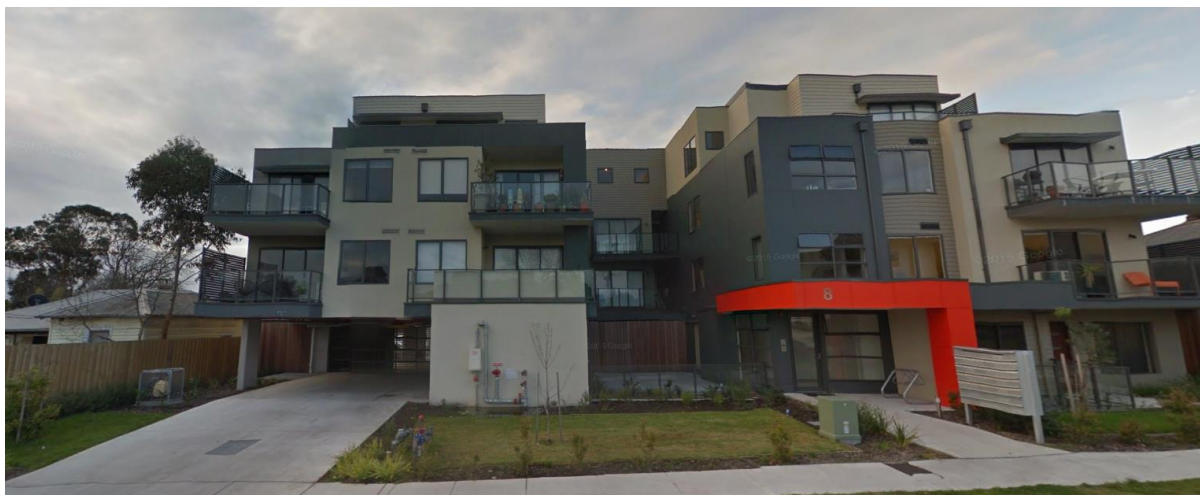


Frankston Housing Strategy 2017

Executive Summary



Intent

The Frankston Housing Strategy (2017 update) sets out a range of initiatives to accommodate the expected increase in population up to 2036 and beyond. It seeks to provide for a range of housing types to meet the needs of the diverse Frankston City households over this planning period. Key objectives are to maintain a steady supply of new housing that is affordable and fit for purpose, while protecting and enhancing the quality of residential amenity and neighbourhood character across Frankston City's different suburbs.

Frankston Planning Scheme and Council's role in housing provision

The Frankston Planning Scheme provides the formal policy context for housing development in Frankston City. The Frankston Housing Strategy directly addresses the physical provision of new housing supply in Frankston. It also considers the existing and future needs of the households and individuals within the community for housing provision.

Council has many different roles that relate to housing in the City. While most people understand the need for Council to undertake the regulatory function for approving new housing development, the other roles described in the Strategy are also important. A very significant role of Council is its advocacy for housing services that are provided by other levels of government and other organisations. Council provides support to members of the community with specialist housing needs, including aged care, crisis accommodation and services to the homeless. This level of service provision extends well beyond what can be achieved through planning scheme controls for new development.

The Municipal Strategic Statement and the Local Planning Policy Framework of the Frankston Planning Scheme has been recently amended with the approval of the Minister for Planning (Am C100 was adopted on XXXXX). Only minor changes to these provisions are proposed by the Frankston Housing Strategy 2017.

Housing Strategy 2013 and the proposed Amendment C95

The earlier version of Council's Housing Strategy was endorsed in September 2013. It describes 'whole of Council' activities in the area of housing policy, planning and provision. The 2013 Housing Strategy was used to inform the recent review of the Municipal Strategic Statement that was introduced by Am C100

Council had intended to further implement the 2013 Housing Strategy recommendations through Planning Scheme Amendment C95. This amendment was designed to introduce new residential zones for particular locations within Frankston City. On 15 October 2013, Council resolved to initiate Am C95 in order to introduce the Residential Growth Zone (RGZ), General Residential Zone (GRZ) and Neighbourhood Residential Zone (NRZ), and to apply the new zones generally in accordance with the Frankston Housing Strategy 2013 with variations agreed to by Council following community consultation.

The Amendment was placed on public exhibition between 28 October and 13 December 2013. A total of 71 submissions were received and referred for review to an independent panel: The resulting Panel Report was received by Council on 29 May 2014. This report cast doubt on the rezoning proposals included in Am C95

On 1 July 2014, the Minister for Planning rezoned most of Frankston's residential areas to the new General Residential Zone (this was the State Government's deadline for the introduction of the new residential zones to all Victorian Planning Schemes).

It was decided by Council in November 2014 to do further strategic work and perhaps modify Am C95 so it could be re-considered for adoption. However Am C95 lapsed on 31 October 2015.

Council has now had more than two years' worth of experience of working with the General Residential Zone and is well placed to reconsider the recommendations of its 2013 Housing Strategy. Ministerial Direction No 17 (gazetted in July 2014) is relevant:

A planning authority must evaluate and monitor the implications of the application of any of the three residential zones within two years of their gazettal into a planning scheme. Planning authorities must specifically assess the affect of the residential zone(s) on housing supply, housing prices, infill development sites, land prices and the availability of land for infill development but are not limited to those matters.

This comprehensive update of the Frankston Housing Strategy completed in 2017 will help inform a new planning scheme amendment to improve the operation of the residential zones and associated overlay provisions of the Frankston Planning Scheme. The purpose of a new amendment will be to properly and successfully implement the changes need to accommodate future housing development consistent with the objectives of the Frankston Housing Strategy 2017.

Housing Profile

In 2016, there were 56,873 private dwellings in Frankston City. Of these, 79.1 % were separate houses. This is a substantially higher proportion than in Greater Melbourne overall. While the extent of medium density housing in Frankston City (17.4% of all housing) approaches the proportion that applies to Greater Melbourne (21.1%), it is in the category of high density housing that Frankston is particularly under represented. This is largely due to Frankston's historical development as a regional centre and later as an outer suburban housing area.

In 2016, the Census population counted was 134,143 people, an increase of 7,685 people since the 2011 Census. That meant that Frankston City Council grew by 1,537 people per year within the last 5 years.

In 2016, the Estimated Resident population was 137,424. This was an increase of 7,074 since the 2011 Estimated population. Note that the Estimated population is usually more than the Census count as it accounts for people who are not counted or are overseas on Census night (see explanation below).

Note that at this point, the Estimated population for 2016 is a preliminary estimates that does not consider the adjustment of the results of the 2016 census. The Estimated population in 2015 was 136,189, giving an increase of 1,235. Officers suspect that the new Estimate for 2016 will show Frankston could to be growing slightly faster than forecasted.

The difference between the Census and the Estimated population is that the Census population is the counted resident population not adjusted for under enumeration and without residents being temporarily overseas. Estimated population is the official estimated resident population adjusted for under enumeration and residents being temporarily overseas.

Whilst the Estimated population is more accurate, the 2016 Census data has been deemed fit for rebasing the Estimated Resident Population and having comparable quality to previous Australian Censuses and International Censuses.

The average household size in Frankston City decreased from 2.7 persons in 1996 to 2.5 persons in 2016. This is lower than the Greater Melbourne average of 2.6 persons in 2016.

The older settled areas of Seaford and Frankston have significantly higher proportions of medium density and high density dwellings than the other suburbs. A newer suburb, Carrum Downs, is relatively well represented in terms of 'medium density' housing with this accounting for 9% of its dwellings. At the other extreme, Langwarrin South and Skye are almost exclusively comprised of 'separate houses'.

It is expected that more one and two bedroom dwellings will be required in future, in medium and higher density development formats, to accommodate Frankston's growing population and to align more closely to the prevailing household types.

Forecast growth

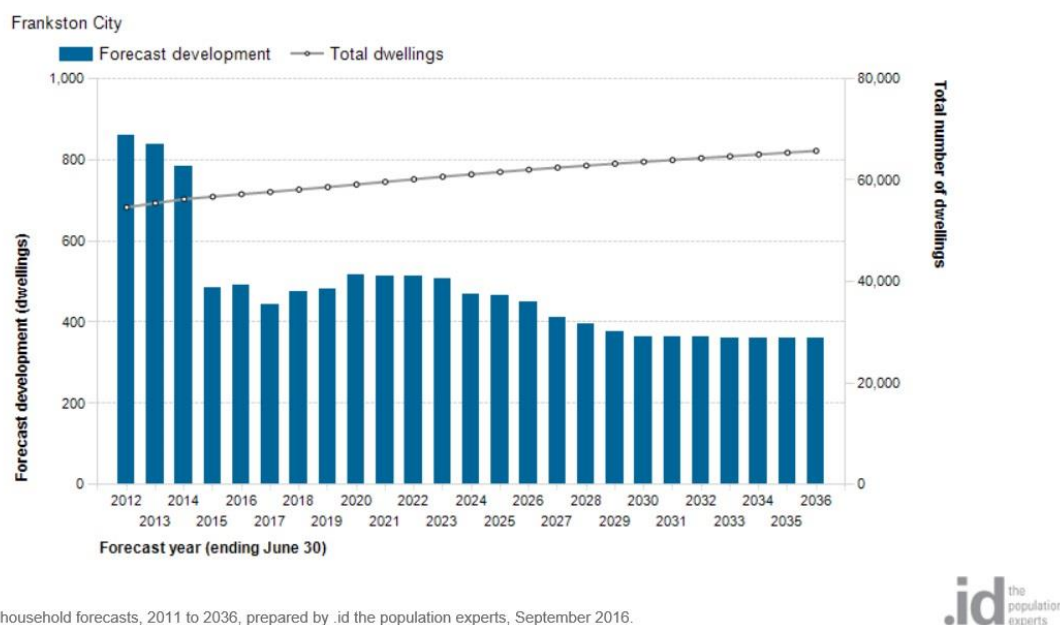
The population and dwelling forecasts prepared for Council by *id consultants* in September 2016 indicate that Frankston's population is expected to reach 153,790 in 2036. This is an increase of 16,669 persons over twenty years, or an average increase of 834 people per year.

Household size is likely to decline over this period from an average of 2.47 persons per household in 2016 to 2.42 in 2036. This means that more dwellings would be required than what might be expected from the population increase alone.

The greatest increase in households over the forecast period will be 'lone person households' with 4,097 new households. The next most numerous will be 'Couples without dependents' (an increase of 3,651). These two categories will also increase as a proportion of all households.

The number of new dwellings that will be needed to accommodate this growth will be 8,540 or an average of 427 new dwellings per year. This figure is well within the current annual dwelling production rate experienced by Frankston City.

Forecast residential development



The peak year for new dwellings in Frankston City was 2010-11 when over 1,236 dwellings were approved. Since then, there has been an average of 622 new dwellings approved each year. Note that when new dwellings are created in existing built up areas, this may involve the demolition of existing dwellings.

Most new development will take place in urban renewal areas, or existing built up areas, as there is little vacant residential zoned land available in Frankston City. Accordingly, it is likely that the housing type of new residential development will trend towards medium and high density dwellings. The suburbs expected to accommodate most of the forecast population growth are, in order, Carrum Downs, Langwarrin/Langwarrin South, Frankston Central and Seaford. The slowest growth will occur in the middle suburbs of Karingal and Frankston North.

Housing Affordability

Sandhurst (\$760,000) and Frankston South (\$755,000) have the most expensive median house prices in the municipality. The least expensive houses are located in Frankston North (\$415,600). Carrum Downs, Frankston, Skye and Langwarrin have median prices that suggest these are very affordable suburbs overall.

The Melbourne Metropolitan median apartment price is \$563,500. Note that all Frankston suburbs have unit/apartment price medians that are well below this figure. For example, the highest median apartment price of any Frankston suburb is Seaford with a median of \$430,000. Carrum Downs has a median apartment price of \$340,000.

Frankston City has rentals that are affordable when compared to the rental medians for Greater Melbourne. The level of rental vacancy rates indicates good availability of affordable houses, units and apartments available for rent in Frankston City. However current trends for increasing house prices and increasing rentals can result in housing stress being experienced by greater numbers of the City's households.

'Housing stress' is defined as households in the lowest 40% of incomes who are paying more than 30% of their usual gross weekly income on housing costs. Suburbs with estimated high levels of

households experiencing housing stress include Carrum Downs, Frankston, Frankston North and Karingal.

Dwellings Growth

Frankston City is expected to require an additional 8,540 dwellings over the next 20 years (or 427 new dwellings per year until 2036). While there is capacity for maintaining a high level of dwelling production for the forecast period, this will be achieved in many small scale urban renewal projects rather than major new green-field residential estates.

Particular challenges and opportunities have been identified for Frankston City in meeting its forecast population and dwellings growth. It is anticipated that:

- Frankston City's attraction as one of the cheapest locations for housing in metropolitan Melbourne will continue to grow, placing pressures on affordability.
- The largest components of household growth in Frankston City will be in 'couples without dependents' and 'lone person' households.
- The municipality will experience an increase in the proportion of residents aged 65 years and over.
- A large component of new dwellings will continue to be detached houses (35%) however the growing proportions of medium density (45%) and high density (20%) housing will present a significant change from traditional development patterns.
- At least one third of new dwellings should be available for private rental.

Key challenges associated with accommodating the municipality's forecast housing growth and change include:

- Limited supply of land available for greenfield residential development;
- Areas of relative socio-economic disadvantage in several suburbs;
- Growing demand for public and social housing;
- Provision and capacity of physical and community infrastructure
- Protection of areas with significant environmental and neighbourhood character values; and
- Promoting environmentally sustainable development and responding to the projected impacts of climate change.

Housing Change Areas

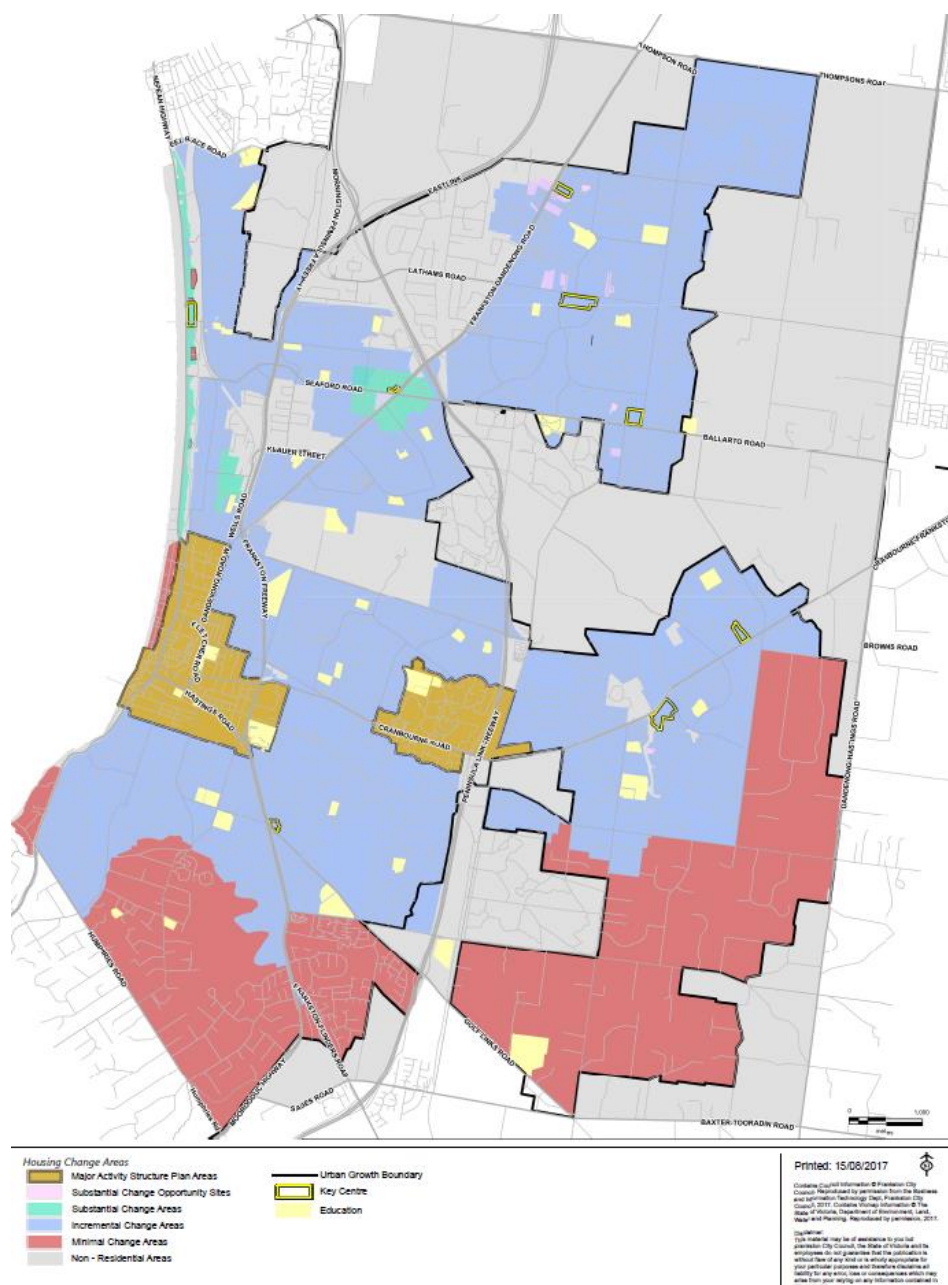
The Housing Framework Plan, presented at Figure 15, delineates the housing change areas into four broad categories. These are:

- **Activity Structure Plan Areas** that include Frankston Metropolitan Activity Centre and the Karingal Major Activity Area. Future housing in these areas should be located and of a scale and form consistent with the adopted Structure Plans for each Activity Area.
- **Substantial Change Areas** (including key opportunity sites) that provide for housing growth by a mix of housing types that predominantly includes medium to higher density housing in appropriate locations
- **Incremental Change Areas** that allow for a variety of housing types including some medium density housing developments provided they respect the character of the neighbourhood.
- **Minimal Change Areas** that enable specific characteristics of the neighbourhood to be protected through greater design control over new housing development.

EXECUTIVE SUMMARY

The Housing Framework Plan directs growth to those areas with the greatest capacity for change as well as those locations which provide the highest levels of residential amenity in terms of access to servicing, transport and community infrastructure.

The findings of the Frankston Housing Strategy's capacity analysis indicate that there is adequate land supply within the Frankston Activity Centre, Karingal Activity Centre, Substantial Change Areas and Incremental Change Area to accommodate the City's forecast population growth. The identification of 'Opportunity Sites' provides additional potential for medium and higher density residential developments in future.



Frankston Housing Framework Plan 2017 (Figure 37 from the FHS 2017)

Inclusionary Zoning

A progressive zoning approach used in some jurisdictions in Australia and overseas is to seek the provision of a proportion of affordable housing in all new multi-dwelling housing developments. The relevant tool is called “Inclusionary Zoning”.

Within Frankston, there are only a small number of multi-dwelling projects each year that could be reasonably expected to sequester one or more dwellings as ‘social housing’. A possible threshold could be that for developments with 20 dwellings or more, 5% of the total number could be allocated to a social housing program by agreement. This would mean that 1 dwelling in every 20 would qualify under this approach.

Use of the new Residential Growth Zone offers potential for increased yield. Wherever Council rezones land from General Residential to Residential Growth, it could consider applying a set ‘inclusionary zoning’ formula to achieve a regular supply of new dwellings into the ‘social housing’ pool. While this would represent a relatively modest intervention into the housing supply for Frankston City, it can assist as part of the overall suite of housing initiatives undertaken by Council.

Key Recommendations for Housing Growth

A1. Amend the Municipal Strategic Statement to include the new Frankston Housing Framework Plan.

A2. Amend the Municipal Strategic Statement to include the policy objectives and directions for substantial, incremental and minimal change areas and to include the results and adjusted population forecasts from the 2016 Census.

A3. Amend the Frankston Planning Scheme to include the Frankston Housing Strategy 2017 as a Reference Document.

A4. Amend the Frankston Planning Scheme to apply the Neighbourhood Zone to key land parcels that are currently zoned General Residential, consistent with the directions of the Frankston Housing Strategy for minimal change areas.

A5. Maintain the General Residential Zone for the majority of land parcels currently zoned General Residential, consistent with the directions of the Frankston Housing Strategy for incremental change areas.

A6. Amend the Frankston Planning Scheme to apply the Residential Growth Zone to key land parcels that are currently zoned General Residential consistent with directions of the Frankston Housing Strategy for substantial change areas.

A7. Amend the Frankston Planning Scheme to apply the Mixed Use Zone to key land parcels that are currently zoned for commercial or special purposes, consistent with directions the Frankston Housing Strategy for opportunity sites and activity centres.

A8. Convene a Frankston Housing Reference Group, including industry representatives from the private and public sector, to regularly meet and discuss key housing issues and trends affecting the municipality. Membership should include, but not be limited to, representatives from the Office of Housing, Department of Education and Early Childhood Development, Places Victoria, Council, housing providers (social housing and rooming houses) and private developers.

Note: the FHS 2017 Implementation Plan contains a series of further recommendations under the following headings:

Servicing and Amenity

Facilitating Residential Development

Promoting More Diverse Housing Stock

Monitoring and Industry engagement

Specific Housing Needs groups

Housing Affordability

Rooming Houses and Caravan Parks

Urban Design and Environmental Sustainability