

Housing Discussion Paper

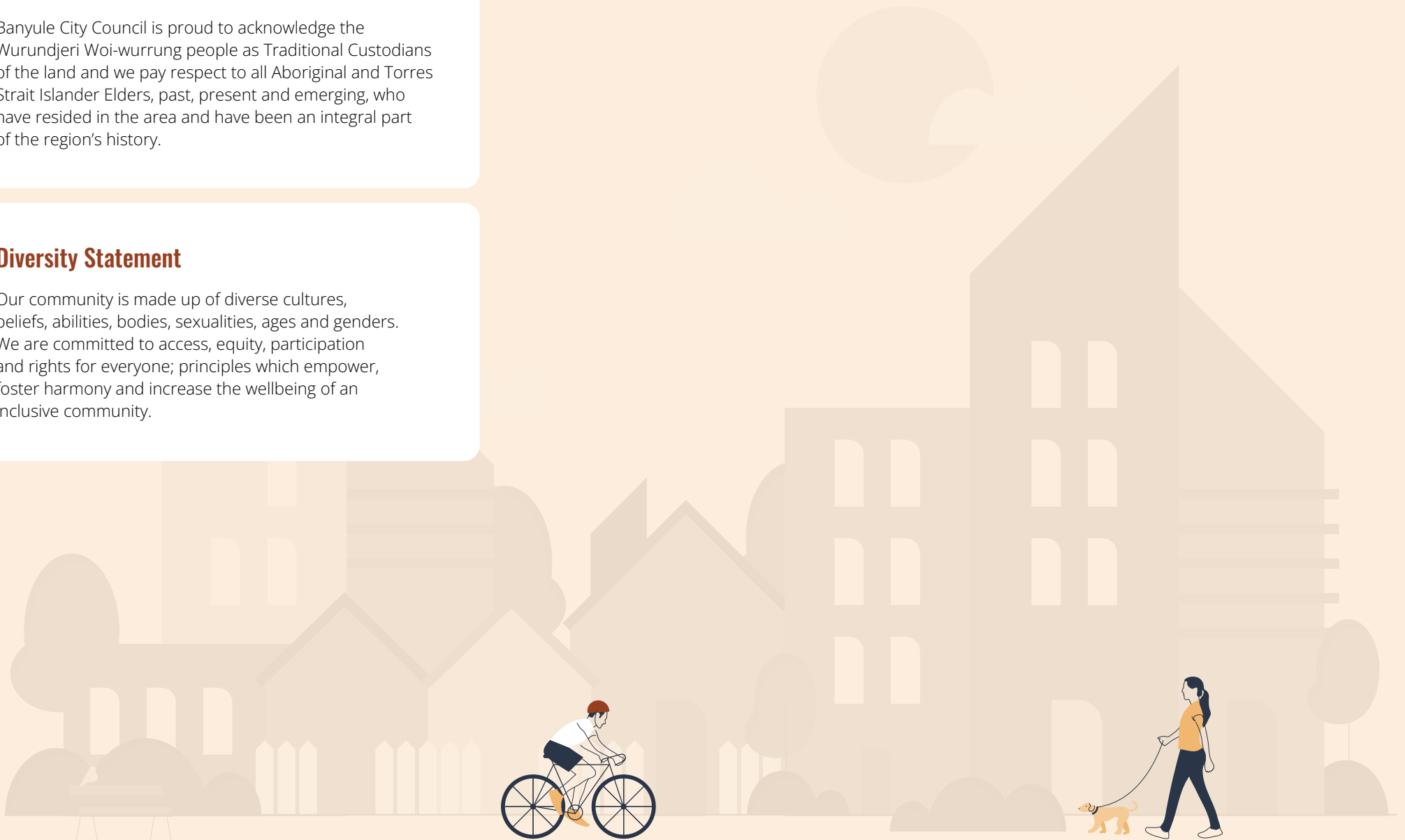


Acknowledgement of the Traditional Custodians

Banyule City Council is proud to acknowledge the Wurundjeri Woi-wurrung people as Traditional Custodians of the land and we pay respect to all Aboriginal and Torres Strait Islander Elders, past, present and emerging, who have resided in the area and have been an integral part of the region's history.

Diversity Statement

Our community is made up of diverse cultures, beliefs, abilities, bodies, sexualities, ages and genders. We are committed to access, equity, participation and rights for everyone; principles which empower, foster harmony and increase the wellbeing of an inclusive community.



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It's Time to Update our Housing Journey

Banyule is a truly attractive place to live and work. From the City's older suburbs in its south to its bush dominated landscapes along the Plenty and Yarra rivers, the City enjoys a diverse and ancient topography that is now home to 127,375 residents. Our municipality and its landscapes are also the enduring homelands of the Wurundjeri Woi-wurrung people of the Kulin nation.

For many of our residents, natural landscapes and abundant tree canopy define residential life in Banyule. When recently asked about the attributes of our neighbourhoods they value most, 54% of our resident respondents identified trees, gardens and wildlife as valued attributes, followed by recreation areas and open space (44% of respondents) and a safe, clean connected community (34% respondents).

Careful and foresighted planning is helping to protect the City's landscapes for the enjoyment of current and future generations. Increasingly, living near nature is recognised as positively contributing to wellbeing and good mental health.

The City is also home to state significant health and education infrastructure and major transport infrastructure. Our current planning policy seeks to promote accessible and sustainable lifestyles by promoting housing growth and new diverse housing near jobs and services. Thanks to the success of our long-term planning for growth, more and more of our residents live in and around our major service, employment and shopping districts including the Heidelberg and Ivanhoe Major Activity Centres.

Our housing plans, policies and supporting studies are now more than a decade old. These plans have successfully guided the last decade of housing growth by promoting development in targeted locations, while minimising the impact of development in other more sensitive areas. Banyule and Greater Melbourne, however, will continue to change and we need new long-term plans to respond to the housing needs of our current and future community, which include the challenges of an aging population impacted by climate change.

It's therefore time to review our housing plans and aspirations and ask ourselves whether we can do more? For our younger households starting out on their housing journey; for older households that need new housing options; for households challenged by affordability; and for our environment and cherished landscapes. We therefore want to hear from you and your ideas on the future and how, as community we can respond.

1.1. How to use this Discussion Paper

This document seeks to set out existing and future social, economic and geographic factors that *influence* housing in Banyule. It is designed to provide you with essential information so that we can hear from you and get your thoughts on the future of our housing, the type of housing we need, your views on the City's housing issues and potential solutions.

Your ideas will genuinely help to shape the next iteration of our housing planning which entails updating the *Banyule Housing Strategy 2009* and the *Neighbourhood Character Strategy 2012*.

The overriding objective in this process is to ensure we are placed to respond to the needs of our existing and future community. This requires identifying those elements of our existing planning that should be:

- **Retained** – many elements of our policy framework are delivering on their objectives and might be retained, for instance, our commitment to our Activity Centres as our leading housing change areas.
- **Expanded and strengthened** – there are new challenges that require enhanced responses, for instance, this might entail reviewing housing directions for our Neighbourhood Centres or adjusting existing design standards for medium and high-density housing.
- **Added** – there are new challenges that require new thinking and responses including housing affordability.

We therefore ask you to help identify those elements of our existing housing planning that continue to be relevant to the community, the aspects of our policy and planning that need to be refined, expanded or strengthened and for new policy ideas and responses.



Some prompts to think about as you read through this document include:

Refreshing our Housing Strategy

- What new forms of housing should we support in our updated strategy and where should these be encouraged?
- How do we continue to balance supporting the housing needs of a growing community while protecting our cherished landscapes and character?

- What design features should be encouraged or discouraged in new housing?
- What do you see as Council's role in supporting the provision of affordable housing?
- How can we promote more sustainable and liveable housing?



Population

- Smaller households
- Growing population (0.5% per annum)
- Aging households
- Melbourne at 6 million



Innovation

- Manufactured Housing
- Small housing movement
- Build to Rent
- ESD
- Urban Forest/ tree controls

Banyule's Housing



Finance

- Incomes
- Interest rates (5.24%* at Feb 2023)
- Taxation
- Median house price



Housing development

- Building costs
- Development fees
- Land costs
- Median house prices and rents



Policy

- Heights
- Neighbourhood Character
- Residential Zones
- Plan Melbourne
- Accommodating population growth
- Proximity to activity centres and public transport

* Source: NAB, Feb 2023, principal and interest when LVR is ≤ 80%

1.2. Planning for the Future

The scale, location, form, and function of our housing is the outcome of an intricate combination of policy, market, personal, finance, and development influences.

Every new dwelling and housing extension is developed in relation to current planning, finance and housing development conditions.

Banyule City Council is the planning authority for all housing in Banyule, which is an important but not absolute influence on the City's housing outcomes. Council's planning responsibilities compel the City to both facilitate and guide housing outcomes throughout Banyule to the benefit of the existing and future community, while also responding to broader metropolitan challenges and state government directions.

To do so, Council, in collaboration with the community, needs to work through often complex strategic choices about what is best for the community, balancing priorities including:

- The preservation of valued character and landscapes
- Effectively responding to population growth and demographic change
- Responding to housing development trends
- Supporting the productivity of our community
- Managing the renewal and redevelopment of aged sites
- Ensuring housing outcomes achieve high standards of design

The above housing policy themes and priorities are further explored throughout this Discussion Paper.

1.3. Refreshing Our Housing Policy and Planning

This discussion paper canvasses ideas, data and initiatives to help our community explore our housing future.

Our current housing planning and policy settings reflect the aspirations and objectives of the *Banyule Housing Strategy 2009* and the *Neighbourhood Character Strategy 2012*. In 2023, we need to refresh these strategies to ensure we are placed to respond to the needs of our existing and future community.

By the end of 2024, we aim to have refreshed our Municipal wide housing and neighbourhood character policies and strategies. Our updated strategies will result in a new Residential Development Framework which, as will be discussed, is a critical strategic tool guiding the scale and location of future residential growth.

Most recently, Council developed an *Interim Social and Affordable Housing Policy*. The Interim Policy is a new initiative designed to guide our immediate response to the pressures of more expensive housing markets and greater demand for housing support. Ideas generated through this Discussion Paper process will help shape our long term social and affordable housing response.



1.4. What you have already told us

We already have some insight into community views on housing, character and housing change.

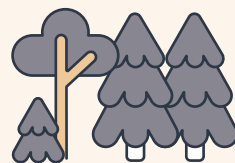
In May 2022, Council published a Preliminary Discussion Paper that described the context for and need to update Council's housing policy and planning. The paper was accompanied by a community survey which from May to July 2022, attracted 370 responses, with over 1,800 visitors to the *Shaping Banyule* project page.

The survey comprised four questions on neighbourhood character and eight on housing. The survey results highlight the enduring ***need to balance housing growth and diversity, whilst respecting neighbourhood character and our suburb's identity***. Affordability, housing choice, rental housing, social connectivity and sustainability are at the forefront of our community's needs, while protecting landscapes and over development are at the forefront of the community's concerns.

Respondents' value open land, vegetation, and green space. They want to be closer to amenities, services and parklands and want more of it. They want greater diversity of housing, that is affordable and environmentally sustainable through its design.

These insights and aspirations set the context for shaping our future housing policy, which will continue to need to balance our valued environment with growing housing needs. A summary of the key themes is below, and the full analysis of the survey results can be found in the **Shaping Banyule** project page.

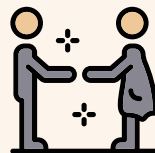
What do we value?



Trees, gardens & wildlife
(54%)



Parks/ Playgrounds/Open Space
(44%)



Community, neighbourly feel,
quiet, safe, clean
(34%)

What is it about your local area that is important to you and the overall character, amenity and feel of your neighbourhood?
(360 responses)

What are we concerned of?



Lack of affordable housing options
(53%)



Undersupply of particular
housing type/ size
(25%)

Housing



Poor design/ build quality & amenity
(25%)

Do you feel that Banyule's housing provides sufficient choice, affordability, design quality and options to meet the needs of all our people? If No, why not? (159 responses)



No overdevelopment, limit heights/ density/ subdivision
(43%)



Protection of green space, vegetation, habitat
(28%)

Neighbourhood Character



Protection of existing character and feel
(20%)

What is it about your local area that is important to you when it comes to housing change? (355 responses)

What do we want?



1-2 Storey Housing
(31%)



Houses with gardens
(24%)



Townhouses/ villas
(16%)



Access to services/ facilities
(33%)



Landscaping and tree planting
(17%)

Good examples of neighbourhood character (355 Responses)
Good examples of housing? (310 Responses)



Updating our Plan for Housing

Our housing planning is founded on three strategic pillars, which through the Banyule Planning Scheme, together direct the location and form of all new housing development in Banyule.



Driving Housing for All



Elevating Good Design



Valuing Preferred Neighbourhood Character

The community has benefited from the guidance provided by long term housing policy and strategic thinking that has helped us both respond to and direct new housing development. These pillars have helped diversify the City's housing and choice while protecting highly valued residential environments.

This section provides an overview of the structure and function of our main housing planning and policies, including the new Interim Social and Affordable housing policy.

We need to review our current planning to ensure we are positioned to respond to current and future housing challenges in keeping with our **Community Vision 2041:**

We are a city with diverse, affordable, and sustainable housing solutions that meet the mixed needs of our diverse community.

Housing Stock (2021)



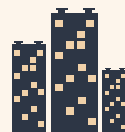
36,194

Separate Houses



7,750

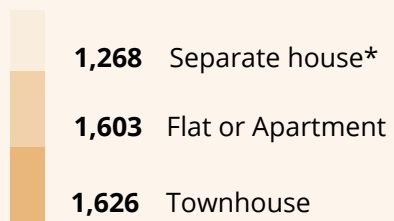
Townhouses



3,635

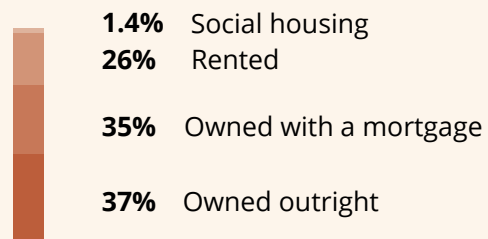
Flat or Apartment

Dwelling Completions (2016-21)



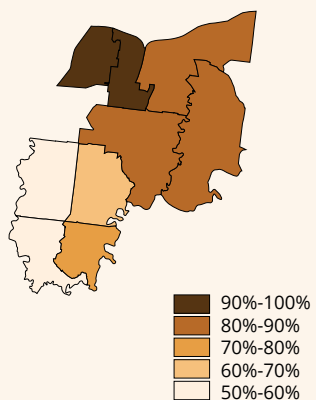
*includes replacement dwellings

Tenure

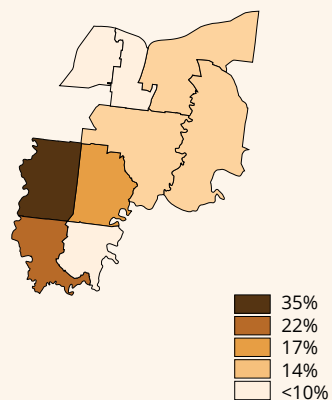


Housing Distribution

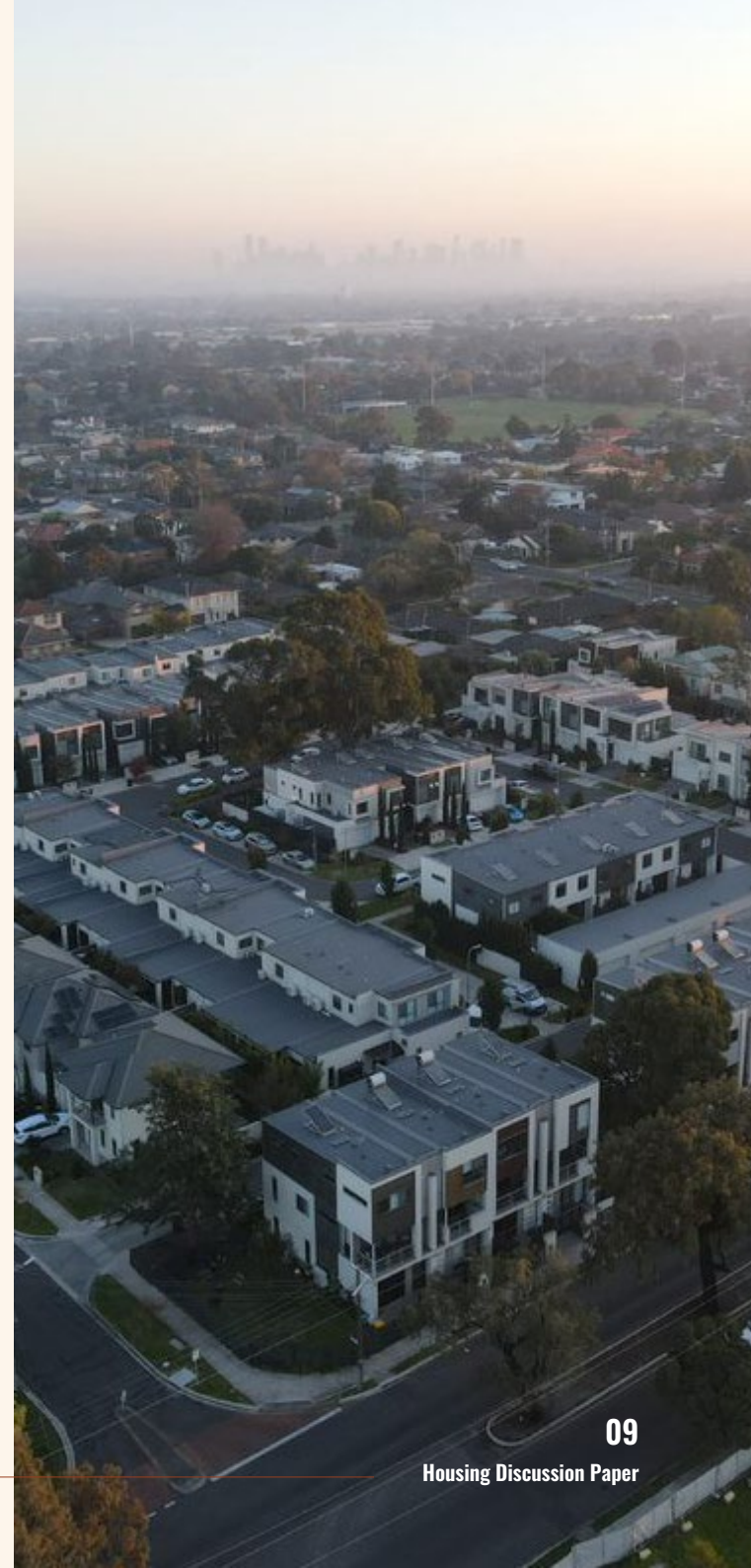
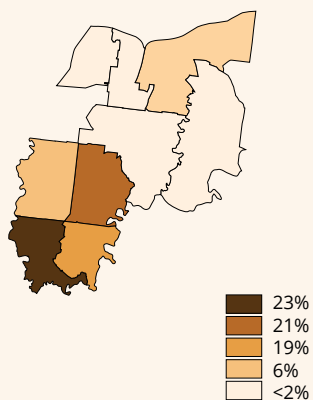
Separate House



Townhouses



Flat or Apartment



2.1. Our current approach to guiding New Housing Development

The City guides the location and scale of housing development via its planning powers which are informed by long term strategic thinking.

A key and overarching tool in this is Council's *Residential Areas Framework Plan*. The Plan derives from the recommendations of the *Banyule Housing Strategy* in which Council was encouraged to identify the preferred scale of residential change across the municipality.

The *Banyule Housing Strategy* was adopted by Council in 2009 and the *Residential Areas Framework Plan* implemented into the scheme in the same year. The Strategy's objectives and initiatives focus on:

- **Sustainability:** reducing motor vehicle dependency by promoting housing near public transport, shops, and services, as well as sustainable design and water conservation.
- **Affordability:** exploring opportunities to improve the affordability of homes in Banyule.
- **Diversity:** encouraging more diverse housing that complements preferred neighbourhood character whilst satisfying the housing needs of different ages, family types, ethnicities, incomes and aspirations.
- **Character:** protecting and enhancing neighbourhood character
- **Infrastructure:** encouraging housing that is supported by infrastructure, services, and transport

The Strategy's objectives are largely enduring, albeit that since 2016, the Municipality has experienced major housing growth including the addition of +885 apartments, while affordability and sustainability pressures have only increased.

2.2. Existing Residential Areas Framework

Perhaps the most critical and significant outcome of the Strategy was the development of a series of residential change areas, which is now known as the *Residential Areas Framework*.

The Framework is a critical part of our housing planning strategy, sitting at the apex of the Banyule Planning Scheme in our Municipal Planning Strategy at clause 2.03-5. The Framework identifies six residential change areas in which different scales of new residential development are either supported or conversely limited based on accessibility, amenity, access to services and existing built and environmental character. Our most accessible locations, which include our main roads and activity centres, are supported for high and medium-density development while sensitive landscapes are subject to limited change.

In 2016, the *Residential Areas Framework* guided the implementation of State Government's new residential zones which helped further implement our planning aspirations via zones that promote high, medium, and low-density residential development, largely replicating the change area settings of our Framework.

2.3. Directing High Density Growth

Since the implementation of the *Residential Areas Framework*, Council has further refined directions for the City's more accessible locations including our Activity Centres.

Structure Plans have been prepared for the Ivanhoe (2012), Greensborough (2006) and Heidelberg (2022) Activity Centres which provide detailed built form, design and land use directions for areas that support high and medium density outcomes. Greensborough Major Activity Centre is also subject to an Urban Design Framework.

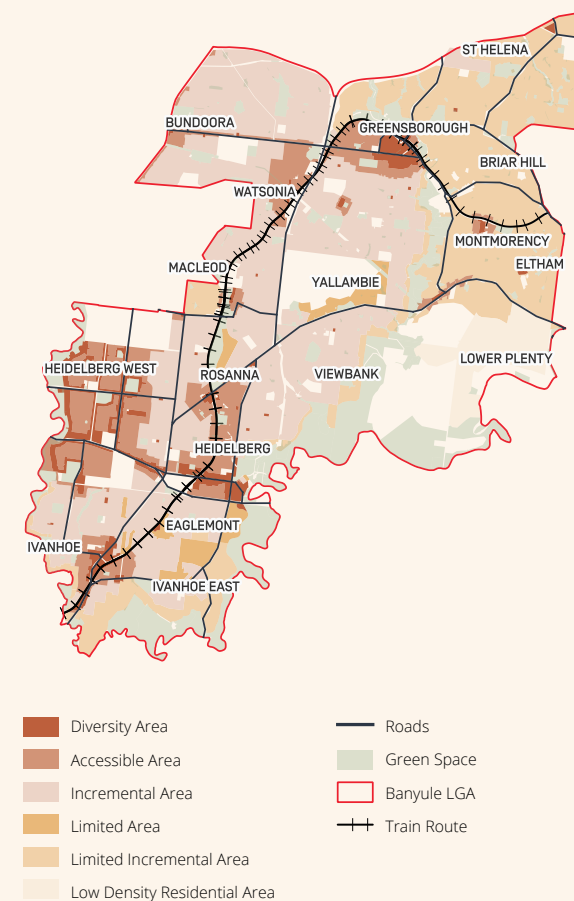


Figure 1: Existing Residential Areas Framework

Residential Area	Diversity	Accessible	Incremental	Limited	Limited Incremental	Low Density Residential
Vision	Within activity centres, and some residential properties along streets that immediately surround the business core of an activity centre. These areas welcome higher and medium densities.	These areas are in walkable distances to activity centres. They provide opportunities for intensification but must demonstrate protection of neighbourhood character, including opportunities for tree protection and planting.	These areas provide well designed single and medium density dwellings. Higher densities must only exist in well located, large strategic redevelopment sites.	These areas often have heritage, environmental or distinctive neighbourhood character attributes. These areas support single dwellings with limited opportunity for medium density development.	These areas are located east of the Plenty River. These areas are often single dwellings, with some dispersed medium density developments that respect the valued attributes of the existing neighbourhood character, with emphases on vegetation protection.	These areas are well dispersed housing that contributes to the diversity of the housing stock in Banyule and continues to contribute to the aesthetic and environmental attributes of the Yarra River corridor.
Zone	<ul style="list-style-type: none"> Residential Growth Zone Activity Centre Zone Commercial 1 Zone 	<ul style="list-style-type: none"> Residential Growth Zone General Residential Zone 	<ul style="list-style-type: none"> General Residential Zone 	<ul style="list-style-type: none"> Neighbourhood Residential Zone 	<ul style="list-style-type: none"> Neighbourhood Residential Zone 	<ul style="list-style-type: none"> Low Density Residential Zone

Figure 2: Residential Framework Plan – Change Areas

2.4. A Planning Success Story...

The 2009 *Housing Strategy* articulated a housing vision as follows:

By 2030, a greater proportion of Banyule's housing is close to good public transport, shops and services. Most new housing is around Activity Centres, where the community can easily walk or cycle to vital services and access public transport.

When assessed against development outcomes, our planning has been highly effective in directing new development. Specifically,

- Accessible and Diversity Areas: Heidelberg, Heidelberg West and Ivanhoe have added significant numbers of new residential apartments, primarily within Activity Centres and main transport corridors close to transport infrastructure and services as per the objectives of the Strategy.
- Incremental Change Areas: Medium density dwellings have been developed throughout the municipality with higher numbers developed in diversity areas around Heidelberg and Heidelberg West.
- Limited Change Areas: Locations subject to limited change have seen minimal net additional housing development and minimal change in residential density.

It follows that housing growth has also directed our population growth, with Heidelberg (+1,980 residents), Heidelberg West (+1050) and Ivanhoe (+950) SA2's¹ leading the City's population growth over the 2011 to 2021 period.

¹ Statistical Area Level 2 (SA2s) are medium-sized purpose areas delineated by the Australian Bureau of Statistics. Their purpose is to represent a community that interacts together socially and economically.

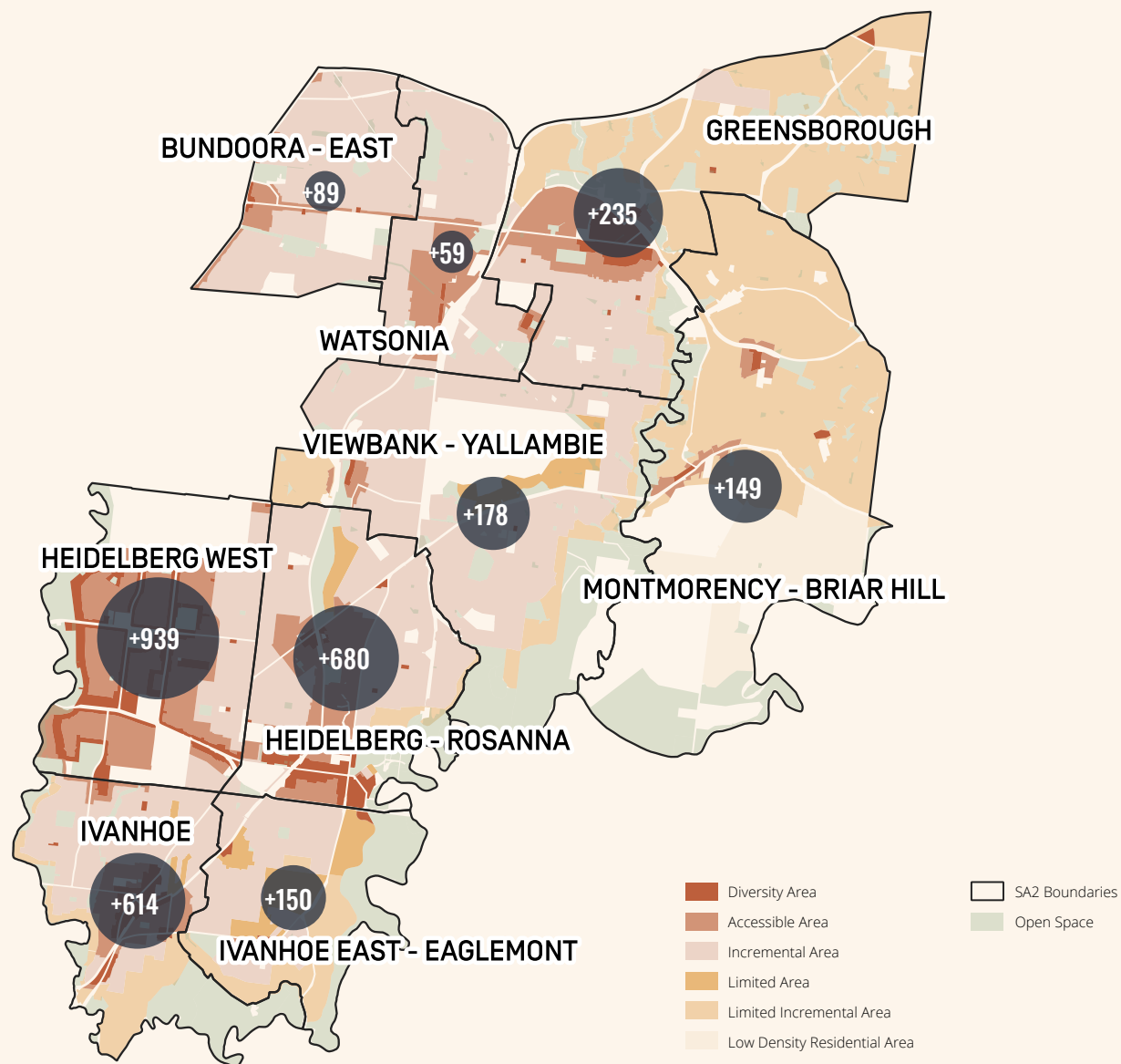


Figure 3: Net Dwelling Increase by Change Area Map (2017-2022)

2.5. But times are changing, and we need to change too

The research which has helped inform this Discussion Paper found that whilst we have done well at supplying low density, detached housing, and high-density apartments there is limited land supply of medium density housing, including low rise apartment buildings, townhouses and units.

This has resulted in limiting the housing choice of households seeking to downsize and households with children that cannot afford detached housing.

One of the critical issues facing Banyule is housing affordability. While the *Housing Strategy* is being updated, Council has prepared an *Interim Social and Affordable Housing Policy*.

The policy responds to the growing challenge of housing affordability in our community and acknowledges Council's role in enabling, advocating for, and improving the supply, quality and access to social and affordable housing. Additionally, the policy identifies the role of affordable housing in our local economy (which includes high proportions of key and essential workers) and in sustaining social capital. Access to affordable housing promotes social inclusion, mobility and access to employment and individual well-being.

The policy, which at this stage is an interim policy, will be finalised over the course of 2023/2024 and ultimately help direct Council's affordable housing activities, including partnering with affordable housing managers, developers and funders including State Government.

Notably, both State and Federal Government are expanding affordable housing funding, while new entities and models of affordable housing delivery are also emerging. We as a community need to be part of this, in particular to ensure our low-income households are receiving support.

Options for expanding and directing our involvement in the facilitation and delivery of affordable housing are further discussed in the following sections.



* Dwellings may be built on separate freehold titled "lots" in a body corporate/community title including common property – "lots" may be vertically or horizontally separated by title



Refreshing our Neighbourhood Character Strategy

While we update the Housing Strategy, we are also reviewing and updating the Neighbourhood Character Strategy, as both inform each other. This next section considers some of the elements of Neighbourhood Character that impact how we plan for new housing, such as siting, scale, visual amenity, vegetation, and contribution to the streetscape.

The existing *Neighbourhood Character Strategy* recognises the need for new housing to accommodate growth and seeks to integrate with the *Housing Strategy* by ensuring housing change in residential change areas achieves a desired future neighbourhood character.

The *Neighbourhood Character Strategy* depicts the preferred future physical and environmental state of each neighbourhood character area.

In seeking to guide the future physical form of residential areas, the Strategy focuses on promoting understorey vegetation, the protection of established trees and native vegetation and in directing the siting and scale of new housing to limit disruptions to the landscape and the need for excavation.



Character Areas	Description
Garden Suburban	This area has a spacious leafy character in generally formal garden settings. The most important characteristics of the area are the scale, siting and architectural style of dwellings and their relationship with vegetation and the topography of the land.
Garden Court	This area has a curvilinear and cul-de-sac street pattern, low scale, generally brick dwellings dominated by a low-pitched tile roof, set in spacious, informal garden settings. The most important characteristic of this area is the mature vegetation setting.
Bush Garden	This area is characterised by large native trees that provide a backdrop for mainly post war detached dwellings in mature garden settings. The most important characteristic of this area is the canopy of indigenous and native vegetation that dominates the streetscape and many longer distance views.
Semi Bush	This area is representative of the highly valued native vegetation dominated residential environments found in some of the hillier parts of the Municipality. The most important characteristics of the area are the canopy of indigenous trees that dominate the streetscape and many longer distance views.
Bush Woodland	This area maintains much of its rural, undeveloped character with various dwelling types and significant indigenous vegetation. The most important characteristics of this area are the landscape dominated setting with remnant indigenous vegetation on large lots.

Figure 4: Neighbourhood Character Areas

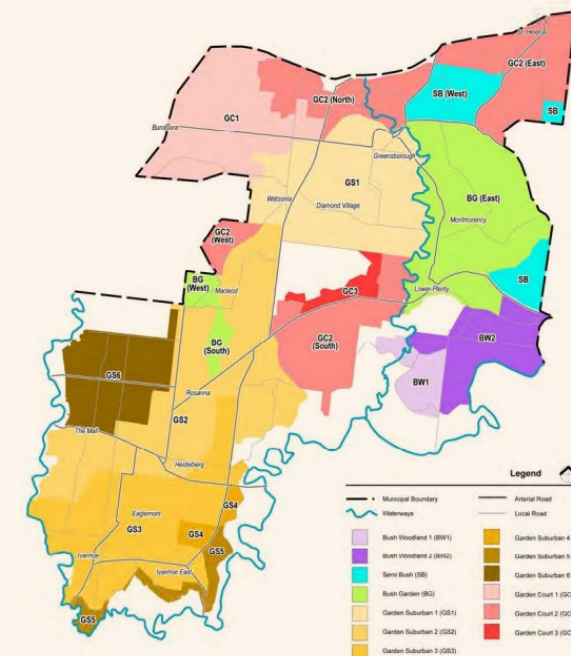


Figure 5: Neighbourhood Character Precincts



Guiding Good Design

At planning stage, the design of new housing is guided by a residential design code called 'ResCode'. ResCode controls are contained at Clauses 54, 55, 56 and 58 of all Victorian Planning Schemes and apply to planning permit applications for the construction of new dwellings, alterations and extensions to existing dwellings, residential subdivisions, and apartment developments. The controls include a set of objectives and standards to ensure residential development and subdivision respects neighbourhood character and protects residential amenity.

The other key planning controls which influence residential design are heritage and built form overlays. Overlays can apply to selected areas that require additional controls to influence specific built form and design outcomes. This includes the Heritage Overlay, which is used for buildings and precincts that have heritage significance, and the Design and Development Overlay, which is used for areas where specific design controls apply (such as height limits).

The National Construction Code (NCC) is the other key mechanism for regulating the construction of housing. The NCC is enforced at the building permit stage and provides a set of minimum design standards for the construction of housing. In 2022, the NCC was updated with new standards for the construction of housing. The new standards are based on the Liveable Housing Design Guidelines to provide better design standards for accessible housing. These standards will benefit many households by ensuring housing is more adaptable and better suited to people with changing needs and abilities. The new standards will also elevate sustainable design requirements, with new dwellings required to achieve a 7-star rating under the National House Energy Rating Scheme (known as NatHERS) which will deliver a significant improvement in thermal comfort for occupants and better limit the building's impact on the environment.

4.1. Quality Design

Why are some housing developments so positively embraced by the community whilst others can generate such a strong negative, almost visceral reaction? Why does one just 'work'; the other doesn't when all were subject to the same planning and building regulations? The difference is in the quality of design and is a fundamental element in any discussion about housing.

A home that demonstrates a good quality of design considers all aspects of the site, the building, the street and the neighbourhood context. Quality design creates homes that are liveable, sustainable, relate positively to the street, and demonstrate an architectural integrity that will stand the test of time. Apart from ensuring homes that are enjoyable and comfortable to live in, quality design contributes to our neighbourhoods and communities' sense of place and identity.

We know that good design supports health and wellbeing, security, and improves productivity for the individual. For the wider community, good design of buildings contributes to a society that is healthy, inclusive, equitable and economically productive.

In the *2022 Preliminary Discussion Paper* survey, we heard that there is concern about poor quality design and builds, with new townhouse or unit development being raised as a key concern. Banyule is seeking to elevate the discussion about design to achieve good design outcomes through:

1. Creating and supporting an organisational culture that is committed to good design.
2. Providing better processes to define how good design will be valued and achieved.
3. Advocating for good design in the community and celebrating high quality outcomes.



Achieving housing affordability, housing diversity and valuing neighbourhood character does not need to be at the expense of good design. Through our new Housing Strategy and Neighbourhood Character Strategy, there is an opportunity to lift Banyule's design standards by working with professional designers and architects to review our processes and materials which support planning permit applicants. Banyule will also seek to facilitate more opportunities for celebrating and discussing good design between the community, the development industry, social housing providers, and professional designers and architects.



What else is influencing housing?

Our long-term housing planning needs to assist our community to respond to the many current and future housing challenges we face.

We know that secure housing is fundamental to well-being which is why our community vision aspires to be a municipality that meets the mixed needs of our diverse community, while also protecting the valued character of our streets and sensitive landscapes.

Let's now consider the key State, regional and local population, policy, affordability and innovation drivers that will influence our housing and shape our refreshed strategies.

Over the next decade, Melbourne will become Australia's largest city with a population of over six million people. Our planning and future Housing Strategy need to reflect Banyule's economic and social role in a growing city. We are a municipality with significant State health and educational assets that are essential to the welfare and productivity of Melbourne's north.

Melbourne's growth is guided by the State's overarching planning strategy for the city *Plan Melbourne 2017-2050*. The Plan sets the strategic direction for Banyule's land use planning, including our housing policy and its directions are included in the Planning Policy Framework of all Victorian Planning Schemes. Banyule's future housing strategy needs to support the land use and development priorities identified in *Plan Melbourne* such as directing more housing closer to jobs, services and transport. *Plan Melbourne* includes an aspiration to have at least

70% of new housing being built within the existing Metro Melbourne in established areas rather than greenfield areas. The State does not set targets for each Municipality but aspires to deliver 340,000 new homes in the Northern Region in established areas over the 2015-51.

The State Government housing directions are further summarised in **Appendix C**.

5.1. Our Housing is Changing

The addition of high and medium density housing to our Activity Centres and transport corridors has changed the form and type of housing available in Banyule. Consistent with the diversity aspiration of the 2009 Strategy, there are now more apartments and units in our municipality which make up an increasing proportion of our housing stock.

For the 2016 to 2021 period, Banyule added an annual average of 620 net new dwellings primarily in the form of new townhouses and apartments. Accordingly, a further 800 new apartments are projected to be added to our housing stock by 2025.

The impact of the past decade of housing change is most evident in Ivanhoe and Heidelberg where medium and high-density dwellings now constitute almost 40% of the local dwelling stock. New smaller dwellings are helping attract young adults to Banyule and boosting our health care, professional and public service workforce. In 2021, young adults aged between 20 and 34 years of age made up over 27% of Heidelberg West's population, which is unique for our municipality and strongly correlates to the prevalence of high and medium density dwelling options. New housing options are also helping our older age groups downsize with the number of older households living in apartments in Ivanhoe also growing.

High and medium density development is not the only form of housing change.

The demolition, redevelopment, alteration, and renovation of existing single detached dwellings is also a major form of change. For the 2016 to 2021 period, there were over 1400 dwellings demolished in the City, although a high number of these demolitions (potentially 500 demolitions) were to support public housing renewal in Heidelberg West.

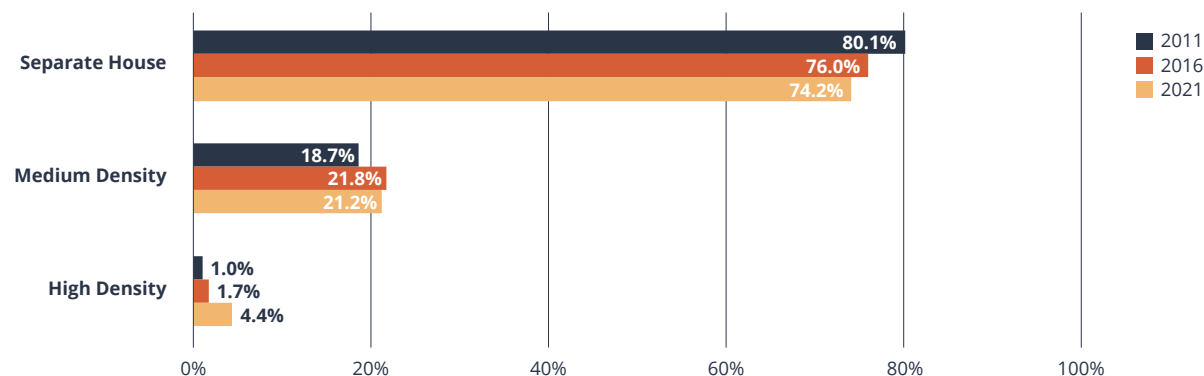


Figure 6: Dwelling Structure Changes 2011-2021(Source: ABS, 2021)

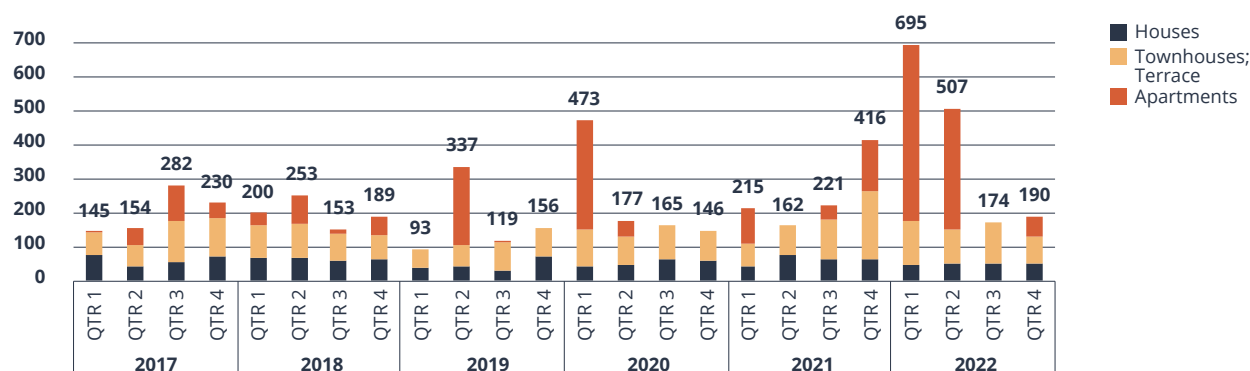


Figure 7: Dwelling Approvals 2017-2022 by quarter (Source: ABS, 2023)



Case Study 1: Crowded House

Noreen and Alex are both in their late 60s. They live in Montmorency in a spacious dwelling on a highly vegetated block near the Yarra and regularly enjoy its many walking tracks. Since their children are now grown and living independently, they find themselves with abundant space.

Nearing retirement they are starting to think about next steps particularly because tending their property requires many hours of effort each week and see a future life with more travel. Their house is also ageing and requires a new roof.

They've begun researching future housing options. A new smaller home is an attractive option, perhaps in Greensborough. The change, however, entails many unknowns, including tax and pension implications. The value of a primary residential home is not considered in the value of assets a person may own to receive the age pension. Householders who access the government age pension may find that capital remaining after selling their family home and buying a 'downsized' new property risks reducing their government aged pension. They are also unsure of whether they can find a dwelling in the right location, size and price. Ideally, they would also like to use some of their housing wealth to help one of their children.

Research shows that an inability to maintain house, children leaving home, and lifestyle preferences are the leading contributions to downsizing. Barriers to downsizing relate to finding a suitable sized dwelling (people want something smaller but not too small) and a familiar location. For householders used to living in large family homes and who were making a choice to downsize, having space to continue to enjoy hobbies is important. Another concern is whether dwellings are able to support any future disability requirements such as being equipped with wheelchair accessible bathrooms.



A Growing Banyule

Our community has been growing and is projected to grow into the future by more than 16,000 residents and 8,000 households by 2036.

Prior to the COVID-19 pandemic, Banyule's population was adding 920 new residents each year at an average annual growth rate of 0.7%. Our population declined over the COVID-19 period by over 3,000 people but is expected to return to growth in the near term as students and key workers return to our municipality.

Banyule is a major attractor of residents from across Melbourne's north. Every year, numerous young adults and families with children and teenagers migrate to our City from the City's of Darebin, Whittlesea, Nillumbik, Manningham and Boroondara. We also lose residents to nearby localities including the City's of Whittlesea and Darebin. In general, we lose more residents to the City of Whittlesea (including many young families) than we gain and gain more residents from the City of Darebin than we lose.

Our population is also ageing. Our over 65 cohort is growing faster than our younger cohorts resulting in the overall ageing of our population. We are still adding young adults and children but not to the same extent as our older generations grow. In fact, over the 2016 to 2021 period, the number of teenagers and young adults living in the Municipality declined. Our median age is 40 years of age compared with that of Greater Melbourne whose median age is 36 years of age.

Our households are becoming smaller. Recent population figures show a significant growth in smaller lone person and couple without children households; over the 2016 to 2021 period couples without children households grew by 1,188 households and lone person households by 1,338 households (Greater Melbourne grew by +54,403 and +75,138 respectively). As we expand our higher density housing, it follows that the number of smaller households in Banyule will also grow, however, the development of apartments also reflects demand for this form of dwelling in our City and in the broader northern region.

2021



127,376

Source: ABS ERP



47,668

Households



16,408

Couples with
Children



12,318

Couples without
Children



11,904

Lone Person
Households



1,484

Group
Households



5,046

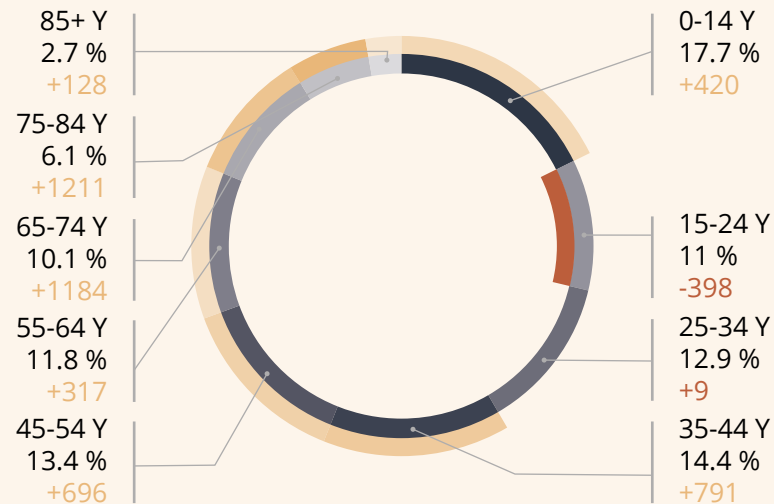
One Parent
Family

Age Structure (2021) + Change by Age Group (2016-21)



40

Median Age



Source: ABS Census



6.1. A Changing Banyule - 2036

Our future population will be shaped by how we plan for the future including the form, location and type of dwellings we will support.

Current population forecasts anticipate a continuity of recent trends including:

- **Ageing:** Our municipality will continue to age with an increasing proportion of mature families, empty nesters and retirees making up our population.
- **Young adults:** The City is expected to continue to be a major destination for young adults with residents aged 20 to 29 years of age projected to continue to grow. La Trobe University and the City's substantive hospital infrastructure are anticipated to be major attractors for students and health workers.

- **Households:** Couples with children will continue to be the most prevalent household type. However, couples without children and lone person households are projected to continue to grow substantially making up the largest share of household growth.

Our changing population entails implications for our housing policy:

- Demand for smaller dwellings from students and growing numbers of smaller households will only increase.
- The sale, renewal of dwellings and accompanying downsizer demand will continue to grow as our population ages.

We have the opportunity to help renew our population by doing more to retain young households through appropriate and affordable housing. We are a City that attracts large numbers of young adults (as students and key workers). These individuals and households have the potential to contribute to our community in the long term.²

² Population projections are a rebased calculated derived from Victoria in Future (2019) growth rates. Projections may be updated if new information is updated.



2036



143,735
+16,359



52,966
Households



17,293
+885
Couples with
Children



13,691
+1643
Couples without
Children



13,543
+1639
Lone Person
Households

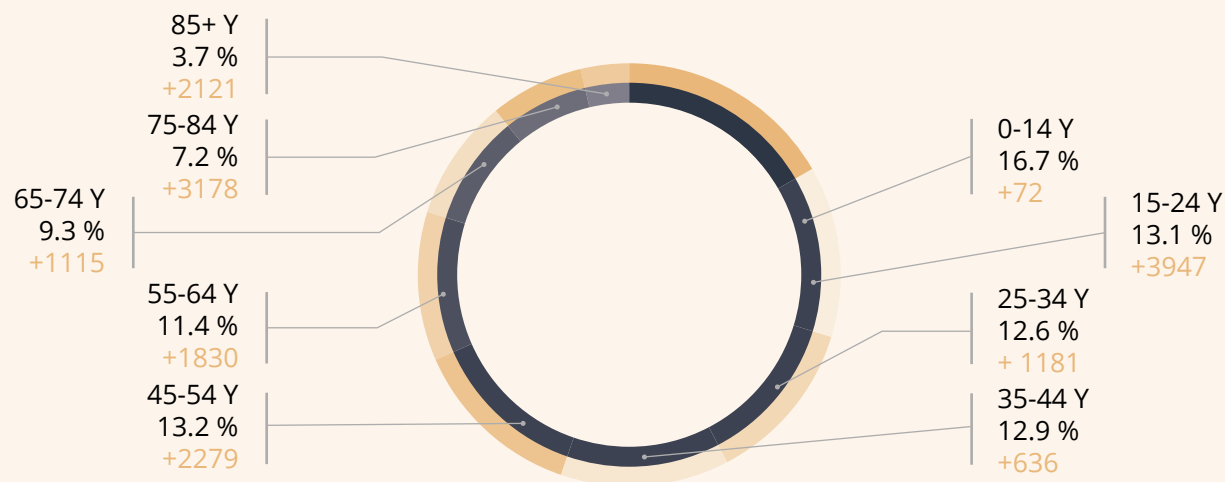


1,742
+258
Group
Households



5,665
+619
One Parent
Family

Age Structure (2036) + Change by Age Group (2021-36)



Source: Charter Keck Cramer

6.2. Housing Affordability

Our City's housing affordability is in decline. We know that this is not an issue unique to Banyule. Housing affordability is now a national, state and metropolitan issue as well as an issue for our community.

Banyule is a relatively affluent municipality when compared with Greater Melbourne. Our gross median household income in 2021 was \$2,027 per week, 6.6% higher than the Greater Melbourne median of \$1,901 per week. While our incomes have steadily grown over the past two decades, they haven't grown at the same rate as our house prices which, up until recently, grew by an average of 7.4% year-on-year. As we will see shortly, the widening discrepancy between incomes and housing prices means our 'Very Low', 'Low' and 'Medium' income earners are increasingly priced out of home ownership in our City. Rental conditions have also become more challenging.

6.3. Rising house price growth – What are the impacts?

The ongoing escalation in the cost of housing entails wide ranging social and economic impacts. For our long-standing homeowners, sustained house price growth resulted in major growth in household wealth. Full home ownership is highly prevalent in our community with 39% of detached housing currently owned without a mortgage.

For our home owning households, ongoing price appreciation has resulted in an ongoing increase in housing wealth, which later in life often enables a range of financial benefits and new housing choices including opportunities to downsize, to sell and fund retirement and to sell and pass on wealth to dependents. Ivanhoe Major Activity Centre, for instance, is emerging as a downsizer destination, while there is also evidence of older households migrating to coastal destinations from our City.

As prices have grown, the housing wealth gap between young and older households has widened. Household wealth for households in their 50's is now on average over 230% higher than households in their 30's. Younger adults more frequently live with their parents than a generation ago as affordability seemingly delays the commencement of their housing journey.

While home owning households have generally benefited from price growth, our younger residents and 'Very Low', 'Low' and 'Moderate' income households now face very challenging housing market conditions.

Our 'Low' and 'Very Low' income households are generally not able to afford to purchase in the municipality³. Households generally need to earn \$166,000 per annum to afford the local median detached house price as at 2022 and \$114,000 per annum to afford the local median unit price as at 2022.

This means that only 'Moderate' and 'High income' households are generally able to purchase in Banyule unless households have access to inherited wealth, which is an increasingly important pathway to home ownership. Even for moderate income households, purchasing is challenging. A family on the upper band of 'Moderate' incomes at \$132,000 per annum for instance, is technically able to afford a dwelling of approximately \$840,000. This, however, is below the lower quartile median price for separate houses in Banyule which was \$875,000 in 2021.

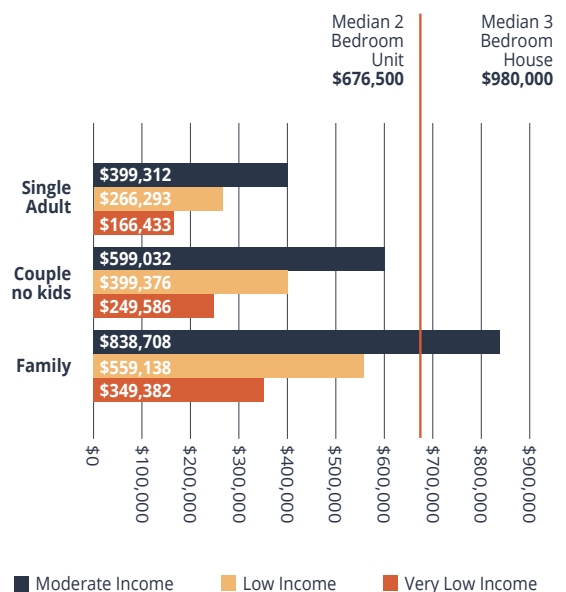
Moderate income households therefore need to choose between available 2 and 3 bedroom units and apartments in our City or migrate to more affordable housing markets such as Whittlesea, where single detached dwellings are more affordable. When this happens, however, we lose young families and young adults and their associated influence on our community.

(2022)	Median Rent (PW)	
	Unit (2 Bedrooms)	House (3 Bedrooms)
Banyule	\$400	\$470
Greater Melbourne	\$420	\$430

(2022)	Median House Price	
	Median House Price	Median Unit Price
Banyule	\$1.068 M	\$720,000
Greater Melbourne	\$975,000	\$625,000

(2021)	Tenure	Change in Tenure
Fully owned	35.9%	-0.3%
Mortgage	34.2%	0.6%
Renting - Social Housing	3.6%	-0.1%
Renting - Private	21.5%	1.9%
Other Tenure Types	1.4%	0.2%

³ See **Appendix A** for definition of income groups.



Source: REIV; ABS

Figure 8: Maximum borrowing capacity for affordable income thresholds of household types (Source: PriceFinder, Charter Keck Cramer)* assumes state government income thresholds at 2021, a maximum of 30% of income spent on mortgage repayments with a 20% deposit and a 30 year loan at 4.25% variable rate

Case Study 2: Crowded House

Now in their 70's Kevin and Rosa Germaine enjoy day to day contact with their adult son Adrian who lives with them in their unit in east Bundoora.

Adrian is a 36 year old hospitality worker who takes care of the garden and helps with the family shopping. As a household with eastern European heritage, the Germaine's encouraged Adrian to live at home while his friends were beginning to move out. Nonetheless, at this stage of life the Germaine's would prefer to be free of the house work and financial responsibility of what they describe as their *kidadult* son.

Compared with previous generations many young adults are taking longer to begin their independent housing journey. There are many factors that may cause a person to live with their parents as an adult. Adults are more likely to live with their parents in areas where housing is less affordable. Adult children living with their parents are also more likely to be unemployed or providing unpaid care.

Young adults also find it challenging to save money living out of home. For some the cost of living out of home is not worth the lifestyle advantages.

Within Banyule a quarter 25 to 39 year olds live with a parent. While near on 10% 30 to 34 years continue to live with a parent.

Greater numbers of smaller and more affordable dwellings will help our young people begin their independent housing journey sooner.

Case Study 3: Key Workers

Key workers are workers that provide essential public service roles that are critical to the functioning and well-being of society.

Compared with other municipalities, we have a higher than average concentration of key workers in our local resident base. In fact, Banyule is one of Victoria's leading locations for key workers.

Sue is one of our local key workers, she works at the Austin Hospital and is renting in the Heidelberg Activity Centre. As a registered nurse, Sue currently earns \$85,000 per annum. Her housing costs \$440 per week representing approximately 27% of her income. Sue loves her apartment, which is more spacious than the typical one bedroom flat, as it includes a study nook and access to a deck and secure parking.

Sue is steadily establishing a lifestyle in Banyule. She is a member of gym and a member of hospital netball team and local book club. As a new resident Banyule's natural beauty, landscapes and access to Melbourne's rivers have really impressed her.

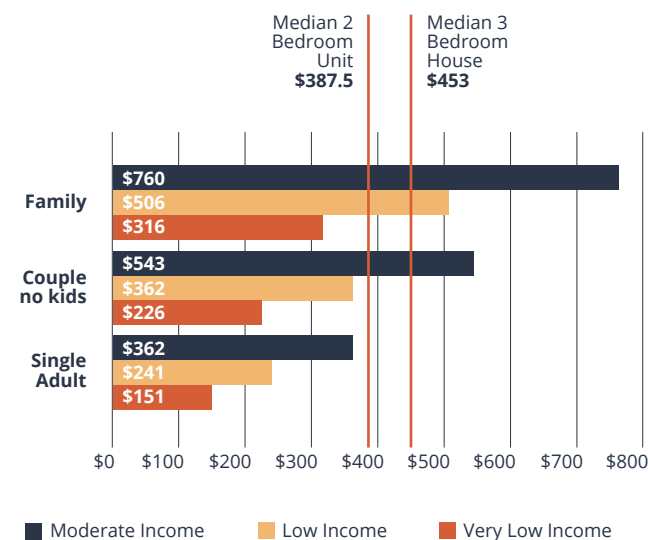
During the COVID-19 pandemic, nurses and other key workers were recognised for their vital role in the community many workers. However, median house prices in Banyule and many other middle ring suburbs mean that workers like Sue are generally unable to afford to purchase in the communities that they serve.

Renting Dwellings

An increasing number of our residents rent their dwelling on the private rental market. Dwellings for rent are most prevalent in our high-density areas with over 50% of the municipality's apartment stock occupied by renting households – notably this has marginally declined in the past five years as the number of owner occupiers in apartments has increased.

Rental costs are increasing. As a result, housing options for lone person and couple with no children households on 'Very Low' and 'Low' incomes are increasingly limited. In 2022, analysis shows that there were no dwellings available in the private rental market for 'Very Low' income households in Banyule without those households encountering rental stress (where more than a third of their income is used to pay for rent).

Moderate income households are able to afford a range of dwellings including 1, 2 and 3 bedroom dwellings. As might be expected, 3 and 4 bedroom dwellings are our municipality's most expensive rental dwellings with costs for these dwellings growing significantly over the past five years. It is important to note, that even where households are able to afford local rentals, households still need to navigate issues of quality, tenure and availability in rental markets.



Source: DHHS

Figure 9: Median Rents compared to Weekly Household Income (Source: Department of Families, Fairness and Housing Victoria, 2022)

7.1. Housing Stress

An individual is said to be experiencing **housing stress** if the occupant is spending over 30% of their disposable income on housing. This is a broad definition applied to home ownership, rental, and other forms of housing tenure. An individual experiences **rental or mortgage stress** if they must forgo basic goods, services and necessities to pay for their housing. As can be seen below, there are a relatively high number of households in technical rental stress in our municipality.

We also have a number of homeless residents in our Municipality. In 2021, we had 535 homeless residents in our Municipality.

7.2. A more affordable Banyule

To support the housing needs of our lower income households, we need to grow stock of affordable housing. While affordable housing is a broad term, it typically relates to housing that is provided to tenants at a cost that is below the prevailing market value. As our interim Social and Affordable Housing Policy states:

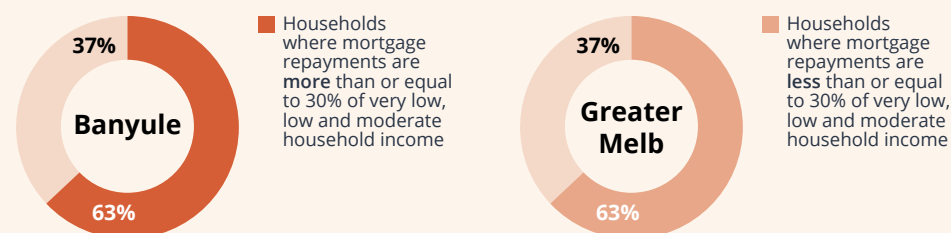
Affordable housing is quality and fit for purpose, priced at a level which is affordable relative to the income of its occupants and still allows these households to meet their other essential living costs.

Victoria's affordable housing system comprises of:

- **Public Housing:** This is housing owned and managed by government. There are 64,000 public housing units in Victoria owned by state government for tenants on the public housing list. Government is currently renewing and expanding public housing units, including dwellings in Heidelberg West.

- **Community Housing:** Not-for-profit registered housing associations and providers develop, manage and own low-cost housing across Victoria. These entities are regulated and funded by state and federal governments. There are a variety of associations and providers active in Banyule including Launch Housing and Common Equity Housing.
- **Special purpose and non-government providers:** Superannuation enterprises, private developers, industry sectors, religious groups, charitable organisations, and community trusts also provide affordable housing. These entities typically partner with community housing associations and providers in the delivery and management of housing— for instance, a community housing provider might manage a housing facility on behalf of a charitable trust.

House Mortgage Stress



Rental Stress

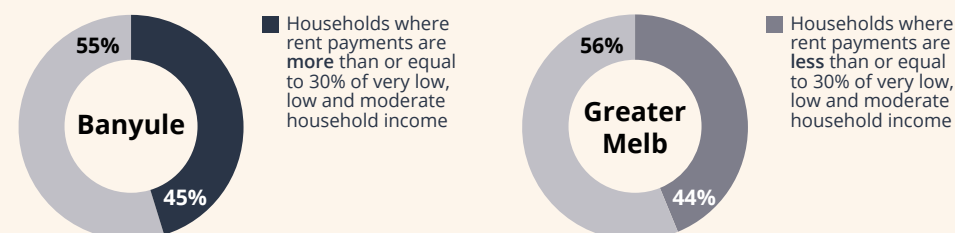


Figure 10: House Mortgage Stress (Source: ABS; Charter Keck Cramer 2023)



How Should We Plan for Housing?

Updating our housing plans involves ensuring Council is best positioned to meet the housing needs of the existing and future community while continuing to nurture and protect our environment and built and cultural heritage.

In looking forward we have defined three pillars of housing that together encompass a diversity of housing aspirations:

- **Driving Housing For All:** We are an inclusive community that plans for housing for all ages and incomes.
- **Elevating Good Design:** We are committed to facilitating high quality places through sustainable, accessible and quality design.
- **Valuing Preferred Character:** We have a unique urban character that we want to enhance and protect for current and future generations.

In this section, we canvas a range of opportunities and initiatives to plan for a more inclusive and sustainable housing future. We ask you to engage with the ideas that are canvassed below and to add your thoughts, ideas and responses.





Driving Housing for All



Elevating Good Design



Valuing Preferred Neighbourhood Character

What is included in this pillar?	<ul style="list-style-type: none"> • Location and scale • Diversity of dwelling types • Affordability • Innovation options 	<ul style="list-style-type: none"> • Quality design • Enhances liveability • Sustainable and encourages biodiversity • Landscaping/retain vegetation • Accessible design for age and disability • Consider heritage values 	<ul style="list-style-type: none"> • Protecting valued character attributes and areas • Refine preferred character where attributes are not valued • Creating pride and sense of identity in our local neighbourhoods
What documents does it relate to?	<ul style="list-style-type: none"> • <i>Housing Strategy</i> • <i>Interim Social and Affordable Housing Policy</i> 	<ul style="list-style-type: none"> • <i>Housing Strategy</i> • <i>Neighbourhood Character Strategy</i> 	<ul style="list-style-type: none"> • <i>Neighbourhood Character Strategy</i>
How does it relate to what the community told us in 2022?	<p>This pillar responds to community feedback that there is a lack of housing choice in Banyule. For example, many of our resident's report that they want to downsize and age-in-place but feel there are currently limited options.</p> <p>Many in the community also raised concerns about affordability. We also know from the 2021 Census data that Banyule has extremely limited options for moderate income earners to buy or rent in Banyule, and very low to low-income earners have even less opportunity. This issue is especially relevant for essential workers, many of whom cannot afford to live close to jobs in Banyule</p>	<p>The community have shared feedback that new dwellings are not designed to an appropriate standard. Banyule has a strong position on some elements of good design, such as a strong position on environmental and landscaping requirements. However, housing in Banyule could benefit from more guidance on facade design, selecting materials and the internal layout of dwellings.</p>	<p>Neighbourhood character has long been a priority for the Banyule community and including it as a pillar retains its importance in Banyule's housing discussion.</p> <p>The community have told us that neighbourhood character attributes such as existing vegetation and access to amenity/open space is highly valued.</p>



Driving Housing for All

- Diverse
- In the right location
- Allow innovation
- Address affordability concerns

Focus	Objective	Opportunities
Sustainable Housing Growth	Increase housing near services and transport to meet the housing needs of a more diverse and growing community.	1.1 Promote high density housing growth in and around the Ivanhoe, Greensborough and Heidelberg Activity Centres.
		1.2 Promote medium density housing growth where there is access to either services or high frequency public transport, including identification of potential greyfields site.
		1.3 Promote housing growth near the La Trobe National Employment and Innovation Cluster (Latrobe NEIC).
		1.4 Ensure all areas that are within direct proximity to high frequency public transport and services are identified as Accessible Areas to prioritise residential growth.
Housing Affordability	Help individuals, key workers and families of all income levels to access high quality housing options.	1.5 Investigate ways that planning can support an increase supply of social and affordable housing, especially in the renewal of major redevelopment sites.
		1.6 Investigate ways to enable not for profit landholders such as religious and community organisations to develop their surplus land for social and affordable housing.
		1.7 Identify opportunities to develop social and affordable housing on Council land and advocate for State and federal government land.
		1.8 Identify and promote opportunities to include the development of affordable housing in major infrastructure projects.
		1.9 Work with Aboriginal Housing Victoria to support First Nations people residing in Banyule determine their own housing future and secure appropriate, affordable housing that will strengthen community and cultural ties.



Driving Housing for All

- Diverse
- In the right location
- Allow innovation
- Address affordability concerns

Focus	Objective	Opportunities
Diverse Housing	Expand the range of housing types and tenures in our community	2.0 Investigate ways to encourage major institutions and their industry superannuation funds to develop key worker housing in our Activity Centres.
		2.1 Promote the development of key worker and student housing near education and health precincts and train stations, for purchase or rental schemes.
		2.2 Encourage the development of 3-bedroom apartments, garden apartments and two bedrooms plus study apartments in high rise and major redevelopment sites.
		2.3 Identify preferred land use and character conditions in which secondary dwellings (permanent granny flats) can be supported.
		2.4 Reduce car parking requirements for co-housing, build to rent and build to sell schemes that include affordable housing in close proximity to services and transport.
		2.5 Investigate opportunities to promote Shared Equity Housing Schemes, such as the Victorian Homebuyer Fund.



Elevating Good Design

- Quality architecture
- Enhances liveability
- Sustainable
- Landscaped
- Universal/ accessible
- Accessible design for age and disability

Focus	Objective	Opportunities
Quality Design	Promote good design which meets the varying needs of the community while also meeting other objectives like sustainability and neighbourhood character	2.6 Support better design outcomes by facilitating community and industry forums on how to achieve quality design
		2.7 Investigate ways to celebrate quality design through a design excellence program.
		2.8 Explore opportunities to enable networking between local developers/social and affordable housing providers and local architects and landscape designers.
Sustainable Design	Promote functional and sustainable living.	2.9 Support sustainable outcomes by continuing to seek ways to improve on energy and thermal efficient design, water efficient design, the integration of renewable and clean energy infrastructure into new and old buildings and the use of sustainable materials.
		3.0 Increase awareness of opportunities to incorporate passive design techniques such as building orientation, shading, natural ventilation, and thermal mass to optimize energy efficiency and indoor comfort.
		3.1 Seek ways to promote vegetation retention and planting of new vegetation, with a preference for native plants.
Improve infill development	High and medium density buildings promote cohesive, sustainable and liveable communities.	3.2 Develop guidance to improve the amenity, design and attractiveness of high and medium density dwellings focusing on optimising natural light to living areas, enhancing and increasing green spaces, street integration and improving safety and security in high rise settings.
		3.3 Investigate ways to promote garden apartments and rooftop gardens.
		3.4 Review the effectiveness of the Postcode 3081 Urban Design Framework on influencing medium density development and expand its application to other areas supported for medium density development.
Accessible Design	Ensure the accessibility and usability of housing for people of all ages and abilities	3.5 Investigate ways to promote the development of accessible dwellings in apartment buildings, particularly at the ground floor whilst maintaining amenity.
		3.6 Review the guidance for including long term accessibility elements in housing development, including wider doorways, step-free entrances, grab bars, lever handles, and non-slip surfaces.



Valuing Preferred Neighbourhood Character

- Protecting valued character attributes and areas
- Refine preferred character where attributes are not valued
- Creating pride and sense of identity in our local

Focus	Objective	Opportunities
Confirm Neighbourhood Character Aspirations	New residential buildings support local identity and a sense of place.	3.7 Review the neighbourhood character precincts and preferred character statements to ensure character definitions and designations align with local architectural and environmental character in 2023.
		3.8 Explore the creation of 'sub-precincts' to separate high change areas (such as 'Diversity' and 'Accessible' areas) from their parent Neighbourhood Character Precinct, to provide better guidance within the neighbourhood character precincts.
Clarify & Strengthen Character Requirements	Ensure that new residential buildings meet preferred character requirements.	3.9 Clarify the ways in which the design and development of new dwellings can contribute to and support preferred character by strengthening guidance in relation to built form, siting, landscaping and streetscapes.
		4.0 Provide guidance on the ways in which multi-dwelling development can contribute to preferred character.

In the above tables we have identified some objectives and opportunities to deliver each of the pillars. Several of these give an innovative, creative response to meet our housing challenges. This section explores some of those further.

8.1. Support more co-housing development

Co-housing is a form of community housing in which the design, management and governance of housing is based on objectives related to sustainability, affordability and community. One of Melbourne's best known co-housing developers is The Nightingale, which is a not-for-profit developer that has now completed 14 high density energy efficient buildings in Melbourne that include shared facilities and affordable living and purchase arrangements. Co-housing includes resident-led governance.

8.2. Unlocking land for more affordable housing

Our *Interim Social and Affordable Housing Policy 2023* sets out our aspirations and directions. Council has multiple 'hats' in this space, including as both planning authority, facilitator and advocate to State Government to unlock surplus land for housing. Options include:

- Negotiate affordable housing agreements on major redevelopment sites
- Develop affordable housing on surplus government land
- Facilitate affordable housing outcomes on private land

Example: Murundaka Co Housing

In 2011, the Murundaka Co-Housing community developed a co-housing facility in Heidelberg Heights that currently accommodates 20 households. As a low cost, intentional and sustainable community, the community generate much of its energy on site, cultivates produce and shares facilities and meals.

Murundaka is a Wurundjeri word meaning 'a place to stay; to live'.



Example: Bellfield Community Hub and Residence

In recent years, State and Federal government has, in response to critical shortages of affordable housing, expanded funding for the development and management of social and affordable housing. Victoria's Big Build provides significant development funding while at a federal level, the Commonwealth provides finance and land development funding. To secure funding, the affordable housing developer generally needs to provide land, which is why Councils around Victoria are now working to unlock funding and build affordable housing through the use of their own land.

In 2021, Council entered into an agreement with Launch Housing who will build and manage 58 social and affordable housing units for low and moderate income earners in Bellfield. Council has provided Launch Housing a 50-year ground lease after a competitive process undertaken by Council in 2020. The development sits within a broader renewal precinct that includes new community infrastructure and market based residential development.

The development incorporates a timber structure that reduces embodied carbon, a solar panel array and a recyclable façade system.



8.3. Greyfield renewal

Medium density infill development is often piecemeal and opportunistic. The challenge is to regenerate our suburbs through a scale of change that is more strategic, sensitive and sustainable.

One way to do this is through greyfields renewal. The greyfield methodology initially focuses on identifying collections of aged sites. Precincts are then formed by engaging with residents to formulate a vision of change that enhances the sustainability of a location while residential density increases.

Intensive community engagement and leadership builds a social licence for residential change. By taking a precinct approach to the renewal of aged housing, the greyfields concept aims to achieve a standard and scale of sustainable change that is far superior to ongoing piecemeal incremental change.

The City of Maroondah in collaboration with Swinburne University are national leaders in greyfield renewal. In 2021, the Minister for Planning approved a planning framework for two renewal precincts in Croydon and Ringwood. The greyfield planning instrument allows increased residential density which is contingent on lot amalgamation with mandatory building heights, boundary setbacks, overshadowing, landscaping, and a green-star rating. The instrument also collects development funds for new community infrastructure.

8.4. Supporting More Secondary Dwellings

A secondary dwelling is a small-scale dwelling that is smaller in scale and subordinate to a site's main or principal dwelling. Secondary dwellings include living, eating, sleeping and cooking areas that allow for independent living. They also have a separate entrance to that of the primary dwelling.

Alternative forms of housing such as secondary dwellings offer:

- rental options that are generally more affordable than the prevailing private rental market
- housing for lone and couple only households seeking small footprint housing
- extra rental options for the community
- extra income for the primary household

People in different life stages have different housing needs. Secondary dwellings provide flexible housing options for friends, family, and ageing parents and enable households and individual to dwell temporarily as they transition between different life stages.

Secondary dwellings are currently subject to the same planning controls as multi-unit developments, which represents a significant barrier to development. Secondary dwelling proposals are subject to the same evaluation as far more intense development even if their impact on siting and vegetation is minimal. Barriers in the development of secondary dwellings result in a lack of affordable smaller homes.

Secondary dwellings are often called granny flats. Granny flats are however dependent person units in which the person living in the dwelling is dependent on a person living in the primary dwelling.

Example: Small or manufactured housing

The small or tiny house movement entails significantly downsizing living spaces, to both simplify life and live with less. Victoria has several emerging manufactured dwelling companies who develop highly affordable contemporary small dwellings that incorporate sustainable principles. Manufactured housing represents a cost and size alternative to conventionally built housing that is both relatively low cost to deliver while further diversifying housing choice for increasing numbers of lone and couple only households.

Small housing is ideally suited to functioning as a secondary dwelling.





Next Steps

How will your feedback to this Housing Discussion Paper be used?

Your feedback on this Discussion Paper will help inform Banyule's approach to Housing over the next 15 to 20 years.

The next step will be to use your feedback, along with State Government policy and guidance, to update Banyule's *Housing Strategy* and *Neighbourhood Character Strategy* as the overarching strategic documents to guide residential development.

The updated *Housing Strategy* will provide direction on the housing needs of our current and future community, including suitable locations for housing growth, housing diversity and affordable housing. The updated *Neighbourhood Character Strategy* will be prepared concurrently to ensure that future housing needs align with desired future neighbourhood character. We will come back to you with the draft updated strategies in 2024 to check if we got it right.

By the end of 2024, we aim to have refreshed our municipal wide housing and neighbourhood character policies and strategies.

Our updated strategies will result in a new Residential Areas Framework Plan which, as discussed through this paper, is a critical strategic tool for guiding scale and location of future residential growth.

9.1. What is likely to change?

- New *Banyule Housing Strategy*
- New *Banyule Neighbourhood Character Strategy*
- Additional guidance for better designed houses, especially for medium and high-density housing development
- Planning Scheme Amendment to apply zones and overlays to implement the strategies
- Defining Council's position on social and affordable housing



Appendices

Appendix A: Defining Income

Housing affordability within this report is measured with respect to the Very Low, Low and Moderate income thresholds prescribed by the Department of Environment, Land, Water and Planning. The thresholds for 2021 have been used to provide consistency with the timing of Census data and are detailed below with reference to different household types.

Broadly speaking, there is little difference in the distribution of households on Very Low, Low and Moderate incomes between Banyule and Greater Melbourne.

Household Type	Very Low Income Range (Annual)	Low Income Range (Annual)	Moderate Income Range (Annual)
Single Adult	up to \$26,200	\$26,201 to \$41,920	\$41,921 to \$62,860
Couple, no dependent	up to \$39,290	\$39,291 to \$62,870	\$62,871 to \$94,300
Family (with one or two parents) and dependent children	up to \$55,000	\$55,001 to \$88,020	\$88,021 to \$132,030

Figure 11: Income thresholds for affordable housing in 2021

Source: Department of Environment, Land, Water and Planning

Appendix B: Glossary

Affordable Housing	<p>Affordable housing is a broad term describing housing (to buy or rent) which is suitable for the needs of very low to moderate income households. Affordable housing is quality and fit for purpose, priced at a level which is affordable relative to the income of its occupants and still allows these households to meet their other essential living costs.</p> <p>Household incomes can be found in Figure 11.</p>
Co-housing	<p>Co-housing models are private households clustered around shared spaces. Popular in Northern European countries, these models intentionally foster community interaction through the usage of shared kitchens, open space, laundries and activity rooms.</p> <p>The legal structure of co-housing models typically operates around a homeowner association. The average size and scale of a co-housing model is anywhere between 8 to 50 households.</p>
Greyfield Sites	<p>Greyfield sites are residential areas where building stock is near the end of its useful life and land values make redevelopment attractive. Melbourne has many residential areas that qualify as greyfield sites, particularly in established middle and outer suburbs.</p>
Housing Density	<p>Housing density refers to the concentration of dwellings.</p>
Low Density	<p>Refers to separate houses which are structurally independent of surrounding dwellings.</p>
Medium Density	<p>Includes units, townhouses and low-rise apartments (generally between 2 to 5 storeys).</p>

High Density	<p>Includes apartment buildings of 5 storeys or more.</p>
Housing Stress	<p>Housing stress is experienced when an individual must forgo basic goods and services in order to pay for housing related costs.</p>
Key Worker Housing	<p>Key worker affordable housing is accommodation for key workers who are unable to afford market rents for housing. A key worker is anyone who is employed in essential industries like health care, education, emergency services and law enforcement. Many of our members belong to these sectors of the community.</p>
Metropolitan Activity Centre	<p>The highest form of activity centre aimed at providing a diverse range of jobs, activities and housing for a regional catchment and is well serviced by public transport. These centres play a major service delivery role, including government, health, justice, and education services, as well as retail and commercial opportunities.</p>
Major Activity Centre	<p>These areas play a suburban focal point for services, employment, housing, public transport, and social interaction.</p>
Neighbourhood Activity Centre	<p>These are local neighbourhood centres that provide access to local goods, services and employment opportunities that serve the needs of the local community.</p>
Secondary dwellings	<p>Secondary dwelling are small-scale dwellings smaller in scale and subordinate to a site's main or principal dwelling. Secondary dwellings are often referred to as 'Granny Flats' and include living, eating, sleeping and cooking areas that allow for independent living.</p>

Appendix C: Responding to State Planning Objectives

State Planning Objectives	Direction	Banyule Housing Strategy Implications
Increase the supply of housing in the Northern Metro Region	<ul style="list-style-type: none"> • Maximise housing development within the established areas of the Northern Metro Region. 	<ul style="list-style-type: none"> • Continue to support housing growth in our accessible and diversity change areas. • Continue to support moderate housing change in incremental locations. • Identify major redevelopment and renewal opportunities to promote housing change and renewal. • Review and refine our <i>Residential Areas Framework</i> considering current development trends, growth pressures, demographic change and new housing development opportunities resulting from new transport infrastructure and housing innovation.
Prioritise housing growth in areas with access to jobs, services and good public transport	<ul style="list-style-type: none"> • Increase the supply of medium and higher-density housing around the La Trobe NEIC, in and around metropolitan and major activity centres, urban renewal areas, SRL precincts and in and around neighbourhood activity centres serviced by good public transport. • Maximise development potential in housing investigation areas around existing and proposed train stations to leverage access to the PPTN. 	<ul style="list-style-type: none"> • Continue to support housing growth in and around the Heidelberg, Ivanhoe and Greensborough Major Activity Centres. • Review the scale of housing growth supported in and around our Neighbourhood Centres with access to transport infrastructure including Watsonia and Rosanna Stations and around La Trobe University. • Plan for the impact of the Suburban Rail Loop in Heidelberg and its potential to further grow the Centre's role as a metropolitan health precinct and key worker destination. • Identify all land near high frequency public transport infrastructure and the potential for this land to support additional housing.

State Planning Objectives	Direction	Banyule Housing Strategy Implications
Provide greater choice and diversity of housing in the Northern Metro Region	<ul style="list-style-type: none"> • Encourage a genuine mix of dwelling types and sizes. • Facilitate the development of housing that is adaptable and flexible to cater for changing demographics and to support 'ageing in place'. • Optimise the opportunities for student accommodation and key worker housing around health and/or education precincts in the Northern Metro Region. • Ensure new residential development is well-designed, durable, resilient to climate change and built to a high-quality standard. • Adopt a place-based approach to the delivery of infill housing developments to replace ageing housing stock; ensure a high-quality of design that is appropriate for the local context and contributes to housing supply and diversity. 	<ul style="list-style-type: none"> • Continue to support diverse housing outcomes through the refreshed <i>Residential Areas Framework</i> • Explicitly support the development of new co-housing facilities in our future housing strategy and policy. • Investigate the way in which secondary dwellings might be incorporated into character areas without adversely impacting on preferred character. • Identify opportunities to support the development of student housing in proximity to the La Trobe University. • Support the development of key worker housing in the Heidelberg Major Activity Centre. • Review Maroondah's Greyfield precinct initiative and explore opportunities to identify Greyfield precincts in Banyule to guide the sustainable renewal of aged dwellings. • Incorporate high density design and character aspirations in the updated Neighbourhood Character Strategy.
Increase the supply of social and affordable housing	<ul style="list-style-type: none"> • Facilitate more affordable housing across the region, particularly in locations that have good access to jobs, services and public transport. 	<ul style="list-style-type: none"> • Confirm Council and the community's commitment to affordable housing. • Work with state government, housing associations and development entities to facilitate affordable housing. • Identify surplus Council land, facilitation initiatives and planning policy incentives to facilitate social and affordable housing.



Banyule
City Council