Housing in Greater Dandenong

Filling the gap between need and availability

BRIEFING PAPER, MARCH 2012

Have your say on the future of housing in the City of Greater Dandenong.

How will we meet future needs?

What can we do better as a community?

What role should the Council focus on to achieve suitable and affordable housing in the years to come?

GREATER DANDENONG
City of Opportunity

Introduction

This is a briefing paper that describes some of the major housing challenges and opportunities facing the City of Greater Dandenong and its community.

The briefing paper summarises what we know about housing from a program of research and consultation over the past six months.

We must plan ahead to fill the growing gap between need, affordability and availability, and decide on what role Council should play.

A Housing Strategy for the Future

This briefing paper supports an extensive consultation program during March to June 2012, involving members of the public, community service organisations and developers.

Based on the issues highlighted here, Council is seeking the community's views about:

1. What the most important considerations should be when planning for the community's future housing needs?

2. What directions we should take, and what actions will be the most effective?

3. Specifically, what should Council's role be in planning for future housing needs?

The outcome of the consultation program will contribute to a Municipal Housing Strategy for Council's consideration.

Housing Themes

We have identified 13 themes, as described under the headings in this paper.

They cover a range of interests, from the specific needs of low income families, the ageing, and people with disabilities, to broader approaches which government agencies and the development sector can play an influential role in.

We have composed questions under each theme to prompt ideas, opinions and suggestions.

THEME

1.   Population growth and housing

- Greater Dandenong's population is expected to grow by 14,000 over the next decade.

- Planning policies generally favour housing near major shopping centres and public transport, which supports economic activity and enhances community hubs.

- Meeting the needs of a growing population may require Council to investigate other locations for future medium to higher density development, and re-examine its planning permit processes.

- Planning for future urban growth should also take into account land use limitations, such as the proximity of community services and curbing expansion into urban fringe or green wedge areas.

- Seeking opportunities to transfer redundant business or light industrial areas to residential use is another consideration.

Council's role - *What measures can Council take to improve housing supply and meet future demands?*

Housing locations - *What considerations should be taken into account when identifying locations for medium to higher density development?*

2.   Managing the impacts of population growth

- Population growth will place pressure on transport networks, community facilities and public open space.

- It also influences the provision and upgrading of infrastructure, which, if not properly supported by development contribution schemes, will result in substantial costs to Council.

- The impact of population growth on neighbourhood character will escalate as development pressure intensifies.

- Council's current planning policies take a balanced approach to higher density housing, encouraging increased densities near public transport and shopping centres, while protecting and enhancing elements of neighbourhood character and design that are most appreciated by residents.

Challenges - *What challenges are posed by increasing rates of population growth?*

Council's planning and management role –

How can Council manage these challenges?

How can Council improve the quality and location of medium and higher density housing?

THEME

QUESTIONS

3. Housing diversity

- Greater Dandenong has more than double the level of overcrowding compared to metropolitan Melbourne, as many low-income earners seek to reduce their housing costs.

- Building larger houses may not relieve the situation, as they are generally purchased by higher income households.

- Housing stock in a range of sizes and designs is needed for the community's diverse households, including singles, large families, residents of diverse cultural backgrounds and people of all ages.

Individual needs - *What would help residents live in housing that meets their changing needs and preferences?*

Family needs - *What assistance may be provided to larger, lower-income families to obtain suitable housing?*

4. Investment and design

- The quality of built form and streetscapes make an important contribution to the appearance, public safety and image of an area.

- High-quality architecture, coupled with well-designed and managed public space and shopping centres, attract private sector investment, support urban renewal and contribute to a sense of place and community.

- While there is a substantial demand for affordable housing, it is also important to attract middle and upper income buyers to the local housing market.

- In this way, the community's social mix remains diverse, shopping centres are invigorated and the economic wellbeing of the City continues to grow.

Private investment - *How can design and public realm improvements assist in attracting private sector investment?*

Quality of design - *What steps can Council take to improve the quality of design and support renewal efforts?*

Social mix - *What would help attract middle and upper income buyers to the local housing market?*

5. Activity centres and urban renewal

- The revitalisation of Central Dandenong, and similar efforts in the major shopping centres of Noble Park and Springvale, aim to attract private investment, create new jobs, and stimulate residential and commercial development near major retail and business centres.

- The hope is that this will attract more affluent households, increase retail and entertainment spending, and foster communities with a balanced range of incomes.

- However, revitalisation may cause rents to rise further, displacing many low-income earners from their communities to more affordable suburbs.

Ownership and investment - *What measures would attract home buyers and businesses to Greater Dandenong?*

Affordable housing - *If housing prices near central Dandenong and other retail centres continue to rise, what steps may be taken to preserve affordable housing for lower-income residents?*

6. Sustainable environments

- Buildings account for about one-fifth of Australia's greenhouse gas emissions, consume significant amounts of land, generate waste, and jeopardise the health of water catchments and waterways.

- Improving the environmental credentials of buildings will help to preserve our environment and reduce costs for residents.

- Car travel, which accounts for over four-fifths of journeys to work by residents, contributes to greenhouse gas emissions and makes residents vulnerable to rising fuel costs.

- Sustainable environments combine transport and land use planning to enable residents to live, shop, work and enjoy their leisure locally.

Sustainability and design - *What measures can Council take to encourage more sustainable buildings and environments?*
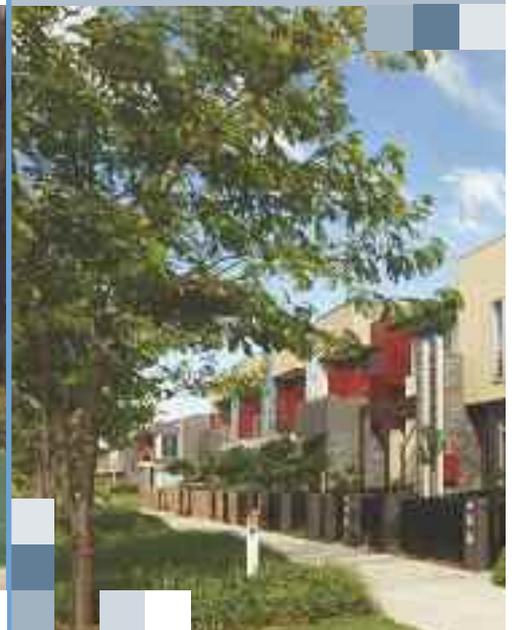
THEME | QUESTIONS

7.   Housing affordability

- Home purchase prices in Greater Dandenong rose steeply in the mid-1990s and doubled in the 10 years to 2011 (adjusted for inflation).

- Increases exceeded growth in incomes, with home prices rising from 2.4 years of average household income to 6.5 years, in a single decade.

- Housing-related financial stress has increased among local renters, including older lone persons, sole parents and young people.

- Rental vacancy rates have fallen, public housing waiting lists have grown and homelessness has increased.

Sustaining affordability - *What steps could be taken to make housing more affordable for residents and families?*

8.   Government-subsidised housing

- Government-subsidised houses (provided by the Office of Housing and housing associations) make up around one in every 20 houses in Greater Dandenong. Tenants are generally low-income and are more likely to be disabled, unemployed or have limited English.

- Waiting lists for public housing in Greater Dandenong have expanded, with waiting times now measured in decades.

- A concentration of Government-subsidised housing in particular neighbourhoods is creating communities of acute social disadvantage, a trend that may become even more an issue in the future.

Government strategy - *Which is the best strategy?*

- *Increase government-subsidised housing.*

- *Assist low-income residents to enter the private rental market.*

Subsidy deployment - *How should government-subsidised housing be provided across the municipality?*

9.   Low-cost private housing options

- A lack of affordable or public housing options has resulted in increased demand for lower-cost housing such as rooming houses and caravan parks.

- Although these are an important source of housing for low income earners, they are often unsafe and can foster environments of concentrated social disadvantage.

- Rooming house residents often experience informal subletting arrangements where they are exposed to high rental charges, exploitative behaviour, and sub-standard or unsafe dwellings.

- Some caravan park residents also face limited tenancy rights, high park and management fees, inappropriate design and isolation from shopping areas and community services.

Options and alternatives - *How can the quality, safety and availability of low-cost housing alternatives be improved?*

THEME	QUESTIONS

10. Homelessness

- Private rental is unattainable for many, due to high costs and low vacancy rates. At the same time, Office of Housing waiting periods are several years or more.

- These conditions have resulted in an increase in homelessness, aggravated by high unemployment, mental illness, alcohol, drug use, family violence and other personal difficulties.

- Homeless people include those living on the street or in squats; in temporary accommodation such as shelters or refuges; sleeping on the couch at the home of a friend or acquaintance; and those in stable but often sub-standard accommodation, such as rooming houses.

Preventing homelessness - *What further actions would help prevent homelessness?*

Risk of homelessness - *What further actions would support individuals and families at risk?*

11. Older residents

- Older home owners tend to remain in their houses as they age rather than moving to smaller dwellings which influences the way services are delivered.

- Residents "ageing in place" often need to make modifications to the design of their homes to meet their changing needs.

- Rising housing costs have caused financial hardship for older private renters and exposed some to the risk of homelessness.

- Older renters may also face insecure tenure, poor housing standards and inappropriate housing design, with landlords often unwilling to make these essential modifications or repairs.

- Such conditions may worsen with escalating rent, a growing older population and increasing life spans.

Ageing and financial hardship - *What measures may reduce the housing-related financial hardship faced by older low-income private renters?*

Rental standards - *What steps would help to improve the standard of rental accommodation and strengthen the rights of older renters?*

12. People with disabilities

- Nearly 7,000 people in Greater Dandenong have a severe or profound disability.

- Adults with a disability have limited access to paid employment and as a result are often renting, where some face poverty, insecure tenure, and sub-standard or inappropriate accommodation.

- Private rental homes can limit mobility and compromise safety.

- Improvements in new housing design may be required as a cheaper alternative to modifying existing homes.

Housing options for people with disabilities - *What can be done to improve housing opportunities for renters with disabilities?*

Better design for people with disabilities - *What design modifications for new houses would help to meet the needs of people with a disability?*

THEME

QUESTIONS

13. Council's future role in housing

Preparing a Municipal Housing Strategy is an opportunity for the Council to reconsider its role in influencing housing outcomes and managing future challenges.

Local Governments can take a number of approaches, for instance advocacy, monitoring housing conditions, providing guidance to government-subsidised housing providers, and by using their statutory planning responsibilities and regulations.

Council priorities - *What Council actions would have the greatest success in tackling housing issues?*

Council's role in housing - *Do you have any thoughts on what Council's future role in housing should be?*

Other ways Council could get involved in the housing market include:

- Preparing planning and design policies to influence the location, density and form of new housing.

- Offering incentives for affordable or green housing, such as rate reductions or "planning sweeteners", which may include planning concessions, density bonuses or fast tracking applications.

- Sponsoring affordable or environmentally friendly initiatives that reflect community needs.

- Facilitating partnerships between housing associations and developers.

- Assisting housing associations to identify and acquire property.

- Improving streets and other public places to attract private sector investment in particular localities.

- Encouraging innovative housing demonstration projects.

- Providing Council land for the construction of affordable housing.