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Housing affordability and availability

In the latter decades of the last century 'affordable housing' usually consisted of a modest sized house on a generous sized allotment. In the 1960's the size of houses then being built was seen as the 'norm' (about 10 -12 squares or 100sqm) rather than modest. Today most housing on the urban fringe is about double this size. In the 1960's the size of lots on newly subdivided land was generally around 800sqm; today the typical lot size is about half of this. The tables have turned from those 'early' days when land was cheap and housing construction relatively expensive. While cheaper land on the urban fringe is still the main option for many people seeking to enter the housing market, it is becoming increasingly unaffordable – not just in the sense of the actual cost of the house purchase but the cost of being geographically removed from their preferred living locations which is their familiar neighbourhood close to friends, family and work.

The Victorian Government sought to address looming problems for the availability of well located and affordable housing in 2002 with the *Melbourne 2030* strategy. A key aspect of the strategy is to increase the number of people living in existing urban townships (activity centres). This strategy has not been successful to date and while there have been changes to planning controls to promote development, the actual provision of housing has been limited. This is at least partly due to the relatively high cost of developing land within activity centres. In many cases the return for a developer in constructing an apartment building in the suburbs doesn't stack up financially unless the site is in a highly sought after area (often close to the city centre) and therefore in a potentially controversial location. It is difficult to see that activity centres will increase the quantity of dwellings being delivered to anything like the number of dwellings per year predicted by *Melbourne 2030* throughout metropolitan Melbourne in the medium term.

In my view the best opportunities for affordable housing are in existing suburbs and in regional towns and cities. Both these areas have existing social and physical infrastructure and have established communities. In many cases, particularly within existing suburbs, the need for additional housing comes from people within an existing community: such as 'empty nesters' who are downsizing; young singles wishing to leave home; or parents from a split family.

In many cases, the density of development in the suburbs in previous decades was much lower than densities now being delivered at the urban fringes. Re-development of the suburbs has been happening to provide infill for some time now and provides a valuable source of additional housing within existing communities. This type of infill development needs to continue and can gradually provide a substantial redevelopment of the middle suburbs adding much needed additional housing.

Regional towns and cities provide an excellent opportunity for affordable housing both for the existing community and for new people seeking to join an established community. In many cases, an increased population can benefit regional towns by

improving the viability of local businesses. The same goes for schools and sporting clubs in regional towns that are struggling to maintain the numbers to be viable.

The urban fringes and regional towns will continue to play a key role in providing a (relatively) low cost entry point to the housing market for many years. Re-development of urban towns (activity centres) are likely to provide for significant numbers of new dwellings in future decades. However, it is the substantial but gradual re-development of the middle suburbs to a density that makes better use of land and allows for existing members of the community to remain in an area by increasing supply and variety of dwellings that provides the best immediate opportunity for an increase in affordable housing.

It sounds so simple! But the difficulty is that it requires a change to existing suburbs. The community generally recognises that change is necessary to achieve important planning goals; however the 'not in my backyard' attitude is a strong influence on local planning issues. It is not reasonable, in my view, to expect residents to embrace change in their neighbourhood or to give residents an expectation that they can stop changes that are aimed at increasing housing density in accordance with overarching state planning policies. There have been many groups established to protect valued neighbourhood character. I am not aware of any lobby groups with a contrary view: to promote appropriate infill development as an important mechanism for adding to the existing housing stock within communities and assisting communities to be sustainable. It is perhaps unrealistic to expect that they will. And unless the State Government champions a substantial change to existing planning controls, the weight of local politics will continue to limit the amount of infill development to a level that will have a minimal impact in meeting existing housing demand.

Where areas have a neighbourhood character that is of state significance, these areas should be protected. Elsewhere I believe the balance should shift from policies aimed at maintaining the status quo to those that recognise that to achieve affordable housing will require substantially more houses at a necessarily higher density than has occurred in past decades.

The inner suburbs of Melbourne have many areas with highly regarded character. Often these areas are protected by mechanisms such as Heritage or Neighbourhood Character overlays. Interestingly, many of these suburbs have far higher densities than much of the middle and outer suburbs, and they enjoy benefits such as the ability to walk to surrounding shops and excellent public transport.

I have two specific ideas to support the sustainable increase in affordable housing through the progressive infill of existing suburbs.

The first is to provide for some infill development 'as of right' in the same way that in most cases a single dwelling on a vacant allotment is 'as of right' provided the dwelling meets certain standards contained in building regulations. The ability to avoid lengthy and costly town planning disputes could be a powerful incentive to developers to meet 'as of right' development criteria which could include things like: a maximum building footprint, maximum number of bedrooms, and inclusion of features that promote sustainability. Existing controls for protecting amenity of surrounding residents would continue to be included thereby protecting people's rights just as the building regulations do now. This initiative would increase the supply of well located, affordable and sustainable housing to serve the needs of our communities without creating the battlegrounds that often spring up over this type of development.

Only a small percentage of houses on existing lots within established suburbs are situated in such a way and on land that is of a sufficient size, that redevelopment is viable. Many of these houses are in reasonable condition and it is not often that housing in the middle suburbs is in a state that would encourage demolition for a total redevelopment. Many houses however have a large, underutilised resource: the backyard. My second idea is to utilise this resource to provide well located and affordable rental accommodation. In many areas there is an ability to have a second living area in an outbuilding separated from an existing house for the use of a dependant relative (a 'granny flat'), there are also many older houses that have a bungalow in the backyard. These are often for the use of a member of the household but they are also commonly rented out. However, the ability to have such accommodation (unless legitimately associated with a dependant relative) is now very limited as the planning controls are much more restrictive than the 'granny flat' era. It would not take a huge leap to modify these existing planning controls to extend the dependant persons unit provisions to allow accommodation for renters who are not a dependant relative of the homeowner. Existing provisions such as the size and the requirement that the dwelling needs to be relocatable could be retained. This would give homeowners the opportunity for a new income stream and potentially allow some residents to remain in locations that they might otherwise have to leave. Such a scenario can provide a good transition for a 20 to 30 year period by which time the older housing stock is probably ripe for renewal and land values will likely ensure that a typical quarter acre block can be redeveloped in a manner that will reflect the needs of the community at that time.

At the moment, a dependant person's unit built in a backyard must be removed once it is no longer being used for the intended purpose. It doesn't make sense that this should happen when people, particularly singles or small households, are being forced to live away from the community they are a part of and rental prices continue to soar.