

**APPENDIX A – HOUSING MONITORING AND REVIEW  
PROGRAM 2015 (ANNUAL REPORT)**



**KNOX HOUSING POLICY MONITORING  
AND REVIEW PROGRAM**

ANNUAL REPORT

(2015 calendar year)

**APRIL 2016**

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## REPORT OF THE HOUSING POLICY MONITORING AND REVIEW PROGRAM

### 1. THE HOUSING POLICY MONITORING AND REVIEW PROGRAM

This report provides information from the eighth annual Housing Policy Monitoring and Review Program. This program was developed in 2007 to measure the effectiveness of the Knox Housing Policy in assisting in the delivery of the Knox Housing Statement 2005 (updated in 2007), Council's initial strategic plan for housing and residential development in Knox.

The Knox Housing Statement 2005 was replaced by the Knox Housing Strategy 2015 and Residential Design Guidelines in January 2015. However, the accompanying amendment to the Knox Planning Scheme which implemented the new Strategy was not approved by the Minister for Planning until March 2016. Therefore this report reflects the 2005 Housing Statement and provides statistics and commentary related to the objectives and strategies of that previous document. The next Housing Monitoring Program Report for the 2016 calendar year will be the first one based on the Knox Housing Strategy 2015 and the changes to the Knox Planning Scheme approved as part of Amendment C131.

The Housing policy is part of the Knox Planning Scheme, and is one of several ways the Housing Statement is being implemented. The Knox Housing Statement Vision statement sets out the principles for residential development and housing based on:

*Enhancing the liveability and amenity attributes of the City of Knox by managing housing growth in a sustainable way, fostering social cohesion by ensuring the community's housing needs can be met by providing a range of housing choices that are well located to public transport, shopping and community facilities while protecting the environmental and landscape qualities of the regionally significant foothills and the character of residential suburbs from the impacts of urban development.*

This vision is implemented through the following initiatives:<sup>1</sup>

- The Knox Planning Scheme (includes the Housing policy);
- The Knox Affordable Housing Action Plan;
- structure planning for activity centres;
- advocacy to State and Commonwealth Governments;
- monitoring and research;
- training;
- education and promotion;
- building and development industry forums.

This report is based on analysis of 2015 planning permit data against 2005 Knox Housing Statement (updated 2007).

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<sup>1</sup> Note: these are not all currently funded.

## 2. THE KNOX HOUSING STATEMENT

Knox City Council prepared the Knox Housing Statement in 2005, (updated in 2007) to respond to the changing demographics and housing trends forecast for the Knox community over the next 25 years, the Knox Council Plan, and to the initiatives of the then State Government's metropolitan strategy, *Melbourne 2030*.

The Housing Statement sets out five principles for residential development and housing. These are:

1. Meet the social needs of the community by encouraging the provision of **affordable and diverse housing types** to cater for a changing demographic profile that includes single person, couple and family households, and households with particular needs.
2. Ensure the planning for housing development contributes to **sustainable urban growth and change**, and the design of new dwellings incorporates **best practice sustainable building performance measures**.
3. Manage the conflict between the need for more housing and maintaining the valued qualities of identified areas of environmental and character significance by allowing residential suburbs to continue to evolve and change but in a way that **strengthens the distinctive characteristics of each neighbourhood**.
4. Ensure that residents have improved access to services, facilities and public transport by encouraging **more housing within activity centres and in appropriate strategic locations**.
5. Provide **effective leadership** and direction for the proper management of urban growth within the City of Knox to ensure that there is a sound foundation for decision making for future housing provision.

Council has different roles to play in the delivery of each of these principles, and has varying degrees of control and influence. Council's role as Responsible Authority and Planning Authority under the *Planning and Environment Act 1987* provides an opportunity for direct influence via the Knox Planning Scheme, both in establishing the local planning policy direction and in assessing planning applications against the scheme.

### **3. THE KNOX PLANNING SCHEME AND THE HOUSING POLICY**

The Housing policy is part of the Knox Planning Scheme. It is applied to all planning applications for residential development within the urban growth boundary of Knox. It provides policy relating to distribution (location), type and form of residential development, and to a lesser extent, social housing.

The Housing policy does not operate in isolation. Some of the objectives of the Housing policy are assisted and achieved through the application of other policies, overlays and the general provisions of the residential zones.

The objectives of the housing policy are:

- To encourage sustainable urban growth by directing housing to preferred locations;
- To encourage a range of housing types and forms to meet the needs of the existing and future community;
- To ensure that the community has access to social housing owned and managed by public authorities and/or non-profit registered housing associations of different forms and tenures;
- To ensure that new housing is located where there is access to frequent and reliable public transport services, shopping and community facilities;
- To ensure that new housing responds to the desired future neighbourhood character for the relevant precinct, approved structure plan or urban design framework;
- To ensure that new development in dispersed residential areas complements and respects the desired future character of the particular area;
- To recognise that the environment and landscape significance of the Dandenong Foothills outweighs the need for urban consolidation in the Foothills;
- To ensure that lot sizes and built form of housing in the Dandenong Foothills respects the environmental and regional landscape significance of the area.

#### 4. INDICATORS

A set of indicators has been established to monitor the performance of the Housing policy each calendar year.

The data is analysed in the context of a set of targets set in the Knox Housing Statement. The targets are set in five yearly periods from 2001 to 2030. The targets are set for total dwelling numbers and distribution (location). The targets are designed to meet the future housing needs of Knox in line with the principles and objectives by directing more housing to preferred locations with better infrastructure and services – including Activity Centres, Strategic Redevelopment Sites and along the Principal Public Transport Network (PPTN) – and more housing away from areas that have a special character to be protected (such as the Dandenong Foothills).

Table 1 below shows the aspirational housing distribution for Knox from 2001 to 2030.

**Table 1:** Aspirational housing distribution for Knox, 2001-2030

Location	Potential number and percentage of new dwellings in Knox						TOTAL
	2001-05	2006-10	2011-15	2016-20	2021-25	2026-30	
Greenfield sites	2377 92%	200 8%	0 0%	0 0%	0 0%	0 0%	2,577 (17% of 2001-2030 total)
Activity Centres	30 0%	578 8%	910 12%	1895 25%	1895 25%	2269 30%	7,577 (50% of 2001-2030 total)
Strategic Redevelopment Sites and along the PPTN	88 5%	425 23%	500 28%	500 28%	175 10%	107 6%	1,795 (12% of 2001-2030 total)
Dispersed Development (including the Dandenong Foothills)	855 27%	700 22%	456 15%	380 12%	380 12%	380 12%	3,151 (21% of 2001-2030 total)
<b>TOTAL</b>	<b>3,350</b>	<b>1,903</b>	<b>1,866</b>	<b>2,775</b>	<b>2,450</b>	<b>2,756</b>	<b>15,100</b>

There are still gaps in existing data collection program, many of which will be addressed with the introduction of the new Housing Monitoring Program designed around the new Knox Housing Strategy 2015, set to commence next year. The current indicators, how data is collected under the current framework, and what it means for the calendar year 2015, are discussed below.

#### **4.1 Total planning approvals for new dwellings**

The total number of planning permit approvals for new dwellings and residential subdivisions are included. This data provides the total number of new dwellings that could theoretically be built in the City of Knox if all permits were enacted. Many factors influence if or when a planning permit is enacted, including but not limited to, market forces, economics, and individual landowner's choices. Planning permits can remain 'live' for four years or more, so it is important to be aware that there is often a time-lag between the issue of a planning permit and eventual construction. In addition, not all planning permits result in dwellings actually being constructed. This occurs for a range of reasons, such as changes to design and requirements or speculative use of planning permits for the purpose of increasing land values for property sale.

The total number of planning permit applications that were reviewed by the Victorian Civil and Administrative Tribunal (VCAT) are included. This data provides the percentage of applications that were appealed and decided by VCAT compared with those approved by Council.

The number of new rateable residential properties and total number of occupancy permits issued are included. This data provides the number of new dwellings actually occupied by residents. This data gives an indication of the number of new properties actually built and occupied.

Building permit approvals were included in past reports to show the number of planning permit approvals that are progressed through to construction. Due to a number of issues (including the consistency of data and delays in capturing information from private building surveyors) this report does not include building permit figures. In addition Council records do not currently distinguish between a building permit approval for a replacement dwelling or a dwelling on a new subdivision. Numbers of new rateable properties and occupancy permits provide an indication of the number of dwellings that are actually constructed.

#### **4.2 Distribution (location)**

Planning permit approvals are mapped by location, categorised as Activity Centres (Principal, Major and Neighbourhood Centres), Strategic Redevelopment Sites and along the PPTN, and dispersed development areas (including the Dandenong Foothills and the balance of residential areas in Knox). The Activity Centres are based on the current approved boundaries for the Knox Central Principal Activity Centre, Bayswater, Boronia and Rowville Activity Centres, and a boundary within 400 metres from the edge of commercial zones for the Mountain Gate Activity Centre and all Neighbourhood Activity Centres.

### 4.3 Diversity

Planning permit approvals are analysed to measure the diversity of both dwelling sizes (using bedroom numbers), and types (apartment, townhouse, villa unit, dual occupancy or detached house). In the case of subdivisions where there is no data provided in the permit regarding type or size of dwellings, it has been assumed for the purposes of this report that they are most likely to result in detached houses of 4 or more bedrooms. This assumption is based on past results of subdivisions and what is permitted by the Planning Scheme, and will be reviewed as part of the new Housing Monitoring Program set to commence in 2015.

### 4.4 Affordable and social housing

In the Knox Housing Statement, affordable housing is defined as:

*Well-located housing, appropriate to the needs of a given household, where the cost (whether mortgage repayment or rent) is no more than 30% of that household's income. Exceeding the mark places one under 'housing stress', particularly in the lower 40% of the income distribution scale.*

And social housing is defined as:

*Non-profit housing owned and managed for the primary purpose of meeting social objectives such as affordable rents, responsible management, security of tenure and good location in relation to employment services. The term encompasses public housing and includes housing owned or managed by the community.*

These definitions have been updated in the new Knox Housing Strategy 2015, based on the adopted research paper, 'Defining affordable housing and a minimum supply of social housing in Knox', noted by Council in January 2012. These updated definitions will inform the new Housing Monitoring Program set to commence next year.

It is not possible to measure applications for affordable housing more broadly as a quantitative measure. This is because the level of affordability depends on the occupant's circumstances (which can change), rather than the product, i.e. the dwelling. However, increasing the choice of type and size of dwelling, and locating housing within close proximity to services, is one way of measuring the availability of affordable living options in Knox.

While many factors that influence housing affordability are beyond the control of local government, there are actions that can be taken by Councils. These are articulated in the Knox Affordable Housing Action Plan 2015-2020. The total number of planning permits issued for social housing however is collected.

The Municipal Strategic Statement in the Knox Planning Scheme includes the strategy "To seek to increase the supply of social housing". However, the Planning Scheme can only encourage the provision of social housing – there is currently no



means of mandating it within the Planning Scheme. It is negotiated during the process of amending the Knox Planning Scheme to rezone land for residential use, as happened with the former Austral Bricks site in Wantirna South. Negotiations such as this also need a willing social housing provider – either the Office of Housing or a Registered Housing Association.

In January 2012 Council resolved to note the report presenting the research paper *'Defining affordable housing and a minimum supply of social housing in Knox'*. The Paper defines key affordable housing terms and proposes a method and justification for calculating a minimum supply of social housing required to accommodate people in Knox in significant need. The Paper does not commit Council to providing additional social housing; rather it strengthens its knowledge base, policy and therefore advocacy and negotiation position with developers and social housing providers.

Council also resolved to: consider a business case for an Affordable Housing Project Officer; and adopt the five recommendations of the Paper, being:

1. Clear and specific definitions of 'affordable', 'social' and 'public' housing to be consistently used by Council.
2. A focus on social housing to be adopted for the purposes of defining a minimum supply of affordable housing.
3. A minimum supply of social housing to be calculated using the following method: 'Minimum supply benchmarked to the 'need' of low-income, non-home-owning households and acknowledging the availability of affordable private lettings'. This approach will accurately respond to the needs of the most vulnerable and disadvantaged households in Knox. This equates to needing an additional 700 social housing dwellings in Knox to 2030.
4. A five-year timeframe to be used to calculate an annual minimum supply of social housing for Knox to help ensure that the critical housing needs of the most disadvantaged residents are addressed by 2015. This equates to 95 dwellings per year from 2010 to 2015 to reach a point where supply matches need, then 15 dwellings per year thereafter to 2030 to maintain parity.
5. The definitions of affordable housing and minimum supply of social housing for Knox be acknowledged in a range of Council policies and documents (as they are updated), including: the Knox Affordable Housing Action Plan 2007-2012; the Knox Housing Statement 2005 (updated 2007); the Municipal Strategic Statement in the Knox Planning Scheme; and the Sale of Council Land and Buildings policy.

#### **4.5 Delivery of public transport infrastructure and/or service improvements**

Any public transport infrastructure and/or service improvements are noted. This information is obtained from Council's Traffic and Transport Department.

#### **4.6 Neighbourhood Character, Dandenong Foothills policies and overlays**

Four of the objectives of the Housing policy rely on the application of the Neighbourhood Character policy, the Dandenong Foothills policy and overlays, or a Structure Plan when assessing planning permit applications. The above data is analysed in the context of these planning policies and controls.

## 5. FINDINGS

This monitoring report captures the 2015 calendar year (from 1 January to 31 December 2015).

### 5.1 Total planning approvals for new dwellings

During 2015, there were 274 planning applications for dwellings approved by Council or VCAT. These permits allow for the potential construction of 1,047 total dwellings if every permit is enacted. This includes Council approvals for 96 new townhouses on the Austral Bricks site, a 42 unit retirement village development at Waterford Lakes, and a 23-unit apartment building in Boronia. It also includes a 23-unit townhouse development in Ferntree Gully and a 17-unit apartment building in Boronia that were approved by VCAT. These permits also require the demolition of 146 existing dwellings. Once this is factored in, these permits allow for a net increase of 901 new dwellings across Knox if every permit is enacted.

During 2015, there were 10 residential subdivision applications approved, resulting in 125 new lots for potential residential development. This total includes a 113 lot subdivision at Wantirna Rise, but does not include five residential subdivision applications in the former Austral Bricks site in Wantirna South. Each of the Austral Bricks subdivision applications has an accompanying planning application which is included total above, and they are therefore omitted from the subdivision total to avoid double-counting. All subdivision applications are counted as potential single dwellings or dual occupancies, depending on the nature of the new lot created. As there are no demolitions associated with new lots, all 125 new lots from subdivisions are counted as net new dwellings.

The total number of new dwellings that could be provided under all planning and subdivision permits approved in 2015 is 1,047, with a potential net increase of 901 dwellings when accounting for the demolition of existing dwellings. This 'net new dwellings' figure is the one used for comparison in this report and past reports unless otherwise noted. This number is a slight increase over 2014, when 807 net new dwellings were approved. It is higher than all but one of the previous years since 2009, which typically ranged from 421 to 600 net new dwelling applications. The exception was 2012, which saw 1,225 net new dwelling applications in a single year.

The Knox Housing Statement provides housing targets divided into five year periods. Table 1 (page 4) shows that the housing target for Knox over the 2011-2015 period is 1,866 new dwellings. The 2015 total therefore represents 48% of the five year target, more than double the 20% of the total required each year to meet this target over the five year term. In fact, the number of approved dwellings has exceeded the target by 50% or more in each year the five year period. The cumulative number of approved dwellings actually passed the five-year target in the third year of the period, due to the unusually large number of applications in 2012.

### **New rateable properties and occupancy permits: what is actually being built?**

During 2015 there were 480 new rateable residential properties in Knox, and 340 occupancy permits issued for 570 new dwellings. This data provides some indication of the rate at which new dwellings are actually being built and occupied compared to permits being issued. It should be noted however that many of these dwellings may have been issued planning permits and constructed months, or even years, prior to their occupation. So this data must be considered in that context.

### **Applications decided by VCAT**

Twenty-six planning applications for residential development were referred to VCAT in 2015. Eighteen of these were appeals by applicants seeking to overturn Council's refusal of their application. VCAT overturned Council's refusal in 11 cases (61%). Where the appeal related to an application approved by Council, VCAT upheld Council's approval in seven out of eight cases, in some cases with changes. The other one of these appeals of a Council approval was withdrawn by the applicant leaving in place the original permit.

There were 11 permits issued by VCAT for developments that were previously refused by Council, which accounted for 62 net new dwellings. Most of these were related to two medium-sized developments outside of activity centres: a 23-unit townhouse development at 431 Scoresby Road in Ferntree Gully and a 17-unit apartment building at 301 Dorset Road in Boronia. The remaining were scattered across smaller developments in Bayswater, Boronia, Wantirna, Knoxfield, and Ferntree Gully.

## **5.2 Distribution**

The following areas are identified in the Housing Statement and Housing policy as areas to which policy applies. These are:

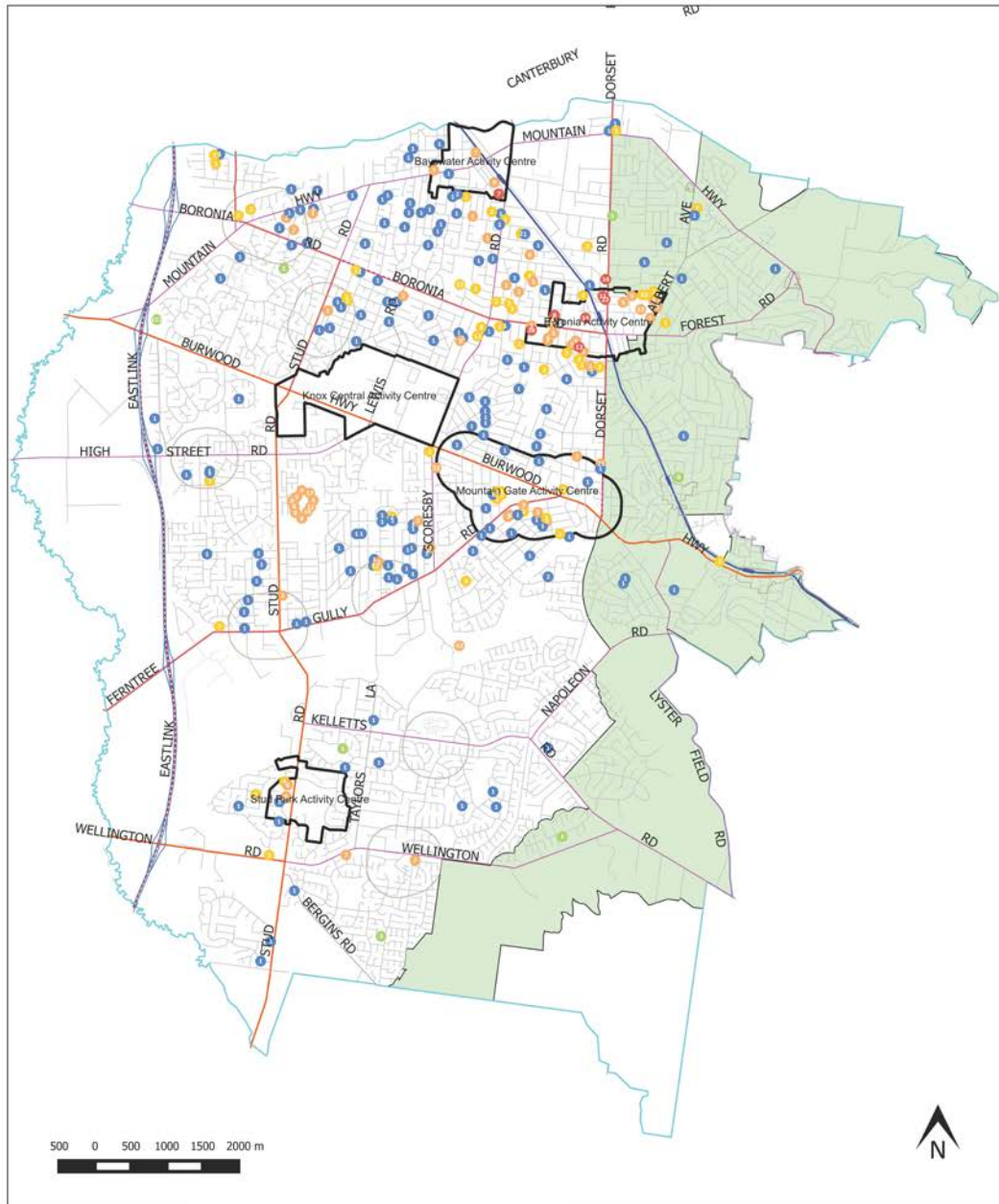
- The five **Principal and Major Activity Centres** (Knox Central, Boronia, Bayswater, Mountain Gate and Stud Park, Rowville);
- **Neighbourhood Activity Centres** (Wantirna Mall, Wellington Village, Studfield, Scoresby Village, Rowville Lakes, Knox Gardens, Knoxfield, Alchester Village, The Basin, Ferntree Gully and Upper Ferntree Gully);
- **Strategic Redevelopment Sites** and land with direct frontage to the **Principal Public Transport Network (PPTN)**;
- **Dandenong Foothills** policy area;
- Balance of residential areas (known as '**dispersed residential areas**').


Figure 1 (over page) shows the location of sites where planning permits have been issued for dwellings and subdivision, and the number of dwellings at each site.

**Figure 1: Mapped distribution of planning permits issued for residential development (including new subdivisions) in 2015**

Note: Each dot relates to one permit for one site. The number on each dot corresponds to the number of net new dwellings and the colour represents proposed dwelling typology.

**Mapped distribution of planning permits issued for residential development (including new subdivisions) in 2015**





**Knox City Council**

<p><b>Road Centrelines</b></p> <ul style="list-style-type: none"> <li>Local Streets/Rds</li> <li>Main Roads</li> <li>Highways</li> <li>Collector Roads</li> <li>Private Roads</li> <li>Tollways</li> <li>Train Stations</li> <li>Principal Public Transport Network (PPTN)                             <ul style="list-style-type: none"> <li>Bus Routes (existing)</li> <li>Bus Routes (proposed)</li> <li>Existing Rail network</li> </ul> </li> </ul>	<p><b>City Boundary</b></p> <p><b>Residential Planning Permits</b></p> <ul style="list-style-type: none"> <li>Detached Dwellings</li> <li>Dual Occupancy</li> <li>Villa Units</li> <li>Townhouses</li> <li>Apartments</li> <li>Neighbourhood Activity Centres</li> <li>Dandenong Foothills - Policy Area</li> </ul>
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**Disclaimer:**  
 Roads and Title Boundaries - State of Victoria, Knox City Council  
 Planning Scheme Information - DELWP, Knox City Council

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19 Number of new dwellings

Figure 1 shows the location of 274 planning approvals across Knox. Most of the approvals occur across the older northern and central suburbs of Bayswater, Boronia, Wantirna, Knoxfield, and Ferntree Gully. There were relatively fewer approvals in Wantirna South (outside of the Austral Bricks site), Scoresby, Rowville, and Lysterfield. There were very few new dwellings approved in the Dandenong Foothills in 2015.

### *Activity Centres*

Of the 273 applications approved, 58 were in the activity centres of Bayswater (5), Boronia (24), Rowville (4), and Mountain Gate (25). There were no residential planning approvals in the Knox Central Activity Centre in 2015. The boundaries for these Activity Centres in 2015 are consistent with previous years. They do not include the changes to the Rowville Activity Centre boundary proposed in the Rowville Plan 2015, or the changes in Mountain Gate proposed by the new residential policy areas in the Knox Housing Strategy 2015. Although both of these documents were adopted in January 2015, Amendment C131 which enacts the changes was not approved until March 2016. Updated activity centre boundaries and housing policy areas will be reflected in the next Housing Monitoring Report for the 2016 calendar year.

### *Neighbourhood Activity Centres*

There were 34 approvals in areas defined as Neighbourhood Activity Centres (NACs) as defined in the Knox Housing Statement 2005. There are 11 such areas, seven of which are outside the Foothills and include residential areas within 400 metres of local shops. The four NACs in the Foothills have defined boundaries that generally include only commercial zones. The NAC designation does not exist in the Knox Housing Strategy 2015, and the 400-metre buffer has been discontinued.

There were eight approvals each near Wantirna Mall and the Knoxfield shops, including three small townhouse developments, seven approvals near the Studfield shops in Wantirna South, six near Scoresby Village, three near Knox Gardens in Scoresby, and one near Wellington Village in Rowville. There were no approvals near Rowville Lakes or in any within the more closely-defined boundaries of the NACs in the Foothills Policy Area.

### *Strategic Sites*

There were 11 approvals for new dwellings in Strategic Redevelopment Sites as defined in the Knox Housing Statement 2005, ten of these in the Austral Bricks site in Wantirna South and one at Waterford Valley in Knoxfield. The 113-lot subdivision at Wantirna Rise is one of the 14 Strategic Investigation Sites defined in the Knox Housing Strategy 2015, and is counted in the Strategic Sites total for the purposes of this report. There was one other approval that falls into the PPTN designation. For the purposes of the Housing Monitoring reports, this designation includes areas along the PPTN that were zoned Residential 1 Zone (R1Z) or General Residential Zone, Schedule 1 (GRZ1) that were not also inside Activity Centres or NACs.

### *Dandenong Foothills*

There were 15 approved applications in the Dandenong Foothills: three approvals for single dwellings, nine for dual occupancies, and three for villa units. There were no major new subdivisions approved in the Foothills in 2015, only four small subdivisions each resulting in one new dwelling.

### *Dispersed Areas*

The remaining 153 applications were for lots located in Dispersed Residential Areas in neighbourhoods that make up the majority of the residential land in Knox. Most of the applications approved in these dispersed areas (103) were for dual occupancies that would result in one net new dwellings. There were however 31 approvals for villa units and 15 approvals for townhouses in dispersed areas. There was also one apartment development approved by VCAT at 301 Dorset Road, just outside the Boronia Activity Centre.

Table 2 below shows the distribution of net new dwellings within the current monitoring year (2015). It compares 2015 with the figures for the previous monitoring year (2014), the previous five year monitoring period (2006-2010) and the aspirational targets for the current monitoring period (2011-2015) as set out in the Knox Housing Statement.

Table 2: Knox Housing Statement aspiration targets and Housing Policy Monitoring and Review Program data for planning permit approvals

Location	First Monitoring Period 2006-2010				Current Monitoring Period 2011-2015					
	Total number of new dwellings 2006-2010		Housing target 2006-2010		Previous monitoring year 2014		Current monitoring year 2015		Housing target 2011-2015	
	Number of new dwellings in planning approvals	Percentage (%) of total	Number of new dwellings in planning approvals	Percentage (%) of total	Number of new dwellings in planning permit approvals	Percentage (%) of total	Number of net new dwellings in planning permit approvals	Percentage (%) of total	Number of new dwellings in planning permit approvals	Percentage (%) of total
Activity Centres*	638	32%	578	30%	405	50%	322	36%	910	49%
Strategic Redevelopment Sites and along the PPTN	429	22%	425	22%	149	18%	252	28%	500	27%
Dispersed Development (including the Dandenong Foothills)	899	46%	900	48%	2533	31%	327	36%	456	24%
<b>TOTAL</b>	<b>1966</b>	<b>100%</b>	<b>1903</b>	<b>100%</b>	<b>807</b>	<b>100%</b>	<b>901</b>	<b>100%</b>	<b>1866</b>	<b>100%</b>

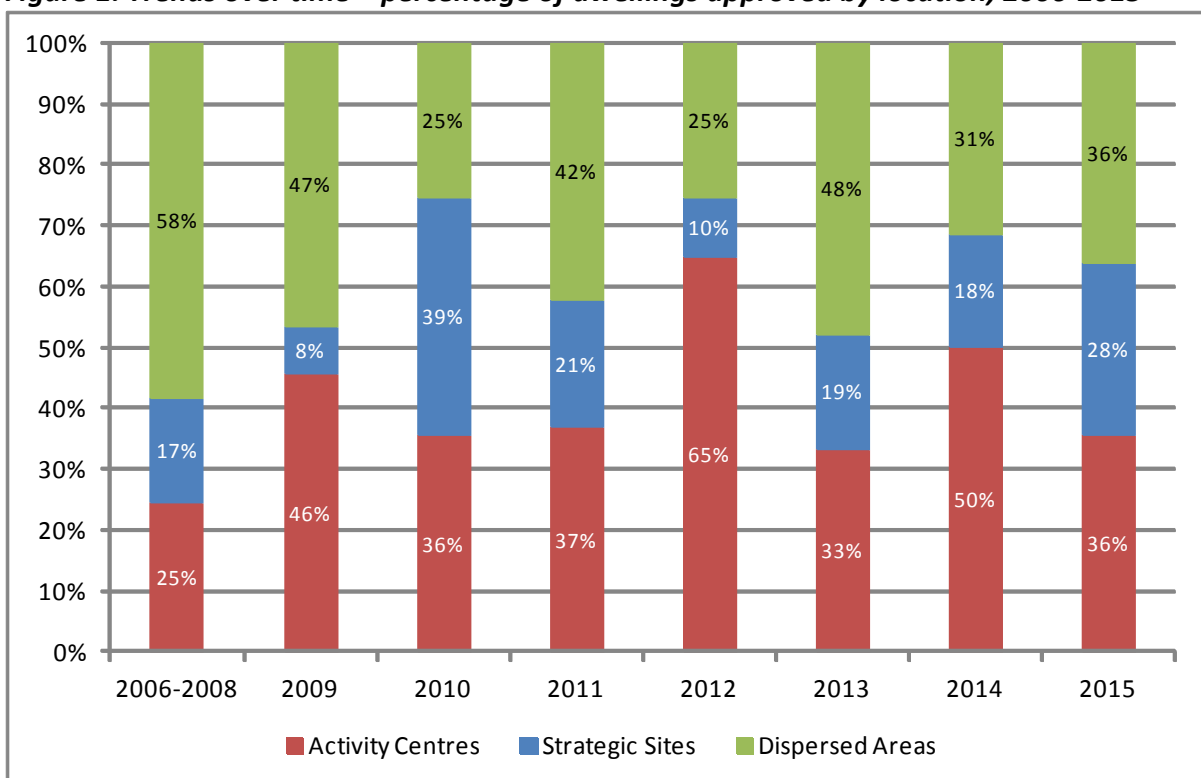
\*Note: The activity centres referenced in this table are based on the approved boundaries for the Knox Central Principal Activity Centre, and Bayswater, Boronia and Rowville (Stud Park) Major Activity Centres as of 31 December 2015. They do not include changes to the Rowville (Stud Park) Activity Centre defined in the Rowville Plan 2015 and the related Amendment C131. Boundaries for the Mountain Gate Major Activity Centre and the six Neighbourhood Activity Centres outside of the Dandenong Foothills are defined as all land within 400 metres of the edge of commercial zones. The boundaries of the four Neighbourhood Activity Centres in the Dandenong Foothills are defined as land within the commercial zones only.



Table 2 shows a relatively small increase from 2014 to 2015 in the total number of new dwellings, but some notable shifts in their distribution across each of the location categories.

The percentage of dwellings approved in Activity Centres decreased substantially from 50% in 2014 to 36% in 2015, dipping back below the 5-year target of 49%. The proportion of dwellings approved in Dispersed Areas increased slightly from 33% to 36%, in line with the seven-year average for this category. This exceeds the 5-year target of 24%, and represents a small step backward from the previous year. At 28%, the percentage of dwelling approvals in Strategic Sites and along the PPTN increased significantly, to the highest percentage since 2010. This is in line with the target of 27% of new dwellings in these areas. Figure 1 shows the trends in the location of net new dwelling approvals from 2006-2015.

**Figure 1: Trends over time – percentage of dwellings approved by location, 2006-2015**



The number of net new dwellings approved in Activity Centres (322) represents a decrease from the previous year, but remains substantially higher than most of the previous years in since 2008. However, unlike the previous spikes in Activity Centre approvals in 2012 and 2014, the number for 2015 was not influenced by a few applications for large apartment buildings. In 2012 it was the approval of a 236 unit Kubix apartments in Knox Central and in 2014 it was the 101 unit Knoxia development in Knox Central and a 60 unit apartment in Boronia. In contrast, during 2015 only two apartment buildings of 20 units or more were approved across the entire municipality, both in the Boronia Activity Centre. Much of the new development in activity centres was in the form of 148 new townhouses, which is more than the 96 apartment units approved in these same areas.

The development in Strategic Sites in 2015 is attributable to the 113 lot subdivision at Wantirna Rise, 96 new townhouses in the Austral Bricks site in Wantirna South, and the 42

unit development in Waterford Lakes in Knoxfield. As previously noted, the list for this monitoring year includes all sites defined as strategic sites in the Knox Housing Statement 2005 or the Knox Housing Strategy 2015.

The number of net new dwelling approved in Dispersed Areas (327) is similar the annual average since 2011 (273). This includes 22 net new dwellings approved in the Dandenong Foothills, most of which were for single dwellings or dual occupancies. There were three approved villa unit developments in the Foothills in 2015. Two of these are for three units each larger lots of 1100 sqm and 1800 sqm, while the third is for 8 units on a very large lot of over 4,000 sqm at 170 Albert Avenue in Boronia.

### 5.3 Diversity

#### *Dwelling Size*

Table 3 below shows the range of dwelling sizes indicated by the number of bedrooms per dwelling. There are no targets for dwelling diversity in the current Knox Housing Statement.

**Table 3. Number of approved dwellings by number bedrooms**

Bedroom (size)	First Monitoring Period (2006-2010)		Current Monitoring Period (2011-2015)			
	5 year monitoring period (2006-2010)		Previous monitoring year 2014		Current monitoring year 2015	
	Total number of dwellings	Percentage (%)	Number of net new dwellings possible	Percentage (%)	Number of total new dwellings possible*	Percentage (%)
1 bed	103	6%	81	8%	20	2%
2 bed	595	30%	289	31%	287	27%
3 bed	596	30%	404	43%	478	46%
4+bed	672	34%	166	18%	261	25%
<b>TOTAL</b>	<b>1,966</b>	<b>100%</b>	<b>940</b>	<b>100%</b>	<b>1,046</b>	<b>100%</b>

*Note: Bedroom figures for 2015 have been calculated on the total number of possible new dwellings related to planning and subdivision permits, as opposed to the net new number reported in years prior to 2014. Since there is no bedroom data available for new subdivisions, it is assumed that these will be developed as 4-bedroom detached houses, as noted in Section 4.3.*

Table 3 shows a significant drop in the number of 1-bedroom dwellings approved, to the lowest total recorded since the Housing Monitoring Program began in 2008. This is likely a result of the lack of large apartment buildings approved in activity centres.

In general, the distribution of dwelling sizes in 2015 is relatively consistent with the distribution in 2014. For the second year in a row, there were more 3-bedroom dwellings approved than in any other year since the Housing Monitoring Program began in 2008. The 2014 report noted that it was too early to tell whether the apparent shift towards 3-bedroom dwellings was the start of a new trend, the 2015 numbers suggest that it might indeed be reflective of a systemic change in the local housing market.

As was noted in the 2014 report, it is possible that the transition to the new Knox Housing Strategy may be a factor that is starting to influence the size of dwellings in planning applications. While the new Strategy was adopted in January 2015, the accompanying Amendment C131 was not approved until March 2016. Therefore the 2015 calendar year represents another transitional year between the old and new controls. While the changes proposed by C131 were not yet in effect during the current monitoring period, they have been part of many discussions with the community and developers over nearly three years and may have started to influence the types of developments proposed and approved.









As discussed in the 2014 report, one of the changes proposed by the Knox Housing Strategy 2015 aimed to provide stronger protections for the green and leafy character of Knox by increasing the amount of private open space in most neighbourhood areas from 60 square metres to 100 square metres. This level of open space was widely a foundational element of the development of the Housing Strategy, and has been Council's official position on the matter from February 2016, when Council resolved to consider the draft Housing Strategy as a 'seriously entertained' proposal for the purposes of negotiating and assessing planning applications. The version of C131 approved by the Minister for Planning lowered this requirement to 80 square meters in most areas. This is less than the 100 square metre minimum proposed in 2015, but still represents an increase over the previous requirement for 60 square metres in areas formerly covered by the Residential 3 Zone.

Along with providing a more suitable amount of open space for recreation and canopy trees, this shift would also have the secondary effect of reducing the number of units that can be accommodated on many lots in the neighbourhoods across Knox. One possible response by developers seeking to maintain the financial viability of developments with fewer units could be to increase the size or number of bedrooms in each dwelling, particularly in 2-storey dwellings. This will be an important factor to continue to monitor in coming years as the Knox Housing Strategy and the related planning controls in C131 begin to take full effect.

### *Dwelling Type*

Table 4 on the following page shows the range of dwelling types approved in 2015. The classification of dwelling types is illustrated below in Figure 2.

**Table 4: Definition of dwelling types**

<p><b>Detached (single) dwelling</b>                  One dwelling on a lot.</p>		
<p><b>Dual occupancy</b>                  Two separate dwellings on a lot.</p>		
<p><b>Villa unit</b>                  Three or more single units arranged down the length or along the width of the block with no shared walls.</p>		
<p><b>Townhouse</b>                  Three or more dwellings on a lot sharing a wall or roof.</p>		
<p><b>Apartment</b>                  Development of three or more stories in a single mass or multi unit dwelling.</p>		

**Table 5: Number of approved new dwellings by housing typology**

Type of Dwelling	First Monitoring Period 2006 – 2010* 5 year monitoring period (2006-2010)		Current Monitoring Period 2011-2015			
	Total number of dwellings	Percentage (%)	Previous monitoring year 2014		Current monitoring year 2015	
			Number of net new dwellings possible	Percentage (%)	Number of total new dwellings possible*	Percentage (%)
Detached Houses (including new subdivisions)	596	30%	80	9%	122	12%
Dual Occupancies	781	40%	202	21%	205	20%
Villa Units			223	24%	192	18%
Townhouse	236	12%	225	24%	409	39%
Apartment	353	18%	210	22%	119	11%
<b>TOTAL</b>	<b>1,966</b>	<b>100%</b>	<b>940</b>	<b>100%</b>	<b>100%</b>	<b>1047</b>

*Note: Type of dwelling figures for 2015 have been calculated on the total number of possible new dwellings related to planning and subdivision permits, as opposed to the net new number reported in years prior to 2014. The figure for total dwellings is higher than that for net dwellings, with the difference representing the demolition of existing dwellings on some sites.*

Table 4 shows that by far the most common dwelling type approved in 2015 is townhouses, which at 39% of all dwellings was nearly double the next most frequent type. In fact, the 409 townhouses approved in 2015 is nearly double the number from any other year since the Housing Monitoring Program began in 2008. This surge in townhouse developments represents a striking change from 2014, and every other year in the Housing Monitoring Program. Of the 409 townhouses approved, 138 were on the strategic sites at Harcrest and Waterford Valley, 177 were in activity centres, and 80 were in dispersed areas.

Like the spike in 3-bedroom dwellings last year, it is too early to tell if this shift toward townhouses represents the start of a new trend or is merely an outlier. Like that previous shift, it could also be attributable to some of the changes proposed by the Knox Housing Strategy 2015 and Amendment C131. In particular, the 80 townhouses approved in dispersed areas may represent new approaches to achieving higher levels of open space associated with each dwelling, pushing dwellings together to share walls where before they may have been separated by garages or open space.

It should also be noted that it is possible that the increase in townhouses may also be influenced somewhat by the way that developments have been classified over the years. Developments have always been classified according to their predominant dwelling type, but the definitions of those typologies have shifted and changed slightly over the years. One of the goals of the Knox Housing Strategy 2015 was to provide additional detail and clarity to the definitions of different housing types. According to the Residential Design Guidelines that were also adopted in January 2015, the most significant difference between those classified as villa unit and those classified as townhouses is the occurrence of shared walls. In 2014 and 2015, any development that included a pair of dwellings with shared

walls was classified as townhouses. This may be a stricter interpretation of the definition than used in previous years, and may explain some of the increase in the number of townhouses recorded over the past two years. Given the size of the increase between 2014 and 2015 however, it is unlikely that these changes in classification could account for all of this shift, and that much of it is due to systemic factors including those described above.

The distribution of typologies in 2015 continues a general trend away from detached houses and toward multi-unit developments that has taken place since the first monitoring period in 2006-2010. As the supply of vacant land has continued to decrease, detached houses have fallen from 30% of all new dwelling approvals in 2006-2010 to only 12% in 2015. As infill development in existing areas continues to increase, the share of townhouses and apartments has risen from 30% of all new dwelling approvals in 2006-2010 to 50% in 2015.

#### **5.4 Social housing**

There were no social housing developments approved in Knox in 2015. However there were requirements to deliver future social housing in the planning controls for two key sites that were approved in 2015. The condition of sale for Stamford Park residential estate in Rowville includes a requirement to deliver 5% of the new dwellings on the site as social housing. The Development Plan Overlay for the Orchards site in Wantirna South requires a contribution to social housing equal to 3% of future dwellings. The specifics of what type of social housing is built and where will be recorded in future Housing Monitoring Reports.

#### **5.5 Delivery of public transport infrastructure and service improvements**

The Knox Traffic and Transport team have advised that there were no significant changes to the public transport services in Knox in 2015. The state government has begun preliminary work on the Bayswater Level Crossing Removal project on Mountain Highway and Scoresby road, as part of a push to remove level crossings across Greater Melbourne. Site establishment works began in January 2016, including changes to car parking and relocation of some buses. According to the latest estimates by the Level Crossing Removal Authority, the project will involve weekend disruptions in June and August 2016, with major rail closures expected in November and December 2016. Project completion is currently estimated to occur in late 2017.

## 6. COMMENTARY

### Does the Housing policy assist in realising the Knox Housing Statement?

The current Housing policy’s success is measured by comparing the 2015 data with each of the five principles of the Statement.

The commentary must be considered in the context of data drawn primarily from planning permit approvals. Planning approvals do not necessarily result in development on the ground. Many factors influence if or when, a planning permit is enacted, including but not limited to, market forces, economics, and individual landowner’s choices. Planning permits can remain ‘live’ for four years or more, so it is important to be aware that there is usually a time-lag between the issue of a planning permit and eventual construction. In addition, not all planning permits result in dwellings actually being constructed. This occurs for a range of reasons, such as changes to design and requirements or speculative use of planning permits for the purpose of increasing land values for property sale.

In 2014 there were 273 planning and subdivision applications approved by Council and VCAT that, if enacted, would result in 1,047 new dwellings in Knox. Accounting for demolitions on some sites, these approvals have the potential to add 901 net new dwellings to the over 53,000 existing dwellings across the municipality. This represents an increase from most years since the Housing Monitoring Program began in 2008, as shown in Figure 2 below.

Figure 2: Number of net new dwellings from approvals & aspirational targets, 2009-2015

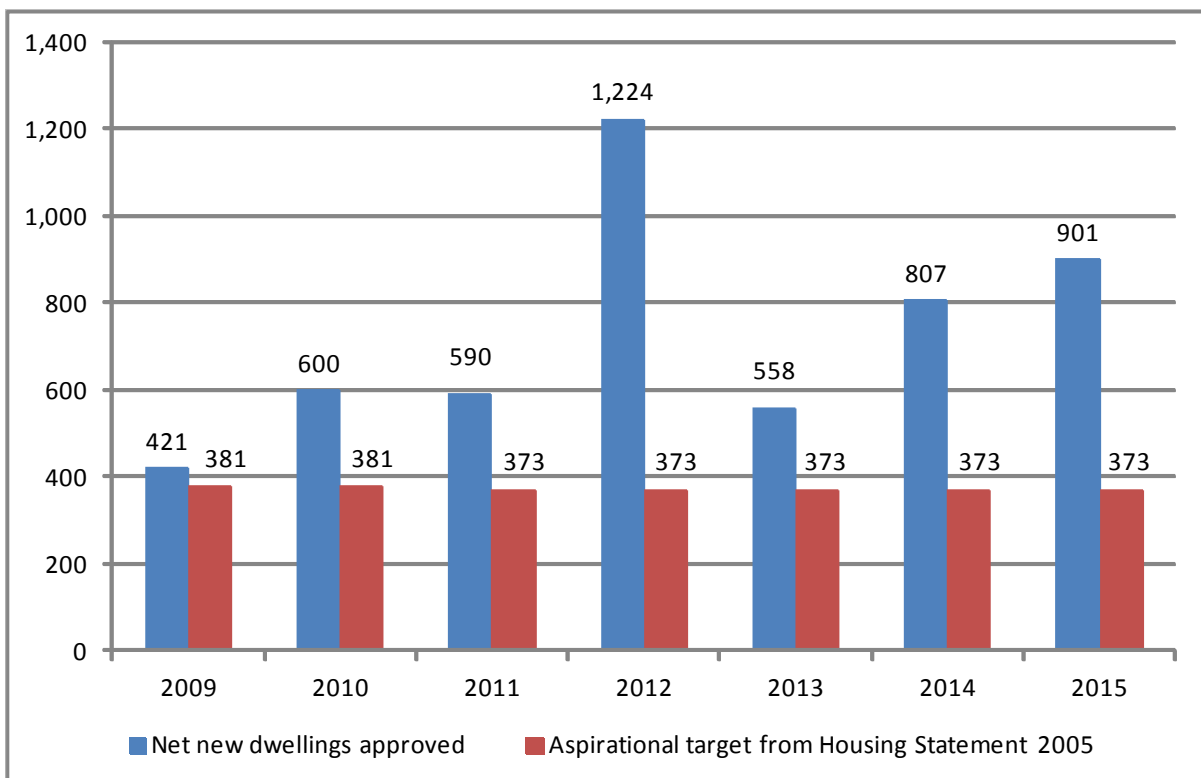


Figure 2 shows a general increase in the number of dwellings approved each year since 2009, with an unusually high number outside this trend in 2012. As noted previously, this spike in 2012 was likely due in large part to a few large apartment applications, including the 236-unit Kubix apartment building on Burwood Highway. It may also represent temporary effects from land speculation that was seen in similar middle-outer municipalities across Melbourne in 2012.

While these results suggest 2012 was an outlier, the increases in 2014 and 2015 so suggest a more sustained increase in demand for new dwellings generally. However, it may still be too early to say that this is the start of a new long-term trend. There may still be spillover effects from the transition to the new residential zones and the adoption of the Knox Housing Strategy 2015.

There was a noticeable rush of applications in 2014, one in February-March following the exhibition of the new Knox Housing Strategy and another in May-June 2014 just prior to the implementation of new transitional residential zones on 1 July of that year. Indeed, a higher proportion of approvals in 2014 were from applications filed in the same calendar year than in the past. On average, from 2010-2013 around 40% of approvals were from applications lodged in the same calendar year, while 53% were from applications lodged in the previous calendar year. However in 2014 that trend was reversed, with 58% of approvals from applications lodged in 2014 and only 40% from applications lodged in 2013.

Of the 273 applications approved in 2015, 172 of them (63%) were lodged in 2014. That is still slightly higher than the typical average for one-year-old applications, which suggests that the bump in applications in 2014 may still be working their way through the system. Since the percentage of approvals from applications lodged two year prior or earlier is typically 10% or less, the total number of approvals and new dwellings in the 2016 report will be helpful in assessing whether the higher numbers in 2014 and 2015 should be expected to continue.

**1. Meet the social needs of the community by encouraging the provision of affordable and diverse housing types to cater for a changing demographic profile that includes single person, couple and family households, and households with particular needs.**

This is interpreted as the need to provide dwellings of different sizes and types to suit different types of households and life stages in Knox. It also refers to the need to provide affordable housing, including social housing.

### **Changing household needs**

The 2011 Census data and resulting projections highlight the need for a diversity of housing to match the changing household needs in Knox. For example:

- There has been an increase in the percentage of Knox residents over 60 from 13% in 2001 to 19% in 2011. This is forecast to reach 23% by 2021.



- The number of people at or near retirement age (60+) has risen by 50% in the last ten years, from 18,000 in 2001 to 28,000 in 2011. It is forecast to continue to increase to 43,000 by 2031.
- There is a declining average household size, from 2.93 in 2001 to 2.75 in 2011 to 2.61 in 2031.
- The number of lone person households and couples without children has risen by nearly 50% in the last ten years, from 19,000 in 2001 to 28,000 in 2011. It is forecast to continue to increase to around 35,000 in 2031.

The number of families with children is expected to increase slightly over the next 20 years; however the number of lone person and couple only households are expected to increase substantially. A diversity of housing sizes will therefore be needed.

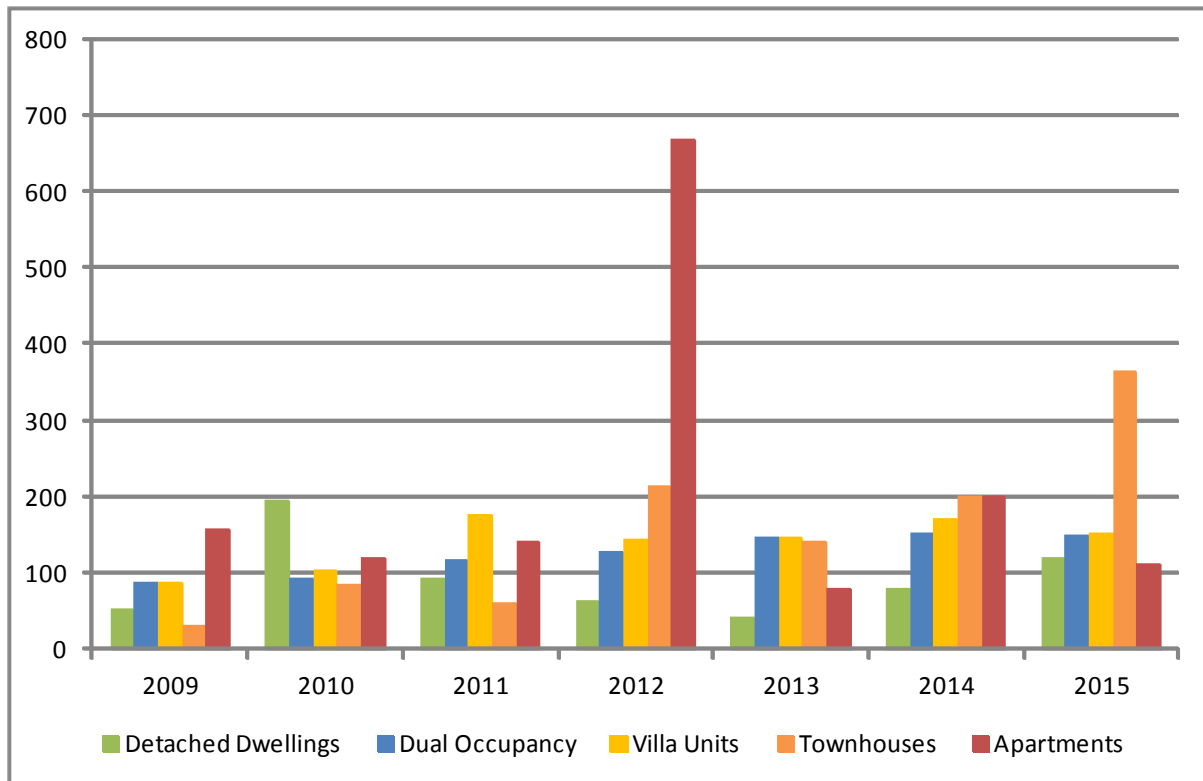
The shift towards smaller households is occurring across Knox, due in part to general trends such as ageing of the population and couples waiting longer to start families. However, the existing supply of dwellings in Knox continues to be large detached houses with 3 bedrooms or more. This diverging trend is starting to create a 'dwelling to household mismatch' across Knox with fewer small dwellings available to increasing numbers of smaller households. If this trend were to continue, residents of Knox who wish to downsize to a smaller homes as they age, or young people wishing to purchase their first home, may be forced to look outside their immediate local area to other suburbs. This has been particularly acute in Rowville and other areas where few smaller dwellings are being built than in the older suburbs of Bayswater and Boronia where apartments and townhouses are starting to be built.

### **Housing diversity**

The diversity of housing in Knox can be described by both the type and size of dwellings. By far the dominant type of home in Knox today is detached houses, at 87% of the existing total. The fact that single dwellings represent only 12% of the dwellings approved in 2015 suggests that the current housing policy is helping to deliver a different mix of housing types than is currently available.

In 2015, for the second year in a row, more townhouses were approved (406 total units and 366 net new dwellings in 58 applications) than in any other year since the Housing Monitoring Program began. While the number of apartments approved (119 total units and 112 net new dwellings 8 applications) was much lower than in previous years. In 2015, these two types accounted for nearly half of all approvals, 46% of approved dwellings. The number of net new dwellings approved by typology over the last six years is shown in Figure 3.

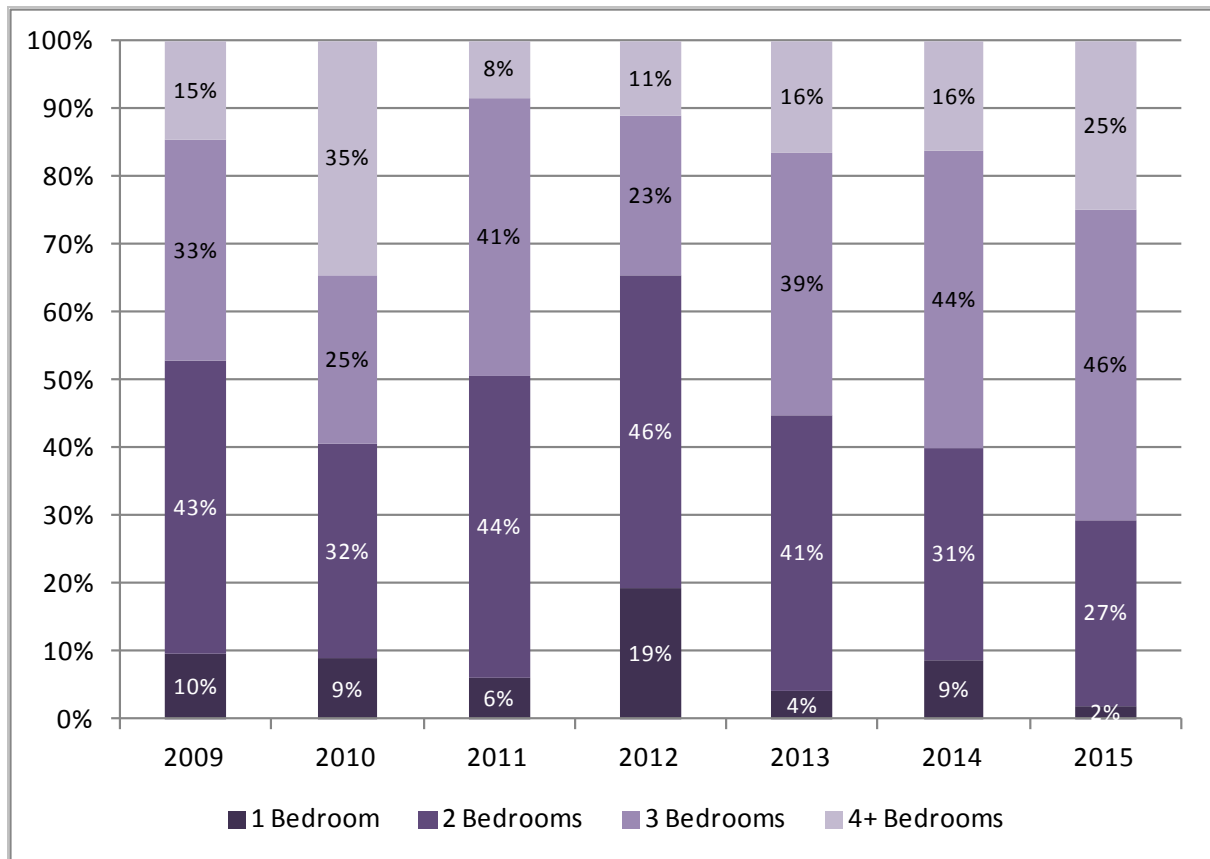
**Figure 3: Number of net new dwellings by type, 2009-2015**



The results for dwelling size were mixed. The most common dwelling sizes in Knox today are 3 bedrooms (48%) and 4 or more bedrooms (31%). Smaller dwellings of 2 bedrooms or less therefore represent only 13% of the available housing stock. The fact that the percentage of the smaller dwellings approved in 2014 is nearly 40% of total approvals means that the current housing policy is helping to deliver a greater range of housing sizes that is currently available.

However, for the second time since Housing Monitoring began in 2008, the most common size of dwellings approved were 3-bedroom dwellings, representing 4% of the total. The number of dwelling approvals by typology over the last six years is shown in Figure 3 below. This represents less of a change from the existing condition in previous years, suggesting that in terms of dwelling size new housing approvals are not adding to housing diversity as much in 2015 as they have in the recent past. In four of the last six years 2-bedroom dwellings were the most common size approved. Most of this shift to larger dwellings occurred in approvals for villa units and townhouses, while apartments continued to represent mostly 1-bedroom and 2-bedroom dwellings.

**Figure 4: Percentage of new dwellings by size, 2009-2015**



It should be noted that the number of new net new dwellings approved in 2015 (901) is very small compared to the 53,000 of existing dwellings in Knox. While it can be said that the current housing policy is helping to improve the diversity of dwelling types and sizes over time, this relatively low growth rate means that the overall mix of housing sizes and types will change very slowly. However the location of these new smaller dwellings is also an important consideration in assessing the success of the current housing policy. This is discussed in the section on housing location below.

### **Housing affordability**

Housing affordability is a complex and often controversial issue, not just in Knox but across Melbourne and the rest of Australia. Affordability is a function of both the cost of housing and local household income. There are many factors that go into determining the cost of housing: the size and type of a dwelling, the specific location and its proximity to transport and services, the amenity of the surrounding neighbourhood and the individual street, and the mix and availability of dwellings in the surrounding suburbs and municipalities. Some of these factors are related to planning decisions, but much of the remaining equation relies on market forces and personal preferences which are outside the influence of the Planning Scheme.

Most of the existing housing stock in Knox consists of large, detached dwellings. As a result, the addition of smaller dwellings such as apartments and townhouses can make a positive contribution to housing affordability by providing options for buying and renting at a lower

price point. Smaller dwellings also often offer lower maintenance and running costs, since they require less energy to heat and cool than large dwellings.

This means that affordability is not just an issue for those of low income, but also the diversity of housing prices and types locally. Because Knox is currently made up of mostly large, detached houses, there are fewer opportunities for smaller, lower-priced options. Therefore the approval of smaller units in apartments and townhouse developments help to increase options for housing at lower price points. These options are particularly important for those who may not want or be able to afford a large house, which includes many young people, new families, 'empty nesters' and pensioners.

The majority of smaller dwelling approvals in 2015, as in past years, are located in Activity Centres, close to services and infrastructure. Smaller dwellings (1-2 bedrooms) represented 71% of all approvals inside the five Activity Centres but only 13% of approvals outside these areas. This suggests that more affordable living options that Knox needs are indeed being provided in the areas that are closest to shops, activities, and public transport. Having these choices within walking and cycling distance helps reduce dependence on driving, which can add to affordability by reducing travel costs associated with driving. This may particularly benefit those with limited or no access to a car, including young people and aged residents among others.

No social housing projects were approved in 2015, marking the fourth year in a row with zero new units approved. This is particularly concerning given the growing need for Knox residents to access such housing. From now until 2030, 700 new social housing dwellings are required to meet the needs of low-income, non-home owning Knox residents. If the need were to be met within a reasonable, five-year timeframe, it would have required 95 social housing dwellings per annum from 2010-2015 (10.5% of the net new dwellings approved in 2015), then 15 social housing dwellings per year thereafter to 2030.

The Planning Scheme can only *encourage* the provision of social housing – there is currently no means of specifying provision of social housing within the Planning Scheme. It can be negotiated during the process of amending the Planning Scheme to rezone land for residential use, as has happened at the Austral Bricks site on Stud Road, and the Orchards rezoning on High Street Road, both in Wantirna South. Negotiations such as this also need a willing social housing provider – either the Office of Housing or a Registered Housing Association.

There are more robust mechanisms available to promote Social Housing when Council is the landowner or seller for a given site. The land for the Stamford Park residential estate which was recently sold by Council to a developer included a requirement that 5% of the dwellings on site must be built as Social Housing.

### **Housing accessibility**

Accessible design features are encouraged in the Municipal Strategic Statement of the Knox Planning Scheme, but like social housing to date these have needed to be negotiated rather than mandated. The supply of housing without steps and taller apartment buildings where lifts are provided can meet some of these needs. The internal fittings of dwellings are dealt with predominantly through the building system. The new Knox Housing Strategy 2015,

adopted by Council in January 2015, proposes clearer design requirements as described in the accompanying Residential Design Guidelines.

**2. Ensure the planning for housing development contributes to sustainable urban growth and change and the design of new dwellings incorporate best practice sustainable building performance measures.**

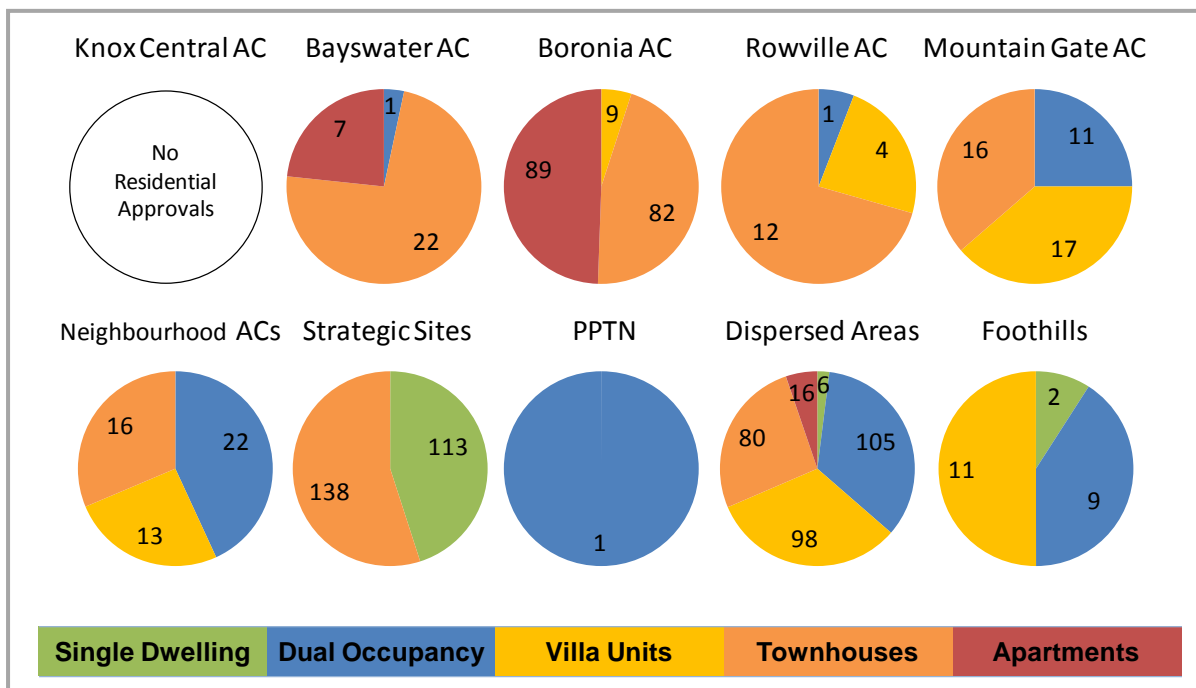
This is interpreted as both the distribution of new housing and the design of individual dwellings.

**Housing location**

The Housing policy applies this principle more broadly by directing more housing to preferred locations with better infrastructure and services (i.e. Activity Centres, Strategic Redevelopment Sites and along the PPTN), and more housing away from areas that have a special character to be protected (such as the Dandenong Foothills). More development in locations with good infrastructure and services contributes to sustainable urban growth. More people living closer to, for example, shops, jobs and community centres, or in locations where these can be easily accessed, can reduce car dependency. Less development in areas with environmental values helps, for example, to protect biodiversity.

Although dwelling diversity is changing slowly across the whole of Knox, the concentration of approvals for apartments, townhouses, and other small dwellings in Activity Centres and along the PPTN means that it is changing more rapidly in areas with good access to transport and services. This will help serve the wider objectives of the City Plan in increasing walking and cycling and providing greater opportunities for living locally.

**Figure 5: Mix of dwelling typologies across different Housing Policy areas**



Nearly all of the apartment approvals in 2015 occurred within the main Activity Centres of Bayswater and Boronia, with the exception of the single VCAT approval just outside the Boronia Activity Centre at 307 Dorset Road. There were no residential approvals in the Knox Central Activity Centre in 2015, which has seen major apartment approvals in the last few years. Townhouses and villa units represented most of the new dwellings approved in the Rowville and Mountain Gate activity centres.

It is important to note that the Activity Centre figures above relate only to the areas covered by Structure Plans and related planning controls, not the entire suburbs of Bayswater, Boronia, and Rowville. There were many developments for dual occupancies and villa units in these suburbs outside the Activity Centre boundaries, which show up under 'Dispersed Areas'. For example there were many applications for townhouses and villa units just to the west south of the Activity Centre in Boronia.

Approvals in Strategic Sites included townhouses on the Harcrest Site in Wantirna South and Waterford Valley in Knoxfield. They also included the large subdivision for future detached dwellings at Wantirna Rise. Neighbourhood Activity Centres saw a similar distribution to the rest of the dispersed areas, suggesting the current Housing Policy is not delivering a higher-density mix in these areas. However, this can be seen as a good outcome in the context of the different approach to these areas taken by the new Knox Housing Strategy 2015. In the new Strategy, Neighbourhood Activity Centres are replaced with fewer, smaller Local Living areas in key locations and higher-density development is directed more strongly toward Activity Areas in the major centres of Bayswater, Boronia, Rowville, and Knox Central.

### **Housing design**

Dwelling size is another indicator of sustainability. Smaller dwellings usually have reduced running costs, for example, heating and cooling. The increased number of apartments, townhouses, villa units and dual occupancies can contribute to this aspect of sustainability. Conversely, several smaller dwellings replacing or adding to one larger dwelling on a lot can reduce the amount of permeable land on the block available for tree planting and stormwater capture, having a negative impact.

Achieving sustainable outcomes in the planning process is being addressed in Knox by the application of Sustainable Tools for Environmental Performance Strategy (STEPS). All planning applications for residential development of three or more units, and all mixed use developments, are subject to an assessment for which STEPS can be used as a tool. Council has commissioned an annual report to assess the success of STEPS: *Environmentally Sustainable Design in the City Planning Department, Organica Engineering*. The most recent report examined the results from July 2014 to June 2015.

The 2014-2015 Environmentally Sustainable Design report, as noted in the Housing Monitoring Program report for 2014, found that the program is continuing to work well, achieving clear environmental benefits that provide measurable reductions in Knox's environmental footprint. It is also enabling successful engagement with designers in and around Knox to deliver greener, more sustainable buildings. Specifically, calculations found that the residential applications complying with sustainable design measures in 2013-2014 would save approximately 1,461 tonnes of carbon dioxide equivalent and 30,805 kilolitres of water every year for the life of the dwellings, as compared to the standard Victorian

developments of the same size and number. In addition, the number of residential developments submitting STEPS reports has been rising steadily from year to year, from 35 applications representing 112 dwellings in 2010-2011 to 55 applications representing 526 dwellings in 2013-2014.

Housing design and sustainable building performance measures are complex issues that the new Knox Housing Strategy seeks to address in greater detail. Finding more ways to improve the quality and sustainability of design has been a key objective in the development of the new Strategy, and will be a key aspect of the new Housing Monitoring Program beginning in the next report for the 2016 calendar year.

***3. Manage the conflict between the need for more housing and maintaining the valued qualities of identified areas of environmental and character significance by allowing residential suburbs to continue to evolve and change but in a way that strengthens the distinctive characteristics of each neighbourhood.***

The Housing policy implements this principle in conjunction with the Neighbourhood Character and Dandenong Foothills policies and Foothills overlays in the Knox Planning Scheme.

Since the Housing policy and Dandenong Foothills suite of planning controls were introduced in 2006, there has been a significant reduction in the number of permits issued for development in the Foothills. In 2015, 22 net new dwellings were approved in the Foothills, including new subdivisions. This continues a general downward trend (73 in 2012, 47 in 2013, 38 in 2014) as the last remaining larger sites are subdivided and developed. Some development in the Foothills is expected, as the current Housing policy and new Knox Housing Strategy do not (and cannot) prohibit development in this area. However the relatively low numbers of new developments and low-density character of new approvals are consistent with the goals of the Foothills policies in the Knox Planning Scheme.

However, development in the dispersed areas outside Activity Centres and the Foothills was mixed. Smaller developments such as detached dwellings, dual occupancies, and the occasional villa unit development on larger lots are preferred in these areas, as they are generally able to help maintain the character of these established suburbs better than larger townhouse and apartment applications that represent greater levels of change. In 2015, around 36% of net new dwellings were either detached dwellings or dual occupancies, while villa units (32%) townhouses (26%) made up a higher share than would be expected under the current Housing Policy. There was one apartment development approved by VCAT in dispersed area just outside the Boronia Activity Centre at 301 Dorset Road. These out-of-character developments highlight the need for additional clarity in planning controls that the approval of Amendment C131 should provide in 2016.

**4. Ensure that residents have improved access to services, facilities and public transport by encouraging more housing within activity centres and in appropriate strategic locations.**

The Housing policy applies this principle in its objective to direct development to preferred locations within Activity Centres, Strategic Redevelopment Sites and along the PPTN. The response to this principle is the same as for Principle 2.

**5. Provide effective leadership and direction for the proper management of urban growth within the City of Knox to ensure that there is a sound foundation for decision making for future housing provision.**

The current Housing Policy was created as a response to this principle, and seeks to guide and manage urban growth within Knox. Based on the findings of the Housing Monitoring Program for 2015, the Housing Policy continues to be generally effective in directing new housing to preferred locations such as Activity Centres, and away from areas worthy of protection as specified in the policy such as the Foothills. The diversity of housing continues to improve, particularly in areas designated for higher change. Progress in increasing environmentally sustainable design continues. And the issue of design quality, which has been identified as an area for improvement in past Housing Monitoring Reports, has been a major focus of the new Knox Housing Strategy 2015 and Residential Design Guidelines, adopted by Council in January 2015.

However, 2015 also saw an increase in approvals for townhouses in dispersed areas which suggests that current controls and policy are not consistently delivering the lower levels of change expected in these areas. In addition, VCAT approval for a 24-unit apartment outside the Boronia Activity Centre and two different approvals for townhouse developments in areas covered by Vegetation Protection Overlays suggests that current planning controls are not sufficiently aligned with Council policy and community expectations. The delay between Council adoption of the Knox Housing Strategy 2015 and the approval of Amendment C131 by the Minister for Planning is a likely contributor to this misalignment.

Community concerns about the scale of development and of rate change in some neighbourhoods have been a large part of the public discourse over the last few years. Council responded to the community's concerns by completing a comprehensive community engagement program, Knox@50, in 2012. This commitment to engaging with the residents of Knox on issues related to housing and development has seen more major milestones with the adoption Knox Housing Strategy 2015 and associated Residential Design Guidelines. Structure plans were recently completed in Ferntree Gully (2014) and Rowville (2015) and are currently in progress in Knox Central Upper Ferntree Gully. All of these planning documents and new controls have aimed to provide additional clarity and increased certainty about future development.

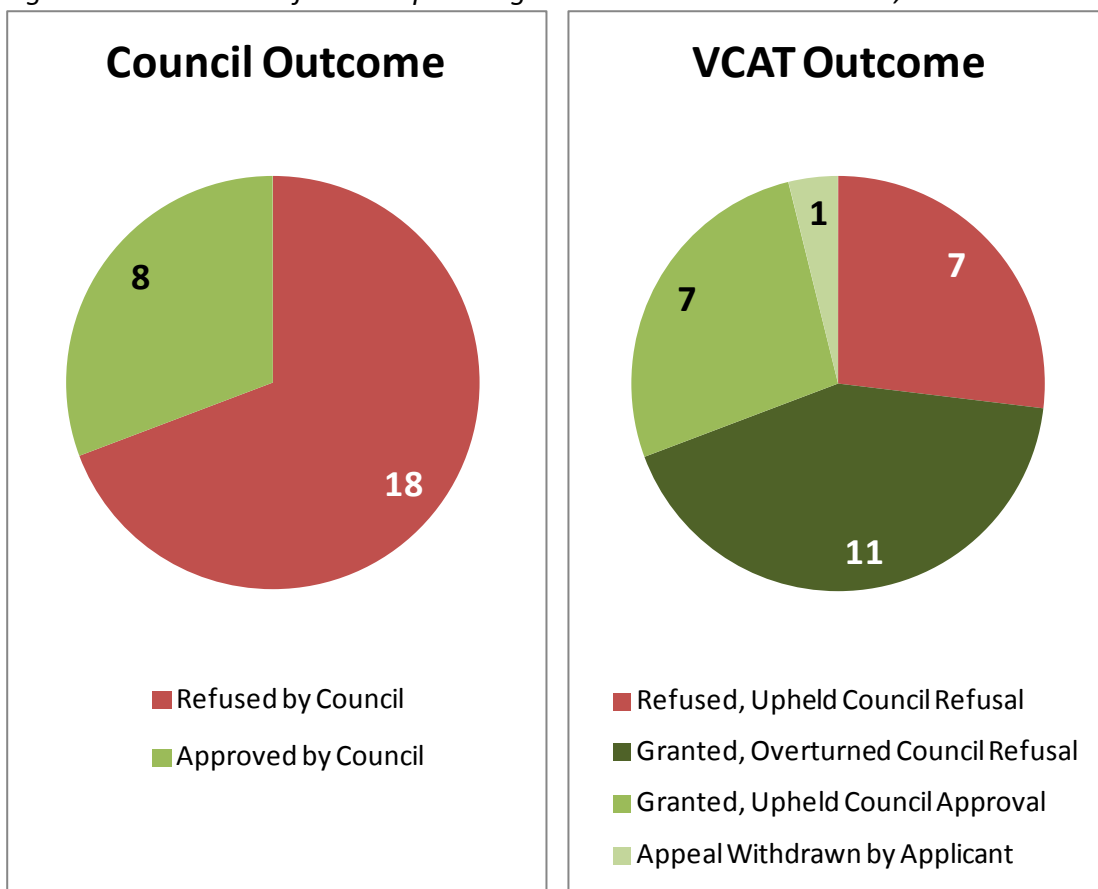
One measure that suggests an improving alignment between community expectation and planning decisions is a reduction in the number of planning decisions referred to VCAT over the past few years. In 2012 and 2013, 44 applications per year were referred to VCAT. Most



of these were applicants seeking to overturn Council’s refusal of a planning permit, which happened in 73% and 81% of cases, respectively. In 2015 the total number of VCAT referrals was 26 applications, after falling to a low of 19 in 2014.

Eighteen of these 26 cases were applicants appealing a refusal by Council, and 11 of these (61%) were overturned by VCAT, resulting in the approval of 62 new dwellings. The other seven of Council’s refusals were upheld by VCAT. There were eight referrals to VCAT of applications that were either approved by Council or through delegation, or issued a Notice of Decision (NoD) for a future approval. All of these eventually resulted in permits for new dwellings. Seven of the eight Council approvals were upheld by VCAT, some with variations on the conditions of permit, and one case was withdrawn by the applicant. The breakdown of VCAT cases is shown in Figure 6.

Figure 6: Breakdown of Council planning decisions vs. VCAT decisions, 2015



## 7. KNOX HOUSING STRATEGY 2015 AND NEW HOUSING MONITORING PROGRAM

The new Knox Housing Strategy and Residential Design Guidelines and Amendment C131 containing the associated changes to the Knox Planning Scheme were adopted by Council in January 2015. The new Strategy applies a scaled approach to future housing, which more clearly identifies the role that different areas in Knox will play in the provision of new housing, and provides stronger guidance and controls to achieve an appropriate balance between our future housing needs and preserving Knox's important neighbourhood character.

1. A diversity of housing choice is provided in appropriate locations
2. Residential development better responds to the community's current and future needs, and allows people to 'age in place'
3. Energy, water and waste efficient design is increased in residential sectors
4. Quality housing design in Knox is improved to better respond to neighbourhood identity and create a stronger sense of place
5. Protect and enhance landscape and environmental values of natural areas of significance within the municipality
6. Development recognises the significance of the natural environment, respect the character of place and responds to neighbourhoods in an integrated and balanced manner

One of the key features of the new Strategy is the definition of four new policy areas across the existing residential areas in Knox: Bush Suburban, Knox Neighbourhood, Local Living, and Activity Areas. The new Strategy also specifies the preferred housing types for each policy area. The Residential Design Guidelines, in turn, provide a detailed definition of these housing types to achieve a greater level of clarity to help guide appropriate development and design outcomes across the municipality.

This year, 2015, will be the last Housing Monitoring Report undertaken in the current framework guided by the Housing Statement 2005. Now that the new *Knox Housing Strategy* has been adopted by Council and Amendment C131 has been approved by the Minister for Planning, the strategy and new controls will support a new and updated Housing Monitoring Program beginning next year for 2016.

The new Housing Monitoring Program will include a new set of indicators based on the six City Plan strategies that the new Knox Housing Strategy seeks to implement. These indicators have been chosen based on a more detailed description of the outcomes that each of the six objectives is seeking to achieve, and an assessment of the availability of data to measure these outcomes. This includes data available from within Council, such as the statistics on planning and subdivision applications and Knox-specific residential surveys. It will also as data from external sources such as Census data. Other new external data sources are also under consideration, depending on availability and funding. These include new Victorian State Government residential constructions data, advanced aerial imagery including classification and elevation data, and data from [walkscore.com](http://walkscore.com), a website that uses an algorithm to assess walkability based on proximity to services and transport.

## **8. REFERENCES AND FURTHER INFORMATION**

Knox Housing Statement 2005 (updated 2007), Knox City Council

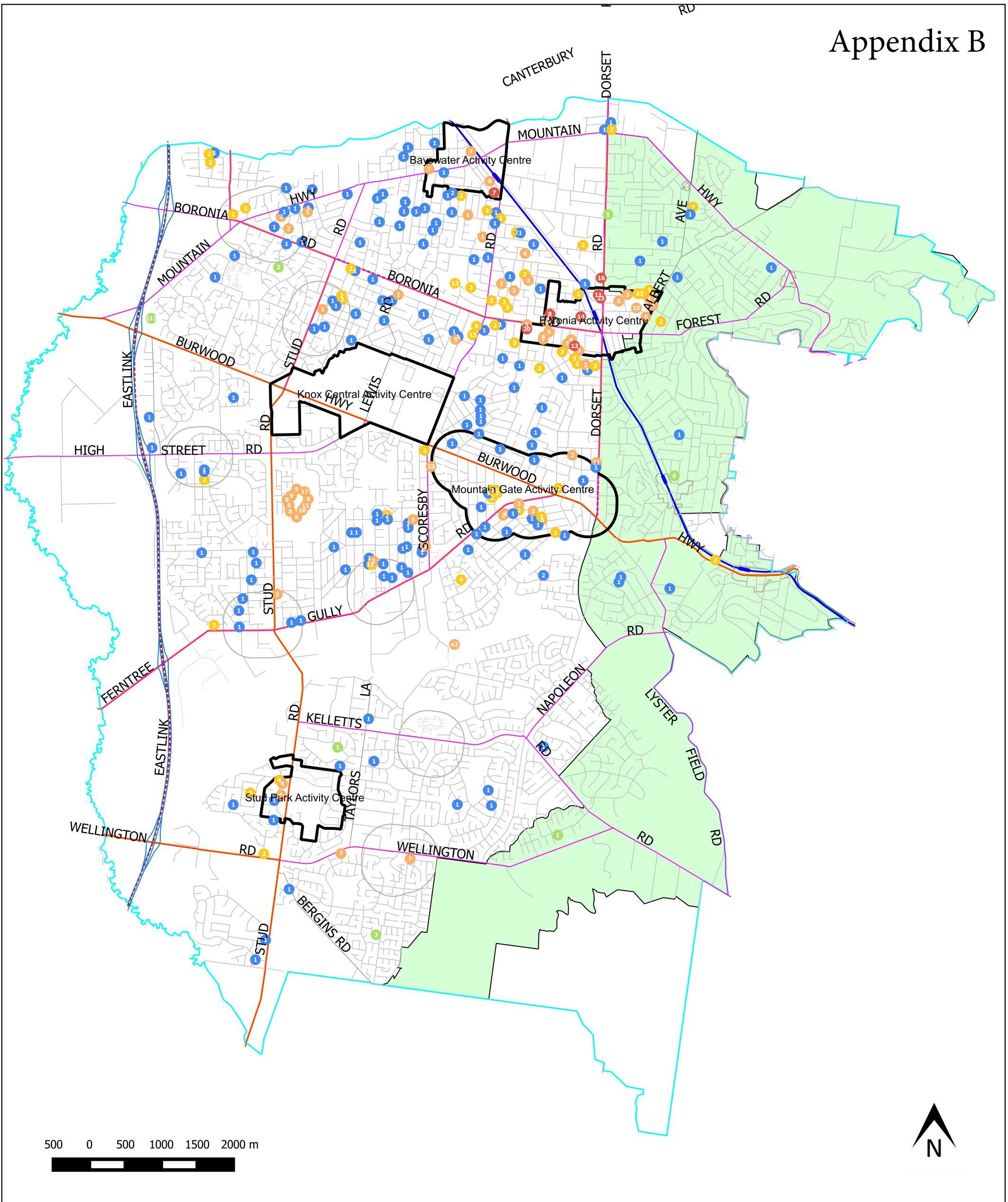
Knox Planning Scheme

Knox City Council Affordable Housing Action Plan (2015–2020)

2011 Census data, Australian Bureau of Statistics

Knox Housing Strategy 2015, Knox City Council (adopted January 2015)

Residential Design Guidelines, Knox City Council (adopted January 2015)



- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>— Road Centrelines</li> <li>— Local Streets/Rds</li> <li>— Main Roads</li> <li>— Highways</li> <li>— Collector Roads</li> <li>— Private Roads</li> <li>— Tollways</li> <li>■ Train Stations</li> <li>— Principal Public Transport Network (PPTN)</li> <li>— Bus Routes (existing)</li> <li>--- Bus Routes (proposed)</li> <li>— Existing Rail network</li> </ul> | <ul style="list-style-type: none"> <li>— City Boundary</li> <li>● Residential Planning Permits                             <ul style="list-style-type: none"> <li>● Detached Dwellings</li> <li>● Dual Occupancy</li> <li>● Villa Units</li> <li>● Townhouses</li> <li>● Apartments</li> </ul> </li> <li>□ Neighbourhood Activity Centres</li> <li>■ Dandenong Foothills - Policy Area</li> </ul> |
|---|---|

19 Number of new dwellings

**Disclaimer:**  
 Roads and Title Boundaries - State of Victoria, Knox City Council  
 Planning Scheme Information - DELWP, Knox City Council

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