Future Living

A discussion paper identifying issues and options for housing our community.

May 2013

Issue 6 - Final Report for Community Engagement

Future Living
A discussion paper identifying issues and options for housing our community.

14 May 2013

Contents

Kat

Architect and TAFE course leader

Lives in a studio apartment in the Hoddle Grid

" I enjoy living in the city because I love the Melbourne culture. I enjoy the food, the social events, the architecture. "

Let us know your story and join the conversation by visiting **www.melbourne.vic.gov.au/housing**

Foreword

By 2031, it is estimated that an additional 42,000 homes will be built within our municipality for an additional 80,000 people. This growth will mostly occur within the city's urban renewal areas, including the Hoddle Grid, Southbank, Docklands, City North, Arden-Macaulay and E-gate.

As Melbourne continues to evolve and attract more residents, good quality homes will be crucial.

Our aspiration is for an inner city where housing is affordable, well-designed and meets the diverse needs of our residents. New housing must also be well planned and developed in ways that create safe and welcoming neighbourhoods, close to where people work.

This discussion paper – *Future Living* – starts a conversation about how the City of Melbourne can best engage with other tiers of government, developers, investors and residents in meeting these aspirations.

We want to hear your thoughts about the housing issues raised in Future Living. You can visit our online forum or attend one of the many events happening in the municipality - see www.melbourne.vic.gov.au/housing.

The consultation period runs from Tuesday 11 June through to Monday 22 July 2013.

Robert Doyle, Lord Mayor

Councillor Ken Ong, Future Melbourne (Planning) Committee Chair

Andrew

Music Director/Conductor, Lecturer

Lives in a two bedroom apartment in Carlton

" After living in the CBD for quite a few years, I decided to find something bigger with a bit more space to work from and a few more creature comforts, but I still wanted to be close to the action of the city. I love this area... a five minute stroll into the CBD, right across from the magnificent Royal Exhibition Building and Carlton gardens, and plenty of great coffee and food nearby on Lygon Street. I can walk to work and walk home from late night rehearsals and concerts. "

Let us know your story and join the conversation by visiting
www.melbourne.vic.gov.au/housing

Executive Summary

We invite you to participate in the conversation on how to deliver the best housing outcomes for the city.

By 2031, it is estimated that an additional 42,000 homes will be built within the municipality to house an additional 80,000 people.

The importance of housing

Housing plays an important role in people's health and wellbeing, in bringing communities together and in the shape of the city. Our aspiration is for an inner and central city where housing is affordable, well-designed and meets the diverse needs of our residents. *Future Living* opens a discussion on the role of the City of Melbourne and other key influencers, including the Australian and Victorian Governments, developers, investors and residents in meeting these goals.

The City of Melbourne is growing quickly. Since 2001, the residential population of the City of Melbourne has approximately doubled to over 100,000 residents who are attracted to its services, conveniences, lifestyle, and education and work opportunities. By 2031, it is estimated that an additional 42,000 homes will be built within the municipality to house an additional 80,000 people.

This growth will mostly occur within the municipality's urban renewal areas including the Hoddle Grid, Southbank, Docklands, City North, Arden-Macaulay and E-gate. It will be predominantly apartments, which have accounted for 93 per cent of new homes in the City of Melbourne over the last six years.

Our housing will play a critical role in realising our urban renewal areas as sustainable, liveable and welcoming places for future living.

What housing outcomes do we need?

Our housing has to be suitable for our residents as their needs change over their lifetime. It should be accessible to people from all walks of life, and developed in ways that facilitate positive community outcomes and create welcoming neighbourhoods. Our housing should enable people to live close to their jobs in environmentally sustainable buildings.

To meet these needs, our housing must be affordable, support diverse communities and be good quality. *Future Living* explores options for overcoming our current housing issues. These are:

Housing affordability

- Insufficient affordable housing for vulnerable community members.
- Poor access to affordable housing for low income key workers.
- Rising costs of housing outpacing income growth and inflation.

Diversity of housing choices

- Housing designed as an investor product.
- Predominance of 1 and 2 bedroom apartments.
- Lack of schools impacting demand for family living in the city.
- Lack of resilience in housing stock.

Good quality design and amenity

- Shrinking apartment sizes.
- Poor apartment layout and amenity.
- Poor environmental performance.

To join the conversation, go to www.melbourne.vic.gov.au/housing and participate in the online forum and find information about an event in your community.

Please read *Future Living* and give us your comments and suggestions. The consultation will be held from Tuesday 11 June through to Monday 22 July 2013.

Your feedback will assist in the development of a draft Housing Strategy which will be subject to community consultation in 2014.

Abir

Pharmacist

Lives in a one bedroom apartment in Southbank

" We are moving from a one to two bedroom apartment in the next few weeks as we just had a baby and need some extra space. The new apartment is also in Southbank as we really enjoy living in this area because we work in the city but do not like the busy noisy city streets. So Southbank is very close, well connected and the lifestyle is much more relaxed. "

Let us know your story and join the conversation by visiting
www.melbourne.vic.gov.au/housing

Part One

Housing, our objectives

This part sets the scene and explains why we have produced *Future Living*, the housing outcomes we want and need, and the role of the City of Melbourne in housing.

Miguel

Youth Worker

Lives in a flat in Carlton

" *Why do you choose to live in Carlton?* Because it's a vibrant area, close to the city and also close to services and recreation facilities that Melbourne has to offer. "

Let us know your story and join the conversation by visiting
www.melbourne.vic.gov.au/housing

Chapter 1
Why do we need a housing discussion paper?

Housing plays an important role in people's health and wellbeing, community strengthening and the shape of the city.

The importance of housing

Shelter is a fundamental human need. Housing plays an important role in people's wellbeing, contributing to the physical and mental health, education, employment and security outcomes for individuals. A lack of adequate housing contributes to housing stress and homelessness and can be detrimental to individuals and the community.

The environment surrounding the home is also important to encourage an active lifestyle and provide a basis for healthy living. This includes being able to walk to local services such as shops, parks, schools and public transport facilities which helps build sustainable communities where residents do not depend on the use of a car. The role of housing in the wider city is increasingly being viewed as not only an economic asset, but as a fundamental building block for social cohesion and environmental sustainability.

As the City of Melbourne continues to attract more residents, the provision of affordable, diverse and good quality housing is important to ensure that our city maintains its high standards of liveability and continues to be welcoming and accessible for people from all walks of life.

Since the 1990s, the residential population of the City of Melbourne has increased significantly (see figure 1.1). It has approximately doubled since 2001 to over 100,000 people today who are attracted to its services, conveniences, lifestyle, education and work opportunities.

The future

Employment growth over the next 20 years is projected to remain strong and will continue to drive housing demand in the City of Melbourne. Our residential population is forecast to be 180,000 by 2031, requiring in the order of 42,000 new homes. This increase forms part of the wider population growth of metropolitan Melbourne, which is expected to reach between 5.6 and 6.4 million people by 2050 (*Melbourne, let's talk about the future*, 2012, p.6).

This growth will mostly occur within the municipality's identified urban renewal areas including the Hoddle Grid, Southbank, Docklands, City North, Arden-Macaulay and E-gate (see figure 1.2 and 1.3). These areas can accommodate in the order of 80,000 new homes, which is almost double the residential growth forecast for the City of Melbourne to 2031. Housing supply is therefore not an issue. This growth will be predominantly apartments, which have accounted for 93 per cent of new homes in the municipality over the past six years.

Building successful homes and communities is not just about a sufficient supply of land; the type and form of what we build is every bit as important. Recent research regarding the demand side drivers of apartments concluded that '*the needs of the ultimate occupiers (i.e. renters) are not the primary consideration for developers, purchasers or financiers*' (Property Council, 2012, p.29).

Without intervention, our urban renewal areas are unlikely to successfully create a positive legacy of city living for future generations. The needs of residents have to be the top priority to ensure that our housing is well designed, adaptive to meet changing circumstances, and provides a good quality of life.
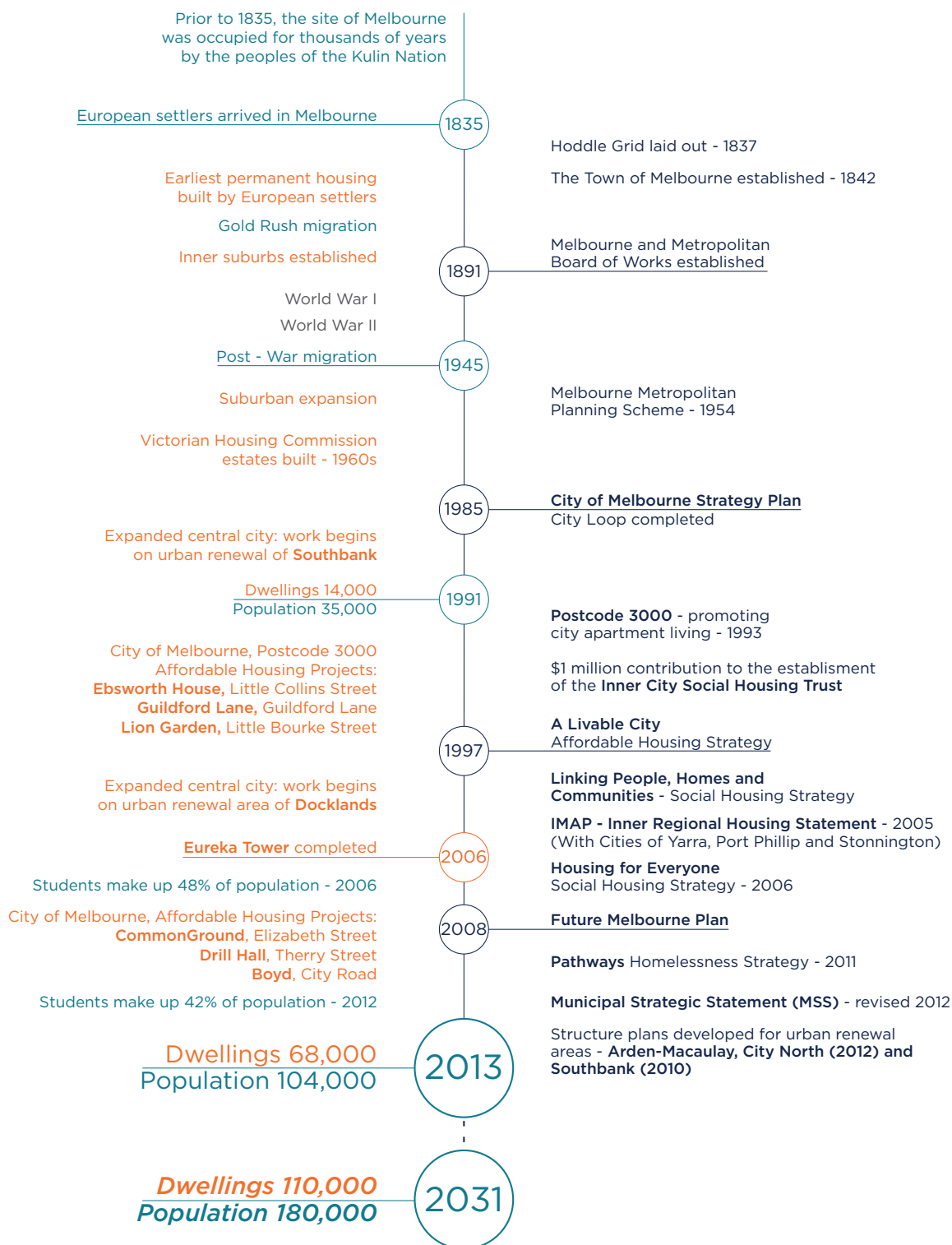
Prior to 1835, the site of Melbourne was occupied for thousands of years by the peoples of the Kulin Nation

European settlers arrived in Melbourne — **1835**

Hoddle Grid laid out - 1837

The Town of Melbourne established - 1842

Earliest permanent housing built by European settlers

Gold Rush migration

Inner suburbs established — **1891**

Melbourne and Metropolitan Board of Works established

World War I

World War II

Post - War migration — **1945**

Melbourne Metropolitan Planning Scheme - 1954

Suburban expansion

Victorian Housing Commission estates built - 1960s

1985

City of Melbourne Strategy Plan
City Loop completed

Expanded central city: work begins on urban renewal of **Southbank**

Dwellings 14,000 — **1991**
Population 35,000

Postcode 3000 - promoting city apartment living - 1993

City of Melbourne, Postcode 3000 Affordable Housing Projects:
Ebsworth House, Little Collins Street
Guildford Lane, Guildford Lane
Lion Garden, Little Bourke Street

$1 million contribution to the establishment of the **Inner City Social Housing Trust**

1997

A Livable City
Affordable Housing Strategy

Linking People, Homes and Communities - Social Housing Strategy

Expanded central city: work begins on urban renewal area of **Docklands**

IMAP - Inner Regional Housing Statement - 2005
(With Cities of Yarra, Port Phillip and Stonnington)

Eureka Tower completed — **2006**

Housing for Everyone
Social Housing Strategy - 2006

Students make up 48% of population - 2006

2008

Future Melbourne Plan

City of Melbourne, Affordable Housing Projects:
CommonGround, Elizabeth Street
Drill Hall, Therry Street
Boyd, City Road

Pathways Homelessness Strategy - 2011

Students make up 42% of population - 2012

Municipal Strategic Statement (MSS) - revised 2012

Dwellings 68,000 — **2013**
Population 104,000

Structure plans developed for urban renewal areas - **Arden-Macaulay, City North (2012) and Southbank (2010)**

Dwellings 110,000 — **2031**
Population 180,000

Figure 1.2: The location and capacity of the City of Melbourne's urban renewal areas

Arden-Macaulay
Amendment C190
+ 9500 dwellings

CITY OF
MORELAND

CITY OF
MOONEE VALLEY

CITY OF
YARRA

CITY OF
MARIBYRNONG

City North
Amendment C196
+ 5000 dwellings

E-Gate
+ 6000 dwellings

Hoddle Grid
+ 10,500 dwellings

Docklands
+ 5500 dwellings

Southbank
Amendment C171
+ 42,000 dwellings

CITY OF
PORT PHILLIP

**Fishermans
Bend**
Amendment C170

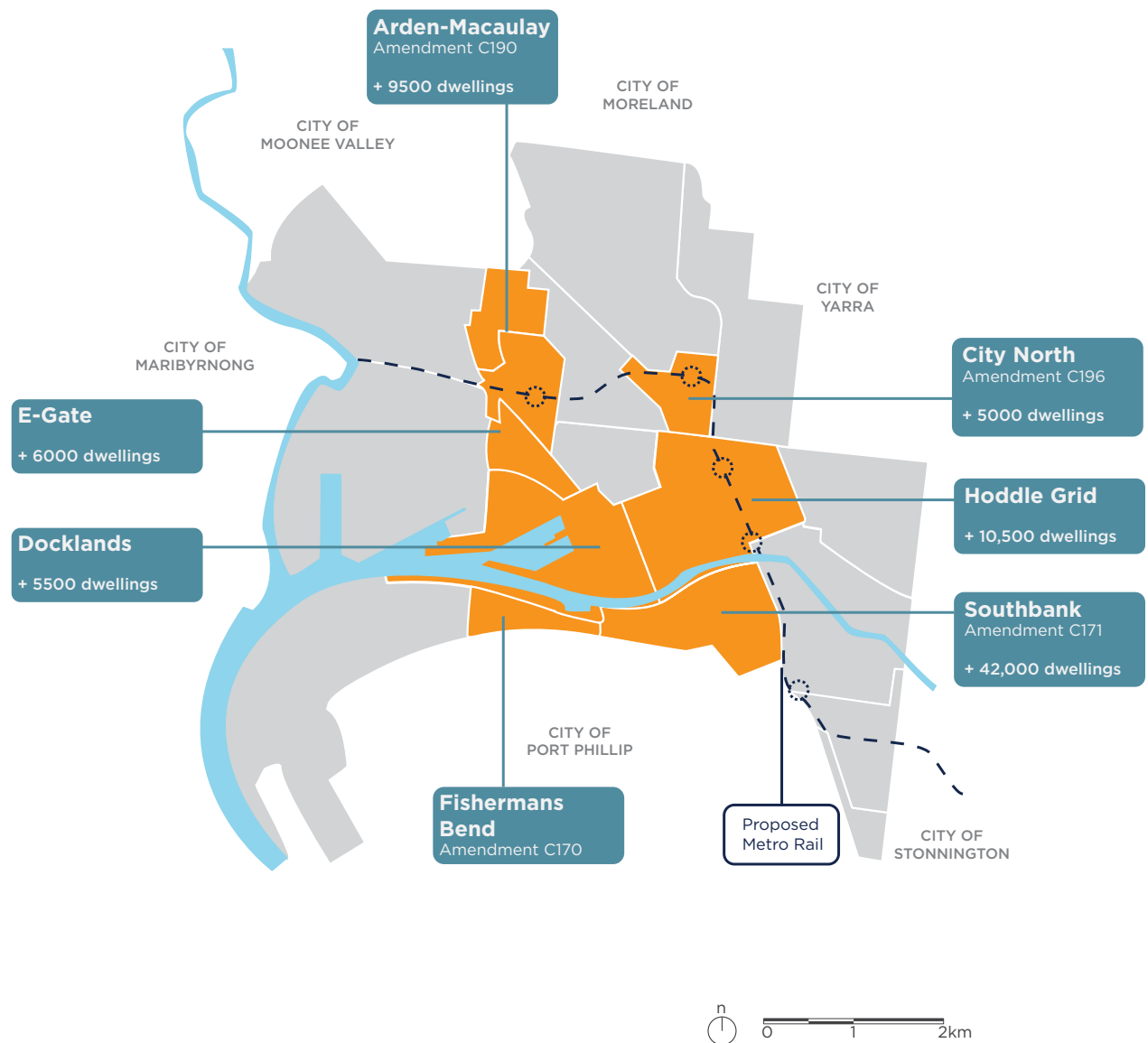Proposed
Metro Rail

CITY OF
STONNINGTON

n
0   1   2km

Figure 1.1 (opposite): Past and future population and housing growth in the City of Melbourne. Around 4000 new homes are currently being built each year. In approximately five years time, this is expected to slow to the previous growth rate of around 2000 new homes per year and remain steady in the longer term.

To achieve these outcomes, the City of Melbourne in its adopted *Municipal Strategic Statement* (MSS) aims to achieve affordable housing, a diversity of housing choices and a good standard of design and amenity.

Future Living has been prepared to investigate if these desired housing aims are being achieved and, if not, how they may be delivered. The feedback received will assist in the preparation of a draft Housing Strategy which will be subject to community consultation in 2014 (see figure 1.4).

The City of Melbourne is only one of many influencers of housing outcomes. *Future Living* opens a discussion on the role of the organisation and the roles of other key influencers, including the Australian Government, the Victorian Government, developers, investors and residents themselves.

New growth will be predominantly apartments, which have accounted for 93 per cent of new homes in the City of Melbourne over the last six years.

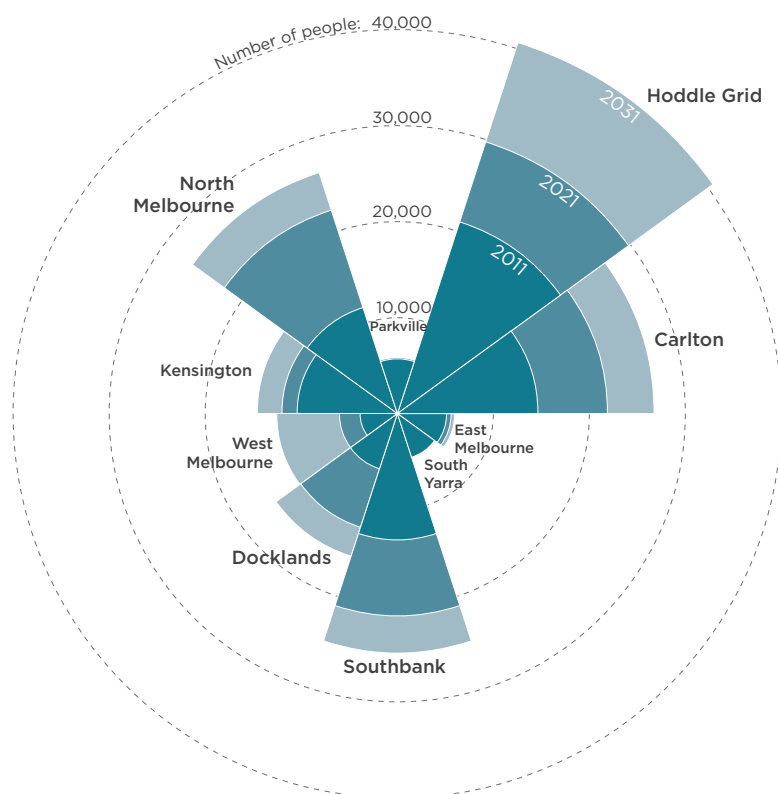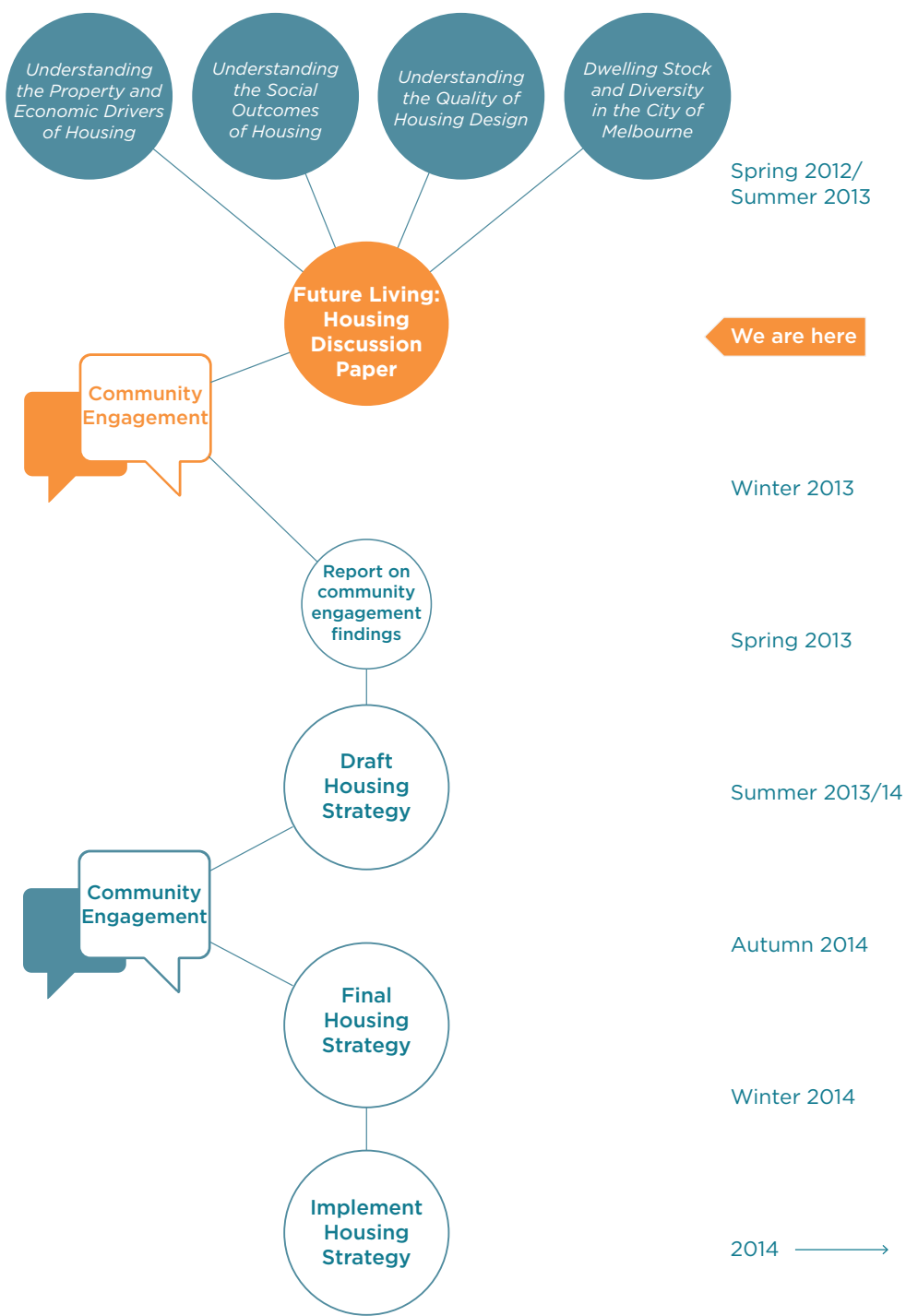*Figure 1.3: Projected population growth in the City of Melbourne by suburbs*

Figure 1.4: The process of producing the Housing Strategy

Understanding the Property and Economic Drivers of Housing

Understanding the Social Outcomes of Housing

Understanding the Quality of Housing Design

Dwelling Stock and Diversity in the City of Melbourne

Spring 2012/ Summer 2013

Future Living: Housing Discussion Paper

We are here

Community Engagement

Winter 2013

Report on community engagement findings

Spring 2013

Draft Housing Strategy

Summer 2013/14

Community Engagement

Autumn 2014

Final Housing Strategy

Winter 2014

Implement Housing Strategy

2014 ⟶

"There are many things that make living in an inner city location like Kensington great. It's walking to the local cafés on a Sunday morning, it's bumping into our neighbours for a chat on the way, knowing the local business owners, and feeling part of a community. It's the short train ride to work, or the footy, or the city shops. It's the tree lined streets, the character filled housing, the old brick warehouses and the cobble stone laneways. It feels like home and to be honest I couldn't imagine living anywhere else."

Tim
IT Analyst

Lives in a Victorian terrace house in Kensington

Let us know your story and join the conversation by visiting
www.melbourne.vic.gov.au/housing

Chapter 2
What housing outcomes do we want and need?

Our homes need to adequately house residents as their circumstances change over their lifetime.

Housing that meets the needs of individual residents

Housing tenure ranges from home ownership to rental housing to homelessness (see figure 2.1). Households within this continuum have different housing needs and varied susceptibility to housing stress. While demand increases to the right of the continuum, culminating in home ownership, increased housing and living costs can push households back through the continuum.
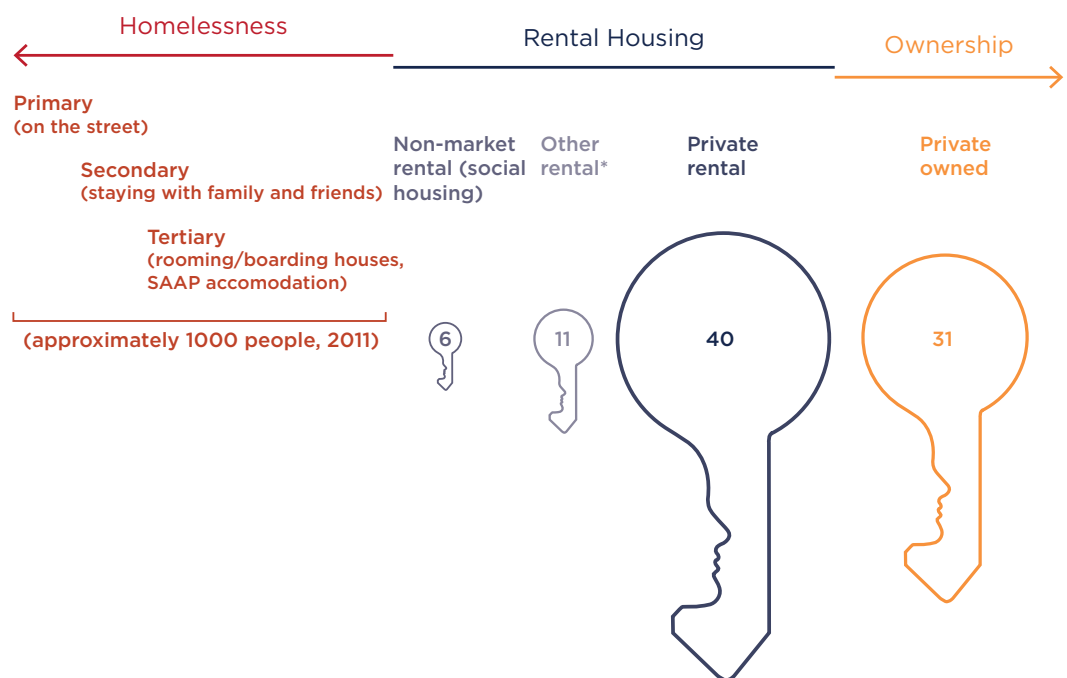
Home ownership is not necessarily an aspiration for all households, but is often considered desirable because of the benefits associated including wealth accumulation and security of tenure.

Homelessness, while not a viable housing option, is included in the continuum as it does occur when all other housing options become inaccessible.

Housing for vulnerable people is explored further in *Pathways, the City of Melbourne's Homelessness Strategy*, which will be updated in 2013. *Future Living* therefore focuses on ownership and, in particular, rental housing as 57 per cent of our population live in rental accommodation.

Our homes need to adequately cater for changing household needs, for example, as people age, start a family, change jobs, work from home, acquire a disability or suffer illness.

Figure 2.1: A housing continuum showing the different ranges of housing. The larger the key, the more of that housing type in the City of Melbourne.

Homelessness

Rental Housing

Ownership

Primary
(on the street)

Secondary
(staying with family and friends)

Tertiary
(rooming/boarding houses, SAAP accomodation)

(approximately 1000 people, 2011)

Non-market rental (social housing)

Other rental*

Private rental

Private owned

6

11

40

31

*Other rental - person not in same household/housing co-operative, community or church group/other landlord type/landlord type not stated
Other - 12% - being occupied rent free/under a life tenure scheme/house-sitting/payment in kind

Housing that makes communities stronger

Urban renewal can create sustainable and liveable environments well serviced by public transport and community facilities (see table 2.1). High density, well-designed housing will contribute to this by creating walkable neighbourhoods where homes are close to local shops, transport services and jobs. It can be achieved through good architectural design using a variety of different forms and arrangements of buildings on a site (see figure 2.2).

Research from the United Kingdom indicates that density may be less significant to resident satisfaction than the type of dwelling, the characteristics of the neighbourhood and the facilities and services provided within easy access from the home (London School of Economics and Political Science, 2002).

Planning and design controls for building height, character, scale, mass, access to light and privacy will further help ensure good house design. A range of building heights across an urban renewal area will contribute to a diversity of housing types and the amount of development on a site (its density) should be optimised based on good design principles rather than maximised.

Recent research from the Grattan Institute identifies a mismatch between the housing Australians say they want and the housing we have and that Australians want a mixture of housing choices and not just detached houses (Kelly, J-F., Breadon, P. and Reichl, J., 2011, p.1).

Living in close proximity to other residents in higher density housing can bring social tensions. Homes are owned through strata-title and are often managed by a body corporate. Good quality design and construction can help to make the management of the housing easier and a more harmonious environment for residents.

The best approach to density is design-led, concentrating on high quality development.
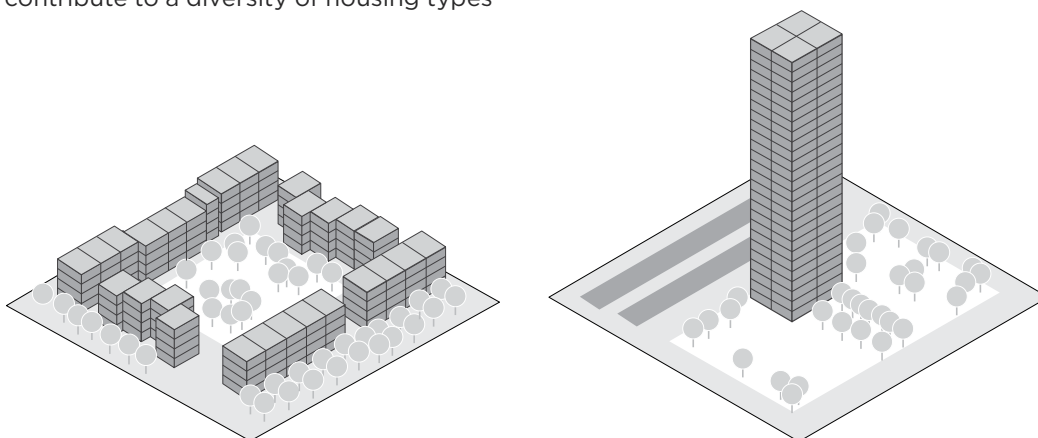

Figure 2.2: Different forms of development with the same density (approximately 100 dwellings per hectare). Density is usually measured as dwellings or people per hectare which refers to the number of homes built upon a site per hectare. High density does not have to mean high rise development. Many of the high rise tower blocks of the 1960s and 1970s were built to similar densities as low rise housing but within large areas of ill-defined and poorly used space.

Table 2.1: The benefits of seeking higher density levels in overall terms
Source: adapted from the Urban Design Compendium, prepared for the Homes and Communities Agency (UK) by Llewellyn-Davies Yeang, 2000

The benefits of compact, high density neighbourhoods
Social
Closer proximity encourages positive social interaction and diversity
Improves viability of and access to community services
Enables more and better integrated social housing
Economic
Enhances economic viability of development
Improves economic viability of infrastructure delivery
Utilises and can help improve existing infrastructure
Transport
Supports sustainable transport such as public transport, walking and cycling
Reduces car travel and parking demand
May make undercroft or basement parking more economically viable
Environmental
Creates opportunities for efficient use of resources and materials
Supports precinct-scale solutions to energy provision, water re-use and waste reduction
Creates less pollution through promotion of sustainable transport
Preserves and helps fund maintenance of public open space and create new public open space
Reduces overall demand for development land – avoiding urban sprawl without supporting services

Housing that supports the economy and cultural life of the city

Metropolitan Melbourne is a global city and a gateway of trade, commerce and culture linking into the world economy. The City of Melbourne is the location for many of the State's premier economic and cultural infrastructure, contributing to the city's liveability, capacity for innovation, competitiveness and reputation as a creative city.

The City of Melbourne is committed to cultivating a city that enhances our reputation as a vibrant place where cultural diversity and innovation is celebrated. This requires affordable housing that supports those working in creative arts.

The City of Melbourne has committed to promoting and strengthening Melbourne's knowledge sector which accounts for over 50 per cent ($28 billion) of Melbourne's estimated Gross Regional Product and employs 67 per cent of workers in the municipality. Growth in this sector will attract new businesses and entrepreneurs and increase employment opportunities for professionals, researchers, students, teachers and specialists. Knowledge workers prefer dense urban environments, large cities and seek cultural and educational opportunities and affordable housing, home ownership opportunities and options to live in single detached houses or large apartments. Housing therefore has a vital role in ensuring that these workers are attracted to live in the city.

Housing that is sustainable

As a sector of the city's built environment, housing contributed approximately 12 per cent of municipal-wide greenhouse gas emissions in 2011. Dependent on the quality of housing built, this sector can engender both positive and negative environmental impacts on the city.

In addition to its benefits which include reduced car use, opportunities for shared use of resources and efficient, localised provision of energy, water and waste systems, high density housing can create challenges. High rise buildings, which often offer a range of shared amenities such as pools, gyms, and car parks, can contribute to an increased cost of living and negative environmental impacts.

On average, residents of high-rise buildings consume 25 per cent more energy than residents in detached dwellings (NSW Department of Infrastructure, Planning & Natural Resources, 2005). Up to half of the energy attributed to a high-rise resident can come from shared amenities and common property. Waste management can also be an issue where properties are not designed with efficiencies in mind such as recycling chutes or appropriate access from waste vehicles.

Current City of Melbourne Policy

Municipal Strategic Statement

In 2012, Council adopted its updated *MSS*. The *MSS* outlines the vision for a bold, inspirational and sustainable city and sets the direction for the high level strategic growth of the municipality (see figure 1.2). The vision for housing states:

> *'An important role for the city is in providing housing to accommodate the expected significant population growth. In a densely developed city, it is a challenge to achieve a diversity of housing choices, housing affordability, a good standard of building design and amenity.'*
>
> *MSS, 21.03 Vision, p. 7*

Residential growth must be managed to ensure:

- A good quality of life and amenity for existing and future residents.
- High standards of on-site amenity be provided in all residential developments including good access to sunlight, daylight and privacy.
- The amenity impacts of established and potential uses are minimised, including noise and light spill.

Social diversity is acknowledged as an important factor in the social health of the city and a diverse population needs a diversity of housing sizes and types.

Future Melbourne

Future Melbourne, a community plan for the city, sets the vision for a bold, inspirational and sustainable city. To achieve this, the plan includes six high level goals for Melbourne to be:

- a city for people
- a creative city
- a prosperous city
- a city of knowledge
- an eco-city
- a connected city.

The design, construction and management of our housing can contribute to or hinder the realisation of the goals and objectives listed within *Future Melbourne*. Specifically, housing objectives are identified in the people city goal, including:

- To increase the number and variety of affordable housing opportunities and ensure that housing development responds to demand to ensure a ready supply of varied accommodation options.
- An increase in facilities to support and house the chronically homeless to alleviate long term and chronic homelessness.
- Housing construction and conversion keeps pace with demand to ensure a ready supply of varied accommodation options.
- Optimal development of residential sites to provide diverse housing types catering to a range of needs.
- A planning system that ensures development contributes to and supports community betterment including affordable housing and infrastructure provision.

Other objectives in *Future Melbourne*, include the challenge of increasing costs and competition for inner city accommodation for the creative community (a creative city), the need to have a high standard of living, including affordable housing (a prosperous city) and that the cost of living and working should be affordable for students, researchers and start up enterprises (a city of knowledge).

The goal to be an eco-city recognises the need to develop and support a smart compact city. The City of Melbourne is committed to actively reduce negative impacts across the municipality such as greenhouse gas emissions, mains water consumption, and waste while also enhancing the city environment and adapting to a changing climate.

Future Living explores the extent to which the housing objectives of the *MSS* and the housing related goals in *Future Melbourne* are being delivered and the options that the City of Melbourne has to influence housing outcomes.

Arden-Macaulay, City North and Southbank Structure Plans

The City of Melbourne has prepared structure plans for Arden-Macaulay, City North and Southbank which establish a 30 year vision to support residential growth in a sustainable manner. The structure plans provide guidance about appropriate directions and opportunities for change within each area for land use and built form outcomes, transport options, community infrastructure delivery, public realm and open space improvements and innovative sustainable infrastructure proposals (see table 2.2).

The land use and built form propositions in these plans are currently being implemented through changes to the Melbourne Planning Scheme (*Planning Scheme Amendments C190, C196* and *C171* respectively).

The Structure Plans for Arden-Macaulay, City North and Southbank include desired area-wide density levels. The densities of specific developments within each urban renewal area, however, will vary by taking into account local context, principles of good design, public transport accessibility and current planning policies and guidance.

Figure 2.3: Adopted structure plans for the urban renewal areas in Arden-Macaulay (2012), City North (2012) and Southbank (2010)
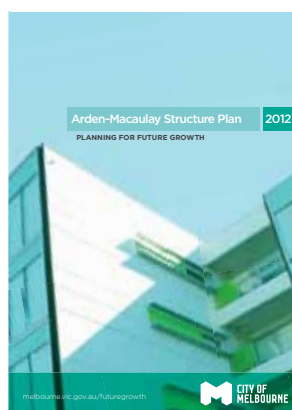
Table 2.2: Principles of urban renewal in the structure plans

Liveable, diverse and inclusive neighbourhoods	
Facilitate the establishment of diverse communities and social interaction by creating compact, mixed use, walkable neighbourhoods with opportunities to live and work locally.	Promote street life by incorporating multiple doors and entrance ways from buildings onto streets, encouraging smaller tenancies at ground floor and, where appropriate, on-street dining or shopping.
Accommodate population growth in areas that are supported by public transport and community services.	Ensure population and employment growth enhances the amenity of the area.
Provide local activity centres and community hubs that can be a focus for the community life of a diverse and growing resident, visitor and employee population.	Protect valued heritage buildings and streetscapes and promote the reuse of existing building stock where feasible, including existing industrial buildings.
Create public spaces and streets that are active, safe and well-designed and that provide direct pedestrian and cycling links to shops, public transport and open spaces.	The scale, height and setbacks of new buildings creates a liveable compact environment that provides sunlight to the street and public spaces in winter, shade in summer and does not create windy conditions.
Ensure all dwellings are located within a 300 m walk to public open space.	Support cultural and social diversity.
Provide community and cultural facilities to support the health and wellbeing of the community.	Establish safe streets through the design of buildings by locating habitable rooms and including balconies to the street edge.
Foster a community to care for young and old, support families and individuals and assist people to achieve their optimal health and wellbeing.	Encourage the development of a diverse mix of well-designed, accessible housing, including 20 per cent affordable housing options.
Liveable and sustainable dwellings	
Provide a mix of housing sizes, types and tenures at appropriate scales.	Provide dwellings that are accessible, easily adaptable and appropriate for all age groups.
Encourage development that increases the local density without compromising space standards and access to natural ventilation.	Include pervious ground area, which is as large as possible but no less than 30 per cent of the available ground areas on site.
Provide high quality private open space for all dwellings.	Provide good levels of private and communal amenity for building occupants.
Provide a micro-climate where green roofs and green walls can flourish.	Protect internal amenity from off-site impacts, including noise, light spill, odour and other off-site impacts as appropriate.

Catherine

Social Worker and Student

Lives in a semi-detached single storey terrace in East Melbourne

" About the time the lease ended on the share house I was living in, I decided to go back to study so my parents (very generously) said that I could move back to East Melbourne with them. It is the home I grew up in and the room I'm currently in has its own entrance and bathroom so that I can come and go without disturbing them. I love East Melbourne as it is so close to everything, easy to get anywhere and it is unusually quiet given its proximity to city. "

Let us know your story and join the conversation by visiting
www.melbourne.vic.gov.au/housing

Chapter 3
What is the role of the City of Melbourne in housing?

The roles of government

All levels of government in Australia have a role in housing and homelessness policy. The *National Affordable Housing Agreement* (*NAHA*) states that the overarching objective of housing and homelessness services is *'that all Australians have access to affordable, safe and sustainable housing that contributes to social and economic participation'* (COAG, 2009).

The *NAHA* provides the current framework for Australian, State and Territory governments' housing and homelessness policies, and funds many housing and homelessness services. While the Australian and State and Territory governments play a significant role in assisting people to meet their housing needs through direct services, funding support and other initiatives, there are a variety of ways that local government can influence housing outcomes and take a proactive approach to housing issues. The roles and responsibilities of each level of government are summarised below (adapted from *Report on Government Services* 2013, Commonwealth of Australia 2013, G.5).

Non-government organisations also provide housing through the community housing sector and deliver homelessness services with some local government participation.

Australian Government

The Australian Government provides funding for housing and homelessness services to State and Territory governments through the policy framework of the *NAHA* and National Partnership Agreements. The Australian Government influences the housing market through direct and indirect means, including providing Commonwealth Rent Assistance, home purchase assistance, financial sector regulations and taxation. Australian Government subsidies and funding include the *Commonwealth Rental Assistance Scheme (CRAS)* which provides funding for low income households in private rental accommodation, *the National Rental Affordability Scheme (NRAS)* to stimulate the supply of affordable rental dwellings and various tax concessions and grants relating to investment in private rental housing and home ownership.

The Australian, State and Territory governments jointly fund specialist homelessness services.

Victorian Government

State and Territory governments fund, administer and deliver social housing and homelessness services, and provide financial support to renters through private rental assistance. State and Territory governments are also responsible for land use and supply policy, urban planning and development policy, housing related taxes and charges (such as land taxes and stamp duties) and residential tenancy legislation and regulation.

In Victoria, the Department of Human Services (DHS) provides public and social housing and support for low income Victorians. Public housing is defined as housing owned and managed by the State.

Community housing is managed by not-for-profit registered housing agencies and housing providers for affordable housing purposes, whereas transitional housing is housing owned by the State but managed by the community housing sector such as not for profit groups. The term social housing is used to describe public, community and transitional housing.

The DHS provides public housing, short term crisis and transitional housing, bond loan assistance, homelessness assistance and community building initiatives. The department also works directly in partnership with not-for-profit organisations to provide a range of programs and services to support people in the move towards independence and self-reliance in the housing market. Such partnerships are a key way the Victorian Government provides affordable housing to those unable to afford or access the private market - agencies receiving government funding are expected to take up to 50 per cent of new tenants from the public housing waiting list.

In 2004, the Department of Planning and Community Development (DPCD), produced *Guidelines for Higher Density Residential Development* which provide advice to developers, councils and communities about best-practice in higher density housing. They apply to buildings of four storeys and above and cover aspects including height, neighbourhood character, street setback, open space, overlooking and overshadowing.

The Victorian Government is preparing a new Metropolitan Planning Strategy. As part of this process, the Minister for Planning released *Melbourne, let's talk about the future* in 2012. The discussion paper recognises that there needs to be better integration of jobs and housing, that the demand for new housing will grow faster than the population as the population ages and household sizes decrease and that 'affordable living' will become a critical concept in considerations of affordable housing. The document acknowledges the urban renewal areas in Council's *MSS* and states that development and urban renewal in an expanded central city will be at a scale not previously contemplated.

City of Melbourne

Local governments are mostly responsible for building approvals, urban planning and development processes, and may be involved in providing community housing. Opportunities to influence housing outcomes include policy development, incentive and grant schemes, service delivery, capital investment, advocacy and research.

The City of Melbourne has sought to address the need for housing provision, choice and support services, through a range of policies, strategies and initiatives.

The City of Melbourne, through its 1*985 Strategy Plan*, formed the foundation for the subsequent decades of the city's urban renewal. The plan called for the proactive transition of the Central Business District into a Central Activities District, which would be best achieved by reintroducing residential uses.

Postcode 3000 (City of Melbourne, 1993), was designed to facilitate and support residential development in and around Melbourne's Central city. The program offered financial incentives, technical support, street level support and promotion. *Postcode 3000* was spectacularly successful as the city managed to reintroduce over 30,000 new homes in just over 15 years.

The City of Melbourne plays a major role in facilitating efficient housing markets by ensuring that supply of land is able to readily meet demand. This is currently being achieved through the planning system, including Council's strategic

Planning policy and guidelines for high density housing are narrower and less rigorous in Melbourne than Sydney, Brisbane and Adelaide.

planning of current and new urban renewal areas.

Council has been involved in social and affordable housing since the mid-1990s when the Inner City Social Housing Trust (in partnership with the Victorian government) was established with a $1 million contribution from the City of Melbourne. This trust is now part of Housing Choices Australia which creates safe, quality affordable housing for people who are disadvantaged and struggling to find a home in Australia's challenging private rental market.

Past housing strategies include the City's first affordable housing strategy, *A Liveable City*, developed in 1997, followed by *Linking People, Homes and Communities – a Social Housing Strategy from 2001 to 2004* and *Housing for Everyone, a social and affordable housing framework from 2006 to 2009*. During this time, the City of Melbourne was involved in delivering over 300 affordable housing homes, including Common Ground on Elizabeth Street which delivered 130 homes in 2010 and Drill Hall on Therry Street which delivered 59 social housing apartments in partnership with Housing Choices Australia in 2011.

Other housing related strategies and initiatives by the City of Melbourne include *Lifelong Melbourne (2006-2016)* which aims to meet the needs of older people living in the municipality and an affordable housing rate rebate of 35 per cent of the full rate in 2010/11.

The City of Melbourne's Homelessness Strategy, *Pathways 2011-2013*, reflects Council's commitment to creating sustainable pathways out of homelessness. *Pathways* incorporates a five-fold approach comprising research and planning; assistance and funding support; advocacy; education and information

provision; and initiating, developing and maintaining strong partnerships.

Key commitments in *Pathways* include:

- Working with the crisis accommodation sector to ensure supply meets demand.
- Establishing an advisory committee for homelessness.
- Continuing partnerships and identifying new opportunities with other organisations and levels of government for additional accommodation and services.
- Providing support for additional housing options at the rear of 69 Bourke Street for supported housing.
- Ensuring 20 per cent of residential development at Boyd High School is affordable housing.
- Providing a range of services and subsidies which keep people out of homelessness.
- Exploring our role as a planning authority and the mechanisms available.
- Exploring the concept of a day shelter for people experiencing homelessness in the central city.

Pathways acknowledges that affordable housing has a role in contributing to socially and economically sustainable cities, by ensuring local households can access employment, education, health, transport and other services. It does, however, acknowledge the complicated nature of homelessness, in which the provision of accommodation is but one, albeit a significant, aspect.

Shelley

Architect

Lives in a one bedroom apartment in the Hoddle Grid

" Why do you choose to live in the Hoddle Grid?

There are many reasons, each as important as the other, however it's the strong sense of community that I feel in Melbourne's CBD to be one of the most important aspects. "

Let us know your story and join the conversation by visiting **www.melbourne.vic.gov.au/housing**

Part two

Housing, our outcomes

This part of the paper investigates the three housing issues highlighted in the City of Melbourne's *Municipal Strategic Statement* - affordable housing, a diversity of housing choices and good standards of design and amenity.

The three issues are discussed in three chapters in order to present them in a simple and coherent way. In reality the issues are inherently interrelated. The size of an apartment, for example, is linked to the affordability of the apartment and the diversity of housing choices. These connections are referenced and discussed throughout this part of ***Future Living***.

"

I originally came here as a tenant with Public Housing. I now enjoy living here because of the proximity to so much in my retirement - public transport, the CBD, hospitals and medical care. It is easy to walk to the CBD and to so many places when health allows. Many streets have beautiful views of older houses. The Exhibition Buildings and gardens are within easy walking distance, as well as the Melbourne Zoo. Melbourne Central is also a feature with cafés, movie theatre, bowling alley and of course the public library. "

Alan

Retired - safety specialist

Lives in a one bedroom apartment in Carlton

Let us know your story and join the conversation by visiting
www.melbourne.vic.gov.au/housing

Chapter 4
Housing affordability

Access to adequate housing that is secure, affordable and habitable is important for the health and wellbeing of the city's residents.

What is it?

Eighty six per cent of the City of Melbourne's residents pay a mortgage, rent or board. According to the most commonly used definition, housing is considered unaffordable when this payment exceeds 30 per cent of the gross income for low or middle income households. If the combined income of a household is $1000 per week, for example, then housing costs above $300 per week would be considered unaffordable and to detrimentally impact that household. This is commonly termed 'housing stress'.

This conventional definition can provide a useful snapshot of the housing affordability situation in the municipality. The demands on a household's income, however, may differ significantly with costs such as childcare, healthcare or transport varying between households. Housing affordability has to be considered through the impact on the individual household and their circumstances (see also figure 2.1 Housing Continuum).

Why is it important?

The right to housing is a basic human right that is more than simply the right to shelter; it includes the right to have somewhere adequate to live. Access to adequate housing that is, among other attributes, secure, affordable and habitable is important for the health and wellbeing of the city's residents. For the community's most vulnerable people, a lack of affordable housing can contribute to a severely compromised quality of life and homelessness. It can lead to emotional and physical stress, with poor housing related to:

• Poor health, economic circumstances and mental health.
• Living in areas of high crime and poverty.
• Low educational attainment rates and success for children.
• Low levels of employment.

(Stimson, R.J. and Western, J., 2003).

The physical aspects of housing are more directly related to poor physical health outcomes while overcrowding and unstable housing, such as insecure tenure and housing stress, affects mental health and wellbeing (Mallett, S, Bentley, R, Baker, E, Mason, K, Keys, D, Kolar, V & Krnjacki, L, 2011).

The provision of affordable housing is important for key workers, on which the functionality of the city depends. Key workers can include, for example, emergency workers, nurses, teachers, police, hospitality workers and cleaners. If these workers can't afford to either live in the area or within a reasonable commute distance then their quality of life will be impacted by longer travel times and higher transport costs, employers will face additional costs to compensate employees for travel costs and inconvenience, and the provision of these services could be

compromised in a given area. Exacerbating this situation, these employees are not usually so poorly paid that they are entitled to low income housing assistance making them more exposed to increased private housing costs.

Sixty seven per cent of workers in the City of Melbourne are knowledge workers. A lack of relatively affordable housing for this group could reduce the competitiveness of the city if housing costs rise to the level that they are a deterrent for highly qualified, mobile employees who have the greater freedom of choice in choosing their city of residence. This could impact the establishment or continuation of key businesses or the success of our world leading universities and institutions if they cannot attract the specialists, researchers and teachers that they need.

To what extent is this being achieved?

The City of Melbourne is becoming a more expensive place to live with the relative affordability of rental and owner-occupier housing declining. The success of the Hoddle Grid as an anchor of the state's economy has had a direct impact on the housing market with increased costs (purchase and mortgage) squeezing out people unable to secure housing that meets their needs.

The affordability of housing is now impacting households on incomes up to $100,000 per year (see figure 4.1). In 2011, approximately 50 per cent of our renters (equivalent to approximately 13,000 households) were paying greater than 30 per cent of their gross household income on housing costs. By the conventional definition of housing affordability for low and medium income households this indicates a high level of housing stress.

The increased cost of housing in the municipality is outpacing comparative increases in income growth and inflation. Between 2001 and 2011, the increase in the median mortgage payment exceeded income growth by 176 per cent and outpaced inflation by 250 per cent. In the same period, the increase in the median rental payment exceeded income growth by 150 per cent and inflation growth by 213 per cent (see figure 4.2). The purchase price for a house in the municipality is now 25.3 times the median income, up from 10.8 in 1996 (see figure 4.3). The purchase of units in the municipality has become marginally more affordable since 2001 when measured as a multiplier of median income (reducing from 16.3 to 15.5). The distribution of housing costs across the metropolitan area varies significantly (see figures 4.8 and 4.9).

Inner Melbourne is comparatively more affordable than inner areas of Brisbane,

Is paying greater than 30% of your income on housing a financial burden on your household?

Figure 4.1: Households by income paying greater than 30 per cent on housing costs in the City of Melbourne
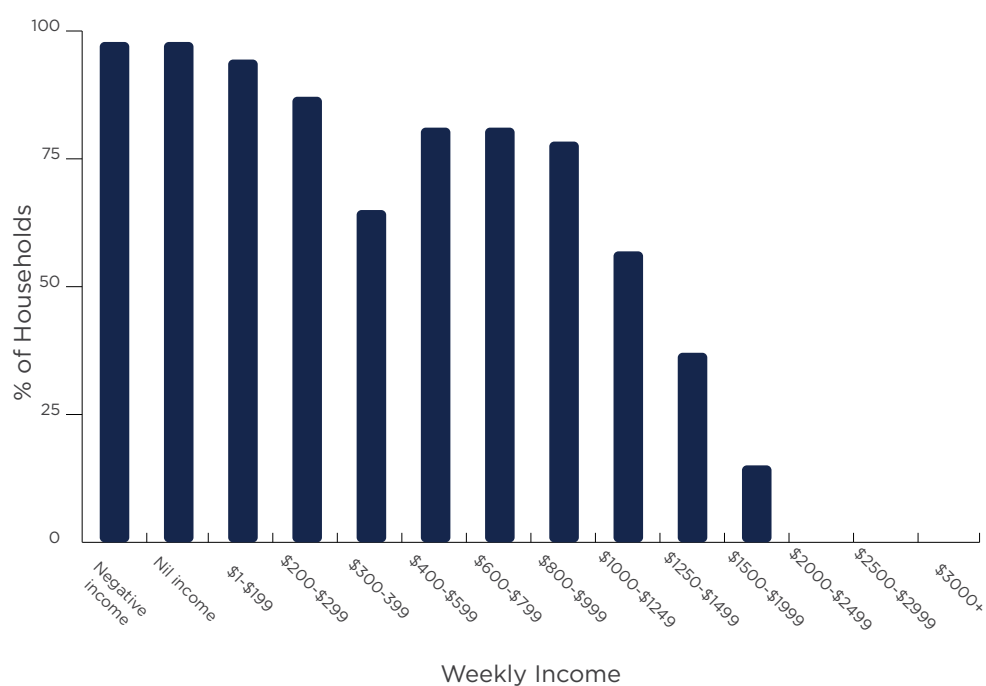

Figure 4.2: Annual average increases in median mortgage payments, median rental payments and inflation for Melbourne and Victoria
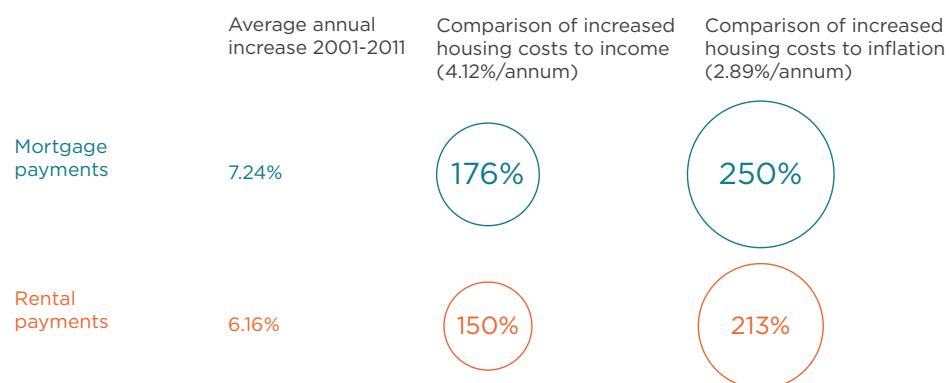
	Average annual increase 2001-2011	Comparison of increased housing costs to income (4.12%/annum)	Comparison of increased housing costs to inflation (2.89%/annum)
Mortgage payments	7.24%	176%	250%
Rental payments	6.16%	150%	213%

Figure 4.3: The change in relative affordability of housing in the City of Melbourne and metropolitan Melbourne. The purchase price of a house in the City of Melbourne area was 10.8 times the median income in 1996 and had increased to 25.3 times the median income in 2011.
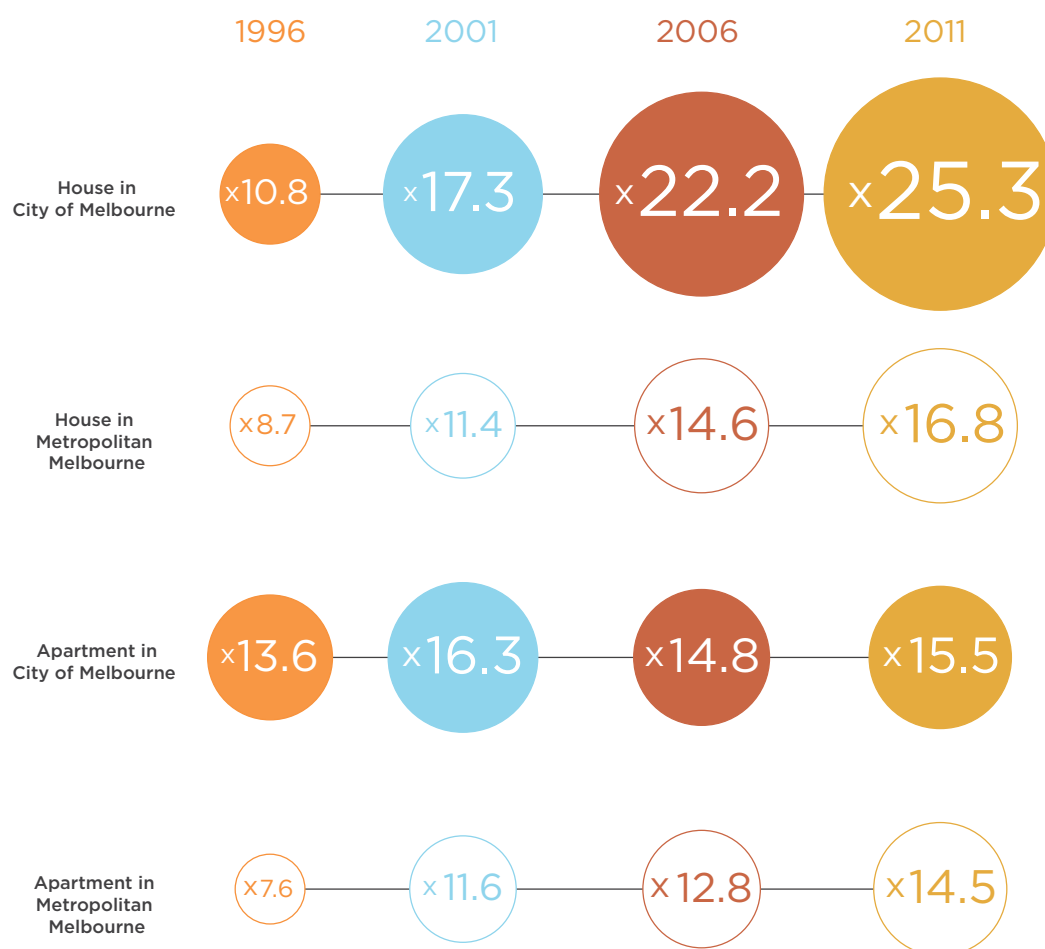

	1996	2001	2006	2011
House in City of Melbourne	x10.8	x17.3	x22.2	x25.3
House in Metropolitan Melbourne	x8.7	x11.4	x14.6	x16.8
Apartment in City of Melbourne	x13.6	x16.3	x14.8	x15.5
Apartment in Metropolitan Melbourne	x7.6	x11.6	x12.8	x14.5

Figure 4.4: Ratio of average state income to median rental cost (CBD housing) for Australian capital cities. The higher the ratio, the more affordable housing costs are in that city.

Melbourne	Sydney	Adelaide	Brisbane
2.70	1.90	2.49	1.99
$1216 : $450	$1237 : $650	$1044 : $420	$1235 : $620

Sydney and Adelaide (see figure 4.4) as the median state household income to city rental cost ratio is relatively high.

The availability of affordable housing is insufficient to meet the needs of low income earners. In 2012, only 6 per cent of available housing in the City of Melbourne was affordable to those in the lowest income quartile (see figure 4.5). The opportunities for lower income households to occupy low rent dwellings declined from 39 per cent to 13 per cent between 2001 to 2011. At the same time, the proportion of low income households in high rent dwellings increased from just 3 per cent to over 18 per cent (see figure 4.6).

The unemployed and lower skilled, lower paid service based occupations such as sales assistants, hospitality workers, artists and some educational professionals are likely to be experiencing the greatest levels of housing stress. As affordability declines, these workers are forced to either live in medium or high rent dwellings (see figure 4.7) or to relocate to more affordable locations outside of the municipality. This impacts on the diversity of the city

and decreases access to employment opportunities for these workers.

In Victoria in 2012, 127,000 residents live in public housing while 16,000 live in community housing. There are currently 38,000 people on the waiting list for public housing with 10,500 of those being people at risk of homelessness, those with a disability of long-term health problems or those with special housing needs. The remaining 27,500 are on the general waiting list (those who might benefit from assistance but who do not have an urgent need for housing).

In the municipality, around 1000 people are experiencing homelessness, including 100 rough sleepers. Affordable housing is a significant aspect of addressing homelessness, however, it is a complicated issue that not only the provision of suitable housing options will resolve.

To understand the housing situation for key workers, the percentage of housing affordable for rent or purchase within the municipality and within a 38 or 56 minute commute distance was assessed. Two thirds of workers travelling into the City of Melbourne via public transport commute from this 56 minute travel distance (door to door). The median travel time of this group is 38 minutes. Housing is considered affordable if less than 30 per cent of the worker's gross income is required to pay the rent or mortgage. These results are presented in figure 4.10. This analysis does not address initial dwelling purchase costs, for example, deposit or stamp duty.

Key workers typically earn a salary within the medium income range. Generally there is a distinction in income between tertiary qualified key workers (for example, nurses or teachers) and non-tertiary qualified key
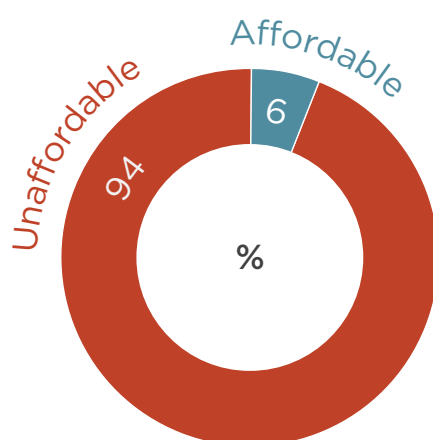

Figure 4.5: Amount of affordable housing available to those in the lowest income quartile. This implies that only 6 per cent of housing stock is affordable for 25 per cent of households.
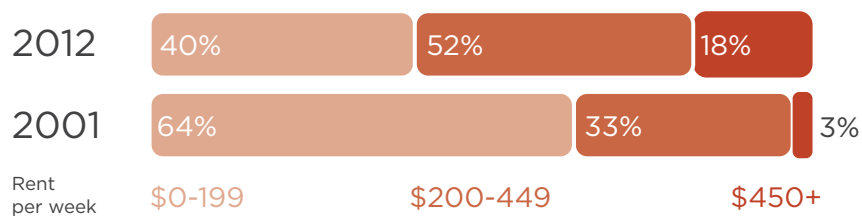
| 2012 | 40% | 52% | 18% |
| 2001 | 64% | 33% | 3% |

Rent per week: $0-199 $200-449 $450+

Figure 4.6: Percentage of low, medium and high cost rental dwellings occupied by low income earners (those earning less than $600 per week) in the City of Melbourne

Figure 4.7: The distribution of hospitality, health and specialist managers by income and their occupancy in low, medium and high cost rental properties. The graph indicates, for example, that hospitality workers are on low and medium incomes but paying for medium and high rental cost housing.

Should more be done to improve housing affordability for key workers?

workers (for example, hospitality workers or cleaners). Knowledge workers generally fall into a high income category.

Non-tertiary educated key workers have a poor level of access to affordable rental housing within the municipality with only 10 per cent of all rental housing affordable to this group. This improves marginally further from the central city. They have reasonable access to affordable one bedroom dwellings within the 56 minute catchment however this decreases substantially for two + bedroom dwellings.

The availability of affordable housing (apartments or houses) for purchase by these workers is almost non-existent in all areas within the 56 minute commute distance (ranging from 0 to 2 per cent). Dual income households in this group have improved opportunities to purchase an apartment with 43 per cent within the municipality affordable. The availability of affordable detached housing is still poor (12 per cent within the 56 minute catchment).

Tertiary educated key workers have good access to affordable rental housing within the municipality (56 per cent of all rental housing). Within the 56 minute catchment, access to one bedroom dwellings is excellent (93 per cent) and good for two bedroom dwellings (66 per cent). Options to purchase a house are poor for these workers with only 7 per cent of housing affordable within the 56 minute catchment. Dual income households in this group have excellent access to affordable apartments and limited to reasonable options for purchasing a house.

The median price of an apartment in the City of Melbourne is lower than outside the municipality. This is likely to be the result of the significant supply of one bedroom apartments which reduces the median price (see Chapter 5 for the impacts that this has on community diversity).

Knowledge workers have excellent access to affordable 1 bedroom rental dwellings (95 per cent in the municipality) and good access to 2+ bedroom rental dwellings (67 per cent). Dual income households (both earners on knowledge worker salaries) have excellent choices for an apartment purchase (96 per cent in the City of Melbourne).

This analysis indicates that there is a housing affordability issue for non-tertiary educated key workers who have limited to poor access to all rental dwellings within a 56 minute commute.

There is a housing affordability issue for tertiary educated key workers if they are unable or unwilling to rent and commute into the City of Melbourne within this 56 minute commute. This analysis also cannot address individual circumstances which may reduce the income available to spend on housing. The need for a second car, for example, triggered by shift work or childcare arrangements, will impact a household's financial circumstances. Over-crowding on public transport may also reduce the availability of services lengthening these commute times.

The concept of 'affordable living' addresses the full costs of living in a certain location, including additional transport costs, and can assist in informing a greater understanding of housing stress.

Forty two per cent of the municipality's residents are students who are typically low income earners. In the City of Melbourne's *International Student Strategy*, affordability of accommodation was listed as the second most important aspect of studying and living in Melbourne in need of improvement.

Opportunities to reduce housing prices through adequate supply are already being addressed by the City of Melbourne's planning policies which identify sufficient
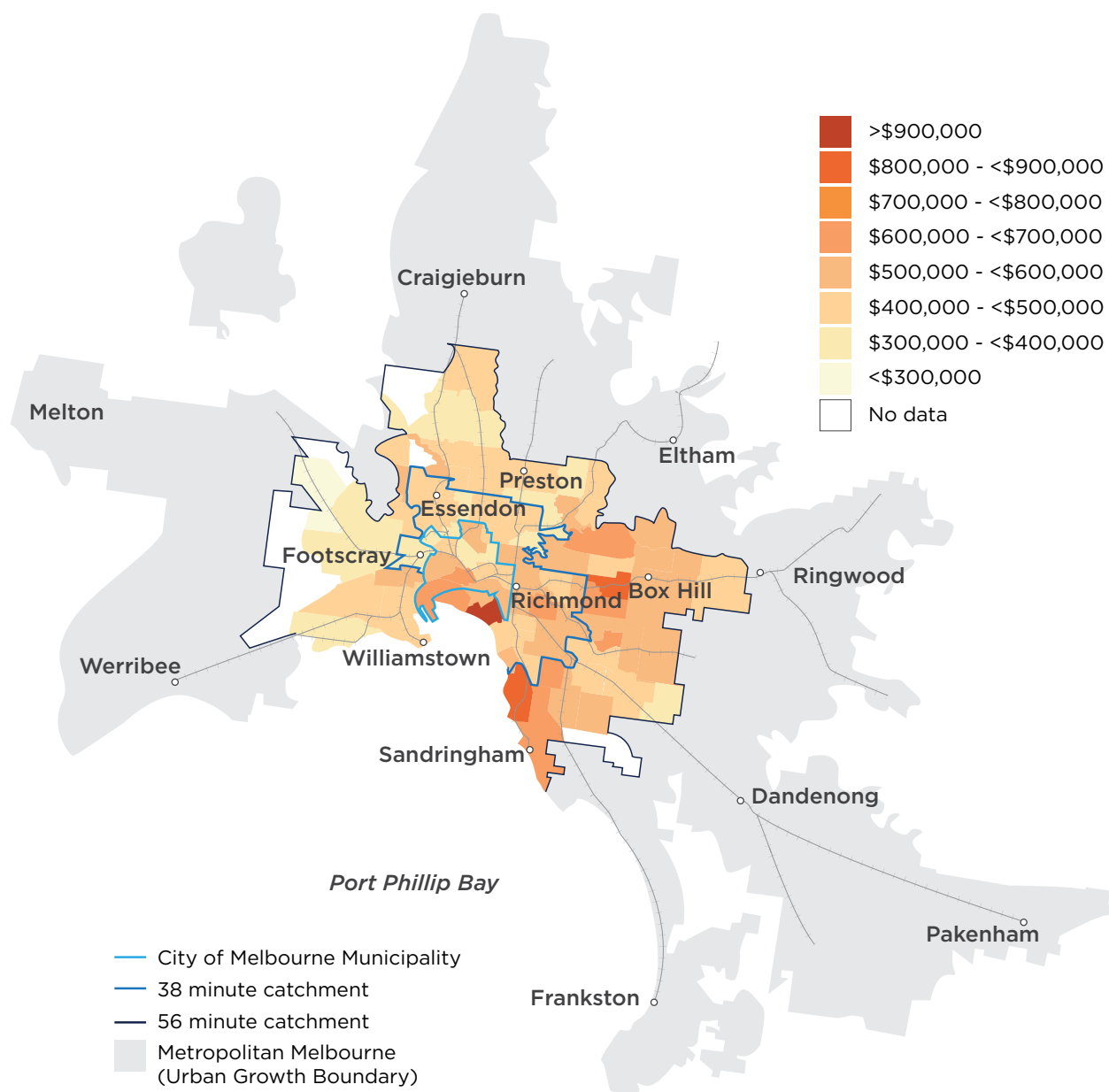
Legend:
- >$900,000
- $800,000 - <$900,000
- $700,000 - <$800,000
- $600,000 - <$700,000
- $500,000 - <$600,000
- $400,000 - <$500,000
- $300,000 - <$400,000
- <$300,000
- No data

Map labels: Craigieburn, Melton, Eltham, Preston, Essendon, Footscray, Richmond, Box Hill, Ringwood, Werribee, Williamstown, Sandringham, Dandenong, Pakenham, Port Phillip Bay, Frankston

- City of Melbourne Municipality
- 38 minute catchment
- 56 minute catchment
- Metropolitan Melbourne (Urban Growth Boundary)

Figure 4.8: Median house price (June 2012) by suburb, within the City of Melbourne boundary, the 38 minute and 56 minute commute time

>$900,000
$800,000 - <$900,000
$700,000 - <$800,000
$600,000 - <$700,000
$500,000 - <$600,000
$400,000 - <$500,000
$300,000 - <$400,000
<$300,000
No data

Craigieburn

Melton

Eltham

Preston

Essendon

Footscray

Ringwood

Richmond   Box Hill

Werribee

Williamstown

Sandringham

Dandenong

Port Phillip Bay

Pakenham

City of Melbourne Municipality
38 minute catchment
56 minute catchment
Metropolitan Melbourne
(Urban Growth Boundary)

Frankston

Figure 4.9: Median apartment price (June 2012) by suburb, within the City of Melbourne boundary, the 38 minute and 56 minute commute time

Figure 4.10: The maps below illustrate the percentage of the current housing stock that is affordable to income earners of three different professions (hospitality workers, emergency workers and knowledge workers).

The availability of affordable housing is shown for the:

City of Melbourne municipality

area within a 38 minute commute distance

area within a 56 minute commute distance

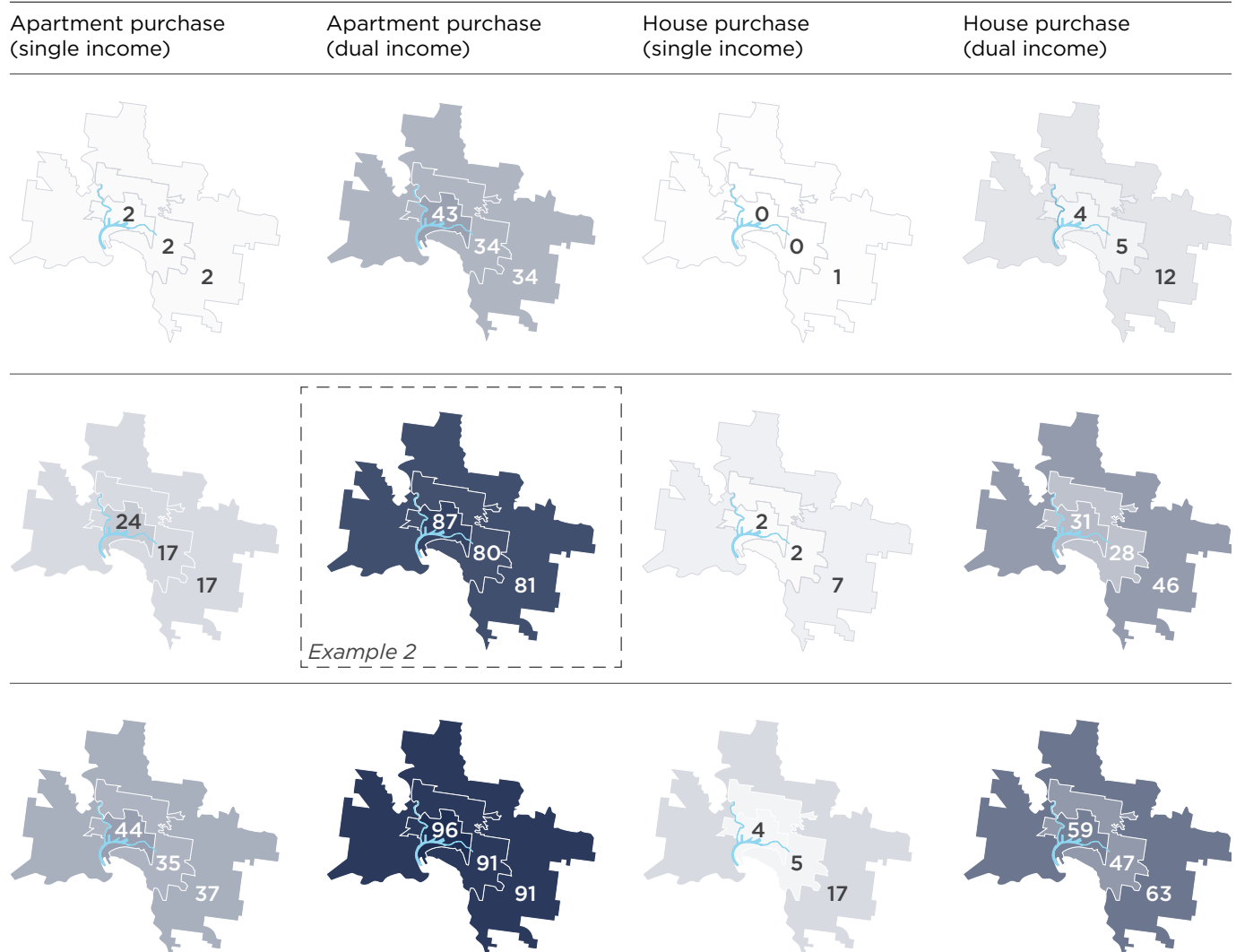Metropolitan Melbourne (Urban Growth Boundary) shown for context only

Rental - % of affordable housing

Profession Median annual income	Total rental dwellings (single income)	One bedroom rental dwellings (single income)	Two+ bedroom rental dwellings (single income)
Hospitality worker **$44,148** (comparable to receptionist, cleaner, office cashier, freight handler) *Non-tertiary educated*	10 17 18	14 33 39 *Example 1*	6 9 12
Emergency worker **$74,776** (comparable to nurse, teacher) *Tertiary educated*	56 65 72	85 91 93	37 53 66
Knowledge worker **Mid-career** **$94,744** *Tertiary educated*	78 83 87	95 97 97	67 78 85

Key Worker

Knowledge Worker

Availability of affordable housing (%) Scale established for Future Living	
Poor	<15
Limited	15-29
Reasonable	30-49
Good	50-80
Excellent	>80

Example 1 - Affordability of rental housing A hospitality worker can afford to rent 14 per cent of one bedroom rental dwellings in the City of Melbourne, 33 per cent within a 38 minute commute time of the central city and 39 per cent within a 56 minute commute time.

Example 2 - Affordability of dwelling purchase A dual income household, where both earners are on a wage equivalent to an emergency worker, can afford 87 per cent of apartments for purchase in the City of Melbourne, 80 per cent within a 38 minute commute time of the central city and 81 per cent within a 56 minute commute time.

Purchase - % of affordable housing

Apartment purchase (single income)	Apartment purchase (dual income)	House purchase (single income)	House purchase (dual income)

Example 2

supply to exceed the current projected demand for 42,000 dwellings by 2031.

The major cost component of residential development is construction. For high rise buildings, this is estimated to account for 45 to 60 per cent of total infill development costs (see figure 4.11). Land costs in Melbourne account for 6 per cent of the purchase price, considerably lower than in Sydney where it is 14 per cent (Urbis, 2011).

Labour costs are significantly higher for high rise buildings than low and medium rise development due to increased safety requirements and unionised labour costs.

Additional costs may include delays in the planning process which are reflected in development costs via increased interest payments.

Innovative construction techniques could provide opportunities to reduce the cost of construction. This will only improve affordability if the reduced costs are passed onto the purchaser (and subsequently renters) rather than to increase developer profits. Healthy

competition in the marketplace is a way of making sure that the consumer does get the benefit of more efficient construction techniques. The City of Melbourne's initiative to release more land for housing supply is an important factor in this regard. Specific opportunities for alternative construction methods are discussed in Chapter 6.

A large proportion of high rise residential buildings will need maintenance over the life of the building. This can have significant impacts on the affordability for the owner-occupiers or tenants (if these costs are passed on by the owner) who will need to fund future works through increased annual owners corporation fees or through lump sum investments. This could significantly devalue a property if this funding is not available and the building deteriorates. The establishment of lifecycle cost analyses for new buildings could highlight this potential issue and lead to better design outcomes and lower maintenance costs.
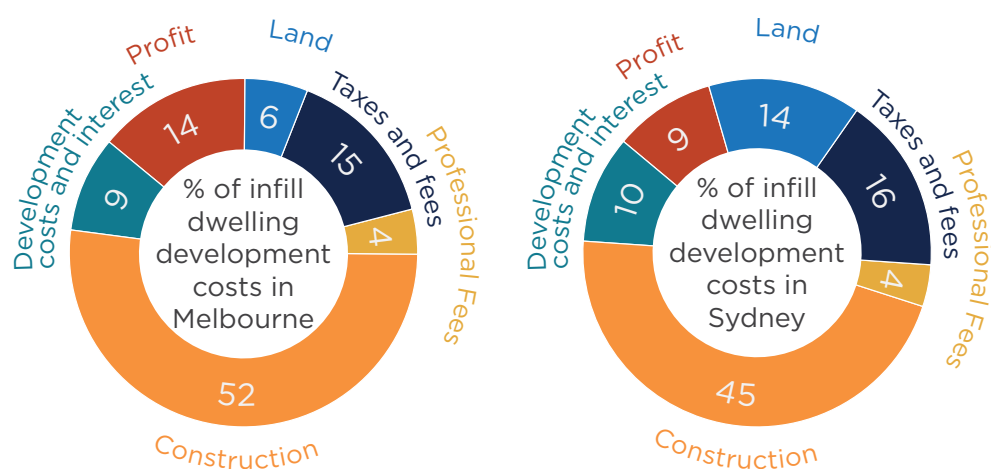

Figure 4.11: Comparison of housing development costs between Sydney and Melbourne
Source: Urbis, 2011

Could shared equity schemes improve access to affordable housing for low income earners?

What are others doing?

Affordable Homes program, South Australia

The Affordable Homes Program provides people on low or moderate incomes the opportunity to buy a home through a shared equity scheme. Eligible purchasers are current Housing South Australia or Community Housing tenants, single persons earning less than $75,000 gross income or family households with up to three children on less than $95,000 gross income. Homes are offered at a discounted amount, for example, 20 per cent less than the property's market value and the difference between the sale price and the full market value is funded by Housing South Australia. On re-sale of the property, the purchaser has to repay Housing South Australia the original discounted amount plus a share in the increased value of the property. Most properties are offered for sale for around $250,000 and are made available for purchase to eligible households for 30 – 60 days before the property is available on the open market. Properties include former public and community housing stock and new houses.

'Sturt Living' Affordable Housing Project

In 2010, Adelaide City Council began a process to redevelop three Council-owned sites to increase the residential population, housing choice and social mix in the inner city. One of these sites, a Council car park on Sturt Street, was identified as an opportunity to directly contribute towards Council's target of delivering 150 affordable housing dwellings by 2012. This site will deliver approximately 180 new dwellings with 50 of these targeted for affordable sale (with equity shared) and 20 for rental housing supported by the NRAS. Council successfully obtained federal funding through the Housing Affordability Fund (HAF) which allows Council to pass cost savings directly to the purchasers of the affordable sale product.

The City of Melbourne is already active in identifying affordable housing opportunities. It has included the requirement for 46 affordable housing apartments into the redevelopment of the Boyd School site. This is an example of the City of Melbourne directly identifying affordable housing opportunities on its own land. Further opportunities to identify Council owned land could be considered in the development of community services hubs or through the redevelopment of other Council land.

Green Square, Sydney: Inclusionary Zoning

Inclusionary zoning provisions were introduced by the former South Sydney Council for its Green Square urban renewal project in inner Sydney. The provisions were included in the main statutory controls for the area – the Environmental Planning and Assessment Act 1998. The Environment and Planning and Assessment Act 1979 was amended twice to include affordable housing as a legitimate objective under the Act. Three per cent of floor area intended exclusively for residential purposes, and 1 per cent of floor area intended for uses other than residential (or a cash equivalent) is to be dedicated for affordable housing within the Green Square area. Affordable housing is funded primarily through this inclusionary zoning planning instrument. A state government grant of one million dollars enabled the City West Housing Company to acquire sites before land values increased prohibitively.

Inclusionary zoning is a planning provision requiring incorporation of a certain use or facility in approved developments in the interests of maintaining environmentally responsible or 'sustainable' outcomes. It may be possible to apply inclusionary zoning under the provision of the Victoria Planning and Environment Act, as the Act and the Victorian Planning Provisions define 'environment' broadly to include questions of social and cultural sustainability.

Application of inclusionary zoning would typically occur through a new overlay in the Victorian Planning Provisions, and would need to rely on an incorporated Affordable Housing Strategy. Such a strategy would need to specify the targeted acquisition of permanent affordable housing under the inclusionary zoning provision, and the developers' obligation in terms of incorporation of a given floorspace or percentage of dwelling for affordable housing, and/or the provision of cash-in-lieu so that the obligation may be met elsewhere. Such a strategy would also need to consider where funds generated by the inclusionary zoning requirement would be deployed and how these funds and the affordable housing stock will be managed in a transparent, fair and accountable way.

It is suggested that funds and stock generated through inclusionary zoning be directed to registered housing associations that would provide all required tenancy services; developers would have no ongoing obligations in terms of tenancy support under the overlay provisions.

The Inner Region Affordable Housing Initiative Project, a key initiative of the Inner Regional Statement (2005) developed by the Cities of Melbourne, Port Phillip, Stonnington and Yarra, proposed an Inclusionary Zoning Overlay for the inner region to achieve affordable housing. The overlay has not yet attracted support from the State Government. The current position of the Inner Melbourne Action Plan Working Group is not to continue to pursue this initiative.

Is inclusionary zoning a suitable mechanism for delivering affordable housing?

K2, Windsor, Melbourne

DesignInc.

K2 Apartments are an ecologically and socially sustainable, medium density, public housing development. The Victorian Office of Housing held an open competition to promote quality housing that reduces carbon emissions, energy and water consumption, and maximises the use of reusable and recycled materials.

The built form is configured to ensure each dwelling has access to a number of public and private courtyard spaces and greenery and receives northern sun throughout the year. It also includes a central green link designed to facilitate social interaction between residents.

Excellent environmental performance is achieved through a housing typology that promotes cross-ventilation to provide cooling and minimises direct exposure to sunlight during summer. The use of masonry walls and concrete ceilings promotes stable temperatures throughout the year. Double glazed windows and the well-insulated and sealed building reduce the need for heating in winter.

K2 Apartments, Windsor, Melbourne © Peter Hyatt

Whitmore Square Affordable EcoHousing, Adelaide

Troppo Architects

The design of Whitmore Square is the result of the Adelaide Affordable Eco-Housing national competition in 2005. The development was commissioned by the Adelaide City Council and delivered as a joint venture with the South Australian Government. The winning scheme comprises 26 dwellings for private sale, delivered for a competitive commercial return and 20 NRAS apartments.

The objective was to ensure that city living is achievable for a diverse range of people. The competition criteria included cost and sustainability in order to deliver benefits to the occupants and the environment.

The building configuration incorporates mews, a courtyard and varied circulation spaces to facilitate social interaction and provide cross ventilation and good access to sunlight. The seven star green rated building reduces running cost through the inclusion of solar panels, rainwater tanks and advanced insulation. Energy monitoring devices are provided within each dwelling.

Cost-effective and low-embodied-energy materials were chosen, including rammed earth and cypress pine to frame public spaces, and concrete block and compressed fibre cement in areas exposed to weathering.

The development incorporates a corner cafe, communal garden and shared workshop creating synergies between these on-site activities and residents which encourages social connections and community building.

To what extent can innovative, low cost designs assist in addressing affordability issues?

Whitmore Square © James Knowler

© Troppo Architects

Should the City of Melbourne pilot and partner to deliver housing choice and affordability for a range of tenants?

Iroko Housing Co-operative, Coin Street, Southwark, London, UK

Haworth Tompkins Architects

The site was sold by the Greater London Council to the Coin Street Community Builders, a not-for-profit company which provides affordable houses in the central city. The entire development is social housing and is managed by four housing co-operatives delivering affordable rental housing to families and individuals in need. Priority is given to people working in low-paid jobs in central London.

The project scheme resulted from a limited entry competition in 1997 and includes 59 dwellings (32 family houses of up to six bedrooms and 27 flats or maisonettes). The architects sought to create a unique place with high levels of privacy and amenity for residents. A communal central garden is bound on three sides

by residential accommodation and by a community facilities building on the fourth side. Clear delineation between public and private spaces has been established.

The environmental performance of the development is maximised through good site layout, including good solar access, sufficient insulation, ventilation systems and the use of sustainable materials.

Co-operatives have a joint ownership structure that provides collective ownership to tenants rather than individuals, ensuring that the council maintains access to affordable housing. Coin Street is a good example of a council partnering with a co-operative to deliver affordable, inclusive housing and neighbourhoods that are well-maintained and remain long term assets.

Iroko Housing Co-operative, Coin Street, London © Morley von Sternberg

Vauban Housing, Freiburg, Germany

Vauban was built as a socially and economically sustainable district five kilometres from Freiburg's town centre. It is arguably the most famous 'eco-neighbourhood' of Europe, today hosting a community of around 5500 residents and providing 600 jobs. It is the result of the combined effort of the local government and groups of building owners. Most of the individual plots were sold to Baugruppen (co-housing groups) whose bids were assessed against criteria that favoured family housing, older people and Freiburg residents. Ten per cent of the housing stock is social housing, with the majority of the remaining housing owner occupied.

The number of housing co-op groups facilitated considerable architectural diversity among the predominantly four storey developments. The housing typologies are mostly linear buildings, yielding a net density of 90 to 100 dwellings per hectare. The master plan was subject to a mandatory community consultation, 'Forum Vauban'. This process convinced an initially sceptical council to try the car-free concept resulting in the majority of Freiburg residents walking and cycling.

All buildings on the site were required to be low energy, and at least 100 of them meet the very strict 'Passivhaus' (passive house) standard. Where heating is required, wood chip burning and cogeneration (CHP) are used. The district includes 'The Solar Settlement', a group of 59 homes which became the first housing community in the world to display a positive energy balance.

In Australian cities, people currently looking to purchase a home can either buy an existing dwelling or acquire a block of land, while almost all medium or high density housing is built speculatively by developers. Alternatively, housing co-operatives enable groups of households to unite to become more involved in the design of the development, with each owning their own dwelling at completion. This can provide substantial savings as the developer's profit margin is eliminated and the co-operative is able to make progress payments to the builder during construction (reducing financing costs). One of the few examples of co-operative housing in Australia (Harvest Road, North Fremantle) provided cost savings estimated at 28 per cent (Alves T and London G, 2012).

How can the City of Melbourne assist in promoting or facilitating co-operative housing schemes?

Vauban Housing, Freiburg © Steve Melia

Vauban Housing, Freiburg © Steve Melia

Should affordable housing be required on development sites over a certain size?

The London Plan 2011, UK

Strategic planning in London is the shared responsibility of the Mayor of London, 32 London councils and the Corporation of the City of London. The *London Plan* is the spatial development strategy for Greater London and is produced by the Greater London Authority. London Councils' planning documents have to be 'in general conformity' with the *London Plan*, which has to be taken into account when planning decisions are taken in any part of London.

The *London Plan* defines affordable housing to include social rented (rented housing owned and managed by local authorities or registered social landlords) and intermediate housing (available to households who meet the criteria and be available at prices and rents above those of social rent, but below local market prices or rents) provided to specified eligible households whose needs are not met by the market and should:

- Meet the needs of eligible households including availability at a cost low enough for them to afford, determined with regard to local incomes and local house prices.
- Include provisions for the home to remain at an affordable price for future eligible households, or
- If these restrictions are lifted, for the subsidy to be recycled for alternative affordable housing provision.

Policy 3.11 provides affordable housing targets and states that the Mayor will, and council's and other relevant agencies and partners should, seek to maximise affordable housing provision and ensure an average of at least 13,200 more affordable homes per year in London over the term of the Plan.

In order to give impetus to a strong and diverse intermediate housing sector, 60 per cent of the affordable housing provision should be for social rent and 40 per cent for intermediate rent or sale, and priority should be accorded to provision of affordable family housing. The policy states that each London council should set an overall target for the amount of affordable housing provision needed in their areas. Affordable housing targets may be expressed in absolute or percentage terms in light of local circumstances, reflecting each council's contribution towards meeting the strategic affordable housing targets and providing a robust basis for implementing these targets through the development control process.

Policy 3.12 states that maximum reasonable amount of affordable housing should be sought when negotiating on individual private residential and mixed use schemes, having regard to current and future requirements for affordable housing at the local level, affordable housing targets, the need to encourage rather than restrain residential development, the need to promote mixed and balanced communities and the specific circumstances of individual sites. Policy 3.13 states that councils should normally require affordable housing provision on a site which has capacity to provide 10 or more homes.

Kate, Chris and Chaya

Skills assessment officer, employee at the Stroke Foundation and insurance worker

Live in a five bedroom house in Parkville

" I moved here for the great house mates rather than the location. But it is really central, close to work and the city and also very quiet. Access to shops is less convenient - I have to trek to Carlton, Brunswick or North Melbourne for groceries. "

" I have lived here for a number of years, and moved in due to the convenience to university (studied at the University of Melbourne last year). "

" I live here due to the housemates and centrality. "

Let us know your story and join the conversation by visiting
www.melbourne.vic.gov.au/housing

Chapter 5
A diversity of housing choices

What is it?

Underpinning the objective for an inclusive, creative and vibrant city is the assumption that social, cultural, demographic and housing diversity are crucial to achieving this goal. A diversity of housing choices includes a range of housing types, tenures and sizes.

Housing type can refer to the form of the dwelling - if it is a detached house, townhouse or apartment within a high or low-rise development, the number of bedrooms it has and whether it is usable and accessible for all people.

Housing tenure refers to whether the housing is privately owned (or mortgaged), part-owned or part-rented through shared equity, privately rented, socially rented (for example, public housing, transitional housing or community housing), a rooming/board house or serviced apartments.

Housing size refers to the amount of internal and external floor space and the number of people who are able to live comfortably in a dwelling with enough space for a range of activities to take place at the same time (such as cooking, playing and studying). The recommended apartment sizes in London, for example, are dependent on the number of people living there. The minimum size for a three bedroom apartment in the *London Plan* is 74 m^2 for four people and 86 m^2 for five people.

Aspects of both tenure and size are also covered further in Chapters 4 and 6.

Why is it important?

Social diversity is an important factor in the social health of the city. A diversity of housing choices can foster a community which is inclusive of different household needs and circumstances, including family size, household composition, income and health. It can help to address social exclusion and avoid issues associated with:

- Locational disadvantage - the disadvantage of residents living within a particular area. It could take many forms, including low skill levels, unemployment, poor educational outcomes and a lack of access to services and facilities within a particular area.
- Gentrification - the movement of higher income households into low income neighbourhoods (Atkinson et al, 2011).
- Social polarisation - the growing separation between those on high incomes and those on low incomes.

The evidence suggests that letting the market create diversity is unrealistic and that it is impossible to predict or fully anticipate market tendencies, particularly as the housing market is now operating within a global context.

To ensure a diversity of housing choices, new housing needs to be designed with a range of people of different ages and backgrounds in mind who may occupy the home over its lifetime. The range of homes provided in the city should be suitable to the widest possible range of people at all stages of life.

To make homes suitable for families with children, it is important to explore models of successful family housing in medium rise and taller apartment buildings which can provide private outdoor space, play areas and sufficient storage. Proximity to schools will also have a significant impact on the demand and availability of family housing.

Housing choices should meet the needs and aspirations of those who require more specialised housing, including wheelchair users and older people. It is also important to address the housing needs of students by offering a range of affordable private rental housing, particularly for mature students, as well as purpose built student accommodation.

To what extent is it being achieved?

Housing type

Ninety three per cent of all residential development in the City of Melbourne over the last six years has been apartments, which now make up 79 per cent of all housing (see figure 5.1). This is projected to continue with expected development of around 42,000 apartments in the next twenty years.

New apartments are predominantly one and two bedroom dwellings. Half of all apartments built over the last six years have been one bedroom apartments, a third have two bedrooms while less than 9

per cent had three or more bedrooms (see figure 5.2).

The demand for one and two bedroom apartments is driven by investors who currently purchase 85 per cent of apartments in the municipality. Investors typically avoid the high sale price and low return rate of three plus bedroom apartments. Banks also prefer to finance low-risk housing developments which have commercially proven models and the maximum number of buyers - in the current market this is investors looking to buy one or two bedroom apartments of $450,000 or less. Larger apartments, such as those suited to families or group households, can and will sell but with longer lead times and marketing costs creating financial risk to developers and banks.

Nearly two thirds of new housing over the last ten years was in developments of over 200 dwellings, particularly in the central city. In order to help finance large developments with minimal risk, dwellings within these developments typically consist of studio, one bedroom or two bedroom apartments.
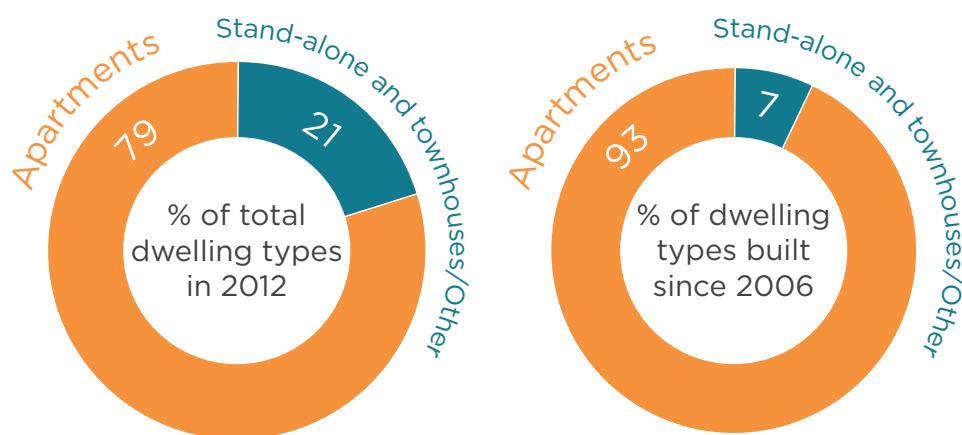

Figure 5.1: Dwelling types in the City of Melbourne in 2012 (left) and the trend since 2006 (right)

The height and density of apartments varies across the municipality. Over a quarter of the apartments built in the last six years were in high-rise development of 30 storeys or more (see figure 5.3). The predominance of the high rise residential tower typology limits the number of viable developers operating in the market, as a proven track record is required to access the necessary finance. In the case of high rise development, this is required up front and cannot be staged.

The Hoddle Grid, Docklands and Southbank are a distinct housing sub-market in the municipality (see figure 5.4). This is where the majority of the high rise development is built and rental costs are relatively high. The other sub-market surrounds the central area, stretching from St Kilda to Brunswick to Seddon. Each of the suburbs in this sub-market could be regarded as a substitute location for other suburbs in terms of housing density and rental cost.

The significant levels of new housing projected for Council's urban renewal areas, paired with predominance of one and two bedroom homes suggests that diversity will be under pressure within these areas if the current trends continue. This may result in a lack of resilience in the city's housing stock to meet any increased demand for larger household types, such as those for larger families or group households, in the short, medium or long term.

The trend for one and two bedroom apartments is broadly in line with projected housing demand which indicates growth in lone person and couples without dependent households. Couples without dependents households are expected to be the strongest growing household type in the City of Melbourne to 2031 and lone person households are expected to be the greatest proportion of household type by 2031.
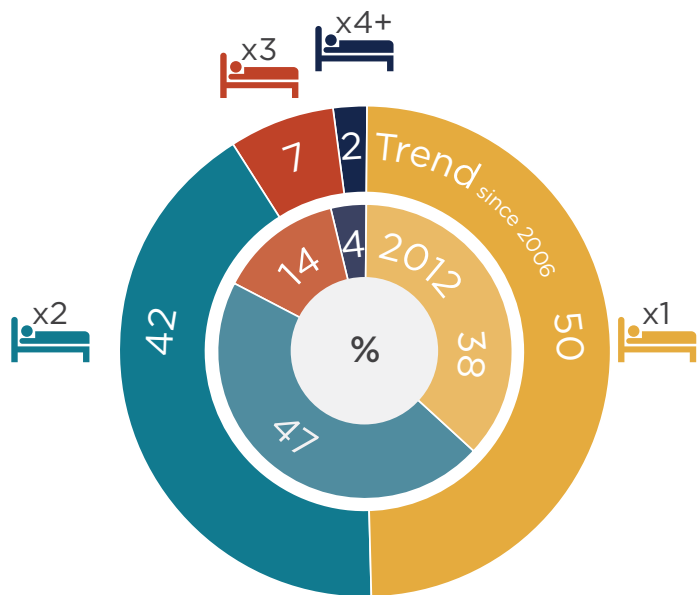

Figure 5.2: Dwelling types by number of bedrooms. Over the last six years, over 12,000 new apartments have been built with two or less bedrooms and less than 1200 new apartments with three or more bedrooms in the City of Melbourne.

Family households

There is demand for family friendly apartments in the City of Melbourne. Couple families with dependents are expected to make up around 8000 households in the City of Melbourne by 2031, equivalent to around 9 per cent of total households and 180 new family households per year. There is unlikely to be sufficient supply of larger apartments if current development trends continue.

Demographic forecasts are based on existing trends and market-driven patterns of growth. They cannot predict changes in demand driven by shifting household preferences. While projected growth of family households is low, many of the inner city schools are at, or close to, capacity suggesting more families with children are moving into the central city than market-led projections predicted.

The type and location of community infrastructure provision can impact social diversity. Households with children look to locate near kindergartens, primary and secondary schools. Libraries, public open space and sport and recreation facilities, may also influence where households choose to live and may be considered more important throughout different life stages or to different groups within the population. An undersupply of schools in the municipality may be directly affecting who chooses to live here, and therefore limiting community diversity.

The provision of new infrastructure coupled with a greater appreciation of the benefits of higher density living, may increase demand for family friendly dwellings within the central city. The projected demand for three bedroom apartments, therefore, is likely to be conservative.

The current supply of three bedroom apartments are in the central area sub-market, particularly Southbank and Docklands, and only available to those on high incomes.
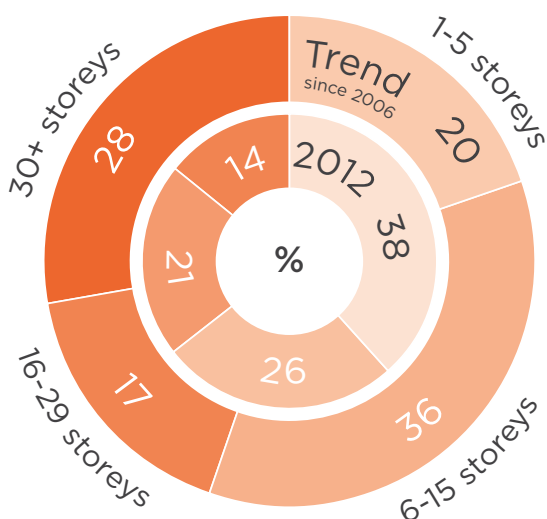

Figure 5.3: Residential building heights in the City of Melbourne

Students

The student population accounts for 42 per cent of the resident population in the municipality. Between 2002 and 2010, the average annual growth for international students was about 7 per cent per annum, much higher than the growth rate of domestic students of about 3 per cent. Research suggests that a greater number of international students are choosing to live in the City of Melbourne even if they do not attend an institution in the municipality. As such, it is likely that demand for international student housing in the future will be greater than the number of enrolments. Council's International Student Strategy Discussion Paper acknowledges the significant contribution that international students make to Melbourne's diverse social and cultural fabric. The international students studying in Melbourne come from a variety of countries, including China, Malaysia, India, Indonesia and Singapore, highlighting the cultural diversity that international students bring to Melbourne.

The rising cost of housing could make it unaffordable for students to live within the City of Melbourne. This will have direct impacts on cultural and educational diversity. Students require both purpose built accommodation and private rental housing. This may provide greater demand for larger apartments suitable for shared student households.

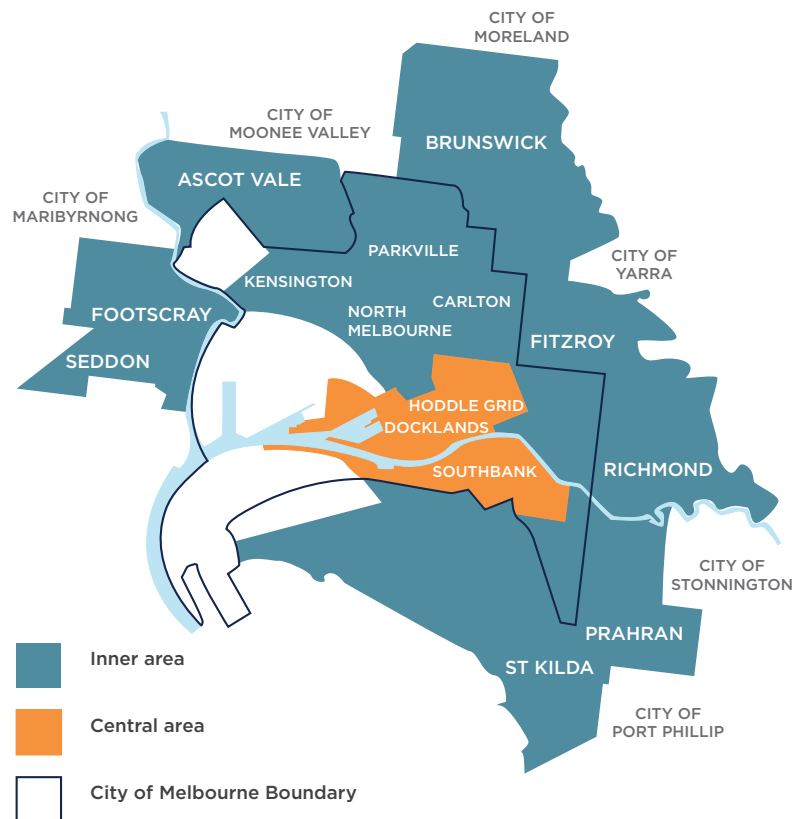**Is it realistic that a diversity of housing choices will be provided in the central sub-market area?**

Figure 5.4: Sub-markets in the City of Melbourne

Older people

The demand for housing for older aged people is not significant. There may be, however, some demand from older people going against the trend, looking for an urban lifestyle with a high amenity offer.

Universal access

Housing choices for wheelchair users, or those with limited mobility, should be available in the municipality. It is important that new homes are designed with enough space, flexibility and adaptability to ensure homes are accessible and can respond to changing circumstances. This is discussed further in Chapter 6.

Housing tenure

The municipality's high proportion of renters (57 per cent of the residential population - see figure 5.5) consists of private rental (40 per cent), social rental (6 per cent) and 'other rental' (11 per cent, which may include housing co-operatives, community or church groups or other landlord types). In March 2012, this amounted to 28,332 rental properties within the municipality. Thirty one per cent of the residential population are owner occupiers. The remaining 12 per cent are classed as 'other' which includes housing being occupied rent free, payment in kind or house-sitting.

City of Melbourne residents are likely to live in the municipality for a shorter period than residents in other municipalities across Melbourne and Victoria. This is due to the rapid residential growth in the municipality and the high student population. There may also be other underlying reasons relating to a lack of affordable housing and housing choice, particularly larger family sized homes.
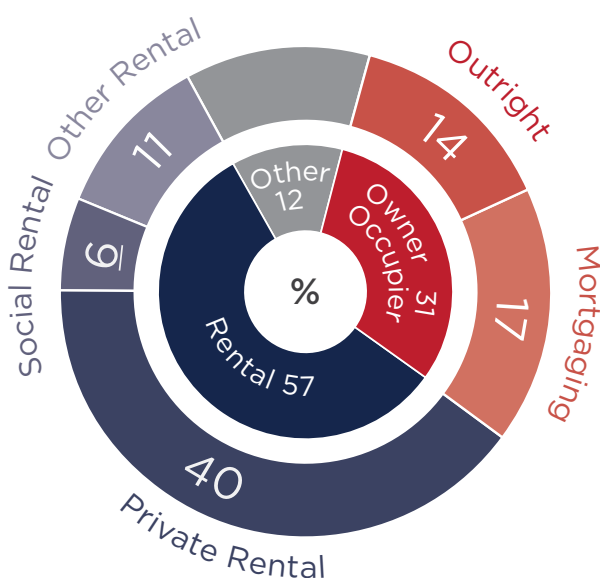

Figure 5.5: Residential tenancy make up in the City of Melbourne

Are better policy guidelines required to deliver a housing mix of 1, 2 and 3 bedroom apartments?

This can have impacts on community strengthening in our neighbourhoods as social cohesion is improved through stable housing (Stone and Hulse, 2007). People with insecure tenancies, for example, are less likely to be connected to the local community or have a sense of belonging. More secure private rental tenancies could be a way of helping to ensure a diverse population, particularly for families with children who may require longer tenancies to provide a more stable home environment.

Housing Size

Housing size impacts the use of the dwelling and its flexibility and long term adaptability to suit growing families or new owners and tenants with different needs. Housing size impacts the diversity of housing choices and the demographic diversity of the municipality. The recent trend for shrinking apartment sizes is discussed in Chapter 6.

What are others doing?

New South Wales – SEPP 65 and the Residential Flat Design Code

The *State Environmental Planning Policy 65 – Design Quality of Residential Flat Development (SEPP 65)* aims to improve the design quality of residential apartment buildings in NSW. It contains principles for good design and provides guidance for evaluating the merit of design solutions. It states that new developments should provide a mix of housing types to cater for different budgets and housing needs.

The *Residential Flat Design Code* is a guideline document which supports *SEPP 65*. The code seeks a mix of apartment types to provide housing choice and ensure apartment buildings support the needs of society now and in the future, which is particularly important as apartment buildings form a significant and often permanent part of the urban fabric.

The code states that 'Better Design Practice' is to provide a mix of studio, one, two, three and three-plus bedroom apartments, particularly in large apartment buildings. While the code is a guideline document, it shows how the mandatory design principles in *SEPP 65* can be applied and work alongside other NSW Design Quality initiatives, including design review panels and the requirement to use registered architects. Many local councils, including the City of Sydney, have adopted the code as part of their planning policy on residential flat development.

The design quality of apartment buildings in NSW has improved since the introduction of *SEPP 65* and the *Residential Flat Design Code* in 2002 (NSW Department of Planning and Infrastructure). The department is currently undertaking a review of *SEPP 65* and the *Residential Flat Design Code* to ensure they remain relevant and useful resources for industry and local government.

London – The London Plan, 2011

Strategic planning in London is the shared responsibility of the Mayor of London, 32 London councils and the Corporation of the City of London. The *London Plan* is the spatial development strategy for Greater London and is produced by the Greater London Authority. London Councils' local development documents have to be 'in general conformity' with the *London Plan.*

The *London Plan* aims to ensure London is among the best cities in the world to live, regardless of age or background, and have enough homes to meet a diversity of needs. The policy states that Londoners should have a genuine choice of homes that they can afford and which meeting their requirements for different sizes and types of dwellings in the highest quality environments.

The policy recognises that more Londoners are living longer and more older people are choosing to remain in their own homes rather than go into residential institutions. To address this, the policy states that all London's future housing should be built to *The Lifetime Homes* standards and 10 per cent should be designed to be wheelchair accessible or easily adaptable for wheelchair users.

The *London Plan* also states that communities mixed and balanced by tenure and household income should be promoted across London through incremental small scale as well as larger scale developments to foster social diversity, redress social exclusion and strengthen communities' sense of responsibility for, and identity with, their neighbourhoods.

London – Southwark Council Core Strategy, 2011

Southwark, an inner city borough with a population of 274,000 has prioritised the need for more and better new houses and flats. The strategic policy on family homes states that development will provide more family housing with three or more bedrooms for people of all incomes to help make Southwark a borough which is affordable for families. In developments of 10 or more dwellings, 60 per cent of dwellings must be two or more bedrooms and at least 10 to 30 per cent must have three, four or five bedrooms depending on the location within the borough.

Family housing must provide a minimum of 10 m^2 of private amenity space to ensure that children have somewhere safe to play. New housing developments must also provide additional communal play areas for children, as required by the Mayor's Supplementary Planning Guidance on *Providing for Children and Young People's Play and Informal Recreation.*

City of Vancouver Zoning Districts

The City of Vancouver is divided into many zoning districts. Part of the Multiple Dwelling District zone requires developments suited to families with children. Particular areas of the city are covered by this zone, which has been successful in attracting families to live in the inner city. Research on creating supportive high rise environments for children in Melbourne, Australia, by Whitzman and Mizrachi (*Vertical Living Kids*, 2009, p.30) found that in Vancouver, high rise housing is regulated by design guidelines with explicit consideration of the needs of children and families, including the proportion of affordable family dwellings, informal surveillance of children's play space, common open and indoor amenity spaces, private open space, and community services.

Should new apartment developments incorporate greater areas of play space for children?

Should the City of Melbourne introduce policy guidance on flexible housing design?

Are current private rental regulations and practices suitable for our residents' needs?

City of Sydney – Flexible housing and dwelling mix

Within the Sydney Development Control Plan (DCP) 2012, the City of Sydney includes detailed provisions to guide development and supplement the Sydney Local Environmental Plan (LEP) 2012. Applicants are required to comply with the DCP, along with the Residential Flat Design Code, when preparing their development proposal.

Developments that propose more than 10 dwellings are to provide a mix of dwellings consistent with the following percentage mix:

- Studio: 5-10%
- 1 bedroom: 10-30%
- 2 bedroom: 40-75%
- 3+ bedroom: 10-100%

The maximum percentage of one bedroom dwellings may be increased above 30 per cent provided that the numbers of studio dwellings and one bedroom dwellings combined does not exceed 40 per cent of the total dwellings proposed.

New development is required to demonstrate that internal designs allow adaptation to different uses over time by showing internal walls that can be easily removed, locating services to allow for alternate configurations of the apartment and incorporating, in at least 10 per cent of dwellings in a development, the opportunity for parts of a dwelling to be separately or independently occupied, for example, dual key apartments.

London – The Mayors Housing Covenant: Making the private rental sector work for Londoners

Private renting is one of the principal contributors to housing supply in London, supporting thousands of jobs. The private rented sector is home to a quarter of all Londoners, and based on current projections it will house a third within a decade and a half. More and more Londoners – many finding that traditional owner-occupation is unavailable – are opting for private renting as a longer-term housing tenure, and, as they do so, their expectations of what private renting should be are changing. The document sets out the Mayors proposals for making the private rented sector work for Londoners.

The centrepiece is the London Rental Standard, a key manifesto commitment to improve management standards with a set of core standards for the industry to promote. It also includes proposals to boost housing supply, a new competition for the best design for purpose-built private rented accommodation, proposals to pilot longer tenancies for families and proposals to expand the work of landlord accreditation bodies.

The proposals aim to work towards an improved private rented offer by recognising the unique contribution that private renting makes to the economy, and by putting Londoners and landlords in the driving seat. The document considers that moving towards a stronger system of self-regulation is the best way to protect investment in the sector, with benefits for landlords to voluntarily accredit, while at the same time improving standards for tenants. Some progress has already been made, including the launch of the *London Rents Map* to improve transparency in the rental market and more than doubling the number of accredited landlords and letting agents.

Bo01, Västra Hamnen, Malmö, Sweden

The City of Malmo hosted the European housing exhibition Bo01 to exhibit alternative residential housing options through a competition process. This was the first step in transforming Västra Hamnen (West Harbour) into a residential neighbourhood.

The site area was owned and developed by the City of Malmo and separated into smaller parcels. Each plot was designed by a different architect and binding agreements for social and environmental sustainability practices were established prior to putting the plots on the market. The district has approximately 600 homes, offices and shops and includes different forms of ownership, including a mix of housing types and 70 per cent affordable housing. The area will consume only half the amount of energy used in other residential properties in Malmö and all the energy used is produced locally. The development incorporates renewable forms of energy, including wind and solar power and ground and seawater heat extraction.

Bo01 Vastra Hamnen, Malmo, Sweden © Malmo City Council

What incentives or regulations can be introduced to achieve a mix of tenures and housing types in the City of Melbourne?

St Andrew's, Bromley-by-Bow, London

Allies and Morrison, Barratt Homes East London

The first part of a larger scheme, this development on a site of 0.76 hectare consists of a courtyard block of six buildings, around a shared garden. Attention to detail, inventive use of brick, and a creative approach to massing result in a scheme that integrates well into the local area and offers an engaging and distinctive character.

The development incorporates 964 homes delivered in five phases, as well as parks, play areas, shops, community facilities and improved links to the nearby station and local area. The development ranges from three to 10 storeys, helping to bridge local low rise and high rise development around the site. Although its typology is clearly high-density housing regeneration, attention to detail has resulted in a distinctive and welcoming sense of place that already feels as though it will be a good place to live.

Almost half of the properties are affordable housing, and over half of those are for social rent. Most of the socially rented homes have at least three bedrooms in order to meet local need for family housing.

The shared internal courtyard has generous lawns, interesting planting, informal play areas, and locally crafted furniture. The development generally includes good levels of circulation space with no long corridors and plenty of natural light.

All properties are Lifetime Homes compliant, and generous wheelchair-accessible balconies offer valuable extra living space for warmer days. In the basement of one of the buildings is a combined heat and power plant that will eventually serve the whole site once complete. Other features include bio-diverse green roofs, one cycle storage space per dwelling, and integrated bird and bat boxes. The three five-bedroom properties have demonstration units to recycle and re-use greywater, while rainwater is harvested from the roof space. The development won a Best Housing Development 2010 award, a CABE Building for Life Award 2010 and a Housing Design Award in 2011.

St Andrew's, London © Allies and Morrison

Joe

Retired Company Director

Lives in a two bedroom flat in the Hoddle Grid

" The flat is because the aging process and departure of children meant that downsizing from our big home was needed. First we tried moving to our place in the main street of Queenscliff and this was pleasant but we felt the need to be back in a big city. We looked at the possibility of a terrace house in Carlton, Richmond etc. but this seemed to involve as much work and without the benefits of our big home. So we settled for a flat in the centre of the city. "

Let us know your story and join the conversation by visiting
www.melbourne.vic.gov.au/housing

Chapter 6
A good quality of design and amenity

What is it?

A good standard of design and amenity goes well beyond what a building looks like and its particular architectural style. It can add social, economic and environmental value and help create neighbourhoods and communities which are robust enough for future challenges and change.

Good design considers the character of an area and the interface between the building and the street. It considers the environmental performance and building orientation to minimise resource use and maximise building efficiency over its lifetime. It ensures flexibility and adaptability to enable minor changes to the internal configuration of apartments while offering the capacity for internal spaces within apartments or buildings to change and be modified over time. Good design means optimising rather than maximising the amount of development on a site to deliver well designed apartments with good levels of internal amenity.

Good internal amenity refers to the elements of an apartment which make it comfortable for residents to live in. These include good levels of light (both sunlight and daylight), a good outlook, natural cross-ventilation to enable the flow of fresh air, privacy between neighbouring buildings and protection from noise.

The size and layout of an apartment is important to help achieve good internal amenity. Layout refers to the internal configuration of bedrooms, living spaces, kitchens and bathrooms. It includes consideration of the separation of different spaces for residents to sleep, work, study, relax, socialise, play, cook and wash as well as providing sufficient storage.

This chapter focuses on apartments as they have accounted for 93 per cent of new dwellings in the City of Melbourne in the last six years and will continue to be the predominant type of housing in the future to accommodate the population growth. Figure 6.2 shows the different building forms which can accommodate apartments.

Why is it important?

Good housing design is essential if we wish to create sustainable, liveable and resilient communities. Good design will create buildings that make a positive contribution to a neighbourhood and provide homes which make a positive contribution to people's general health and well-being.

Poor consideration of a development's micro-climate can result in wind tunnelling at street level, excessive overshadowing and increased building and apartment running costs. Well designed apartments are orientated and designed to maximise sunlight, natural light and natural ventilation. This minimises the need for artificial heating, cooling and lighting which reduces energy consumption and costs. This creates a comfortable, more sustainable and potentially more affordable home as energy costs are reduced.

Car parking above ground level has the potential to impact on the quality and amenity of the streetscape by creating a poor interaction with the street and limited natural surveillance. Entrances, windows and balconies fronting onto the street create and allow opportunities for neighbourhood interactions and increase community safety. Car parking can also take up valuable space in a development which could be better utilised for more apartments, open space or other uses.

Too few entrances can reduce the activation of the street at ground level. Double-loaded internal corridors, where apartments are located on both sides of a long corridor, can result in narrow and deep single aspect apartments with only one small external wall. This can result in bedrooms or living spaces without direct light and poor levels of ventilation. Apartments with opening windows on at least two sides, commonly referred to as dual aspect, have many benefits, including better access to daylight, a greater chance of direct sunlight for longer periods, cross-ventilation, a choice of views or outlook, access to a quiet side of the building, and a greater flexibility in the use of rooms (see figure 6.1).

Apartments also need to be of sufficient size and layout to provide usable and comfortable spaces while accommodating basic furniture, provide sufficient circulation space and adequate storage space (see figures 6.3, 6.9 and 6.10). They should be flexible and adaptable to accommodate changing circumstances or occupiers in the future. A flexible apartment means a study quickly becomes a living space, a bedroom is suitable for two single beds or one double bed, a retractable wall makes entertaining easy and a balcony becomes a garden. Without a focus on the design quality of new apartments, there is a risk we will be creating homes in which no one wants to live and which aren't flexible and adaptable for future residents.

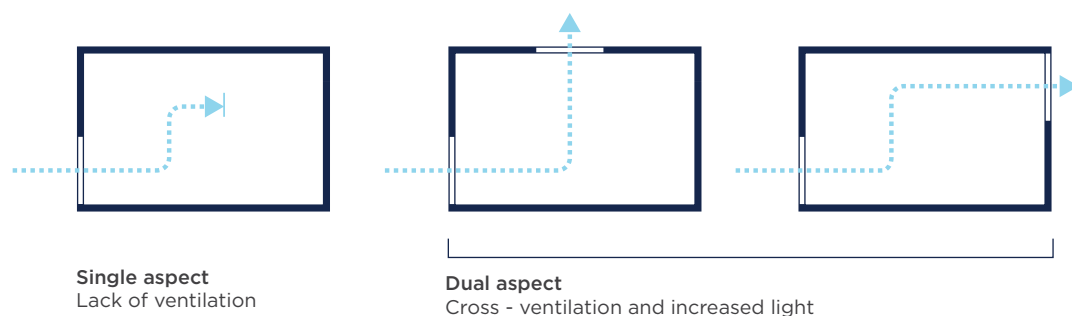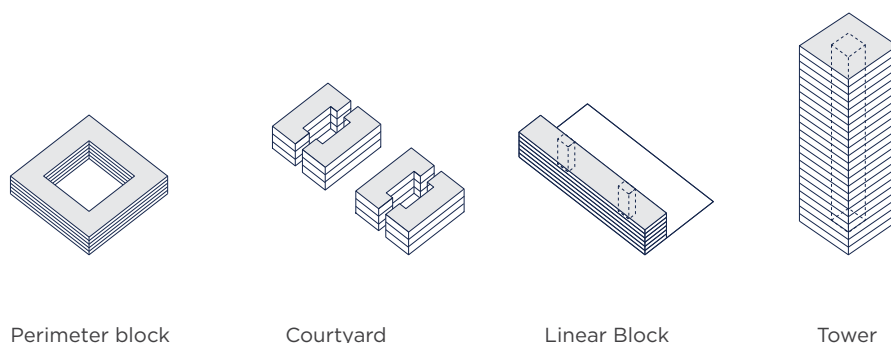*Figure 6.1: The difference between a single aspect apartment and a dual aspect apartment*

Single aspect
Lack of ventilation

Dual aspect
Cross - ventilation and increased light

Figure 6.2: Different building forms for apartments

Perimeter block   Courtyard   Linear Block   Tower

Do new apartments include enough storage for everyday items?

Is it being achieved?

A case study analysis was undertaken to evaluate the quality of apartments in the City of Melbourne by assessing housing developments completed in the last six years. The desktop analysis helped to understand the quality of new housing and identify any common design and amenity issues.

Twenty five housing developments were analysed against 14 set criteria which was split into three categories - *Integrating into the Neighbourhood*, *Creating a Place* and *Streets and Home*. The assessment method was based on the *Building for Life* toolkit established by CABE in the United Kingdom, an international leader in urban design research and practice.

The analysis assessed buildings from three to 41 storeys, covering over 3500 apartments across a range of suburbs in the municipality.

The overall scores against all the criteria resulted in 16 per cent of developments scoring '*good*', 48 per cent scoring '*average*' and 36 per cent scoring '*poor*' (see figure 6.5).

A number of common design issues were identified that led to the high proportion of '*poor*' and '*average*' results. These related to small apartment sizes, lack of apartment choice, dominance of car parking, poor internal amenity (light, ventilation and privacy), poor building and apartment layouts, limited flexibility and adaptability, poor environmental performance, limited communal space and facilities and lack of storage space (see figure 6.6).

The taller the building the more poorly it scored. All low rise buildings of five storeys or less scored '*average*' or '*good*', whereas a third of medium rise buildings scored '*poor*' and over half of all high rise buildings of 16 or more storeys scored '*poor*' (see figure 6.7).

Figure 6.3: Regular household items and their required storage sizes

Cleaning, laundry, sports, travel items   0.9 m³
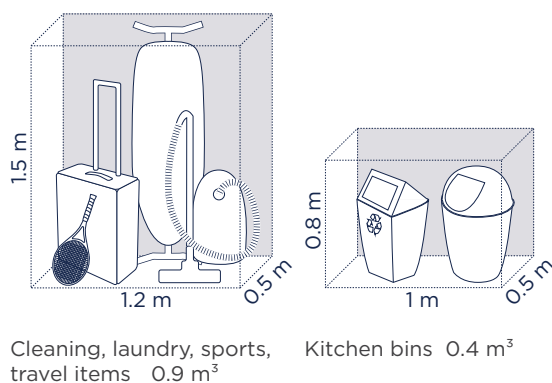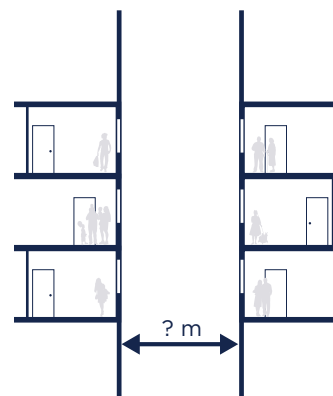
Kitchen bins   0.4 m³

Figure 6.4: The distance between buildings is important for privacy, sunlight and daylight and outlook

The analysis observed a predominance of above ground car parking at lower levels of buildings, resulting in a poor interface with the street. This was exacerbated in high rise developments which often incorporate a significant number of levels of car parking within podiums.

The analysis highlighted that many buildings had made limited attempts to address environmental efficiency through basic site orientation. Many developments were not well orientated to maximise solar benefits of north facing windows and few developments minimised south facing apartments. Extensive glazing of western façades and the limited provision of balconies to provide shade and open space suggested that many buildings would overheat on warm days or require extensive air conditioning to maintain a reasonable level of comfort.

The analysis concluded that a good standard of design and amenity is dependent on many related elements. Poorly designed buildings, for example, are likely to contain apartments which are too small to be flexible to changing needs, have poor levels of internal amenity and have insufficient storage. Well-designed buildings, however, are likely to contain apartments which are of a good size and layout within a development where the building orientation and layout offers good levels of internal amenity.

The size of an apartment is often fundamental to achieving good levels of amenity. Recent research shows, however, that the size of apartments in the City of Melbourne is reducing, with 40 per cent of new apartments having less than 50 m^2 of floor space (see figure 6.8). This is the recommended minimum size of a one bedroom apartment in comparable cities like Sydney, Adelaide and London.

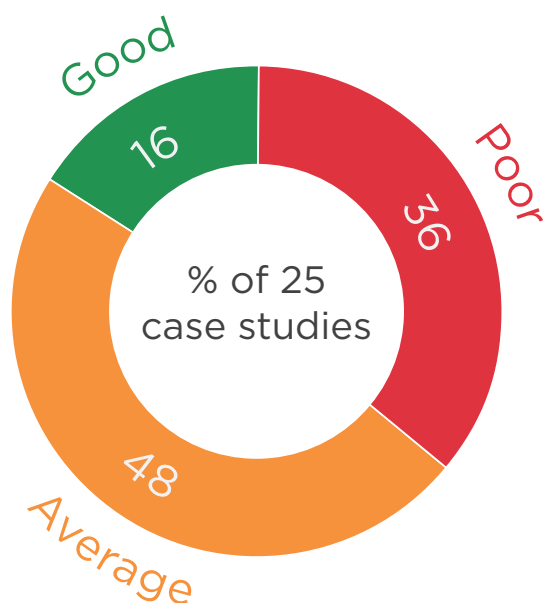*Figure 6.5: Overall results of the case study analysis*

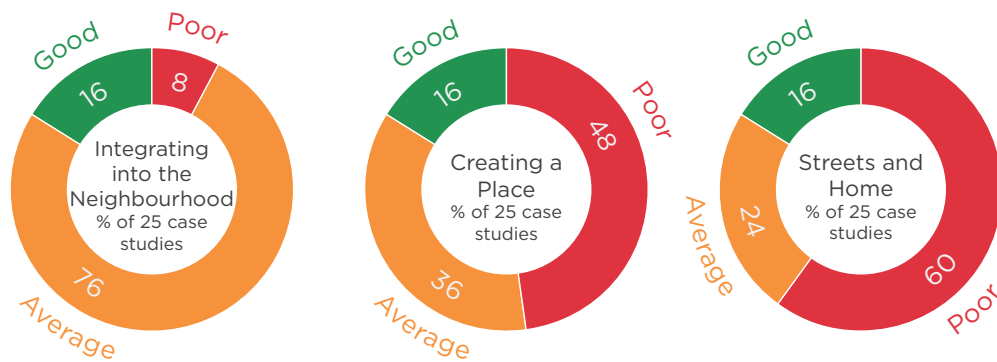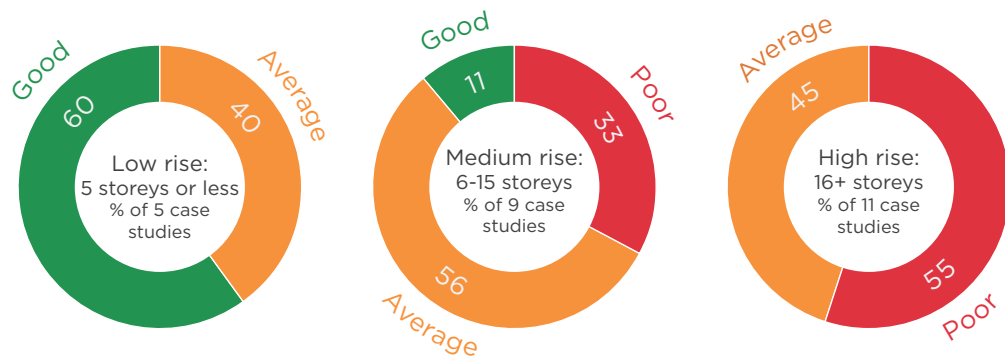*Figure 6.6: Case study results for the three sections of the criteria*

Integrating into the Neighbourhood
% of 25 case studies
- Good: 16
- Poor: 8
- Average: 76

Creating a Place
% of 25 case studies
- Good: 16
- Poor: 48
- Average: 36

Streets and Home
% of 25 case studies
- Good: 16
- Average: 24
- Poor: 60

Figure 6.7: Case study results for each height category

Low rise: 5 storeys or less
% of 5 case studies
- Good: 60
- Average: 40

Medium rise: 6-15 storeys
% of 9 case studies
- Good: 11
- Poor: 33
- Average: 56

High rise: 16+ storeys
% of 11 case studies
- Average: 45
- Poor: 55

Many internal layouts of apartments were poorly designed and of single aspect, limiting outlook, natural cross-ventilation, natural light and sunlight. Nearly a quarter of apartments incorporated a bedroom with no windows which 'borrowed' light from the adjacent living area. Several apartments provided light to a bedroom or living space by a window in a narrow light well or via a narrow hallway (sometimes referred to as 'saddlebag' or 'battle axe' bedrooms - see figure 6.11).

A good standard of building design and amenity is not being achieved for a significant proportion of new residential developments within the City of Melbourne. This is happening for a range of market and policy reasons.

The apartment market in central Melbourne has primarily become an investment class or financial commodity rather than a home. Approximately 85 per cent of apartments in the City of Melbourne are bought by investors. This means that many apartments are being designed and built to meet an investor price point of around $450,000. In an environment of increasing construction costs this has been achieved through making apartments smaller.

It is difficult to encourage a building of high internal quality when the building is being designed for an investor market rather than for an owner occupier. An owner occupier has different needs and expectations when considering purchasing an apartment to live in. They will be more discerning when it comes to layout, access to sunlight, daylight and ventilation and adequate storage. An investor will be less concerned with these elements as long as the apartment can be rented. Rental vacancy rates have been low for the past few years which has not driven the need for improved apartment quality to attract tenants.

Should the City of Melbourne introduce a policy for minimum apartment sizes?
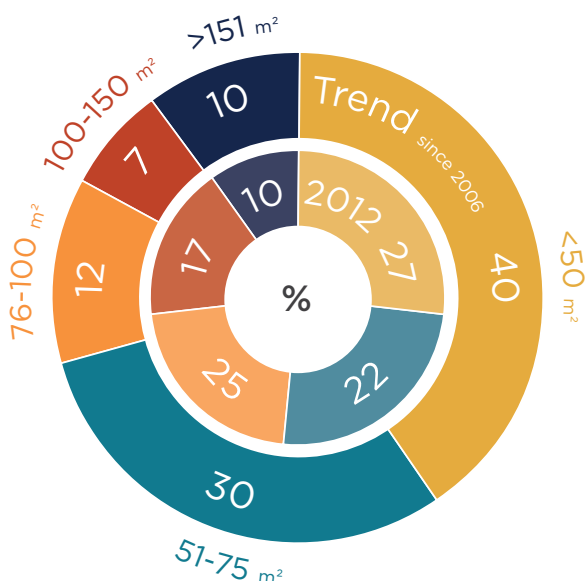
Figure 6.8: Dwelling sizes in the City of Melbourne

Figure 6.9: The space of regular items in an apartment
Source: RIBA Homewise – The Case for Space:
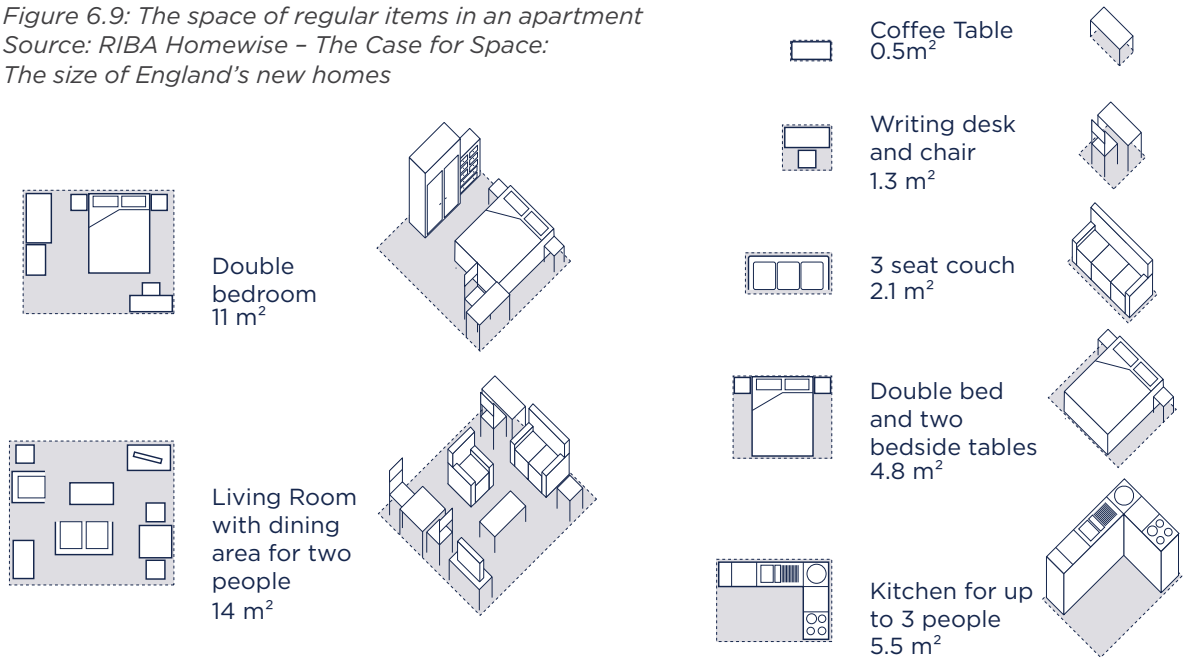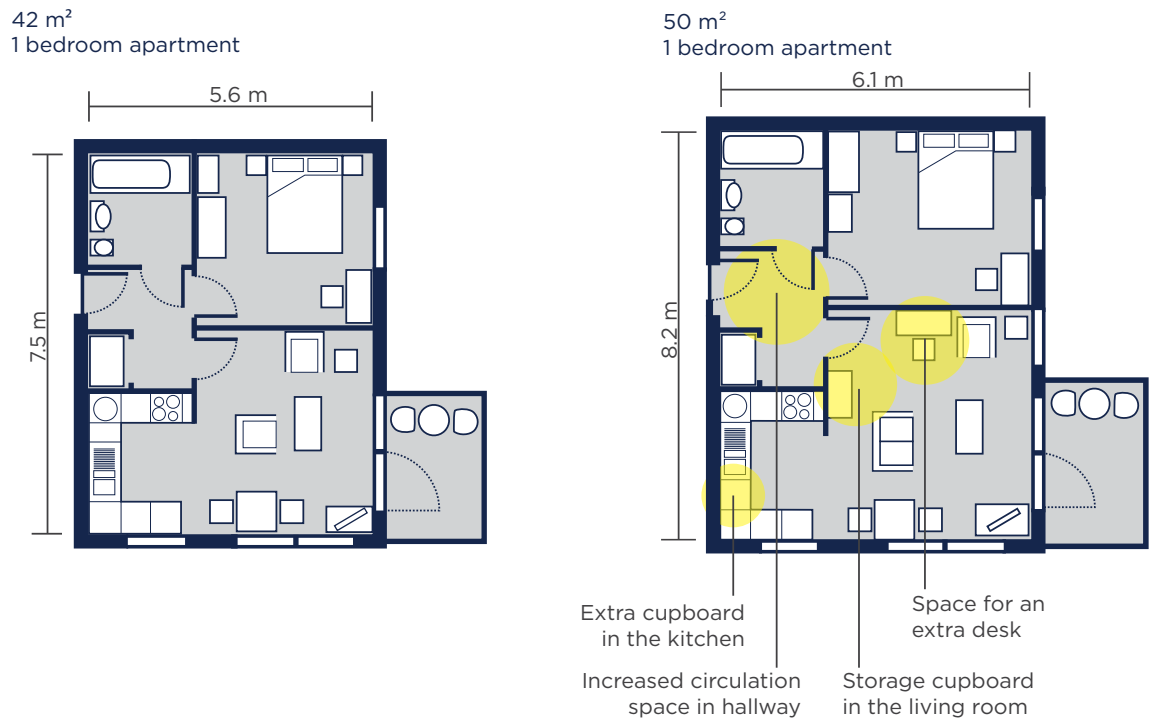*The size of England's new homes*

Double bedroom 11 m²

Living Room with dining area for two people 14 m²

Coffee Table 0.5m²

Writing desk and chair 1.3 m²

3 seat couch 2.1 m²

Double bed and two bedside tables 4.8 m²

Kitchen for up to 3 people 5.5 m²

Figure 6.10: The differences between a small one bedroom 42 m² apartment and a standard one bedroom 50 m² apartment
Source: RIBA Homewise – The Case for Space: The size of England's new homes

42 m²
1 bedroom apartment

5.6 m

7.5 m

50 m²
1 bedroom apartment

6.1 m

8.2 m

Extra cupboard in the kitchen

Increased circulation space in hallway

Storage cupboard in the living room

Space for an extra desk

A planning policy benchmark analysis was carried out to investigate and compare the policies and guidance for housing design in the City of Melbourne with other national and international cities. The research focused on the design issues identified within the case study analysis.
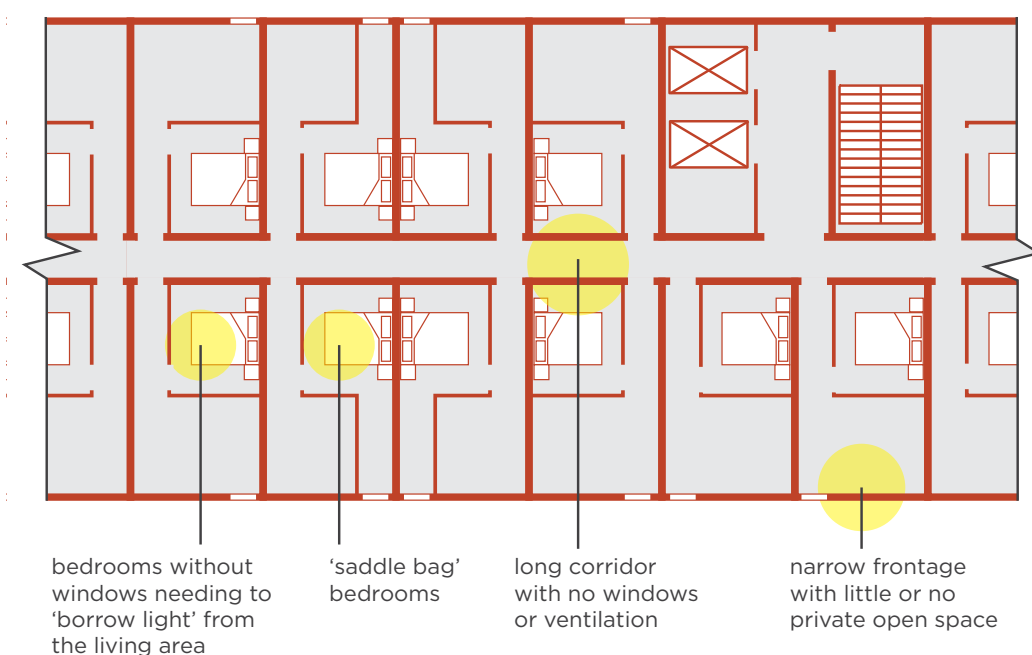
In Victoria, the *Guidelines for Higher Density Development* (Department of Planning and Community Development, 2004) is referred to when assessing developments over four storeys. The guidelines focus on good practice urban design principles related to the interface between the public and private realms and, to a lesser degree, internal amenity. They include high level objectives rather than specific and measurable outcomes.

The research found that Melbourne has the narrowest and least rigorous policy guidance on housing quality when compared to comparator cities. In Sydney, London and Adelaide specific and measurable outcomes include minimum apartment sizes, requirements for the orientation of apartments, minimum internal amenity standards (access to daylight, sunlight and privacy), and levels of storage.

In Victoria, apartments are primarily designed to meet the national Building Code of Australia (BCA) standards which is driving a minimum compliance approach. It is understood that the BCA standards were not prepared with consideration for the type of higher density development currently being constructed and are therefore met too easily. The case study analysis concluded that a lack of clear planning policy outcomes together with current BCA requirements is resulting in poor apartment quality in Melbourne.

Figure 6.11: An example of the features included in a 'poor' housing development

bedrooms without windows needing to 'borrow light' from the living area

'saddle bag' bedrooms

long corridor with no windows or ventilation

narrow frontage with little or no private open space

What are others doing?

New South Wales – Design policy and guidance in SEPP 65 and the Residential Flat Design Code

The *State Environmental Planning Policy 65 – Design Quality of Residential Flat Development* (*SEPP 65*) aims to improve the design quality of residential flat buildings in New South Wales. It contains principles on context, scale, built form, density and amenity.

The *Residential Flat Design Code* is a guideline document which supports *SEPP 65*. It provides tools for improving the design of residential flat buildings and guidance for applying the 10 design quality principles in *SEPP 65*.

The code includes 'Rules of Thumb' for the following minimum apartment sizes:

* 1 bedroom apartment: 50 m^2
* 2 bedroom apartment: 70 m^2
* 3 bedroom apartment: 95 m^2

The code also requires that daylight access is provided to all habitable rooms. The number of single aspect apartments with a southerly aspect should be limited to a maximum of 10 per cent of the total dwellings proposed while 60 per cent of residential dwellings should be naturally cross ventilated.

The code includes separation distances between buildings to ensure reasonable levels of visual privacy and to maximise outlook and views from principle rooms. It also encourages designs which meet the broadest range of the occupants' needs possible and provide apartment layouts which include the ability to change the use of rooms and promote accessibility. Storage requirements are provided which range from 6 m^3 for studios and one bedroom apartments to 10 m^3 for three or more bedroom apartments. The code also requires areas of communal open space which should generally be at least between 25 and 30 per cent of the site area.

London – Design policy and guidance in the London Plan, 2011

The *London Plan* is the spatial development strategy for Greater London and is produced by the Greater London Authority. London Councils' planning documents have to be 'in general conformity' with the *London Plan*, which is considered when planning decisions are taken in any part of London.

The *London Plan* contains minimum size standards related to the levels of occupancy of an apartment to ensure that all new homes are fit for purpose and offer the potential to be occupied by households of all tenures. The minimum sizes are:

* Studio/1 bedroom for 1 person: 37 m^2
* 1 bedroom apartment for 2 people: 50 m^2
* 2 bedroom apartment for 3 people: 61 m^2
* 2 bedroom apartment for 4 people: 70 m^2
* 3 bedroom apartment for 4 people: 74 m^2
* 3 bedroom apartment for 5 people: 86 m^2

The *London Plan* also incorporates baseline standards (which have to be achieved) and good practice standards with regard to circulation space, outdoor private space, bedroom sizes and storage. A double bedroom, for example, should be 12 m^2 to enable either a double bed or two single beds along with other required furniture. Plans of apartments have to demonstrate that they will accommodate the furniture, access and activity space requirements relating to the declared level of occupancy. They also have to provide a minimum storage area of 1.5 m^3 with a height of two metres for two person dwellings.

Best practice guidance stresses the importance of dual aspect dwellings for better daylight, cross ventilation, views, sunlight and greater flexibility in the use of rooms. More guidance to complement the policies in the *London Plan* is contained within the *London Housing Design Guide*.

City of Sydney - Development Control Plan (DCP) 2012

Within the *Sydney Development Control Plan (DCP) 2012*, the City of Sydney includes detailed provisions to guide development and supplement the *Sydney Local Environmental Plan (LEP) 2012*. Applicants are required to comply with the DCP, along with the *SEPP 65 Residential Flat Design Code*, when preparing their development proposal.

Objectives of the DCP include ensuring that residential amenity is enhanced with landscaping, private and common open space, sun access, ventilation and acoustic privacy and ensuring the location, orientation and form of towers address overshadowing impacts on neighbouring buildings and public and private open spaces. Specific requirements include that lightwells must not be the only source of daylight to a habitable room and that internal common areas, corridors and lift lobbies are to have access to daylight and an outlook.

Private open space may be in the form of courtyards, decks and balconies and is to be provided for at least 75 per cent of dwellings in a development. Common open space should be at least 25 per cent of the total site area and should be located and designed to achieve good amenity for the dwellings in terms of solar access, natural air flow and ventilation and outlook. The DCP states that natural cross ventilation in dwelling units is to be achieved by having window openings facing different directions where possible and, for single facing apartments, the depth of the apartment is to be less than the width

of its external face to encourage good ventilation.

Buildings taller than 55 metres in Central Sydney and taller than 25 metres outside of Central Sydney or development having a capital value of more than $100 million are subject to a competitive design process to ensure high quality and varied design.

City of Adelaide - Adelaide Development Plan, 2013

The City of Adelaide uses the Adelaide Development Plan to ensure high quality residential development, which includes specific medium to high scale residential guidelines. The guidelines provide objectives, principles of development control, design techniques and diagrams including guidance on access to daylight, sunlight and ventilation, light wells, minimum dwelling sizes, private open space, storage, adaptability and privacy.

The plan includes the following minimum dwelling sizes:

- Studio (where there is no separate bedroom): 35 m^2
- 1 bedroom apartment: 50 m^2
- 2 bedroom apartment: 65 m^2
- 3+ bedroom apartment: 80 m^2, plus an additional 15 m^2 for every additional bedroom over 3 bedrooms.

The Government Architect is a referral for developments over $10 million. Recently the Government Architect has referred to the NSW *SEPP65* and *Residential Flat Design Code* as part of the assessment and consideration of residential development.

Should significant developments be subject to a competitive design process to ensure high quality and varied design, similar to Sydney?

Should the City of Melbourne produce a similar document to the Moreland Higher Density Design Code to improve design quality?

City of Moreland – Higher Density Design Code

The City of Moreland has produced the *Moreland Higher Density Design Code*, a planning tool to assess development proposals for buildings of four or more storeys. The code provides a set of objectives, guidelines and standards for assessing any development of four or more storeys throughout Moreland. The code emphasises the importance of site responsive design.

The Code clarifies what the City of Moreland expects from new developments and therefore helps to set an efficient process for development application and providing greater certainty for applicants. The City of Moreland is proposing to include the code as an incorporated document into the Moreland Planning Scheme.

Design Review Panels

Design review offers a simple, robust and tested method to assess and improve design quality. It is essentially about making a scheme better than it otherwise would have been, by challenging, advising and offering recommendations on developments. When carried out at the right stage it can allow all parties to reflect on a scheme and broaden the debate as to how particular design issues might best be considered. Panels are often comprised of a range of experts from different disciplines, such as architecture, planning, urban design, landscape architecture, housing, and engineering.

Should the City of Melbourne introduce Design Review Panels?

In New South Wales, *SEPP65 design review panels* work alongside the 10 principles and the *Residential Flat Design Code*. In Victoria, the Victorian Design Review Panel has recently been established to provide advice to government and statutory decision makers across Victoria about the design of significant government projects. The panel is overseen and managed by the Office of the Victorian Government Architect. The panel, however, will only be able to look at relatively small number of larger schemes of state significance.

At a local level the City of Frankston has a design review panel which acts upon the panel's terms of reference and referral by council officers and the City of Sydney has a design advisory panel. The City of Sydney's panel consists of an independent panel of experts who meet regularly and are guided by terms of reference approved by Council.

Building for Life 12, Design Council CABE

Design Council CABEs *Building for Life 12* is the industry standard, endorsed by central government, for well-designed homes and neighbourhoods in the UK. It stimulates a conversation between local communities, local authorities and developers about creating great places to live. It is used at all stages of the development process to assess the quality of proposed and completed developments.

It uses 12 questions which reflect what new housing developments should be - attractive, functional and sustainable places. *Building for Life 12* is also designed to help local planning authorities assess the quality of proposed and completed developments; and as a point of reference in the preparation of local design policies.

Schemes that are considered to have achieved 12 'greens' will be eligible for '*Building for Life Diamond*' status as exemplars giving developers and local authorities the opportunity to acknowledge and promote good design. Diamond status will be available prior to build completion, offering developers the opportunity to market their developments using *Building for Life*.

Verges

Graphic Designer

Lives in a two bedroom flat in the Hoddle Grid

"I live in the city for the convenience. I enjoy the 24/7 lifestyle."

Should the City of Melbourne consider using a similar mechanism to Building for Life 12 in the UK?

Lifetime Homes Standard, United Kingdom

The *Lifetime Homes Standard* was established in the United Kingdom to incorporate a set of principles that should be implicit in good housing design. The standard is generally higher than the requirements of the UK Building Regulations and seeks to enable 'general needs' housing to provide design solutions that meet the existing and changing needs of diverse households. This offers the occupants more choice over where they live and which visitors they can accommodate. The standard comprises 16 design criteria relating to car parking, communal stairs and lifts and bathroom layouts amongst others.

Some of the *Lifetime Homes* features need to be in place from the start, while in other cases, the requirement is provision for future adaptations. In London, the *London Plan* requires that new homes (including apartments of varying sizes in both the public and private sectors) adopt the *Lifetime Homes Standard.*

Should new homes be built to similar standards to the Lifetime Homes in the UK?

A *Lifetime Home* will meet the requirements of a wide range of households, including families with push chairs as well as some wheelchair users. *Lifetime Homes* are not, however, a substitute for purpose-designed wheelchair standard housing.

In Australia, the *Livable Housing Design Guidelines* has recently been published by Livable Housing Australia, a partnership between community and consumer groups, government and industry. The guidelines describe 16 liveable design elements, with guidance on each element on what is expected to achieve silver, gold or platinum level accreditation. While seemingly focussing on detached and semi-detached houses, terraces and townhouses, the criteria are generally applicable to new apartment dwellings.

Building regulations and housing standards in the UK

The UK government has recently launched a new independent group of building industry experts tasked with simplifying the mass of rules imposed on developers and house builders to make them easier to understand and follow.

The current, complex system of building regulations and housing standards will be targeted by a new Independent Challenge Panel, which will consider how these requirements work together and what potential there is to free up the system and make it work more efficiently.

Are improved standards for higher density residential development best delivered through the planning system or building regulations?

The Nicholson, Coburg, Melbourne

DesignInc

The Nicholson in East Coburg, Melbourne was developed by Places Victoria as a commercially-replicable and highly innovative mixed use, mixed tenure apartment development offering affordable living in a well-connected location. The development incorporates a mix of 110 privately owned apartments, 31 affordable rental apartments and 58 social housing apartments, all built to the same quality specifications.

It is the largest building in Melbourne to-date utilising modular construction. The apartments were built in a Melbourne factory before being transported to site and craned into position. The project has sought to achieve market acceptance of modular construction as a new methodology in the local building industry for the efficient construction of high density apartment buildings. This form of modular construction may help to reduce construction costs of high density residential development in the future and thereby help to deliver more affordable housing.

The quality of the spaces within the dwellings is a direct result of the massing and orientation that has been designed to include multiple aspects, access to sun light and natural ventilation. The apartments have an appropriate size, proportion and layout so that each one accommodates ample and quality space to accommodate a range of everyday activities such as dining, cooking, sleeping, studying, socialising, recreation, and drying washing. The layout and balconies relate well to the internal courtyard which provides communal open space and natural ventilation to all dwellings.

The development facilitates connection to cheaper and sustainable energy through an embedded electricity network that provides a 20 per cent reduction of electricity costs to tenants by opting for renewable energy supplies as a coalition of tenants. The development incorporates an innovative on site place management model with one company managing all owners corporation property matters and tenancy management services for affordable rental and social housing dwellings. The same on site company also offers property and tenancy management services to private investor owners.

Will modular construction techniques lead to more affordable, high quality residential developments?

The Nicholson © City of Melbourne

Should more residential developments be constructed from sustainable materials, such as cross laminated timber?

The Commons, Brunswick, Melbourne

Breathe, Small Giants

The Commons will be a mixed use residential development that will incorporate a café on the ground floor, artist's studios, and communal gardens once constructed. The five storey residential building includes apartments that are well orientated and configured to have multiple aspects. All the apartments will have natural ventilation, double glazing, thermal insulation, access to sunlight and shading to the west and northern facades.

The project partnered with the Moreland Energy Foundation Limited (MEFL) to deliver a sustainable housing project. The development holds a 7-8 star energy rating and will incorporate solar power, solar hot water and hydronic heating. It will be a car-free development, where bike storage is allocated in an accessible ground floor and residents are given an annual membership to GoGet car share and hold an annual Myki pass.

Forté, Docklands, Melbourne

Lend Lease

Forté is the first building constructed with Cross Laminated Timber in Australia. The environmental benefits of this material include a lower embodied energy than other building materials and zero waste in the production process. The timber is sourced from sustainably managed forests and has the potential to be sourced from Australasian timbers.

Forté is 10 storeys and incorporates dual aspects to each apartment to capitalise on natural ventilation and sunlight. The developer has achieved a sustainable development model through integrating sustainable practices in energy, transport, water, waste, and building materials. The integration of these principles results in a 'smart design' which facilitates lower living costs for residents and reduced carbon emissions. The location, design and membership schemes encourage walkable communities and use of sustainable transport modes.

The Commons © Small Giants

Forté © Lend Lease

The Quadrant, Broadway, Sydney
Cox Richardson Architects, Australand

The Quadrant is a mixed use development combining residential apartments, student apartments with commercial and retail uses on a compact urban site on the edge of Sydney CBD close to University of Technology, Sydney. The development includes 298 dwellings in buildings up to 15 storeys, including student housing, on a site of just over one hectare.

The scheme adaptively re-uses a heritage building for commercial uses, encloses and activates a new public space with new retail uses, connects through to heritage shopfronts on Broadway and integrates apartments in tower and perimeter block typologies. The development incorporates various apartment types including two storey maisonettes, cross-ventilating dual aspect apartments, adjustable metal louvres for sun protection and privacy while providing animation to the façade and an urban plaza with appropriate high quality hard and soft landscaping, water features and sculptures.

Should more apartments have dual aspect for improved light and ventilation?

The Quadrant, Broadway, Sydney © NSW Department of Planning and Infrastructure

Should new housing in close proximity to public transport be car free?

One Brighton, East Sussex, UK
Feilden Clegg Bradley Studios, Bioregional Quintain and Crest Nicholson

The award winning One Brighton project is the first One Planet Living community to reach completion, which includes the need for developments to be zero carbon and zero waste and to promote residents' health and happiness.

Essentially car free, there is a small allocation of parking space reserved for disabled residents and car club cars and, in addition to excellent cycling storage, the car club offers two years free membership and a 50 per cent discount on rates for residents.

The building materials were selected for their high performance in use yet reduced in impact during sourcing, manufacturing and transportation. Allotment spaces on the roof of the development enable residents to grow their own food. An on-site biomass boiler and photovoltaic panels provide approximately 50 per cent of energy requirements with the remainder purchased for residents as guaranteed green electricity through One Brighton Energy Services Company.

One Brighton, East Sussex © Photographer Tim Crocker

Breevaarthoek, Gouda, Netherlands

KCAP Architects&Planners

The development is exemplary in its use of high quality materials and a combination of typologies to allow for a variety of housing choice. The scheme consists of 26 row houses with parking facilities, 26 apartments and commercial space. The configuration is orientated to protect the apartments from vehicular noise, creating a serene courtyard and terrace spaces enjoying views of the water.

The south orientated dwellings have their outdoor space imbedded within the dwelling with operable sliding windows, creating an open feeling to the internal rooms, economising on space and allowing for sun protection in summer. The project has sculpted spaces in brick and framed openings in timber, the durability and low embodied energy of such materials makes a noteworthy contribution to sustainable practices.

St Mary's, Southwark, London

Squire and Partners, Lend Lease

St Mary's in the London borough of Southwark is a residential-led development which has recently received planning permission for a 37 storey building and a four storey building together comprising 283 dwellings on a half hectare site. The development includes retail and creative business space, restaurants and has funded a new leisure centre for the community.

The tall building aims to provide the best layout and orientation for each residential unit with a shape that responds to its environment and compliments the surrounding townscape. This has resulted in an almost square typical floor plan (with four two-bedroom and four one-bedroom apartments) occupying most of the tall building. All the dwellings have been designed to comply with, and where possible exceed, the requirements and

Should the City of Melbourne regulate the lifecycle costs of high-rise towers?
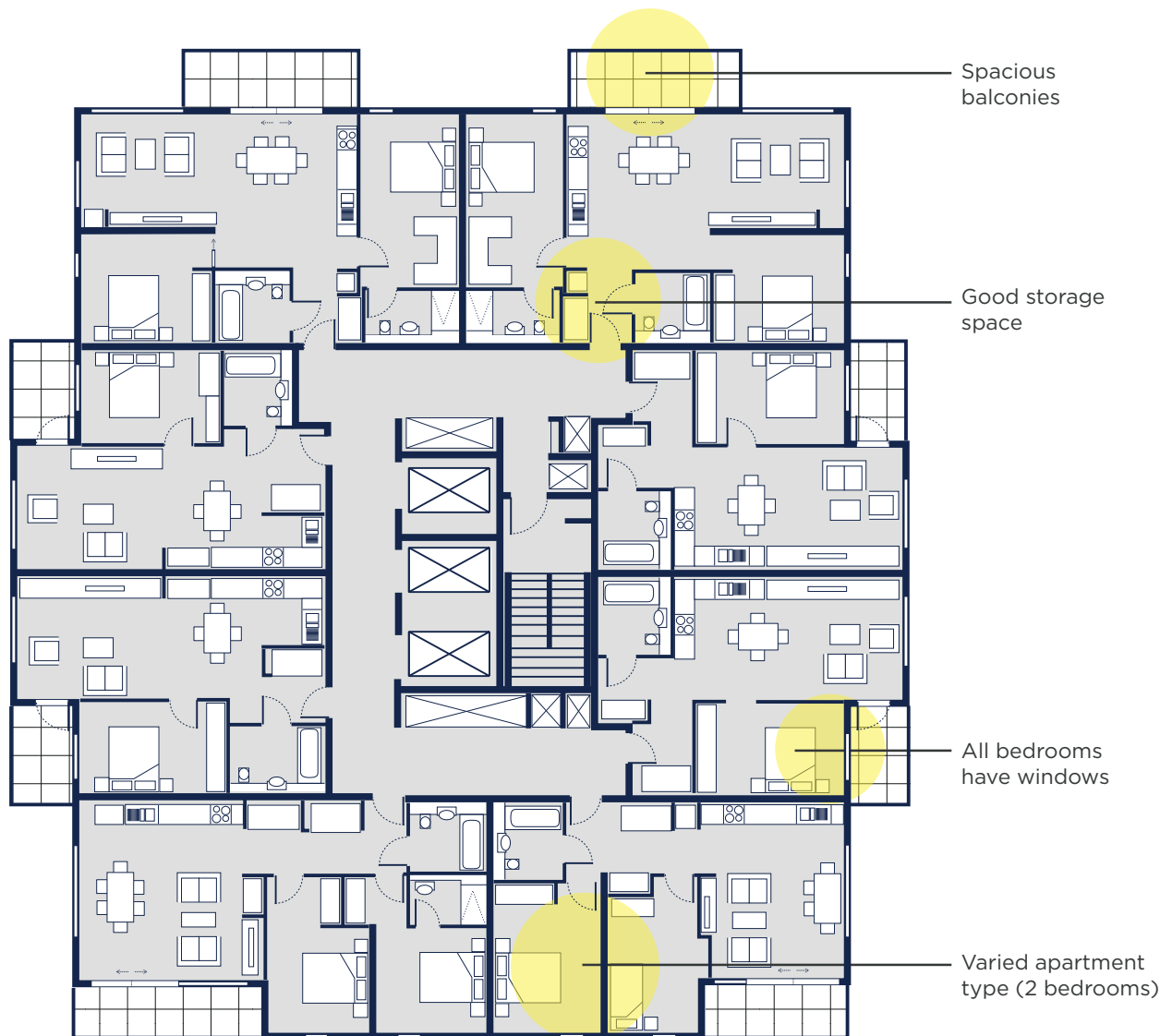

Breevaarthoek, Gouda, Netherlands © Rob 't Hart

Figure 6.12: The floorplan for St Mary's 37 storey residential building, Southwark, London

Spacious balconies

Good storage space

All bedrooms have windows

Varied apartment type (2 bedrooms)

guidance in the London Plan and the London Housing Design Guide to deliver a development with an exemplary standard of design. Seventy per cent of all the dwellings exceed the minimum space standards of the London Plan and single aspect north facing apartments have been avoided. Each flat has dual aspect improving daylight and cross ventilation opportunities. Northern balconies are projecting out for better views to east and west and to maximise light whereas southern balconies are recessed for shading and wind protection and east and west balconies are semi-recessed.

The proposed housing mix accords with planning policy aspirations for providing the majority of apartments with two or more bedrooms, the provision of at least 10 per cent three or more bedrooms, and limiting the provision of studio apartments. The upper floors house larger family units with bigger balconies. Most of the

dwellings in the four storey building are studios or larger two and three bedroom wheelchair accessible apartments.

All residential accommodation has been designed to Lifetime Homes standards and 10 per cent are designed to be adaptable for wheelchair housing. All dwellings will be provided with private open space in the form of a balcony, garden or terrace, and have access to communal first floor roof gardens and a communal room for use by residents.

The site enjoys a high level of public transport accessibility and as such has a car parking provision of only 8 per cent, while the cycle parking exceeds the Southwark Council standards. The development will be served by its own combined heat and power system and has been designed to connect into a future district heating system.
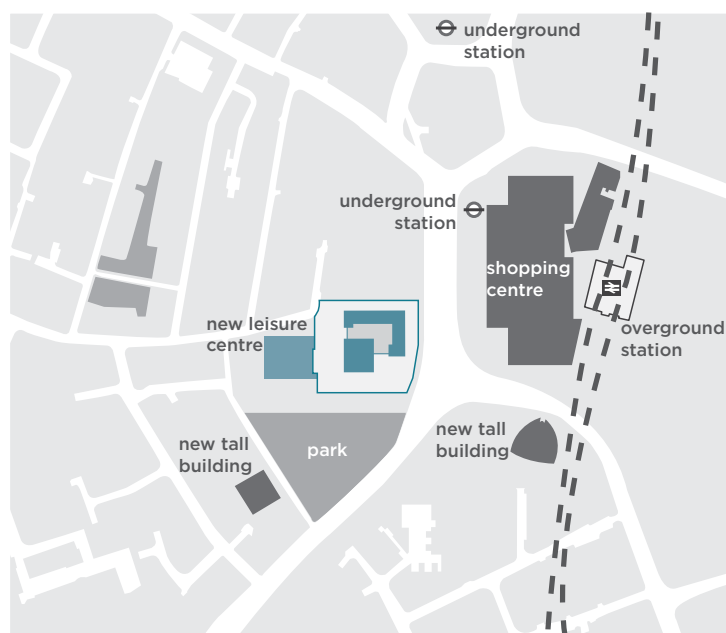

Figure 6.13: The site plan for St Mary's development in London (shown in blue), alongside the new leisure centre, funded as part of the development

Should new housing developments incorporate more communal open space for residents?

Via Verde, New York, USA

Grimshaw Architects and Dattner Architects

Via Verde (the green way) is a high density mixed tenure housing development in New York City. It was the winning entry of the New Housing New York Legacy Project design competition. The competition was part of the mayors' Housing Marketplace Plan in response to the citywide shortage of affordable housing.

The project includes a mix of housing typologies including town houses, mid-rise housing and a tower that is configured as a perimeter block to include a series of open spaces and community gardens. The spaces include a courtyard, rooftop gardens and a fruit orchard. Each apartment has two facades allowing plenty of cross-ventilation and daylight. The high performance facades use a pre-fabricated rain screen with composite wood, cement and metal panels. Rainwater is collected from roofs and stored on site for reuse.

Via Verde, New York © Photographer David Sundberg/Esto

Rue de Meaux Housing, Paris

Renzo Piano Foundation

The aim of the development was to create a low-cost residential complex for 220 apartments. The form of the development reflects the existing urban grain of the area, a heavily populated district in north east Paris, with five and six storey blocks resulting in a density of 317 dwellings per hectare.

The development is within close proximity to public transport and local facilities and incorporates a central garden for residents. It is well orientated for good levels of daylight and natural ventilation. The apartments feel generous, sunny and expansive, due to their high ceilings and internal layout with kitchens and bedrooms leading off the large open living room rather than a corridor or hall. All apartments have at least one terrace, balcony or wintergarden large enough to sit out on.

Rue de Meaux © RPBW, Photographer Michel Denancé

Damian and Angel

Self employed and Marketing Manager

Live in a four bedroom apartment in Docklands

" We did a lot of research before deciding to buy in Victoria Harbour. Reasons we chose it were: its proximity to everything, it is fast becoming the preferred area for blue chip companies to set up their HQs and the massive opportunities this new suburb presents. We love living in Docklands: it takes Angel four minutes to walk to work, public transport just a hop, skip and jump away, great restaurants popping up all the time. Docklands Park is right on our doorstep whereby we get to enjoy all it has to offer without having to worry about mowing the lawn or weeding (thank goodness). Great community feel/spirit. Best of all, we just need to close the apartment door behind us when going away and not have to worry about a thing. "

Let us know your story and join the conversation by visiting
www.melbourne.vic.gov.au/housing

Should all living rooms and bedrooms have a window?

Most of the apartments feature a large double aspect living room with views over the courtyard and street. Great care was taken to overcome problems of low daylight levels and overlooking in apartments on the ground floor. The studio flats have high ceilings and fully glazed facades with sanded glass and louvre blinds at lower level to provide privacy from the courtyard.

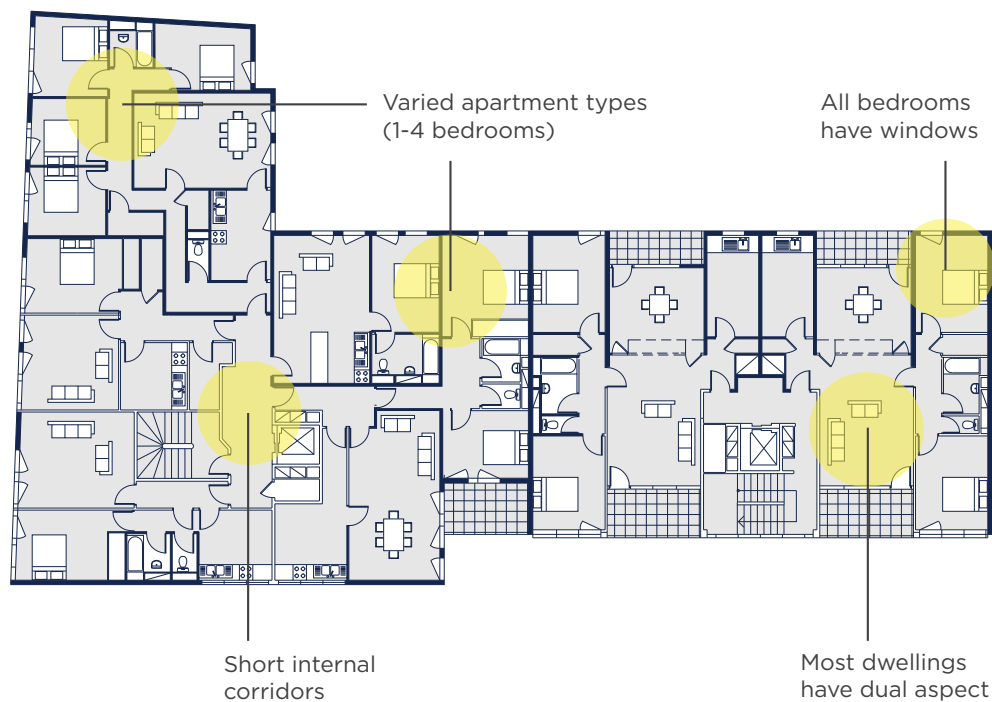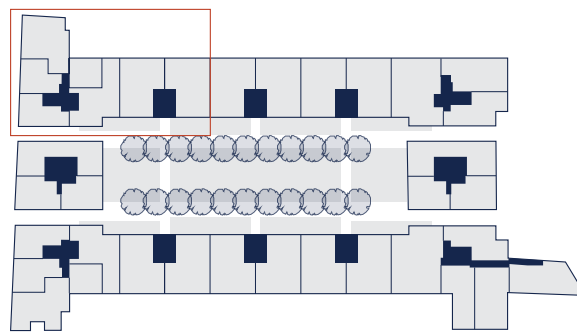*Rue de Meaux © RPBW, Photographer Michel Denancé*

Varied apartment types (1-4 bedrooms)

All bedrooms have windows

Short internal corridors

Most dwellings have dual aspect

Figure 6.14: A detailed part of the floorplan (bottom) and the building plan (top) for the Rue de Meaux development in Paris

Angelo and Amy

Retired - chemical engineer and translator

Live in a three bedroom apartment in Southbank

"It is a vibrant area close to the Melbourne CBD and the many facilities such as shops, library, entertainment, restaurants, parks, sporting facilities, arts centre and museums. It is close to the Yarra River with its side walks, beautiful views, cafes and restaurants. We walk to most of the locations within 3 km, ride a bike and there is good public transport. We use the car for longer distances and areas that are more difficult to access by public transport. We live on the 19th floor and love the city views and sunsets from our balcony and windows. Amy is Colombian and for this reason we spend 6 months of the year in Colombia. The fact that we live in an apartment with no gardens to look after makes it easier to maintain. There is also a good shuttle service (Skybus) to the airport."

Let us know your story and join the conversation by visiting
www.melbourne.vic.gov.au/housing

Glossary

Affordable housing is where the cost of housing (mortgage repayment or rent) is no more than 30 per cent of the gross household income for those on low or middle incomes.

Affordable living addresses the full costs of living in a certain location, including additional transport costs and impacts on their day-to-day schedule due to lack of access to services and facilities.

The **Building Code of Australia (BCA)** is a uniform set of technical provisions for the design and construction of buildings and other structures throughout Australia.

The **central city** area currently encompasses the central city grid, the area between Victoria and Latrobe streets, and Docklands. Through current planning scheme amendments, it is proposed to also include Southbank and areas of City North.

The **Commonwealth Rental Assistance Scheme (CRAS)** is an Australian Government initiative to provide funding for low income households in private rental accommodation.

The **Council of Australian Governments (COAG)** is the peak intergovernmental forum in Australia. The members of COAG are the Prime Minister, State and Territory Premiers and Chief Ministers and the President of the Australian Local Government Association.

Community Housing is owned and/or managed by not-for-profit or community groups.

A **Development Control Plan (DCP)** is a planning policy document for the City of Sydney.

The **Department of Human Services (DHS)** is one of eleven state government departments in Victoria. It provides public and social housing and support for low income Victorians.

The **Department of Planning and Community Development (DPCD)** is one of eleven state government departments in Victoria. It is responsible for managing the state's planning system and building stronger communities. (A restructure of the Victorian Public Service has been announced in April 2012 which includes the merge of the current Department of Planning and Community Development with the current Department of Transport to create the new Department of Transport, Planning and Local Infrastructure).

Double-loaded corridors occur where apartments are located on both sides of an internal corridor.

Dual aspect dwellings are dwellings with two external facades.

High income earners are those who earn $1500 or more per week (gross).

High rent dwellings rent for $450 or more per week.

Homelessness - there are three categories of homelessness which were developed to understand and assess the number of people experiencing homelessness in Australia in the Australian Bureau of Statistics (ABS) Census. These are:

- **Primary homelessness** includes those without conventional accommodation such as people living on the streets, sleeping in derelict buildings, or using cars for temporary shelter.
- **Secondary homelessness** includes those who move frequently from one form of temporary shelter to another. This category covers people accommodated in homeless services, people residing temporarily with family

and friends and those using rooming or boarding houses on an occasional basis.

- **Tertiary homelessness** includes those who live in boarding houses on a medium to long term basis. This type of accommodation typically does not have self-contained rooms and residents share bathroom and kitchen facilities. Rooming house residents do not have the security of tenure provided by a lease.

Housing size refers to the amount of internal and external floor space available for residents to live in and the number of people who are able to live comfortably in a dwelling with enough space for a range of activities to take place at the same time.

Housing tenure refers to whether the housing is privately owned (or mortgaged), part-owned or part-rented through shared equity, privately rented, socially rented (for example, public housing, transitional housing or community housing), a rooming/board house or serviced apartments.

Housing type can refer to 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.

Inclusionary zoning is a planning provision requiring incorporation of a certain use or facility in approved developments in the interests of maintaining environmentally responsible or sustainable outcomes.

The **Inner city** is the area within the City of Melbourne municipality surrounding the central city, including Carlton, Kensington, Parkville, North Melbourne, West Melbourne, South Yarra West and East Melbourne.

Key workers is a term that broadly implies occupations necessary to the efficient functioning of a city and communities,

particularly service industry workers. Such occupations could include, for example, emergency workers, nurses, teachers, police, hospitality workers and cleaners.

Knowledge workers are those whose main capital is knowledge. Such occupations could include financiers, lawyers, engineers, scientists or researchers.

A **Local Environment Plan (LEP)** is a policy document for the City of Sydney.

Low income earners are those who earn between $1 - $599 per week (gross).

Low rent dwellings rent for $0 - $199 per week.

Middle income earners are those who earn between $600 - $1499 per week (gross).

Medium rent dwellings rent for $200 - $449 per week.

The **Municipal Strategic Statement (MSS)** is a high level land use and development strategy which forms part of a Planning Scheme.

The **National Affordable Housing Agreement (NAHA)** is an agreement by the Council of Australian Governments (COAG) that commenced on 1 January 2009 initiating a whole-of-government approach in tackling the problem of housing affordability.

The **National Rental Affordability Scheme (NRAS)** is an Australian Government initiative to stimulate the supply of affordable rental dwellings.

Owner occupiers are those who own their home outright or have a mortgage.

The **Planning Scheme** set out policies and provisions for use, development and protection of land. Each local government area in Victoria is covered by a planning

scheme. The City of Melbourne is covered by the Melbourne Planning Scheme.

Public Housing is owned and managed by the Victorian government.

Registered Housing Associations develop, own and manage rental housing properties.

A **single aspect dwellin**g is a dwelling with only one external façade.

Social Housing is a term used to describe public, community and transitional housing.

Transitional Housing is owned by the Victoria government but managed by the community housing sector.

State Environmental Planning Policy 65 is the Design Quality of Residential Flat Development (SEPP 65) Planning policy and guidance aimed at improving the design quality of residential flat buildings in New South Wales. It contains principles for good design and provides guidance for evaluating the merit of design solutions.

Structure Plans are planning documents that guide the land use and built form of future development in the City of Melbourne's urban renewal areas.

Urban Renewal Areas are areas identified by the City of Melbourne in the Municipal Strategic Statement for future growth.

Tim

Contractor

Lives in a two bedroom apartment in Parkville

" I live in Parkville because I enjoy being surrounded by extensive parklands, the availability of a myriad of transport options and extensive bike paths, the easy access to the CBD and adjacent suburbs and all their offerings, and for the great facilities that are provided. "

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Sarah

Student

Lives in a detached house in North Melbourne

"I moved from Sydney to Melbourne in 2009, having never even visited the city before. I knew nothing about the different suburbs, and ended up in an awful share house in Carlton (chosen purely for proximity to Melbourne Uni), I later moved to Brunswick and in my year and a half there, became a lot more familiar with the surrounding inner north suburbs.

When faced with the task of moving yet again, I wanted to find a place that still had a sort of community feel, but with less of a pub culture. Brunswick was always inundated with people on the weekend! When I came to view the room to rent at my current house, I left thinking that it was perfect! The house is a rare gem, we have tons of space, and the rooftop terrace won my heart! It lived up to the romanticised idea of Melbourne living that I'd built up in my head. I love that I know the staff at the local supermarket, that good coffee and a stiff drink are just two blocks away, and that we have three tram lines within five minutes of my front door.

In a perfect world I would put down roots in North Melbourne with a view to stay here permanently (the local Primary School seems like it's top of the game) but prices to rent/buy may push me out over time. We have a pretty sweet deal at our place, and I'll stay here as long as I can!"

CITY OF MELBOURNE