

CHAPEL STREET ACTIVITY CENTRE

CHAPEL reVISION

SUB CONSULTANTS
REPORTS

Supply/ demand for housing in the Chapel Street Activity Centre memo

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Prepared for the City of Stonnington

MEMO

To:	City of Stonnington
From:	Julian Szafraniec – SGS Economics and Planning
CC:	
Date:	Prepared 21 May, 2013 and Revised June 17, 2014
Subject:	Supply / demand for housing in the Chapel Street Activity Centre

SGS Economics and Planning (SGS) has provided an assessment on whether the revised structure plan for the Chapel Street Activity Centre (CSAC) will provide for sufficiently competitive market conditions in the housing sector. This memo report provides an update to the capacity assessment of the centre to provide the latest understanding of the alignment between supply and demand in the CSAC.

Demand for housing

The City of Stonnington regularly sources population and dwelling projections from id consulting. id consulting applies different methods and assumptions to those deployed in official Victorian Government projections.

Separately, SGS has prepared estimates of future demand for dwelling units in the Chapel St Activity Centre area (CSAC) based on official Victorian Government figures, as set out in Victoria in Future 2012.

id's figures for additional dwelling demand in CSAC over the 2011 – 31 period are greater than those produced by SGS by a factor of almost 100%.

Council has carried out its own review of development trends in the study area and has arrived at a scaled back version of the id projections. id had assumed that all dwellings in current permits and applications would be developed within the 2011 - 31 period. Council judged that while such an assumption may have been an appropriate in the past, the current market (as borne out by expert reports and newspaper articles) suggests that this rate of development cannot be sustained and a proportion of approved units will not be built.

Thus, there are three credible estimates of the 20 year demand for additional housing in CSAC, as summarised in the following table.

TABLE 1 DEMAND PROJECTIONS (DWELLING UNITS)

	id consulting	Council	SGS
Projected net housing demand in CSAC 2011 - 2031	7,189	7,189	5,000 (approx)

Source: City of Stonnington, SGS

Housing supply – development capacity for dwelling units

Council previously commissioned Rothe Lowman architects to undertake a development capacity analysis of the CSAC area. Rothe Lowman architects took the height limits in the (then) current planning scheme as their starting point and made some adjustments in consultation with Council officers based on the urban design principles which had emerged in the course of the current structure plan review. These draft height controls were further interrogated and during the stage 3 community/stakeholder consultation phase of the structure plan review. During this process some changes to the height controls were identified along with adjustments to the CSAC boundary definition. Separately, additional master plan work has been completed on the Director of Housing Owned estates within the CSAC. This work identified potential for between 2700 and 3200 dwellings on these sites.

In order to determine the number of potential housing opportunities within the CSAC, a high level housing capacity analysis (as of 2011) was undertaken. This analysis estimated the number of housing opportunities using a two stage process:

- **Available Land:** using a range of attributes, this determined which sites within the CSAC have potential for future development.
- **Development Potential:** using a combination of actual estimates (where known) and a built form analysis approach which estimated the potential development which could occur within current height controls.

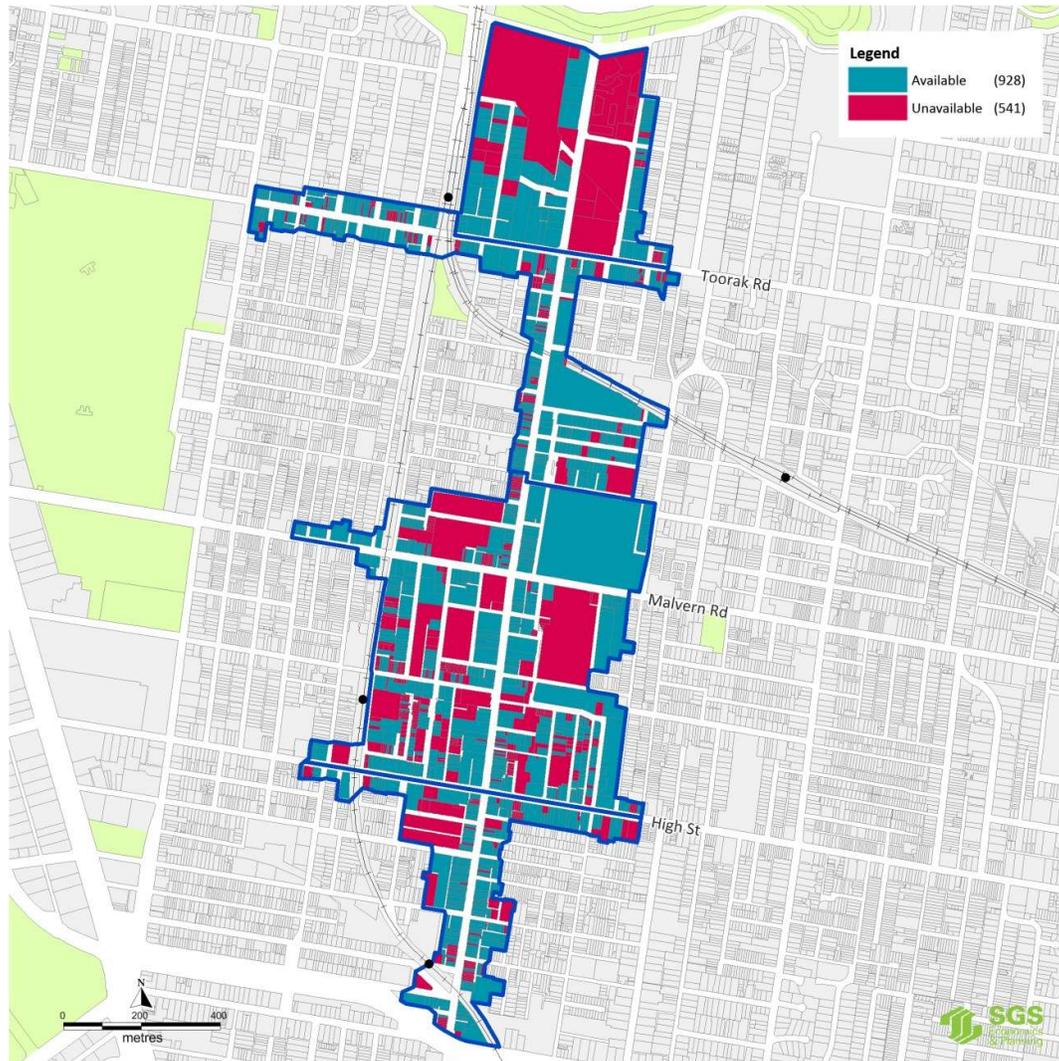
Available Land

Using the 2011 GIS lot layer from the Housing Development Dataset an attribute analysis was undertaken to determine which individual land parcels would be designated ‘available’ or ‘unavailable’. **It should be noted this did not consider the commercial feasibility or localised issues which may impact if development can actually occur.** Initially, all land parcels were made available. (This already excluded roads, footpaths, rail lines, etc as having development potential). The following attributes of individual lots were then used to exclude specific land parcels:

- **Small Lots** – any parcel under 150sqm was excluded. While site amalgamation could potential make the site developable it is extremely difficult and very rare.
- **Recent Development** – any site that had been recently developed based on the 2004 to 11 Housing Development Data or from the 2013 Urban Development Program - Major Redevelopment Site databases.
- **Existing Apartments Blocks** – any site with over 3 dwellings was assumed to have some form of strata titling. This has been seen to be a major barrier to redevelopment potential.
- **Major non-residential uses** – parkland, schools, churches, markets and other major non-residential uses have been excluded. This included land covered by a Public Acquisition Overlay.
- **Key Strategic Redevelopment**– were independently assessed added back in as required. This included major sites such as the Director of Housing Owned estates

Figure 1 presents the results of this analysis. Red indicates unavailable land parcels and blue represents land parcels with housing development potential based on the criteria outlined above. Overall the CSAC boundary contains 114 hectares of land. Of this, 85 hectares represent land parcels (i.e. excluding roads, footpaths, etc). Of this land, 52 hectares across 1447 individual sites have been identified as ‘available’ through this process.

FIGURE 1 CSAC AVAILABLE AND UNAVAILABLE LAND PARCELS

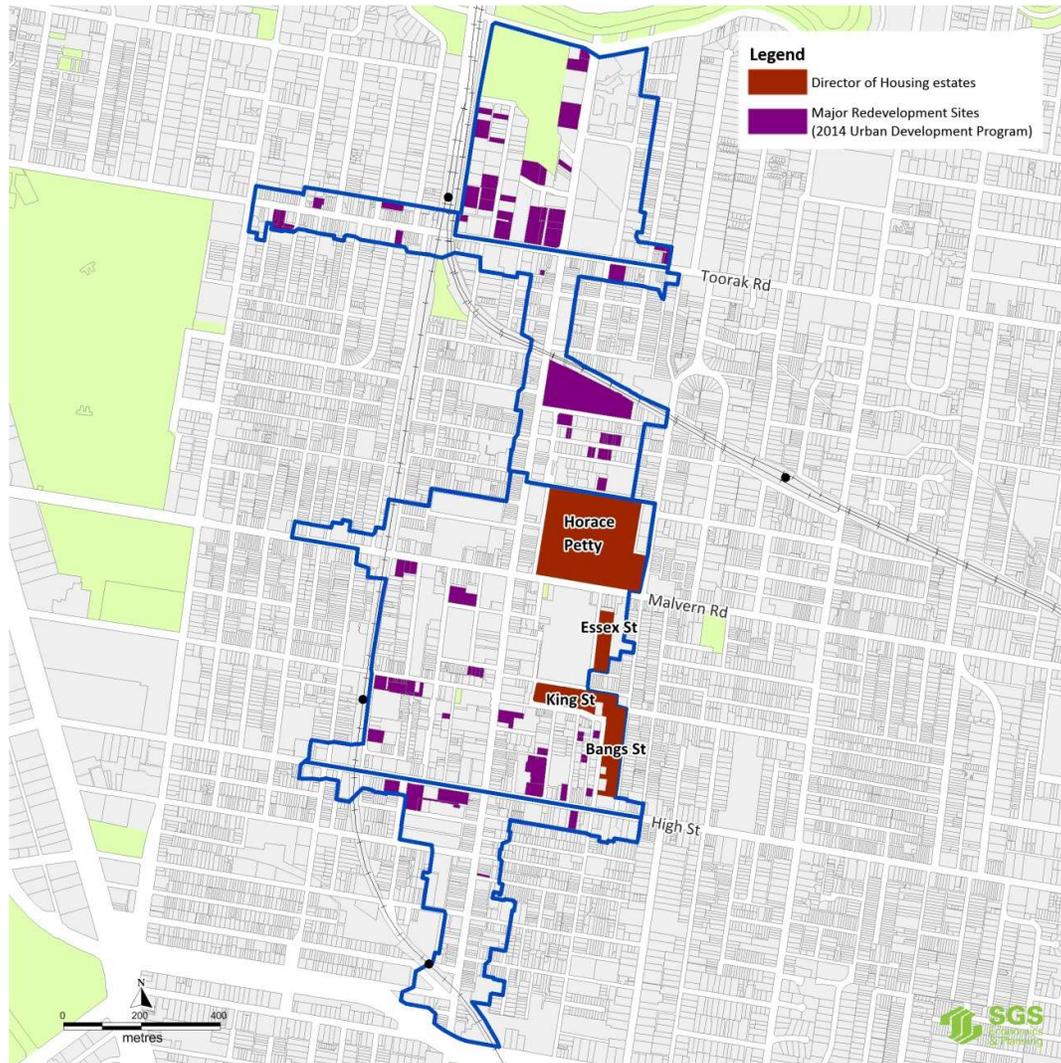


Source: SGS Economics and Planning

Development Potential

The development potential of available sites was then determined using the designated building storey controls within the planning provisions and a range of built form assumptions. Where actual development potential information was available for individual sites this was utilised instead. This included 56 Major Redevelopment Sites identified in the 2013 Urban Development Program and the 4 Director of Housing Owned estates (see Figure 2 below).

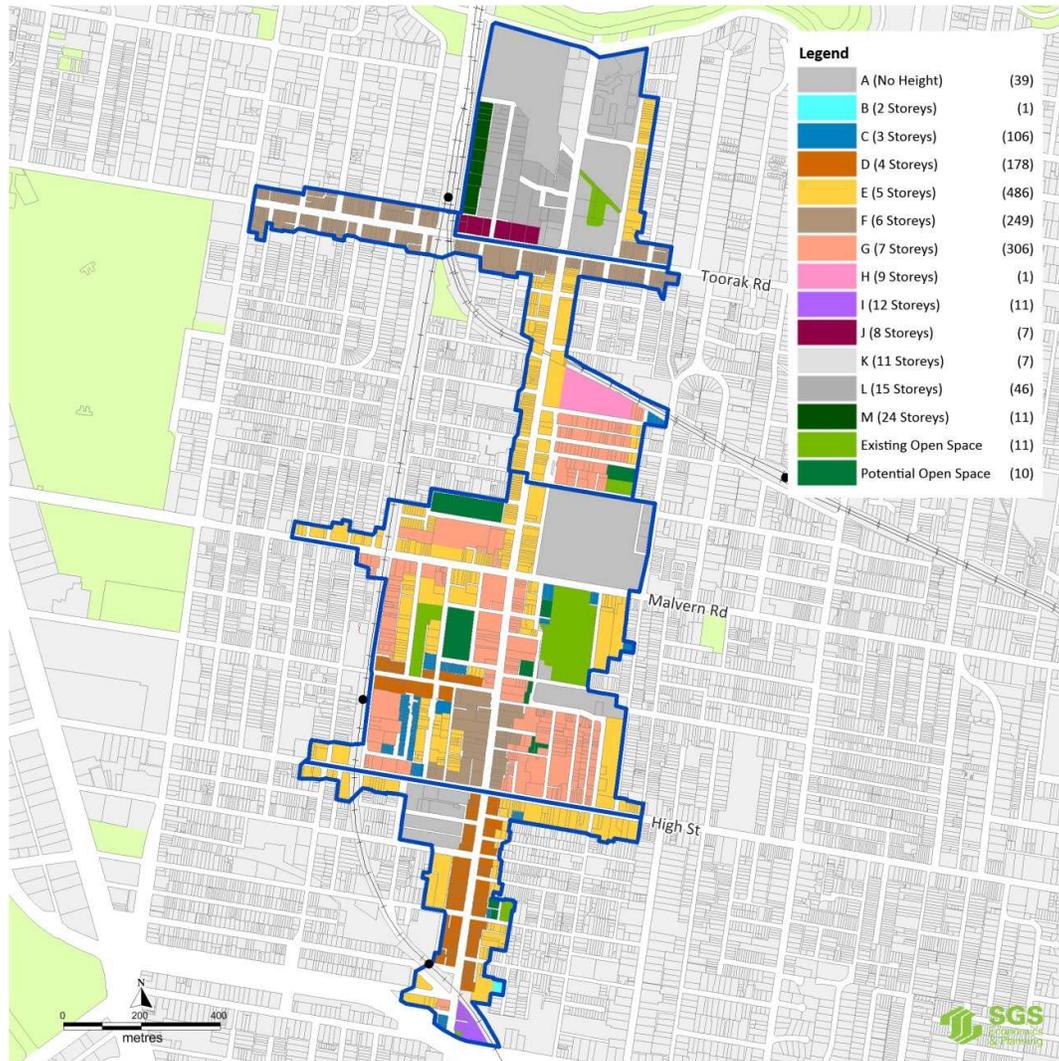
FIGURE 2 CSAC MRS (2014 UDP) AND DIRECTOR OF HOUSING ESTATES



Source: SGS using City of Stonnington and 2014 Urban Development Program data

The following presents the current building storey controls applied across the CSAC. Where storeys were not provided, height controls were converted into a storey number as follows: Ground floor - 4m, 2nd and 3rd floor - 3.8m and 4th floor and over - 3m.

FIGURE 3 CSAC DEVELOPMENT HEIGHT CONTROLS



Source: SGS using City of Stonnington data

The following built form assumptions have been made to translate a particular site into a dwelling capacity estimate.

- **Site Coverage – 70 per cent of land parcel**
- Building Efficiency – 80 per cent of floorplate
- Average Dwelling Size – 75 sqm
- Development including non-residential uses:
 - 1-2 storeys – all residential
 - 3-6 storeys – first floor employment
 - 7+ storeys – first two floors employment
- Building setbacks:
 - 1-2 storeys – no set back
 - 3 storeys- 20 per cent set back on top level
 - 4-7 storeys- 20 per cent set back on top two levels
 - 8+ storeys – 40 per cent set back on top level, 20 per cent set back on next two levels.

The following table presents a summary of the results of this analysis. The current dwellings stock (as of 2011) within the CSAC is presented alongside the raw capacity estimates and the net capacity estimates (i.e. once accounting for existing dwellings on redevelopment sites).

TABLE 2 CSAC CAPACITY ANALYSIS RESULTS

	Stock	Raw capacity				Net capacity			
	2011	MRS	DofH	Other	Total	MRS	DofH	Other	Total
Forrest Hill	1,240	3,200	0	3,030	6,230	3,160	0	3,010	6,170
Prahran	3,370	1,300	3,400	4,460	9,160	1,110	1,340	4,370	6,820
South Yarra	420	760	0	3,460	4,220	760	0	3,430	4,190
Windsor Village	320	180	0	1,760	1,940	180	0	1,730	1,910
CSAC	5,350	5,440	3,400	12,710	21,550	5,210	1,340	12,550	19,100

Source: SGS Economics and Planning

From this we can see that there is a total net capacity of **19,100** identified in the CSAC assuming a full build out of the entire CSAC.

Conclusion - demand / supply balance

Estimated development capacity for housing in CSAC represents between 25 and 50 years supply, depending on whether id consulting or SGS figures are used to estimate annual dwelling requirements. In either case, there is ample capacity for the housing market to work efficiently in the CSAC area; that is, competitive market outcomes, including pricing of units, are unlikely to be comprised by limited land supply in the foreseeable future.