to plan for the future. A Housing Strategy identifies the location for new residential development and how new development can be managed to protect valued neighbourhood assets and character. The Housing Strategy underpins Council's housing policy in the Planning Scheme and provides for the next fifteen years of population growth.

## 1.2 Why Do We Need a Housing Strategy?

As Melbourne's population grows, the Victorian Government requires each local government area (LGA) to accommodate a proportion of new residential development. This is to ensure that population is directed to locations near employment, services, and large activity centres. Being a peri urban LGA, Yarra Ranges is expected to accommodate a modest share of the growth (13 per cent) across the six LGAs that make up the eastern region of Melbourne..<sup>4 (p47)</sup> The draft Eastern Metropolitan Land Use Framework Plan, Victorian Government, 2022 identifies the majority of growth in Melbourne's eastern region to take place in Monash and Whitehorse LGAs.

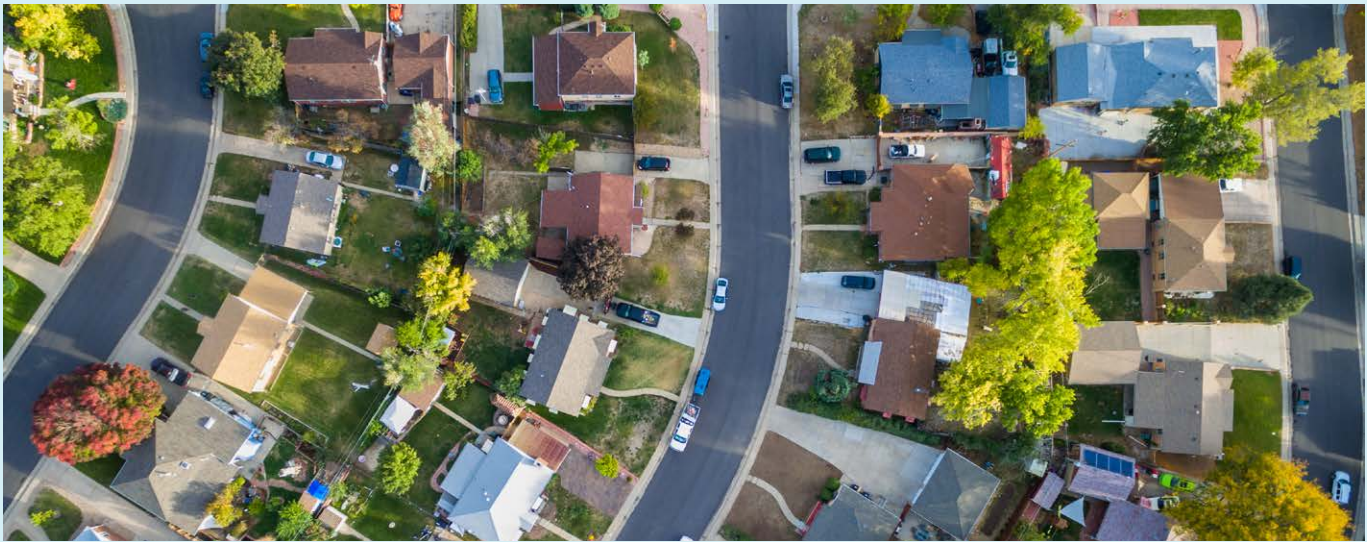
In Yarra Ranges, 13 per cent equates to a requirement for 10,700 new dwellings over the next 15 years, or 713 dwellings per year. This is higher than the current development rate of 528 dwellings per year, so there is a need for Council to think strategically about the type and location of new dwelling development, for the following reasons:

- To ensure it is located close to shops, services and public transport
- To avoid loss of valued neighbourhood character
- To consider infrastructure implications of new development
- To ensure the type and size of new housing meets the needs of changing demographics in Yarra Ranges
- To accommodate emerging needs for housing affordability and environmentally sustainable design

Yarra Ranges has an existing Housing Strategy that was adopted in 2009, however this needs to be updated due to increased rates of growth, changing demographics and housing needs that have occurred over the last 15 years, and increased urgency to address emerging issues such as housing diversity, affordability and environmentally sustainable design.

A new Housing Strategy will:

- Set out how Council is planning to respond to population growth and change,
- Identify where new housing can be located and guide the levels of housing change across the suburbs,
- Determine the potential capacity of the suburbs to deliver new housing,
- Respond to the changing resident profile across Yarra Ranges to ensure that new housing is matching residents' needs,
- Identify opportunities for new medium and higher density housing in line with State government urban consolidation policies,
- Identify opportunities to encourage more affordable housing and affordable living,
- Set out Councils expectations in terms of built form and sustainability considerations,
- Provide more certainty for the community, developers and stakeholders.



## 1.3 How Was the Draft Housing Strategy Developed?

The draft Housing Strategy was developed following a range of background studies including:

- Analysis of Housing Demand and Supply, .id 2020
- Draft Yarra Ranges Neighbourhood Character Study, Hansen Partnership 2021
- Yarra Ranges Multi-Residential Design Guidelines, Hansen Partnership 2019
- Yarra Ranges Affordable Housing Background Report, Affordable Development Outcomes 2019
- Residential Framework Review, Glossop Town Planning 2022

Drawing on these reports, a Discussion Paper was prepared in 2022, which was open for public consultation in March-April 2022 and the community feedback has been a critical input into the formulation of the draft Housing Strategy. Key consultation findings are summarised in Figure 1 below.

These inputs have shaped the development of this draft Housing Strategy.

The preparation of a new Housing Strategy is being undertaken in the stages shown in Figure 2.

Figure 1. Summary of Community Feedback on Housing Strategy Discussion Paper

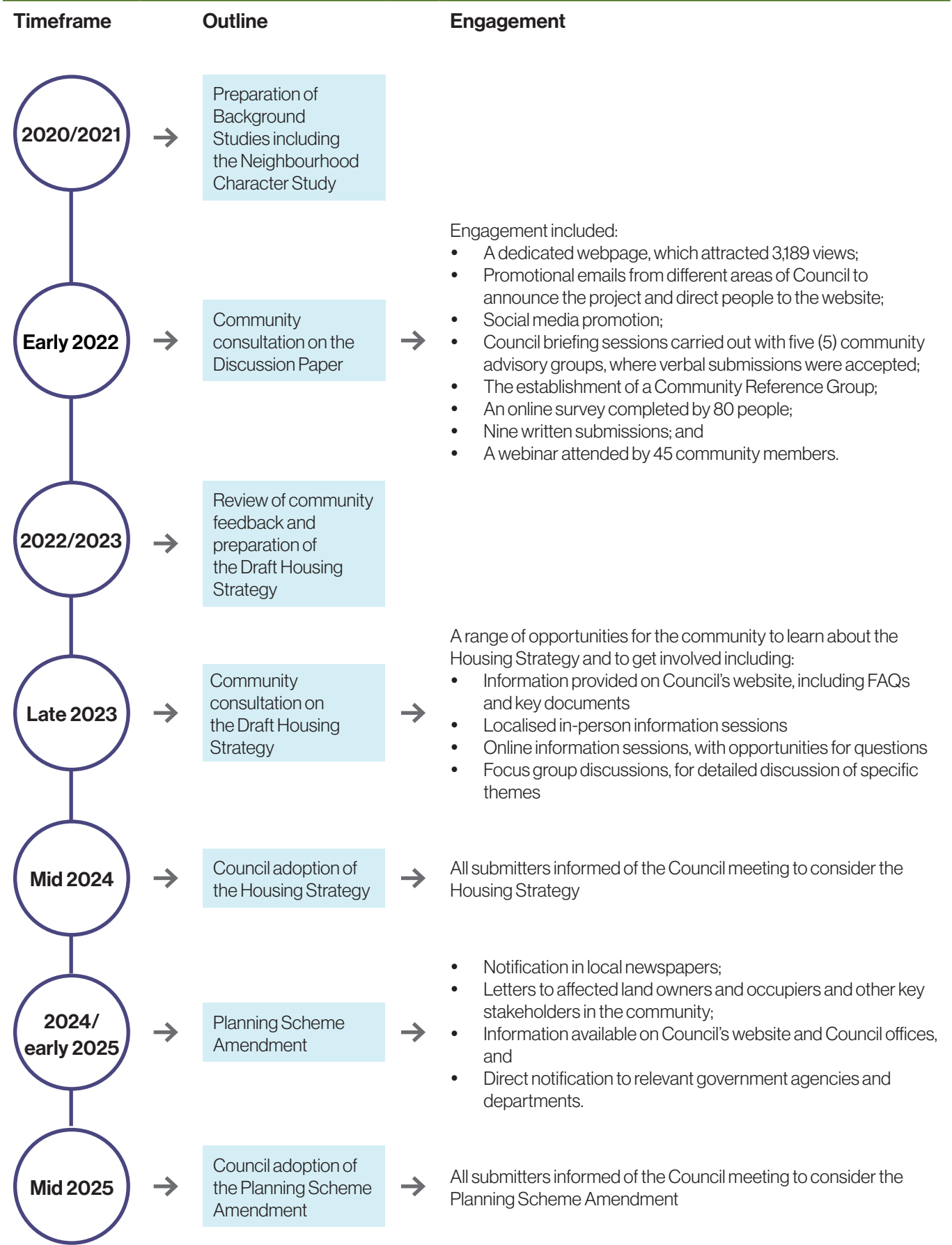
**As Yarra Ranges changes and grows in population, there are risks to character that need to be managed, but also opportunities for a better housing mix.**



**There is an opportunity for the Housing Strategy to:**

- |  |  |
|--|--|
| ✓ Provide policy support for more diverse and affordable housing options in preferred locations.                           | ✓ Consider how infrastructure issues can be better addressed in areas identified for higher density housing forms, like townhouses and apartments. |
| ✓ Identify opportunities for ageing in place, not only in urban areas but also rural townships.                            | ✓ Provide recommended approaches for better consideration of environmental sustainability in future development.                                   |
| ✓ Create clear expectations and guidance over the scale and form of new development and where this is encouraged to occur. | ✓ Identify actions to increase the amount of social and affordable housing.  |

Figure 2. Housing Strategy Development Process





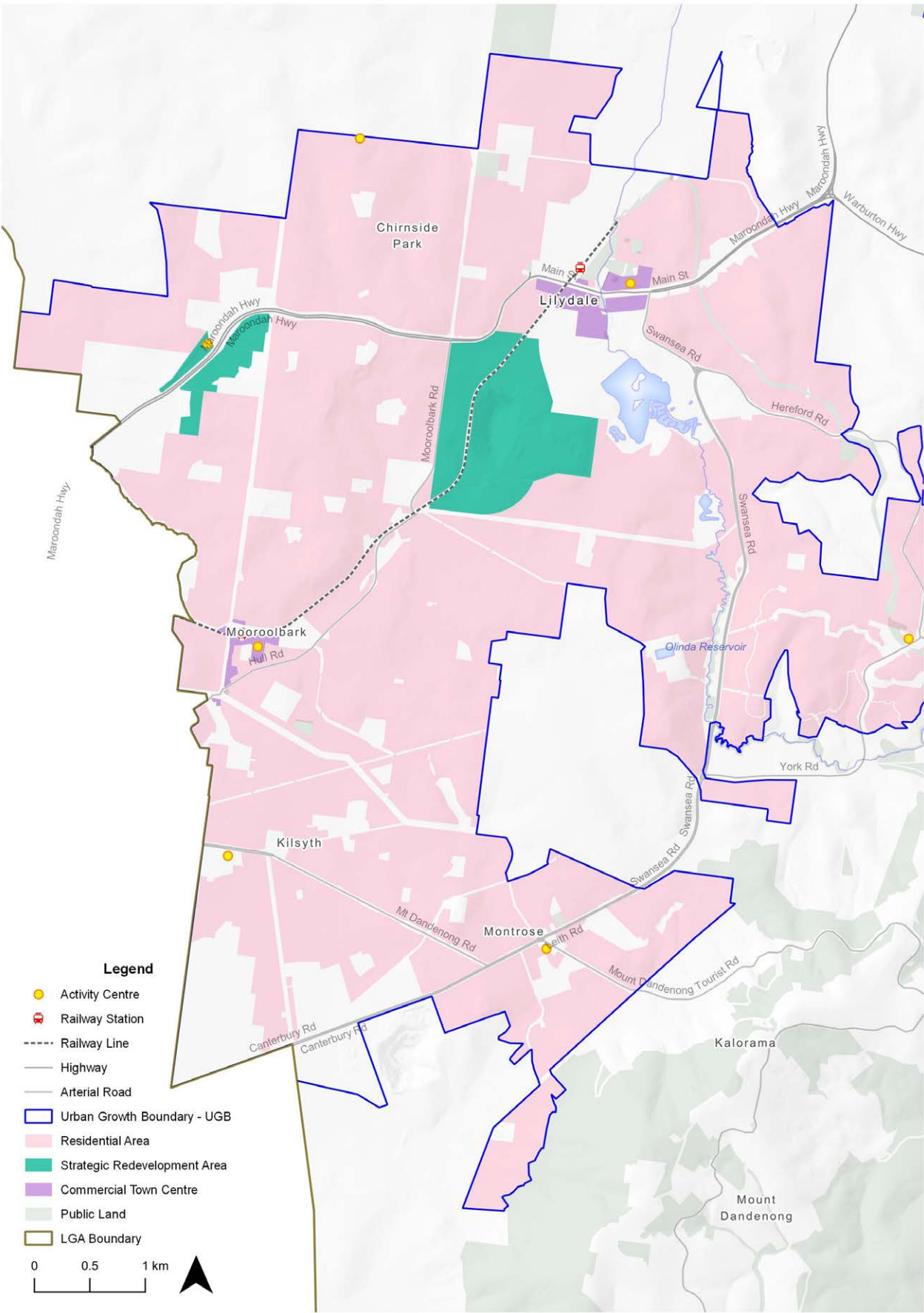
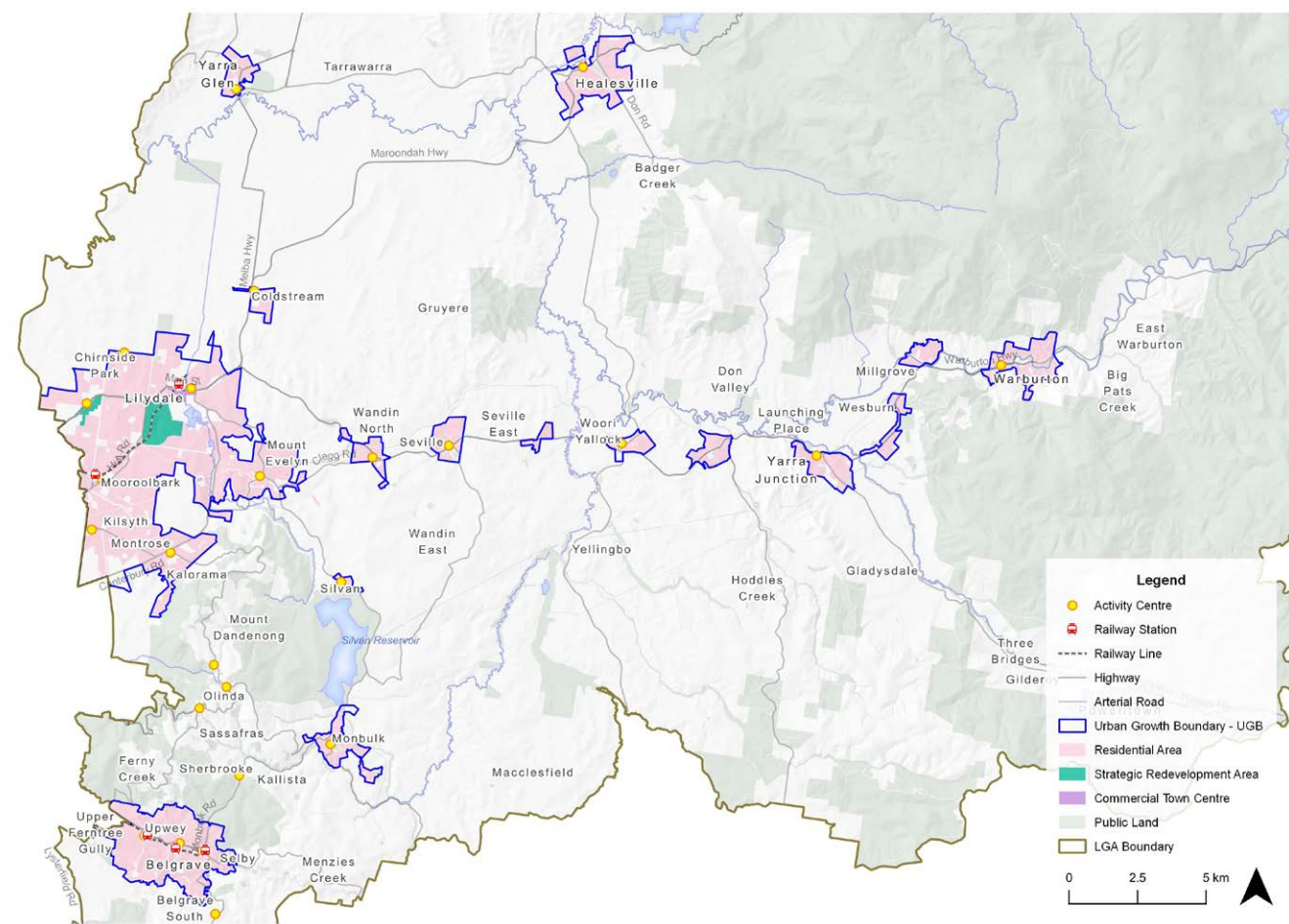
# 1.4 Where Will the Housing Strategy Apply?

The focus of the Housing Strategy is on urban areas where around 70 per cent of the population lives.<sup>5</sup> Expansion into the rural Green Wedge areas is prohibited by State Government planning legislation with housing to be contained within the Urban Growth Boundary and directing new housing development within established residential areas. This includes areas of the Dandenong Ranges that have rural-residential development.

The Housing Strategy applies to all residential areas of Yarra Ranges, or areas that may in the future have residential development. This includes:

- Residentially zoned areas** in Yarra Ranges, which includes Lilydale, Chirnside Park, Mooroolbark and Kilsyth. These are the areas best suited to residential intensification over time.
- Other residentially zoned areas** in the suburbs of Belgrave, Tecoma, Upwey, Coldstream, Healesville, Launching Place, Millgrove, Monbulk, Montrose, Mt Evelyn, Seville, Seville East, Silvan, Wandin North, Warburton, Wesburn, Woori Yallock, Yarra Glen and Yarra Junction.
- Key redevelopment sites**, such as Kinley (former Lilydale Quarry) in Lilydale, and large undeveloped sites in Chirnside Park.
- Commercial town centres** where there is a potential for apartments and mixed-use development, particularly in Lilydale and Mooroolbark, where adopted structure plans encourage these forms of development.

Figure 3. Maps of Yarra Ranges' residential areas, activity centres, and strategic redevelopment sites





# 1.5 Residential Development Constraints

In Yarra Ranges the location for where residential development can occur is constrained by policy, physical characteristics and land uses that may restrict the ability for particular areas to absorb further development and population growth. These include:

## 1.5.1 Urban Growth Boundary (UGB)

The UGB distinguishes where urban land is located in relation to non-urban land. Land inside the UGB, classified as urban land, provides opportunities for future housing opportunities and subdivision. Land outside the UGB is classified as Green Wedge land and is protected by State Government legislation from further residential development. This is because Green Wedge land has strategic importance to the whole of Melbourne for a range of purposes including for agriculture, major infrastructure that supports the urban areas, quarries and resources, biodiversity conservation areas, parkland and recreation areas and water catchments. The scope of the Housing Strategy therefore excludes land outside the UGB.

## 1.5.2 Environmental Risks

Yarra Ranges has identified areas of environmental risk, including areas subject to flooding, bushfire, and landslip. Planning policy directs that increases to housing density in areas subject to these risks should be avoided.

## 1.5.3 Areas of Environmental, Landscape or Heritage Significance

Yarra Ranges has distinctive landscapes and ecologically significant areas, unsuited to the impacts of substantial residential intensification, with its associated infrastructure needs and vegetation clearance.

There are also identified heritage areas and properties, which contribute to Yarra Ranges' cultural identity, which need to be preserved and protected for future generations.

## 1.5.4 Locations outside Activity Centres

Yarra Ranges has many neighbourhoods with a heavy reliance on private motor vehicle trips for access to services and employment. In identifying areas suitable for residential intensification, State Government policy directs population , to locate where people can meet most of their daily needs within a 20-minute return walk from home, with access to safe cycling and local transport options should they wish to use them.<sup>6 (p.47)</sup>

This concept is referred to as the '20-minute neighbourhood' and is a key feature of the Victorian Government's metropolitan plan for Melbourne, **Plan Melbourne 2017-2050**. Twenty minute neighbourhoods are intended as compact, walkable, places that emphasise the importance of having local shops and services.<sup>7</sup>

However, State Government direction is also clear that remoteness from activity centres is not a sufficient reason alone to minimise residential growth in identified areas.<sup>8 (p.11)</sup>

## 1.5.5 Topography

Many of Yarra Ranges commercial centres have challenging topography for walkability. This includes parts of Lilydale and Mooroolbark, which are both centres with advantageous features such as rail and bus terminals, a range of services and employment options and a broad mix of land uses.

However, areas of steep and challenging topography discourage a 20-minute neighbourhood environment, which needs to be considered in selecting areas suitable for residential intensification.

## 1.5.6 Infrastructure

Some residential neighbourhoods have identified infrastructure shortfalls, such as insufficient drainage, unsealed roads, or even narrow roads with challenging access or visibility, unsuited to the on-street parking increases that may accompany high and medium density development.

In identifying areas for future intensification, there is a need to consider how infrastructure issues can be managed.

## 1.5.7 Restrictive Covenants

Some residential areas have restrictions on title, known as restrictive covenants, that limit the amount of new subdivision and infill development that can occur. These are limited areas outside the areas recommended by this Housing Strategy for substantial change.





# 1.6 Opportunities

As identified in Section 1.2 a new Housing Strategy will address existing policy gaps, address broader housing issues, and create more clarity for preferred housing outcomes over the next 15 years in Yarra Ranges. This includes consideration of the following matters:

## 1.6.1 Clear Preferred Neighbourhood Character Statements

The character of a neighbourhood is impacted by the type of existing homes and the features and infrastructure around them, for example street width and tree canopy. Some of these influences are affected by residential development and some are not. Influences can include.<sup>9</sup>

<b>In public road reserves and public realm areas</b>
<ul style="list-style-type: none"><li>• Street type and width, alignment (winding or straight) and topography</li><li>• Elevation and views</li><li>• Street trees – type and quality</li></ul>
<b>On private residential land</b>
<ul style="list-style-type: none"><li>• Size and type gardens and landscaping</li><li>• Setbacks, site coverage and heights of houses and other buildings</li><li>• Patterns of use and occupation</li><li>• Diversity of housing</li></ul>

An increasing amount of development can change neighbourhood character.

There is an opportunity through the Housing Strategy to more clearly articulate expectations for how neighbourhoods identified for growth can develop and change in a way that responds to ‘preferred neighbourhood character’. As distinct from existing neighbourhood character, preferred neighbourhood character identifies the valued attributes of suburbs that should be maintained, and the degree to which new development can increase prevailing built scale and density, in a way that acceptably responds to the essential values of these areas. These statements are an essential components of the Housing Strategy, and are further discussed in Chapter 8 **Neighbourhood Character**.

## 1.6.2 Housing Diversity

Yarra Ranges’ population growth is bringing changes to its demographic characteristics that indicate a mismatch between housing supply and demand. In summary:

- 93% of dwellings in Yarra Ranges are detached houses (as opposed to units, townhouses or other dwelling types).
- There has been minimal increase in smaller dwellings (less than 3 bedrooms) as a proportion of the overall housing stock in recent years.
- Over the next 15-20 years, the majority of growth is likely to be smaller households, such as older couples without children, single parent households and lone person households, which will create demand for suitably designed medium-density housing.

There is therefore a critical need to better guide the form, scale, type and location of medium and high-density housing, in order to create increased opportunities for residents to move into suitable dwellings. The need for improved diversity applies not only to dwelling size and location, but also to other characteristics such as accessibility for people with limited mobility, and adaptability for changing life stages and needs. These issues are discussed in further detail in Chapter 9 (Housing Diversity).

## 1.6.3 Affordability

Data indicates there is of decreased housing affordability in Yarra Ranges.

Adding to the issue is the increasing prevalence of short-stay accommodation in tourist areas of Yarra Ranges, particularly in Healesville and Warburton that impact on long term rental stock.

There is an opportunity to explore the options available to Council, within the scope of its powers, to achieve a larger proportion of housing, both for purchase and rent, that is within an affordable price range for a greater proportion of the population.

This issue is partially tied to the need to increase housing diversity, due to the parallels between dwelling price and size. However, it is also a larger issue that extends to a need for increased social housing and emergency housing for vulnerable groups, as further discussed in Chapter 10 **Affordability**.

## 1.6.4 Environmental Sustainability

As an increasing number of people and businesses experience the effects of changing climate, there is a pressing need to ensure new residential development incorporates environmentally sustainable design. Evidence and feedback from the Discussion Paper suggests this is an issue of increasing significance to Yarra Ranges residents, with 1 in 6 households having now invested in rooftop solar, generating their own affordable, renewable power.<sup>10 (p.5)</sup>

Environmentally Sustainable Design (ESD) is relevant to numerous aspects of new building development, from use of renewable technologies to management of water, and minimisation of waste. In Victoria, requirements for more sustainable building design and construction are achieved through a combination of requirements in the planning system and building system.

The building regulatory system, implemented by the Building Regulations 2018 and the National Construction Code 2022, contains requirements for new buildings to incorporate energy efficiency features, and to satisfy defined energy rating standards. These requirements are intended to be updated on 1 May 2024, and are statewide.

Planning requirements are specific to Yarra Ranges, and present an opportunity to consider sustainability more broadly, including:

- At a site level, orientation of buildings for better energy performance, and how water and waste can be better managed
- At a neighbourhood level, focussing density opportunities near shops and services to encourage walking and cycling, and avoiding urban growth in areas of environmental risk.

## 1.6.5 Lot Consolidation

Much of the medium density development that has occurred to date in Yarra Ranges’ urban areas has been on single residential lots, where design possibilities are limited by the need to address interfaces appropriately, and yet still use land in an efficient way.

The consolidation of two or more lots to create larger development land areas allows greater design possibilities, so that medium and high densities can still be achieved, but with a higher level of design quality, preservation of amenity both internal and external to the site, and an improved response to neighbourhood character.

## 1.6.6 Strategic Redevelopment Sites and Town Centre Development

Yarra Ranges contains strategic redevelopment sites in Lilydale and Chirnside Park. Most notably, the Former Lilydale Quarry (Kinley), that was fully rezoned primarily for residential development in January 2022. There is now an opportunity to consider the role these sites will play in the future housing mix in Yarra Ranges.

The Lilydale Structure Plan was adopted by Council in August 2022, and recommends mixed use and residential apartment buildings in central Lilydale up to six storeys, which significantly changes expectations for housing in Lilydale. On a lesser scale, the Mooroolbark Structure Plan 2011 also encourages upper-level residential development in the town centre in the form of buildings up to four and five storeys high. While these forms of housing have not yet been realised in these activity centres to date, these centres provide a key opportunity for housing provision in Yarra Ranges.