

Masterplan Elements #4: Housing Diversity

4 October 2016

Overview

The owners of East Village are releasing a series of documents to profile specific inputs into a 20-year masterplan for the Bentleigh East industrial precinct.

The purpose of the 'Elements' documents is to build up the detail necessary for putting forward a comprehensive masterplan for community input and review.

In this document we examine the needs and planning considerations for **housing diversity** – this has been of consistent community and stakeholder interest during the preceding phases of consultation on the development of a 20-year masterplan for East Village.

Summary

- A diverse range of housing options will help the East Village precinct respond to future needs and create a community that accommodates different household types.
- There is a need to address the demographic change predicted for Glen Eira, which will see the population increase by one-third by 2031. Those aged 65 years and over will make up 19.8% of the total population.
- A range of housing opportunities on the East Village site will promote the '20-minute neighbourhood' vision outlined in *Plan Melbourne*, allowing for all parts of the community to live within 20 minutes' walk of schools, local amenities, shops, and other services and facilities.
- Feedback from earlier consultation on the development of a 20 year masterplan for the precinct asked for consideration of smaller dwelling options, affordable housing and aged care and retirement options.
- The provision of affordable housing could allow key workers within the precinct, low-income workers (particularly service industry workers), sole-parent households, the aged, residents with disabilities and larger families to participate in the local economy and community.
- The landowners of East Village are considering allocating up to 5% of total dwellings as affordable housing in conjunction with an accredited housing association.
- A consideration in the provision of affordable housing is the added benefit of a mixed neighbourhood with nearby services. This reduces the overall the cost of living with less need for the use of cars.

Introductory comments

The East Village precinct is envisaged as a mixed use precinct encompassing a range of housing options alongside community facilities, open space, retail and employment opportunities. The aim is to create an inclusive and thriving community in line with the *Plan Melbourne* ‘20-minute neighbourhood’ vision.¹

As such the precinct would become an Activity Centre with “services, employment, housing, transport and social interaction”, in which appropriate housing would complement and help generate employment opportunities in the area.²

In determining the right mix of housing options for the site, a range of stakeholders have and will continue to be consulted to determine the needs of the growing and ageing population. At the heart of deciding on a mix of housing options are the evolving demographics of the municipality and surrounding area.

In the first three phases of consultation, the feedback raised the consideration for the following types of housing:

1. **Smaller dwellings:** The emerging need for lone-person households, couples without children and ageing households will require a provision of smaller dwellings in a form and configuration that is appropriate and accessible for the area as well as economically viable and environmentally responsible.

*Need for apartments and townhouses as existing houses are inappropriate for ageing generations and unaffordable for younger couples and families.*³

2. **Affordable housing:** It is desirable to incorporate a proportion of housing stock for affordable housing, which could be targeted to one or more priority groups, such as low-income and key precinct workers, lone-person households and larger families.

Desire to see harmony between the types of houses built in the precinct and the types of employment offered. For example, the house prices should reflect the salaries of the jobs in the area.

3. **Aged care and retirement:** Facilities should be considered to meet the increasing demand for aged care and retirement accommodation. They need to be integrated into other mixed uses and supported with community and medical facilities focused on supporting social connections, healthy living and access (see [Elements #1](#)).

¹ Plan Melbourne 2014 http://www.planmelbourne.vic.gov.au/_data/assets/pdf_file/0016/131362/Plan-Melbourne-May-2014.pdf

² DELWP Activity centres overview: <http://www.dtpli.vic.gov.au/planning/urban-design-and-development/Activity-Centres/overview>

³ This and the two subsequent italics section are excerpts from the final feedback report from phase 3 of consultation: http://www.eastvillagemasterplan.com.au/wp-content/uploads/2016/08/160808_Phase3_SummaryFeedback.pdf

Aged care is a good idea for a portion of the site. Good to have shops and services nearby (post office, medical).

What is housing diversity and what does affordable housing mean?

The issue of housing diversity takes into account a mix of housing types and can include the provision of affordable housing to accommodate all demographic groups.

A housing type refers to⁴...

“the form of the house - if it is a townhouse, house or an apartment in a high or low-rise development, the number of bedrooms and whether it is usable and accessible for all people.”

Affordable housing is...

“housing outside the main housing market, which is subsidised below the market rate and provided to specified eligible low and moderate income households whose needs are not met by the market.

...According to the most commonly used benchmark, housing is considered unaffordable when rent or mortgage payments exceed 30 per cent of the gross household income for low and moderate income households. This is commonly termed ‘housing stress’.

A further consideration in the provision of affordable housing is the availability of nearby services as may be provided within a mix-use precinct. This can reduce the overall costs of living due to lower transport costs and less reliance in the need for personal motor vehicles.

Why is consideration of housing diversity important for East Village?

In simple terms, demand by different types of families and lone person households over the medium term is a primary driver for housing diversity. This is also calibrated against other aims such as creating an inclusive and vibrant community to deliver the employment aims of the East Village precinct (see [Elements #3](#))

The growing and ageing population in Glen Eira, as well as the issue of housing affordability across Melbourne, will impact the demand for various types of housing in the precinct.

In addition to meeting a range of demographic, planning and economic trends (see more below), future housing supply will also need to take into account the nature of surrounding community, in particular at transition zones.

Key trends seen across Melbourne influencing housing diversity are⁵:

- The median house price in Melbourne has quadrupled since 1990.

⁴ Homes for People 2014:

http://www.participate.melbourne.vic.gov.au/application/files/2714/2360/5676/Homes_for_People_Housing_Strategy_v8_FINAL_FOR_WEB_post_FMC.pdf

⁵ Plan Melbourne 2014: http://www.planmelbourne.vic.gov.au/data/assets/pdf_file/0016/131362/Plan-Melbourne-May-2014.pdf

- In 1994, a household on an average income could purchase a dwelling within 10km of the CBD. This moved to 24km in 2000 and 40km by 2009.
- Growth in house prices has outpaced growth in incomes, and the proportion of income spent on mortgage repayments has increased for many households.
- Lower levels of housing construction and population growth have led to a tighter rental market, driving rents up at a rate higher than inflation over the last decade.

Key trends seen across the Glen Eira municipality are⁶:

- Glen Eira's population is expected to grow by one-third or at least 40,000 people to about 164,000 by 2031.
- Based on this projection, almost 12,000 new dwellings are needed by 2031 or about 800 per year.
- Another projection by the State Government's estimates that about 530 new dwellings are needed per annum until 2030 in the municipality.
- Since 2010, Glen Eira has generated about 550 new dwellings per annum.
- Large areas of the east and south-east of the municipality have much lower levels of new housing.
- The prevalence of a slightly higher proportion of townhouses and apartments, tertiary students and an ageing population results in an average household size of 2.52 persons in the municipality.
- This smaller household size and the area's proximity to public transport translates to lower car ownership levels compared to the Melbourne average.
- Despite the smaller household size, dwellings with three or more bedrooms are the dominant housing form across most areas of Glen Eira, Bayside and Kingston.
- Overall, and currently, there is a deficiency of 127 aged care beds in the area. This will increase to 778 by 2021 and to 2,341 by 2031.

What are the important planning considerations?

Of the established local government areas in metropolitan Melbourne, Glen Eira has the highest proportion of its residential areas covered by the Neighbourhood Residential Zone (NRZ). NRZ's are designed to restrict housing growth and protect an identified neighbourhood character and represent the lowest scale of intended growth of the three residential zones that came into effect in Victoria in 2014.⁷

A total of 82% of the zoned and reserved land in Bentleigh East (excluding Road Zone) is designated NRZ.⁸

⁶ Sourced from Deepend Services 'Economic and Community Benefits' demographics analysis May 2016

⁷ DELWP Reformed Residential Zones: <http://www.dtpli.vic.gov.au/planning/about-planning/improving-the-system/reformed-zones-for-victoria/reformed-residential-zones/neighbourhood-residential-zone>

⁸ Sourced from Deepend Services 'Economic and Community Benefits' demographics analysis May 2016

The East Village precinct has the potential to fill in the gap in the surrounding network of 20-minute neighbourhoods or Activity Centres at Oakleigh, Carnegie, Glen Huntly, Bentleigh and Moorabbin.

The Glen Eira Planning Scheme has outlined the following objectives for housing diversity areas in the municipality⁹:

- *To encourage housing diversity in preferred strategic locations that have good access to public transport, commercial, community, educational and recreational facilities.*
- *To promote a range of housing types, comprising of a mix of single dwellings, two dwelling developments and other forms of multi-unit development.*
- *To promote a diversity of dwelling layouts and sizes.*
- *To ensure that the density, mass and scale of residential development is appropriate to the location, role and neighbourhood character of the specific housing diversity area.*
- *To ensure that key development sites contribute to the provision of housing diversity in Glen Eira.*
- *To ensure that key development sites that are located in close proximity to fixed public transport or commercial areas are developed for multi-unit development.*
- *To ensure that the siting and design of new residential development takes account of its interface with existing residential development on adjoining sites.*
- *To ensure that the design of new residential development is sensitive to and respectful of the scale of existing residential development on adjoining sites.*

What are some examples of best practice?

To help inform the masterplan for East Village, the landowners are having a closer look at several developments that provide a diversity of housing types in a single precinct:

- Amcor Alphington¹⁰
- Pier Street Altona Beach¹¹
- Ashwood Chadstone¹²
- The Nicholson, East Coburg¹³

⁹ Glen Eira Planning Scheme http://planning-schemes.delwp.vic.gov.au/_data/assets/pdf_file/0020/209171/GlenEira_PS_Ordinance.pdf

¹⁰ Alphington Paper Mill: <http://www.alphingtonpapermill.com.au/>

¹¹ Pier Street Altona Beach: http://www.hobsonsbay.vic.gov.au/files/4c1c72d3-405a-41b9-b908-9fdc00b03f61/Activity_Centres_Strategy_-_2006_-_Volume_2_-_Pier_Street.pdf

¹² Ashwood Chadstone Gateway Project: <http://www.ppha.org.au/portfolio/developments/104-completed-projects/150-ashwood-chadstone-gateway-project>

¹³ The Nicholson: <http://www.hickory.com.au/projects/the-nicholson/>

- Arden urban renewal precinct¹⁴
- Parkville Gardens¹⁵

What does this mean for East Village?

The following points emerge for consideration in the East Village masterplan:

- Demographic, planning and economic trends in Glen Eira are of importance when determining the housing diversity suitable for the precinct.
- The landowners believe it is worth considering an opportunity to provide 5% of total dwellings as affordable housing in conjunction with an accredited housing association
- The East Village site also presents an opportunity to increase housing supply and diversity on the eastern parts of Glen Eira. The site can easily facilitate new forms of housing that cannot be accommodated in the surrounding area while also protecting the amenity of the suburb.
- East Village is well-placed to provide aged care and retirement living options through apartments, independent living units and aged care accommodation for the significant population base who will be moving into older age cohorts.

¹⁴ Arden: <https://vpa.vic.gov.au/project/arden/p/arden-key-ideas/>

¹⁵ Parkville Gardens: <http://citta.com.au/portfolio/parkvillegardens/>