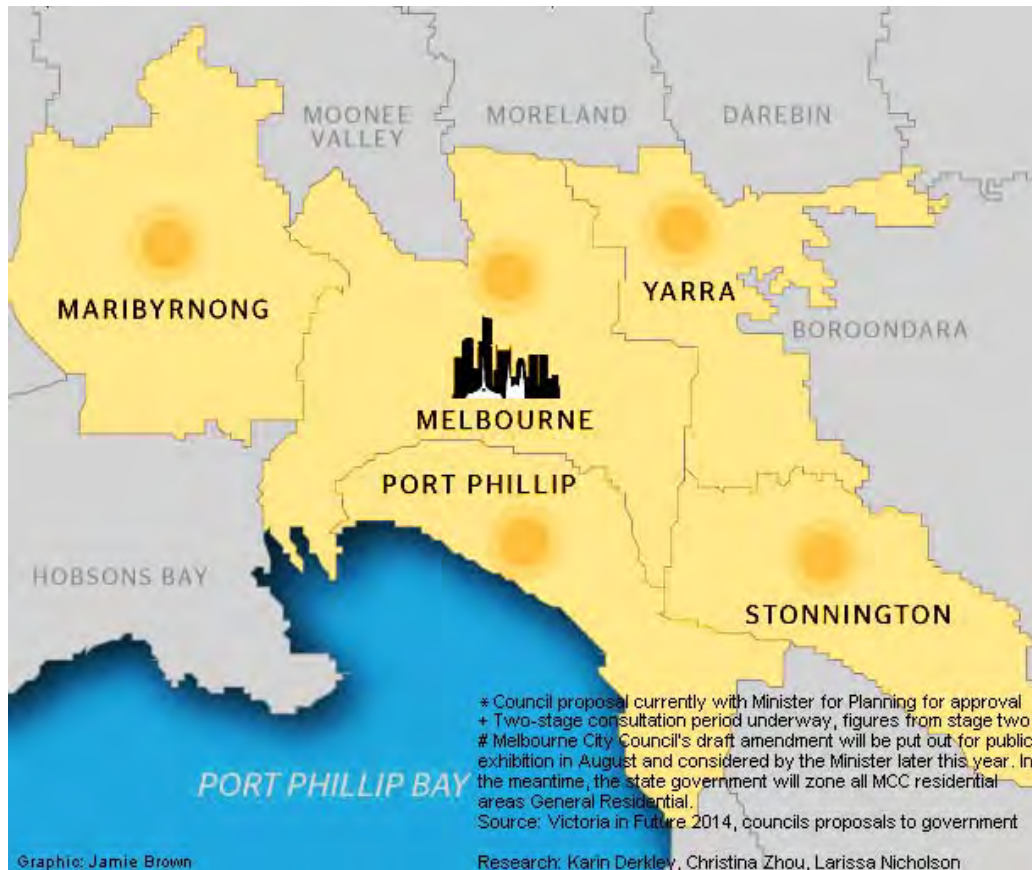


## PLANNING REFORMS LOCK UP MELBOURNE SUBURBS

June 15, 2014 Karin Derkley



A city bristling with three times as many high-rise towers as today. Twenty-storey apartment buildings along commercial strips in the suburbs. Continued sprawl on Melbourne's fringes, where there are few services and little transport. And a sea of single-dwelling housing in a low-rise middle suburbia, swaths of which have reached the end of their utility but will be uneconomic to redevelop. Welcome to Melbourne's housing future under the Napthine government's new planning policy.

Released in draft form last October, Plan Melbourne, with its new residential zones - Neighbourhood (where development is highly restricted), General (where some low-rise development is possible) and Growth (where medium and higher density is permitted) - comes into effect in three weeks.

*The Sunday Age* has made a special investigation, comparing the ambitious scope of the policy, including its stated aim to enable the construction of at least another 1.5 million dwellings, with its imminent reality. Over three weeks, we will examine how the reality of Melbourne under the new zones will be very different from the development regime of the past decade - and what it means for you. Plan Melbourne will mean fundamental changes to how neighbourhoods look, and to the value of many people's homes.

House prices in suburbs close to the city, and older suburbs in the south-east will continue to rise as the wealthy flock to their amenities - transport, schools, hospitals - and historic streetscapes, planning experts say. But elsewhere, the growth in home

values is predicted to flatten as subdivisions decline, and many owners are unable to unlock the value of their land. Meanwhile, Melbourne's population is predicted to grow significantly. Where will they be accommodated? In high-rise towers in the city and in commercial areas in the suburbs, and on the urban fringe.

If that seems like a win for the not-in-my-backyarders and save-our-suburbs activists who feared neighbourhood amenity would be destroyed by medium-density development, their celebrations may be tempered by the reality that their housing value has also been reduced - a key asset in many people's retirement plans - and their ability to downsize to a smaller house in their own neighbourhood is in peril.

Their children and other first home buyers will be forced to move into apartments in busy commercial zones, or to the fringes where essential services such as schools, medical services and transport lag years behind schedule. One of the more ambitious goals of Plan Melbourne was the creation of 20-minute neighbourhoods - where jobs and amenities are embedded throughout the metropolitan area rather than centralised in the CBD. But as the devil in the policy's detail comes into focus, it is clear that growth has been so constrained that Melbourne will not swell evenly. It will be tightly constricted - so where it can grow, it will bulge. Hugely. As part of Plan Melbourne, the Minister for Planning, Matthew Guy, committed to a new permanent urban growth boundary for Melbourne, and promised that the development of new dwellings on the fringes would be limited to less than 40 per cent of the total.

That means the majority of extra dwellings required will need to be absorbed within Melbourne's current boundaries. Yet at the same time, the minister promised that at least 50 per cent of the suburbs would be "protected" from development and gave local government the responsibility for nominating the proportion of their suburbs they would like to allocate to each of the new residential zones.

Given the politically charged task of deciding where in their municipality greater density would be encouraged, many councils have asked for large swaths of their suburbs to be zoned at the most restrictive Neighbourhood Residential Zone (NRZ) level, which effectively excludes infill developments of townhouses and small-scale apartments. If the council amendments are approved by the minister, critics say the goal to house another 1.5 million households will be hamstrung as large areas of the suburbs are closed to redevelopment.

It is a decision that senior planning consultant Rob Milner, of 10 Consulting Group, describes as an "overzealous" protection of the suburbs, which he believes will undermine any chance of delivering affordable housing of the diversity needed by tomorrow's Melburnians. "We understand that people want to protect their particular domain, but what we have is some of the richest municipalities with the best transport and hospital services being covered by the most restrictive controls."

Former member of the Plan Melbourne Advisory Committee, urban and regional planner Professor Roz Hansen, who has been a vocal critic of the plan, says that apart from locking up the suburbs, the plan's housing strategy relies on two components: "One is to pump up the central city as much as they can with apartments, and the other is to let the greenfields [outer growth areas] rip. It's a pretty unsophisticated strategy."

Many councils have asked to have at least three-quarters of their suburbs allocated to the NRZ, which limits development to single dwelling and dual occupancies, and has a mandatory height limit of eight metres, or two storeys. Boroondara, which includes the leafy inner-eastern suburbs of Kew, Camberwell, Balwyn and Glen Iris, has allocated 80 per cent of its suburban area to the NRZ. Glen Eira has allocated 78 per cent, while Moonee Valley and Kingston have set aside over 75 per cent.

Boroondara has also curbed even dual-occupancy developments from its suburb by stipulating a minimum land size of 400 square metres for development. Lots will thus need to be a minimum 800 square metres or more in order to be subdivided. While this protection may be comforting for residents of these suburbs, the ramifications are potentially disastrous for the rest of the city, critics say.

Planner Colleen Peterson, of Ratio Consultants, says many of the suburbs shutting out development are the areas best placed to provide more housing. "These are the suburbs that have access to amenities and infrastructure, the areas where people want to live." Hansen says the initial idea of the plan was to unlock the middle-ring suburbs, which include not just the heritage-rich suburbs but also those such as Box Hill, Oakleigh, Reservoir and Sunshine.

"There's a lot of housing in those older middle suburbs coming to the end of its life, ripe and ready for suburban renewal, and job and infrastructure rich, and they are effectively closing [that] off to densification." The inner and middle suburbs are those most likely to be developed by smaller family operations, often subdividing their own suburban blocks into townhouse or unit developments, Andrew Spencer, a planner with SGS Economics and Consulting points out. He says 45 per cent of new dwellings are carried out by these "cottage construction" developers who turn around properties relatively quickly and cheaply.

The new NRZ is likely to eliminate this small-scale activity, depriving future buyers of affordable and diverse housing in the suburbs where they want to live, he says. While that could mean higher prices in the establishment suburbs with their valuable heritage streetscapes, it could mean the opposite in less wealthy suburbs with streets of "obsolete" 1950s and 1960s homes, says Robert Papaleo, strategic research director with Charter Keck Cramer.

"The NRZ could deprive owners [in these suburbs] of the ability to capitalise on the value of their primary financial asset as they move towards retirement," he says. The plan's architects say the restrictions will be counteracted by more generous development allowances in the two other residential zones, the General Residential Zone (GRZ), which will allow developments of up to three storeys, and the Residential Growth Zone (RGZ) which allows apartments of up to five storeys.

However, many councils have allocated tiny proportions to the RGZ - Moonee Valley has allocated 0.2 per cent, Banyule less than 1 per cent, Port Phillip 4.5 per cent, and Maribyrnong zero. That leaves mixed-use zones and the urban renewal precincts that have been identified by the plan along railway and tram lines and in disused industrial land in areas such as Fishermans Bend and Werribee.

According to Spencer, however, getting developers to build in these corridors and precincts will take some time, and in areas outside high-demand inner suburbs, they may not be considered to be feasible ventures. "The state government is totally reliant on developers to make these developments happen, and if developers feel they can't make a dollar from those developments they won't happen," he says. The sheer numbers of dwellings required means that soaring towers will have to make up the shortfall in the CBD and in commercial mixed use zones closer to the city that have more generous height limits.

The result will be almost a reverse of the traditional image of Melbourne as a doughnut city, with no life in its centre and all the activity in the suburbs. "What we are going to have is a spiky inner city bristling with towers, and peaks of high density in the suburbs in a flat sea of suburbia," says urban development consultant Alan Davies. Meanwhile, suburbs such as Carnegie will have high-rise towers right along Dandenong Road, with similar towers in suburbs such as Blackburn, Preston and Sunshine. The shortfall will inevitably go to the fringes where, despite a severe lack of services and amenities, housing development is relatively quick and easy to turn over.

Colleen Peterson says this outcome was inevitable given the way housing numbers were allocated to subregions as wedges that run all the way from the inner urban areas to the fringe areas. "That has meant the inner and middle suburbs can push the new dwellings out to the fringes, where there are few constraints on development, except for an urban growth boundary that will soon enough be pushed out," she says.

A more sensible way to have approached the subregions would have been to have concentric rings, of central city, inner suburbs, middle suburbs and an outer ring of suburbs, Peterson says. "That way you could have ensured everyone carried the burden evenly." No one is quite sure how the councils were given so much power to lock up their suburbs, and how the minister came to the decision to preserve 50 per cent of the metropolitan area from development in the first place. Planning Minister Guy declined to comment.

One senior planning official observed the challenge of withstanding a "whole bunch of screaming" anti-development residents from the eastern suburbs. "Councils are acting in the interests of their ratepayers so you can't exactly blame them," says Peterson. "They're thinking that if they're the only council that doesn't lock out development, then they are going to be bearing the brunt of development."

It was up to the state government to take the leadership on this, , planning experts say. According to Robert Papaleo, the problem is that the residential zones are effectively more powerful than the metropolitan planning strategy. "The plan is not strong enough to overcome parochialism associated with residential zone reforms. They have given councils the power over metropolitan housing issues. "The risk is that zone reforms could lead to Melbourne's socio-economic divide becoming more pronounced, by reinforcing house prices differentials between higher and lower-priced suburbs."

What happens over the next few weeks as the zones are confirmed will set in stone the development of the city for decades to come, Rob Milner points out. "The trouble is, there is no rewind button on this. Once those protected zones are locked in, there will be

enormous community resistance to any future change, and we will have wasted our chance to create a sustainable city with affordable housing for all."

<http://www.theage.com.au/victoria/reform-locks-up-our-suburbs-20140614-3a4l4.html>