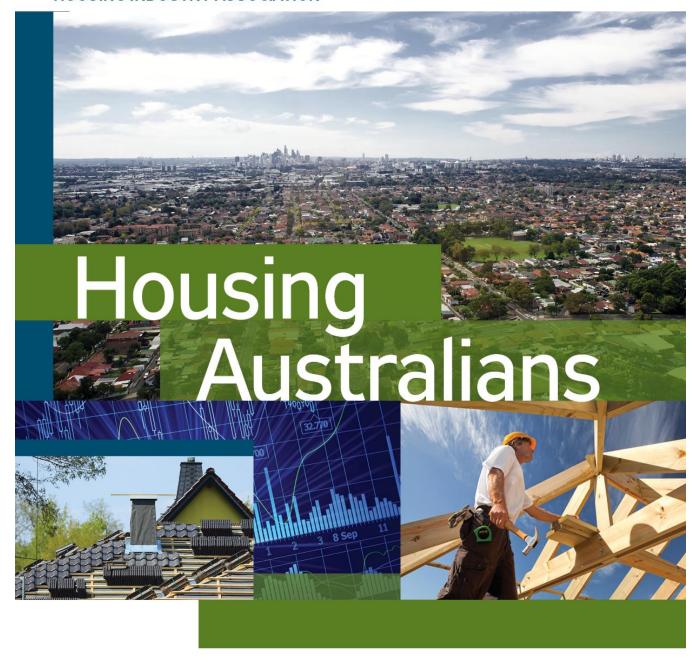


HOUSING INDUSTRY ASSOCIATION



Submission to the Victorian Planning Authority

Small Lot Housing Code – Standards Review (Stage 2)

August 2022

HOUSING INDUSTRY ASSOCIATION





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1.0 ABOUT THE HOUSING INDUSTRY ASSOCIATION

The Housing Industry Association (HIA) is Australia's only national industry association representing the interests of the residential building industry, including new home builders, renovators, trade contractors, land developers, related building professionals, and suppliers and manufacturers of building products.

As the voice of the residential building industry, HIA represents a membership of 60,000 across Australia. HIA members are involved in land development, detached home building, home renovations, low & medium-density housing, high-rise apartment buildings and building product manufacturing.

HIA members comprise a diversity of mix of companies residential builders, including the Housing 100 volume builders, small to medium builders and renovators, residential developers, trade contractors, major building product manufacturers and suppliers and consultants to the industry. HIA members construct over 85 per cent of the nation's new building stock.

The residential building industry is one of Australia's most dynamic, innovative and efficient service industries and is a key driver of the Australian economy. The residential building industry has a wide reach into manufacturing, supply, and retail sectors.

Contributing over \$100 billion per annum and accounting for 5.8 per cent of Gross Domestic Product, the residential building industry employs over one million people, representing tens of thousands of small businesses and over 200,000 sub-contractors reliant on the industry for their livelihood.

HIA exists to service the businesses it represents, lobby for the best possible business environment for the building industry and to encourage a responsible and quality driven, affordable residential building development industry. HIA's mission is to:

"promote policies and provide services which enhance our members' business practices, products and profitability, consistent with the highest standards of professional and commercial conduct."

HIA develops and advocates policy on behalf of members to further advance new home building and renovating, enabling members to provide affordable and appropriate housing to the growing Australian population. New policy is generated through a grassroots process that starts with local and regional committees before progressing to the National Policy Congress by which time it has passed through almost 1,000 sets of hands.

Policy development is supported by an ongoing process of collecting and analysing data, forecasting, and providing industry data and insights for members, the general public and on a contract basis.

The association operates offices in 22 centres around the nation providing a wide range of advocacy, business support services and products for members, including legal, technical, planning, workplace health and safety and business compliance advice, along with training services, contracts and stationary, industry awards for excellence, and member only discounts on goods and services.

2.0 INTRODUCTION AND SUMMARY

Thank you for the opportunity to comment on the 'Small Lot Housing Code – Stage 2 – Standards Review', proposed to be adopted as part of draft amendment GC206. The Small Lot Housing Code (SLHC) is a self-assessment code for a single dwelling on a lot of less than 300m² in the Urban Growth Zones of Victoria.

As per HIA's "One house one approval" and "Truth in zoning" policies, one dwelling on residentially zoned land should not be subject to duplicated approval via both the planning and building permit processes. SLHC's 'one approval' process is supported by the Housing Industry Association, whereby it enables a dwelling or cluster of dwellings in the Growth Areas to be approved by a Building Surveyor. This in turn is taking pressure off the planning system, which should be utilised for higher order land use and permit assessments.

According to Government data, in the last ten years small lots (i.e. 300m^2 or less) in Melbourne's Growth Areas have grown from 5.80% lot mix contribution (2010/11) to 34.70% in 2021¹. In comparison small lot demand in regional areas between 2015 and 2021 only contributed 7.10% to lot mix². With Covid regional migration putting pressure on regional land supply and affordability, it would not be a surprise to see demand for regional small lots grow over the next 5-10 years.

HIA understands that along with the review of the Type A and Type B Standards, a new Type C code for up to three storeys is being proposed. Accompanying the Standards Review is 'Practice Note – Consultation Version – June 2022' further informing how the standards should be interpreted. The Victorian Planning Authority (VPA) is also seeking input into the preparation of a 'Standards Review Design Guidance Note'.

HIA responds accordingly, expanding on key aspects of the consultation further herein.

The VPA's review of the current SLHC standards and intention to introduce a new Type C dedicated for smaller lots (e.g. 60-150m²) is timely. The introduction of the SLHC in 2011 has created a preferred model for many developers and builders to bring their products to market faster, especially as Greenfield subdivisions bring more lots under 300m² online to address housing affordability concerns.

However, the effectiveness of a SLHC is being severely compromised whereby responsible/servicing authorities stall approval of plans of subdivision based on varying requirements for engineering design and landscaping. Further, there are too many delays in both approving subdivision design and bringing shovel ready land to market quickly enough. This is exacerbated whereby developers are seeking approval for modified plans of subdivision by secondary consent in response to changing land size trends.

HIA supports clear standards and complimentary guidance (only where additional information to clear standards is required) for the SLHC that remove the ability of these authorities to delay consent to plans of subdivision based on detailed design comments.

We urge the VPA to also think about whether the proposed Type C code as both a two and three storey envelope delivers enough point of difference for builders in the Greenfield PSPs. As a three



¹ Greenfield land <u>2021</u>, proportion of lot size category per year (growth areas), DELWP

² Regional greenfield 2021, size of greenfield retail lots with a title, 2015 to July 2021, DELWP

storey product for side/lane/corner setbacks, it delivers a moderate advantage over Type A & B. As a two storey product (currently the most popular offering, particularly 'Type B'), it only offers an advantage over Type A & B for the side to side construction, excluding the row limitation. Arguably it delivers a worse building coverage outcome than Type A & B for the rear setback, as drafted Type C does not allow tandem car parking in front of the garage and mandates a deep soil zone. These are examples why Type C may be considered too restrictive for Greenfield PSP development, with Type B double storey remaining the preferred product of choice in walkable catchments.

Finally, HIA is concerned the SLHC review S2, particularly in the case of 'Type C', has not considered the spatial impacts of the proposed introduction of the mandatory Livable Housing Design Standard (LHDS) provisions as part of National Construction Code (NCC) 2022.

The proposed LHDS provisions comprise the following:

- A continuous step-free access path of travel from the street entrance and /or parking space to a dwelling entrance that is level (i.e. step-free access). An exemption applies for sites with greater than 1:14 slope and where excessive ramping is required;
- at least one entrance to the dwelling with a minimum clear opening width of 820 mm;
- a landing on the (arrival) side of the entrance door with a space of at least 1,200 mm x 1,200 mm (including at ground level);
- internal doorways on the ground floor/entrance level with a minimum clear opening width of 870 mm connecting to habitable rooms, laundry, shower, toilet; or the garage if it forms part of the access path;
- internal corridors, hallways, passageways or the like, if connected to an 870 mm wide door to have a minimum clear width of 1,000 mm;
- forward clearance of a mandatory ground floor powder room/toilet by 1,200 mm; or 1,200 mm x 900 mm where the toilet is in a bathroom (in both cases including door swing).

Even homes on small lots meeting the exemption for step-free access, must comply with **all** other parts of the proposed LHDS provisions highlighted above.

It is reasonable and pertinent to the success of the industry that good planning provides a diverse range of housing stock to meet the demands of a growing population. It would be counterintuitive to have a SLHC that is largely unable to be utilised due to the requirements of the proposed LDHS.

The proposed LHDS will not only impact the size requirements of the dwelling entrance/ground floor, but will impact garage dimensions, particularly where combined with garage mandates for bins and storage.

In submissions to the Australian Building Codes Board (ABCB) on NCC 2022, HIA has called for the list of exemptions for the proposed LHDS to be expanded to include:

- houses with floor area less than 90m²;
- houses on blocks less than 200m²;
- terrace lot houses built boundary to boundary on allotments less than 5 metres wide.

This is based on clear technical evidence the spatial impacts of the proposed LHDS are an impost on small lot housing design and affordability, and HIA suggests the VPA should also seek the above exemptions for the LHDS. To ensure small lot development is not inadvertently stopped by the proposed LHDS provisions, government should grant exemptions on all these criteria.



HIAs Response

HIA's members consist of a diverse mix of companies and sectors within the residential construction industry. Our members are involved in the many stages of the land development process, ranging from the early stages of land development, including residential land developers who undertake major land subdivisions and residential projects, through to builders involved in constructing housing. HIA members interact with the SLHC at a range of different levels, particularly HIAs developer members who likely to are involved in both small lot and housing design.

Please note it is not HIA's intention to comment on every aspect of the SLHC review S2, a number of the provisions are procedural in nature or not of particular contention to the residential construction industry. Additionally, it is noted that this submission does not seek to address the breath of views that individual members may have in regards to the matters raised within the SLHC review S2. It provides some feedback of a more general nature.

3.0 HIAS RESPONSE TO THE REVIEW

It is noted that the SLHC review S2 includes detailed documents, covering a range of matters and various facets of the code with a practice note. For the purposes of informing HIAs response, our feedback is primarily focused on the new 'Type C' proposal of specific interest to the residential development and construction industry. Where considered absolutely necessary, we have also provided some specific comments on the proposed Type A and B changes commencing below.

3.1 PERFORMANCE STANDARDS

The SLHC review S2 set out the definitions and performance standards which the code aims to deliver. The following standards have been extracted for ease of reference:

Standard 6 Car parking (Type A & B)

- 6.4 If 2 car parking spaces are required proposed under Standard 6.1-
- a) one space must be at least 6.0 metres long and 3.5 metres wide; and
- b) the second space must be at least 4.9 metres long and 2.6 metres wide.
- 6.5 The minimum ceiling height to a garage, carport or car parking space is 2.1 metres.
- 6.6 Despite Standard 6.4, if the 2 required car parking spaces adjoin each other in a garage or carport or in a space constrained by walls, the double space may be 5.5 metres in width.
- 6.7 If the car parking space(s) required under Standard 6.1 is in a garage or carport and the door(s) or opening(s) to the garage or carport faces the front street-
- a) the width of the door(s) or opening(s) must not exceed 50 per cent of the width of the of the frontage of the allotment; or
- b) the area of the door(s) or opening(s) must not exceed 30 per cent of the area of the front façade of the building.

HIA Response Standards 6.6 & 6.7

 Standard 6.6 (double garage width to 6.0 metres) is restrictive where this is applied as a 'maximum' and any requirement for LHDS access is applied via the garage. It is recommended the standard refer to a 6.0 metre wide garage (for side by side parking) as the 'minimum' width, unless small lots are clearly exempt.



Standard 8 Walls on boundaries (Type A & B)

- 8.1 The maximum height of a wall on or within 0.2 metres of a side or rear boundary, or a carport on or within 1.0m of a side or rear boundary (not a lane), must not exceed 3.6 metres unless:
- a) it abuts an existing building on the adjoining allotments or will abut a simultaneously approved building on the boundary; and
- b) the height difference between the existing adjoining building or the simultaneously approved building or carport does not exceed 3.6 metres.
- c) notwithstanding Standard 8.1(a) the length difference between the existing or simultaneously approved building must not exceed a total of 2.0 metres, and the additional length must not cast additional shadow on a light court in accordance with Standard 11.

wall on boundary means building on any boundary of an allotment (definition change).

HIA Response Standard 8.1

We note the definition of wall on boundary is proposed to change (i.e. deletes references to 0.2 metres of a side or rear boundary; and on or within 1.0m of a side or rear boundary).
 However these still appear in the standard, which is confusing and the proposed change is considered to remove necessary flexibility. The current definition of a wall on a boundary should be retained/reinstated.

Transitional Provisions To Type A And B Standards

Several Type A and B Standards were updated with the introduction of this version of the Code. A nominated Standard that has become more restrictive, must be complied with for all titles registered after 1 January 2026. These Standards are:

- Standard 2.a requiring an entry window at a door
- Standard 2.b requiring minimum material variation to facades to front street, side and rear street alignments
- Former Standard 1.1 Maximum setback deletion
- Former Standard 2.1 to broaden the definition of "recreation reserve"
- Former Standard 2.5 v) iv. which required balconies to occupy more than 80% of the frontage.
- Standard 6.1 which has been modified to require a minimum of 1 car park per dwelling on Type A lots irrespective of number of bedrooms
- Standard 12.1 Overlooking has been modified to only require windows overlooking living rooms to be screened.

HIA Response the Transitional Provision

We appreciate that a transition period to 1 January 2026 for the Type A & B changes is extensive and necessary for the market adjustment. This date should be beyond all the changes transitioned under NCC 2022, and we suggest DELWP liaise with the ABCB to ensure your proposed transition date is beyond the NCC.



The following comments apply to the proposed 'Type C' standards.

Standard 1 Articulation of third storey massing

1.1 A row of dwellings must not be longer than 10 allotments or 60 metres, whichever is lesser distance.

HIA Response Standard 1.1

• The limitation of 10 continuous allotments and 60 metres is considered to be too restrictive. Removing this requirement will allow for a discretionary outcome to the satisfaction of the responsible authority. We note the Council Alliance for Sustainable Built Environment (CASBE) endorsed Sustainable Subdivisions Framework – Subdivision Example plan prepared for the VPA, includes a continuous row of 13 small lots (refer to image 1 below). This clearly demonstrates alternative outcomes can be supported and '10 allotments / 60 metres' should not be specified in the guidance material, otherwise applicants run the risk responsible authorities will adopt as a mandate. It also encourages broader outcomes for on street car parking and crossover design/locations.



Image 1. Excerpt from CASBE/VPA Sustainable Subdivisions Framework - Subdivision Example (with 13 lots)

Standard 2 Repetition of façade design

2.1 A façade design, including form and material or colour, must not be repeated in a row of dwellings more than six times consecutively.

HIA Response Standard 2.1

The "material or colour" limitation is too restrictive and should be deleted. Duplication of
materials and colours will not appear repetitive if they are applied in different ways on the
façade design. This should also not be referred to in the guidance material, otherwise
applicants run the risk responsible authorities will adopt as a mandate.



Standard 5.1 Setback – Minimum street setback

5.1 Walls of a building must be set back from front and side street alignments the distances specified in Table 1.

Table 1: Street setbacks

Type	Minimum setback from	Minimum setback from
	front street alignment	side street alignment
Type C2	0.5 metres from the	0 metres if the allotment
	allotment boundary, if	adjoins an open space
	the allotment adjoins an	reserve that provides a
	open space reserve that	landscape buffer of at
	provides a landscape	least 1.5m.
	buffer of at least 1.5m.	

HIA Response Standard 5.1

• Type C2's 0.5 / 0 metre street setbacks as highlighted above may not be achievable whereby the proposed LHDS access landing of 1,200 x 1,200 mm is at the front external entrance door of the dwelling. This may be overcome by nominating the garage as the entry point to the dwelling, where the landing is not required on the arrival side of the internal pedestrian door. Street setbacks of greater than 1,200 mm, should stipulate that a LHDS access landing (as required) is included as an allowable encroachment.

Standard 9 Setback – Garage from the street

- 9.1 The entrance (to a door or opening) of any garage must be setback:
- a) no less than 2.5 metres from the front street alignment; and
- b) no more than 4.0 metres from the front street alignment.

HIA Response Standard 9.1

The maximum garage door setback of 4.0 metres to the front street is not supported as it
does not allow room for tandem car parking. As tandem car parking may be an outcome
encouraged by both the developer and responsible authority, it is recommended this
maximum setback to the 'front street' be increased to 5.00 or 5.50 metres complying with the
requirement for a tandem car parking space.

Standard 10 – Articulation – Entrance to the dwelling

10.3 If a dwelling is rear loaded, an entry door at the laneway must be provided. This must be separate from a garage door.

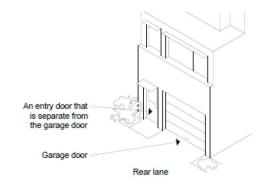


Figure 9 - Rear entry door to lane



HIA Response Standard 10.3

• This requirement is not supported as it mandates lot widths to be wider for a non-essential reason when the intention of Type C is to make lots more compact. Pedestrians can enter rear loaded lots via the garage door and do not need a dedicated pedestrian access. This also introduces a potential security breach point to the property, via unnecessary construction. We also note this not a requirement for Types A & B, therefore introduces an inconsistent outcome to the established code.

Standard 15 Car parking

15.1 One car park must be provided on site unless the dwelling is rear-loaded. 15.4 A single car parking space must be at least 6.0 metres long and 3.2 metres wide.

HIA Response Standards 15.1 & 15.4

As per our response to Standard 9.1 garage setback from street, tandem car parking may be an outcome encouraged by both the developer and responsible authority, and therefore should be an allowable option. The current standard is ambiguous about minimum/maximum car parking provision per location (i.e. front/rear). We also note the inconsistency between the single garage width for Type-C (3.2 metres) and Types A & B (3.5 metres). These should be the same and qualified as a minimum width.

Standard 26 Garage storage

26.1 Each dwelling must have at least 2.5 cubic metres provided, it may be provided in the garage.

HIA Response Standard 26.1

Interior garage storage of at "at least 2.5 cubic metres" in combination with applying the proposed LHDS access via the garage, could have implications for the overall garage dimensions. Therefore it is important that "provided in the garage" remains a discretionary outcome. It is also unclear whether this can encroach into the minimum garage dimensions.

Standard 27 Bin storage

27.1 Where a garage is provided, bin storage must be located in the garage and cannot be located in the area for garage storage.

Where no garage is provided, bin storage must be screened from view.

HIA Response Standard 27.1

• Interior garage bins storage in combination with applying the proposed LHDS via the garage (and potentially a minimum of 2.5 cubic metres of general storage area), could have major implications for the overall garage dimensions. The requirement of "must" should be changed to words to the effect of (bins) "may be provided in the garage, or otherwise screened from view." Too many mandates for the garage on small lots could set an undesirable precedent.

Standard 34 Roof reflectivity

34.4 Roofs must be finished with a colour or material with a Light Reflective Value greater than 50.

HIA Response Standard 34.4

It is not appropriate for a planning instrument to specify building products. The National Construction Code requires buildings to meet energy efficiency requirements for buildings and will be moving to 7-Star building fabric under NCC 2022. Specifying a solar reflectance requirement (i.e. "a Light Reflective Value greater than 50") in the clause particularly for roofs could impact on the building being able to meet the design verification methods and be in

conflict with the NCC. HIA suggests the LRV numerical standard be deleted, however should a numerical standard remain "greater than" provides some flexibility for a discretionary outcome.

3.2 OTHER MATTERS

A number of other matters HIA would like to raise for the VPAs consideration include:

Existing **standard 14.3** direct sunlight to private open space is too restrictive for north facing lots and generally cannot be complied with for two/three storey. This discourages multi-storey development on some lots or requires small lot housing to apply for a planning permit. North facing lots on plans of subdivision may not be deep enough to avoid this issue and/or councils do not always address this at the subdivision stage. The industry does not want to see plans of subdivisions with restrictions prohibiting multi-storey on these lots, rather we would like to see this standard reduced. A reasonable outcome is to modify standard 14.3 to achieve 2-hours of sunlight exposure to private open space throughout the day, consistent with new Type C standard 18.1. Industry welcomes consistency of this outcome across all SLHC types.

HIA wrote to DELWP at the beginning of June to express our concern that Government had not adequately considered the implications of NCC 2022 proposed residential construction energy efficiency requirements, for those consumers **purchasing land** and choosing their build now.

Following market conditions of unprecedented demand from HomeBuilder and above pre-pandemic sales in 2021, our modelling estimates that wait times to occupancy are a minimum of 18 months with up to three years probable. Without a **transition period** of at least three years for NCC 2022, many purchaser home designs will not achieve 7-Star and need to be amended or not proceed due to site constraints or additional cost. This may be most evident with **small lot housing** where lots are shorter in length and where north facing at the frontage may be depriving the rear of compliant solar access. This will likely include single storey homes that can not comply with the energy efficiency requirements and for these purchasers double storey construction north facing reverse living may not be affordable, or optional by the builder. Under these circumstances we anticipate many small lot (and other) typologies will not be able to be built on.

For all residential construction, but particularly in the case of small/compact lots, concern has been raised that an occupancy permit may be delayed whereby the builder's contract does not include **landscaping**, but **LHDS access** hinges on the final landscape finish. For example, rear loaded lots may require a continuous step-free access path from the garage through the private open space to the dwelling to be determined by landscaping design. Builders generally leave landscaping to customers after hand over, but without a LHDS access exemption for impacted builds, occupancy and the final progress payment may be significantly delayed.

The VPA should not mandate any **LHDS provisions by quotas** (e.g. percentage of lots) in the code, because these are still considered to be a 'tax on new housing'. Additional costs incurred by developments for new construction mandates (e.g. homes with livable access requirements that cost more to build) must incrementally be borne by all purchasers in the form of higher prices, which is not deemed to be facilitating 'affordable' housing.

SLHC review S2 does not address the current issue of individual councils applying their own rates of **on street car parking**. One on street car parking space per two lots should be mandated in areas

where the SLHC applies, stopping councils from increasing this number (e.g. one per lot). This should be written into the code and backed up in the guidance material with compliant road cross sections, so engineering drawings at the subdivision design stage (including crossover design/location) can be prepared with confidence.

Development outcomes, particularly those with reduced setbacks of Type C will be impacted by the deep soil zone for **private canopy trees** and council bi-laws for **street tree selection and planting**, landscaping requirements, etc. Tree planting and associated irrigation requirements should not deliver outcomes that compromises the structural integrity of a new building or essential services infrastructure (e.g. slab 'heave').

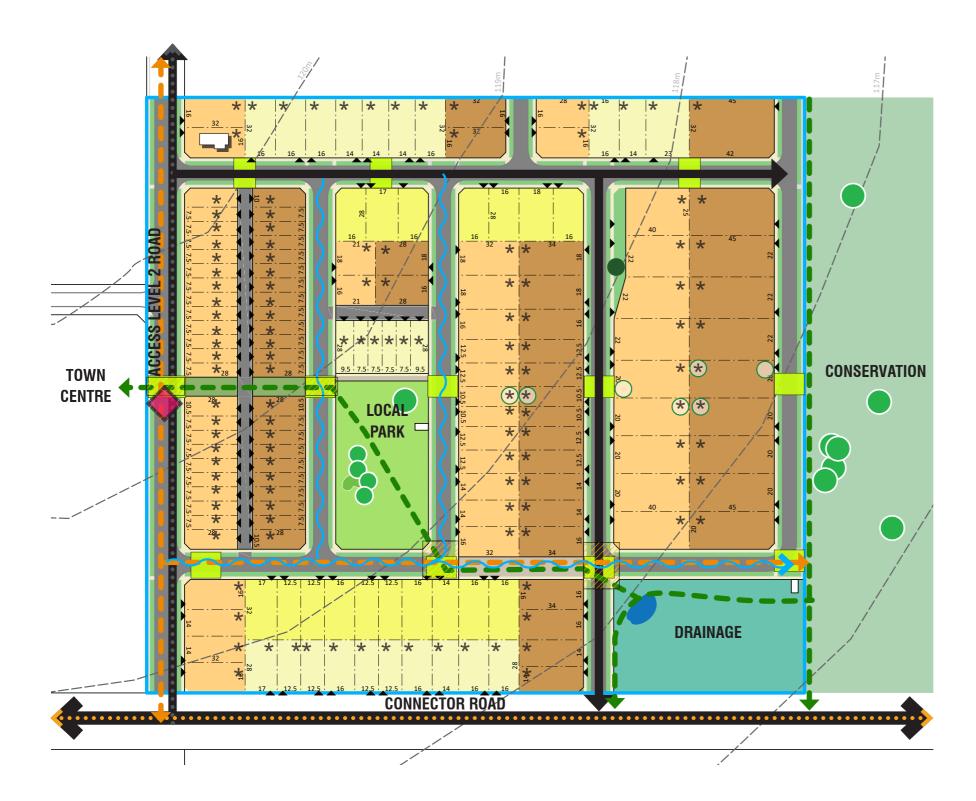
Member feedback has indicated that there is some industry concern in relation to the selection of trees for nature strips in Greenfield areas. Members have advised that in some instances the roots and associated deep soil irrigation for maturing trees are causing damage to the foundations of homes in Greenfield areas. The deep soil zone proposed for canopy trees with Type C may exacerbate this issue.

HIA suggests that further justification is required to fully understand the impact of SLHC review S2 for canopy trees, services and housing. In relation to street trees, guidance material should be prepared with combinations of road reserve cross sections including shared and private crossovers, essential services trenches/pits, and street tree locations. Member feedback has raised concerns that it is unlikely that service authorities would agree to regular planting of canopy trees in the road reserve; and that council may take exception to canopy trees on private land (such as proposed with Type C) where they have no control over maintenance. Moreover, the cost impact on housing construction has not been factored into this provision (e.g. piering requirements).

In implementing the SLHC review S2, it would be good planning practice that the implementation and administration be **monitored and audited** for the first two years. This would therefore ensure the intended benefits are being delivered. HIA encourages the VPA and DELWP to contact the Commissioner for Better Regulation and Red Tape to work collaboratively with one another with regard to this monitoring. This may enable the Commissioner for Better Regulation and Red Tape to utilise this data to demonstrate the anticipated benefits of implementing this system within other local government jurisdictions within Victoria. Such monitoring and auditing would best be undertaken by the Commissioner for Better Regulation and Red Tape and be made publicly available.

HIA requests that the VPA and DELWP undertake a further, subsequent round of **consultation**, including guidance material before finalising the SLHC review S2. It is anticipated that submitters in response to the public consultation period will have a range of differing views, through raising their own points of interest/contention with regard to some new standards. Given the significant weighting that the SLHC review S2 will have in underpinning Greenfield small lot contributions, it would be prudent for further consultation to be undertaken to ensure that all submitter's views have been rigorously discussed and tested prior to gazettal.





DES/DOC

03/02/2020

AUTH LSH

LOT SOLAR ORIENTATION

	No. Lots	% Breakdown
South Facing Lots	26	18%
East Facing Lots	54	36%
West Facing Lots	53	35%
Other	17	11%
Subtotal	150	100%

29% CANOPY COVER (REF LANDSCAPE PLAN FOR DETAIL)

LEGEND



PRIMARY VEHICLE NETWORK WATER SENSITIVE STREET

RECREATION ROUTE (OFF ROAD) COMMUTER ROUTE (ON ROAD)

RAISED PAVEMENT/TRAFFIC CALMING AND PEDESTRIAN

LANDSCAPE REST NODES (ECOLOGICAL AND SEATING OPPORTUNITY)

LOT ENTRY LOCATION

PRIVATE OPEN SPACE LOCATION

RETAINED TREES IN OPEN SPACE

RETAINED TREES IN LOTS. BUILDING ENVELOPE PLAN REQUIRED

NEW LARGE CANOPY TREE LOCATION

EXISTING BUILDING RETAINED FOOTPATHS

SUBSTATIONS

BUS CAPABLE ROAD

BUS STOP LOCATION



