

Submission

Draft Murdoch Specialised Activity Centre Structure Plan

West Australian Planning Commission



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Shelter WA

Shelter WA is the peak body for affordable housing and homelessness in Western Australia. It was founded in 1979 as an independent community based organisation committed to accessible, affordable and secure housing for every Western Australian. Shelter WA provides a link between government and the community, through consultation, research, systemic advocacy, policy advice and development. Our role is to provide an independent voice on housing rights and options in the state along the housing continuum, and our work focuses on promoting the development of appropriate affordable housing options for people on low to moderate incomes, or those who are otherwise disadvantaged in the housing market.

Shelter WA promotes a diverse range of affordable housing options including social housing, housing within the private rental market and affordable home ownership. Shelter WA also provides community education, and advice to governments on housing policy issues. Our development of policy recommendations is based on sound research and consultation with housing consumers and community based organisations working on housing and related issues.

Introduction

Shelter WA welcomes the opportunity to comment on the 'Murdoch Specialised Activity Centre: Draft Structure Plan'. Shelter WA understands the importance of this proposed secondary centre, as determined by *Directions 2031*, for the future growth and success of the greater Perth metropolitan region. Shelter WA is aware of the significance of this area as a health, education and research precinct. Its use as a Transit-Orientated Development will set the precedent for new developments. It therefore needs to set the bar in terms of affordable housing goals and the promotion of effective affordable housing options.

Shelter WA's response

"The availability of developable land and amenity provided by the natural environment presents one of Perth's best locations to create quality high-density residential living and lead the market to address some of the State's long-term population pressures." (WAPC, 2012, p. VI)

"There are aspirations for a transit-orientated development surrounding Murdoch Station which need to be explored further, with consideration of market forces and construction costs" (WAPC, 2012, p. 6)

"Deliver a residential density and genuinely affordable urban housing within the conditions of the Perth property market." (WAPC, 2012, p. 11)

"... there should be a concerted approach to increasing the intensity of the urban core of Murdoch to create both scale and urban amenity. This will be achieved through guidelines for building density, minimum site coverage, height controls and robust requirements for activating edges, for example, mandatory nil setbacks." (WAPC, 2012, p. 85)

The current plan for the Murdoch area is for it to become a 'specialised centre' in accordance with *Directions 2031*. Shelter WA consider the strategic importance of this 'specialised centre' needs to be combined with affordable housing goals. We believe the success of the area depends on the development of diverse and affordable housing options (Department of Planning, 2010).

The use of higher density, as proposed in this *draft*, needs to be combined with affordable housing mechanisms. These are needed to ensure an adequate proportion of the future housing stock created by increased densities is accessible to low and moderate income households. Without specific provisions for additional dwellings to target these households, there is a risk of increasing density without increasing the social and economic mix needed for the health and vitality of the community.

To add to this, Shelter WA believes local government planners should be better informed about the property market, construction costs and how this affects the cost of housing. Previously, increases in zoning have not been sensitive to the cost of construction and led developments which were intended as affordable to be unattainable for low to middle income earners.

When constructing housing in highly utilised areas, three to four stories is generally the point where costs are optimal for achieving affordable housing goals (Forsyth, Nicholls, & Raye, 2010). Often it is not effective to promote higher densities for affordable housing, as this can actually decrease affordability. This is because costs increase as a result of provision of infrastructure, including lifts, basements and associated time constraints at these higher densities.

Shelter WA believes that for the Murdoch Specialised Activity Centre project to be successful, planners within the City of Melville should increase their knowledge in relation to construction costing and how these relate to affordable housing. Shelter WA considers that planners would be better informed and produce more suitable housing strategies if they had knowledge of this planning component.

In relation to the point above, Shelter WA urges that planners move away from blanket rezoning in the Murdoch area. The use of blanket rezoning from lower to higher densities has been fairly ineffective in achieving densities which match the new zoning of the land (i.e. it may only be possible to achieve R60 on land re-zoned to R80). Therefore, this zoned land will also be less likely to achieve affordability outcomes.

Rather than blanket rezoning, we would suggest the amendment of Town Planning Schemes to include a condition in which council is open to submissions by developers for higher densities if they produce better housing outcomes. This condition will support housing affordability as local governments will have more power to suggest developer contributions, with the density bonuses they allow above current zoning. Shelter WA therefore urges that planning incentives be considered, namely inclusionary zoning which promotes the use of density bonuses and other developer incentives to facilitate affordable housing contributions.

Shelter WA commends the initiative to achieve an increased intensity of the Murdoch urban core, but believes the 'robust requirements' placed on new developments need to be treated carefully to ensure that the increased requirements don't effect an increase in the cost of housing. Increasing requirements on developers has been proven to increase costs, as developers have to input extra time and resources into meeting these requirements (Greive & McKenzie, 2009). This issue, as well as re-thinking blanket re-zoning and other mechanisms for affordable housing, are discussed in Shelter WA's publication 'Local Government Guide to Developing an Affordable Housing Strategy', available on our website. We promote this as a guide for local governments to develop Affordable Housing Strategies, but also as a tool for planners to gain a better understanding of housing affordability issues.

"Accommodation - an influx of workers and student to the activity centre is expected to stimulate demand for low cost and smaller forms of accommodation in the locality. However, the Perth housing market has not traditionally delivered this type of residential development." (WAPC, 2012, p. 16)

"With an ageing population and an identified undersupply of housing specifically for older people in the area surrounding Murdoch, there is expected to be a significant rise in the demand for aged care facilities and retirement living." (WAPC, 2012, p. 59)

An influx of workers and students to the activity centre will provide a new challenge for the housing market within the area, especially since Perth doesn't have a proven history of delivering this type of residential development (WAPC, 2012). Shelter WA believe that key stakeholders, including construction companies, planners and the community stakeholders all need to engage effectively in discussions to determine the best outcomes for the area. This consultation could also be useful for developers to promote their housing options.

As the area moves towards Transit-Orientated Development, there will be an influx of a diverse range of households, especially lone households due to strong transport links and education facilities (Department of Planning, 2010). A diverse range of housing options therefore needs to be provided. This would include a reduction in restrictions for persons to reside in ancillary dwellings, as these have been effective in other areas to accommodate students, for example the City of South Perth and the City of Subiaco (Greive & McKenzie, 2009). Options for the established elderly population also need to be explored, specifically in terms of mechanisms to allow them to downsize, but to also allow them to 'age in place'. Ageing in place is very important for this demographic as community links have already been established, and will be disconnected and the person isolated if they have to move.

"One of the initial sub-projects that should be undertaken in the context of this structure plan is a Strategies Housing Sites study which looks at the potential of large Greenfield sites (e.g. the WAPC land around Farrington Road) as well as the existing residential suburbs within the activity centre boundary. This study would advise on the overall capacity of the area to meet housing targets in Directions 2031 and also consider the ability of suburbs to regenerate from a physical/practical and economic perspective. Additionally, this study could consider exemplar urban housing models and the scope to locate a significant State Government demonstration project within the activity centre (e.g. affordable housing)." (WAPC, 2012, p. 138)

Shelter WA congratulates the 'Murdoch Specialised Activity Centre: Draft Structure Plan' for its vision of creating a housing demonstration project within the area, and we are eager to see the results.

Shelter WA also notes that plans for the area include undertaking a 'temporary accommodation and affordable housing strategy' and a 'Local Housing Regeneration Strategy'. Shelter WA would like to participate in the planning process for these strategies, and also be engaged in the community consultations. We would be pleased to provide housing research information, given our position as the peak body for affordable housing and homelessness in Western Australia.

Conclusion

Shelter WA commends the Western Australian Planning Commission on the release of the discussion paper 'Murdoch Specialised Activity Centre: Draft Structure Plan'. The importance of this centre for the future of Perth is paramount, and therefore there is a need to plan this area carefully. The area has great potential and hopefully this will be realised through the *draft* and related strategies.

Shelter WA would like to ask that planners involved in this project be pro-active and forward thinking about housing options and strategies for the area. We urge them to peruse our publication 'Local Government Guide to Developing an Affordable Housing Strategy' as this would assist with informing them to effectively plan for affordable housing. Alternatively, planners involved in the project may also contact Shelter WA to obtain advice on planning for the affordable housing component of the *Murdoch Specialised Activity Corridor*.

References

Department of Planning. (2010). *Directions 2031 and beyond: metropolitan planning beyond the horizon*. Perth: WAPC.

Forsyth, A., Nicholls, G., & Raye, B. (2010). Higher Density and Affordable Housing: Lessons from the Corridor Housing Initiative. *Journal of Urban Design* , 269-284.

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WAPC. (2012). *Murdoch Specialised Activity Centre: Draft Structure Plan*. Perth: WAPC.