

# RESIDENTIAL ZONES REFRESH

Plan Melbourne and Residential  
Zone Review 2016

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# Why are we here today?

- Change in Government has led to:
  - Plan Melbourne Refresh
  - Review of Reformed Residential Zones
- Discussion around potential impact
  - What's changing
  - What controls can you utilise today
    - Building and Works (ie housing)
    - Subdivision

# Plan Melbourne Refresh

- State Planning Discussion Plan Melbourne was released by the Liberal Government in 2014
- Introduction of a new Labor Government resulted in consideration of a Refresh of Plan Melbourne in 2015 to address key changes:
  - Population Growth
  - Housing Location
  - Employment Location
  - Transport and trip generation
  - Weather changes

# Plan Melbourne Refresh - CHALLENGES

## THE CHALLENGES AND OPPORTUNITIES FOR MELBOURNE

Melbourne is facing many challenges with significant planning implications including:



### PEOPLE

Melbourne's population is expected to increase from 4.4 million to 7.7 million by 2051



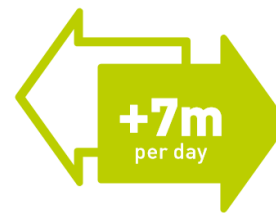
### HOMES

There is expected to be an extra 1.5 million homes by 2051



### JOB

By 2031 there is expected to be another 1.7 million jobs



### TRIPS

7 million extra road, public transport, cycling and pedestrian trips per day on Melbourne's transport network by 2040



### EXTREME WEATHER DAYS

13 days per year over 35°C by 2030

(Plan Melbourne, 2013)

# Plan Melbourne Refresh - ISSUES

- The Refresh broadly addressed:
  - Growth Challenges
  - Employment and Investment
  - Transport
  - Housing
  - Climate Change
  - Implementation



(Plan Melbourne, 2013)



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  - Employment and Investment
  - Transport
  - **Housing**
  - Climate Change
  - Implementation



(Plan Melbourne, 2013)

# How many and where?

*“Melbourne’s population is expected to almost double from 4.4 million to 7.7 million by 2051 meaning 1.5 million more homes will need to be built by 2051”* Plan Melbourne Refresh

- Labor government is moving away from providing housing within the Growth Areas to Inner and Middle Ring suburbs:
  - Attempt to control where development occurs
  - Not so focussed on a target to protect the suburbs
  - Establishing a 70/30 target within the urban growth boundary
- 70/30 target was most contentious issue:
  - Deliver 30% in greenfield growth areas
  - Deliver 70 % of new housing in Melbourne’s established areas

## What will the final Plan Melbourne Refresh contain?

- Expectations that the final document will provide direction in regard to:
  - Population growth and preferred housing location
  - Greyfield renewal (existing building stock is outdated and land values make redevelopment attractive)
  - Promoting housing diversity through design controls
  - Affordable housing
  - Review the role of the Reformed Residential Zones



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  - **Review the role of the Reformed Residential Zones**

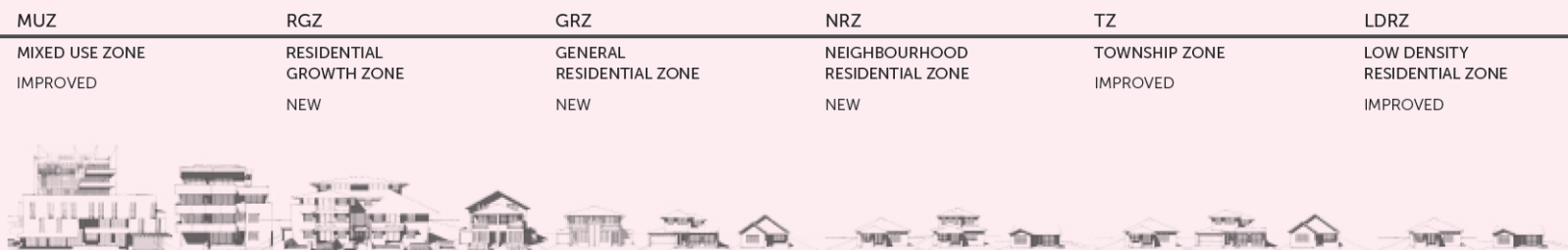
# Reformed Residential Zones - REFRESHER

- The reformed residential zones were introduced into the Victoria Planning Provisions on 1 July 2013. All Schemes were amended by 1 July 2014.
- The previous Residential 1, 2 and 3 Zones have been removed from the Victorian planning system.
- The new residential zones are:
  - Residential Growth Zone
  - General Residential Zone
  - Neighbourhood Residential Zone.

# Reformed Residential Zones - REFRESHER

- Key features of the new zones include:
  - setting a mandatory building height of eight metres in the Neighbourhood Residential Zone
  - improved purpose statements for the zones
  - restricting non-residential uses in the Neighbourhood Residential Zone and the General Residential Zone
  - allowing small-scale complementary commercial uses in the Residential Growth Zone.







# Reformed Residential Zones



	MUZ MIXED USE ZONE IMPROVED	RGZ RESIDENTIAL GROWTH ZONE NEW	GRZ GENERAL RESIDENTIAL ZONE NEW	NRZ NEIGHBOURHOOD RESIDENTIAL ZONE NEW	TZ TOWNSHIP ZONE IMPROVED	LDRZ LOW DENSITY RESIDENTIAL ZONE IMPROVED
WHAT IS THE ROLE OF THE ZONE?	Enables new housing and jobs growth in mixed use areas.	Enables new housing growth and diversity.	Respect and preserve urban character while enabling moderate housing growth and housing diversity.	Restricts housing growth in areas identified for urban preservation.	Provides for residential and other uses in small towns. Enables moderate housing growth.	Enables low density housing.
WHERE WILL IT BE USED?	In areas with a mix of residential and non-residential development. In local neighbourhood centres undergoing renewal and around train stations, where appropriate.	In appropriate locations near activity areas, train stations and other areas suitable for increased housing activity.	In most residential areas where moderate growth and diversity of housing is provided, it is consistent with existing neighbourhood character.	In areas where single dwellings prevail and change is not identified, such as areas of recognised neighbourhood character or environmental or landscape significance.	In townships.	On the fringe of urban areas and townships where sewerage may not be available.
DOES RESCODE APPLY?	Yes (up to and including 4 storeys)	Yes (up to and including 4 storeys)	Yes	Yes	Yes	No
WHAT SORT OF HOUSING CAN BE EXPECTED?	High and medium density housing A mixture of townhouses and apartment style housing up to three storeys, and higher where appropriate.	Medium density housing A mixture of townhouses and apartments with underground car parking.	Single dwellings and some medium density housing A mixture of single dwellings, dual occupancies with some villa units and in limited circumstances town houses, where appropriate.	Single dwellings and dual occupancies under some circumstances	Single dwellings and some medium density housing A mixture of single dwellings, dual occupancies, villa units and town houses.	Single dwellings
DOES THE ZONE SET A MAXIMUM BUILDING HEIGHT FOR HOUSING?	No But a maximum building height can be specified.	Yes, 13.5 metres But a higher or lower maximum building height can be set by a council.	Yes, 9 metres But a higher or lower maximum building height can be set by a council.	Yes, 8 metres mandatory Can be varied by council with approval from the Minister for Planning.	Yes, 9 metres But a higher or lower maximum building height can be set by a council.	No
CAN A PERMIT BE GRANTED TO EXCEED THE MAXIMUM BUILDING HEIGHT?	Yes When approved by a council.	Yes Except when a higher or lower maximum building height has been set which cannot be exceeded.	Yes Except when a higher or lower maximum building height has been set which cannot be exceeded.	No Except when a higher or lower maximum building height has been set which cannot be exceeded.	Yes Except when a higher or lower maximum building height has been set which cannot be exceeded.	No
IS A STRUCTURE PLAN OR DESIGN FRAMEWORK REQUIRED FOR THE ZONE TO BE APPLIED?	No The preferred future use of land and built form may be specified if necessary.	No The preferred future built form may be specified if necessary.	No	No	No	No



# Reformed Residential Zones

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(DEWLP, 2015)

# What needs improving?

- Not all zones within which residential development could occur was represented ie Commercial 1 Zone
- Differences and inconsistencies in the application of residential zones
- Lack of understanding of current application of zones and development of residential land
- No guidance on how to monitor residential development over time
- Lack of detail in regard to subdivision of land and yield expectations
- Whether there are any further opportunities to improve the residential zones and/or associated planning tools.

# So what is the Government doing?

- An Advisory Committee has been appointed to report on the **application of zones** that provide for residential development in metropolitan Melbourne and the four regional cities of Bendigo, Ballarat, Geelong and Latrobe, having regard to managing growth, proximity to transport and jobs, housing affordability and diversity.

# Advisory Committee Findings

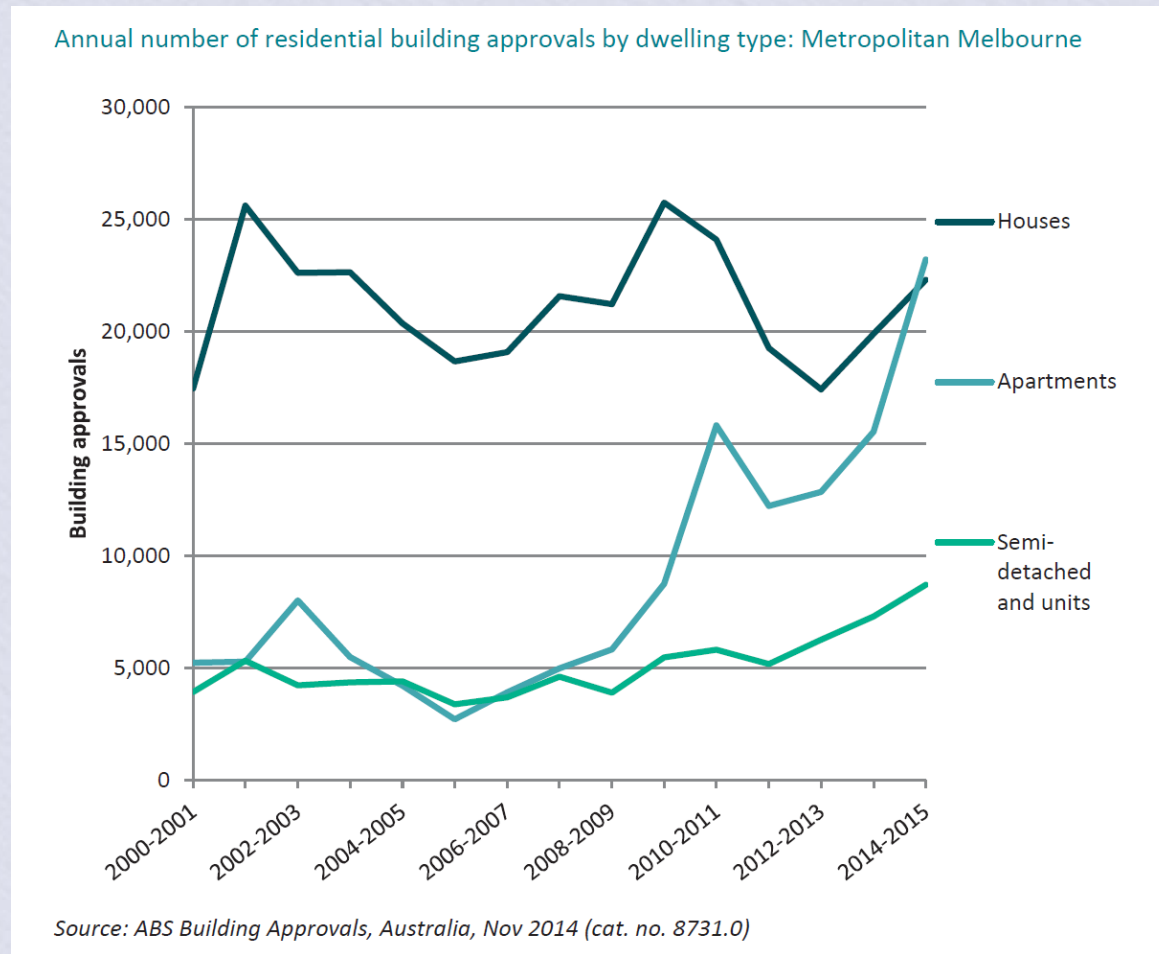
- Changing dwelling approvals within Victoria over the past 15 years
  - During 2000s, average dwelling approvals of 41,000 dwellings per annum
  - 2009 - 2014 average dwelling approvals over 54,000 dwelling per annum
  - 2015 reached a peak of 66,000 approvals.
- Metropolitan Melbourne is the main location for housing construction in Victoria, accounting for over 80% of Victoria's building approvals



# Advisory Committee Findings

- Recent housing growth is tied to the growth in apartments:
  - From 4,200 approvals in 2004-05, apartment approvals grew to more than 23,000 in 2014-15
  - **More than a five-fold increase!!!**
- Growth has also been boosted by units and townhouses:
  - From 4,300 approvals in 2004-05, townhouses and units grew to 8,700 approvals in 2014-15

# Most telling graphic of recent growth

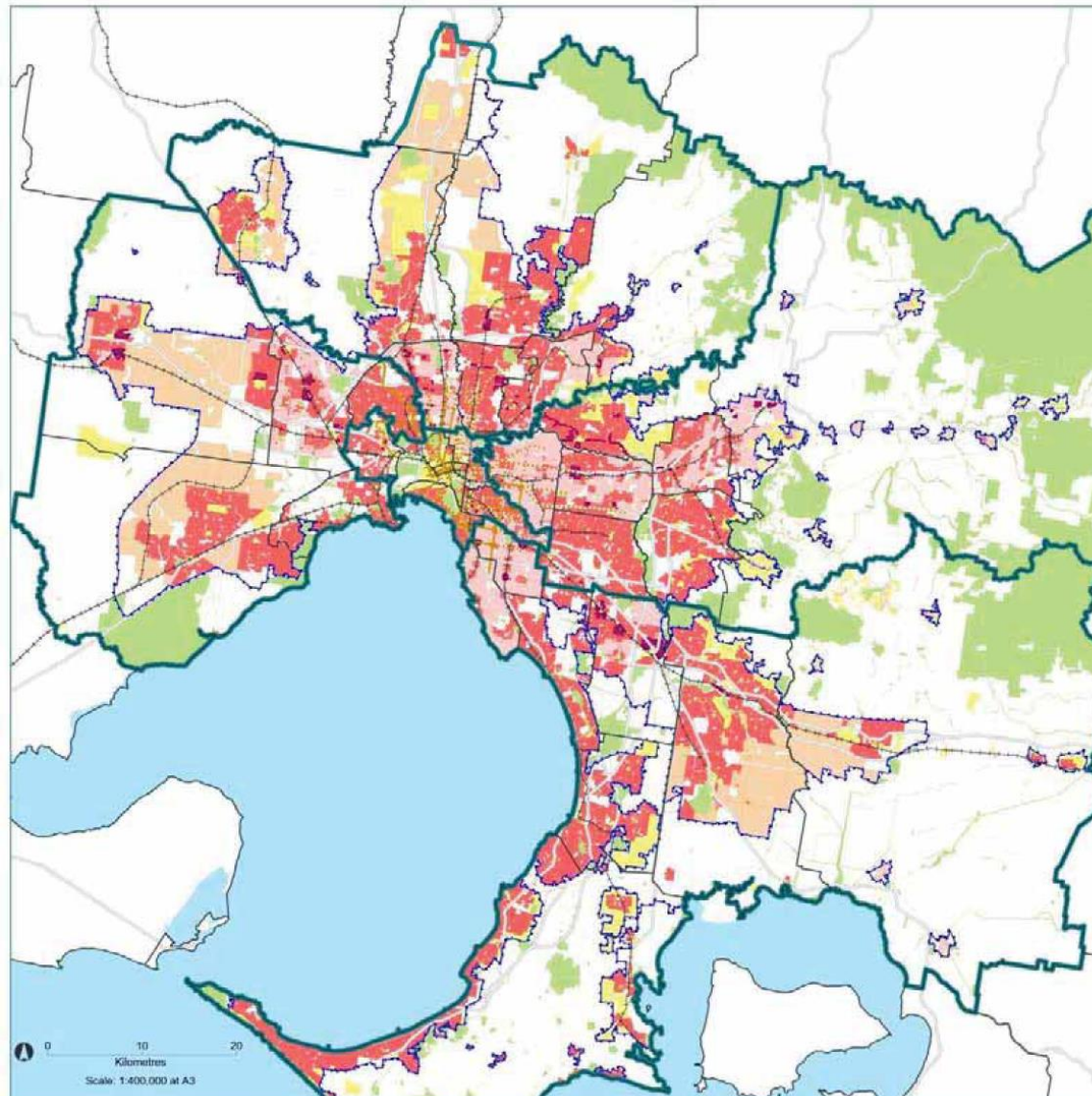


(DEWLP, 2015)

# Where is this growth taking place?



# Where is this growth taking place?



- Residential Growth Zone (RGZ)
- General Residential Zone (GRZ)
- Neighbourhood Residential Zone (NRZ)
- Other zones that allow for residential development\*
- Urban Growth Zone (UGZ)
- Public land^

- Urban growth boundary
- Plan Melbourne Subregion boundary
- LGA boundary
- Tram route
- Freeways/Highways
- Railway



\* May include one or more of the following zones:  
ACZ, C1Z, CCZ, CDZ, DZ, LDRZ, MUZ, PDZ, RAZ, RLZ, TZ  
^ Refer to glossary of terms



# New Residential Zones Impact Analysis

## Early impacts of the residential zones:

- **Housing Supply**
  - Early indications is that the zones have not impacted supply
  - RGZ – Greater understanding of likely yield as a result of height provisions
  - NRZ – Perhaps too soon to tell (housing being built under existing approvals under old zones). General growth may skew the results
- **Certainty within the Planning system**
  - Move away from Discretionary to Mandatory framework has given more certainty
  - RGZ gives certainty for developers
  - NRZ gives certainty for community
- **Balance between protection and growth in residential areas**
  - Zoning for new zones has occurred abutting transport routes and activity centres
  - Looking into better understanding the impact of Commercial 1 and Mixed Use zone
  - Different applications between different Councils – perceived unfairness

# Proposed Changes

- Recommendations to the Minister
- Seven Pages with recommendations across all three residential zones
- Key potential changes such as:
  - NRZ height limit increase to 9 metres (ie 3 storeys)
  - NRZ amend loophole allowing for multi lot subdivision
  - GRZ introduce a Building Design Guideline for multi-level developments
  - RGZ include classification for lot sizes and developments expected to achieve higher density
  - Other Zones clarify and provide consistent building height exemption in all residential zones.

# How can we assist?

- Niche Planning Studio staff:
  - Help you and your clients better understand the likely changes to the Reformed zones and impact for land purchases, sales and development yields
  - Continue to navigate the minefield of the existing Residential zones to achieve the best outcome
    - EXAMPLE - Lloyd Anderson VCAT case regarding application of subdivision controls within the NRZ