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Mr Morris Edwards
Senior Planner — Planning Services
Victorian Planning Authority
Level 25, 35 Collins St
MELBOURNE VIC 3000

22 August 2022

Small Lot Housing Code Review

Dear Mr Edwards,

Thank you for the invitation to participate in the Victorian Planning Authority's ongoing review of the *Small Lot Housing Code* (SLHC).

The Property Council and its members appreciate the opportunity to engage on this issue and commends the VPA for its willingness to further streamline and refine the SLHC.

Our commentary in this response has been guided by the Property Council's Residential Developers Committee; a dedicated group responsible for providing a voice on issues relating to greenfield residential property.

If you require further information, please contact Lisa Julian, Policy Manager, on 0467 031 427 or ljulian@propertycouncil.com.au

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Adina Cirson'.

Adina Cirson
Acting Executive Director, Victoria
Property Council of Australia

The Small Lot Housing Code Review

The Property Council of Australia strongly believes there is a need for more medium density housing products to increase housing supply and maximise the finite land supply pipeline, which will support improved housing affordability outcomes for all Victorians.

Therefore, it is quite timely that the Small Lot Housing Code (SLHC) is being streamlined and strengthened. Overall, the Property Council of Australia is broadly supportive of the proposed updates to the SLHC, and we welcome the introduction of Type C.

We want to ensure through advocacy that the SLHC changes are sensible and do not put undue burden on greenfield residential developers, to ensure appropriate and diverse housing product is available .

We have focused our commentary on car parks and their sizing, as well as supporting the successful introduction and implementation of Type C.

About the Property Council

The Property Council of Australia is the leading advocate for Australia's property industry – the economy's largest sector and employer. The property industry accounts for 13 per cent of Australia's GDP, employs 1.4 million Australians – more than mining and manufacturing combined – and helps secure the future of 14.8 million Australians who invest in property through superannuation funds.

In Victoria, property contributes \$58.8 billion to Gross State Product, making up to 13.8 per cent of the Victorian economy. It employs one in four working Victorians, employing more than 390,000 people directly and supporting more than 471,000 workers in related fields. It pays 59 per cent, or \$17.9 billion, in tax revenue, and pays more than \$21 billion in total wages and salaries per year, being approximately 27.9 per cent of wages and salaries paid to Victorian workers.¹

The Property Council's members drive the economy and our contribution is immense. They develop, invest in, design, build and manage the places that matter most to Australians – our homes, shopping centres, office buildings, industrial areas, retirement villages, education, research and health precincts, tourism and hospitality venues and more.

The Property Council's Victorian Division has more than 500 members representing all sectors of the property industry. Our members are architects, urban designers, town planners, builders, investors and developers. The Property Council supports smarter planning, better infrastructure, sustainability, and globally competitive investment and tax settings which enable its members to make a lasting contribution to the economic prosperity and social well-being of Australians.

Car parking

We have concerns and inconsistencies contained within the SLHC about car parking. The dimensions of car parking proposed will not be workable and we recommend this needs to be remedied in the review.

Setbacks and length

Section 2.3 states the following:

2.3 The entrance (to a door or opening) of any garage or carport, that is accessed from the front street alignment (not a lane), must be setback:

- a) no less than 5.0 metres from the front street alignment; or
- b) no less than 2.0 metres from the side street alignment.

No less than 5.0m means that garages will be placed at 5.0m from the property boundary. 5.0m allows a vehicle to park in front of the garage but a lot of vehicles will then hang over into the footpath, which most councils object to.

For example, an 85th percentile vehicle (B85) is 4.9m long and a B99 is 5.2m, therefore allowing approximately 300mm offset from the garage door. This results in vehicles extending beyond the 5.0m provided on site, creating a hazard for users of the footpath.

The Section 2.3 requirements are different to those outlined in Section 9:

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.

The Section 9 requirements are considered appropriate if only one car space is provided on site. Therefore, the Property Council recommends the Section 2.3 requirement should be amended to specifically address two car spaces in tandem and the length increased from 5.0 to 5.4m (as the length of the second car space provided in front of a garage).

Car park provision

A dispensation has now been built into the SLHC to standardise the minimum car parking spaces required regardless of the number of bedrooms in a dwelling, as outlined below.

6. Car parking

6.1 Provision must be made for the number of car parking space(s) specified in Table 5.

Table 5: Car parking

Designation of the allotment in the subdivision permit	Minimum number of car parking spaces
Type A and B	1 car parking space if the building has two or less bedrooms 2 car parking spaces if the building has 3 or more bedrooms
Type B	1 car parking space

The previous requirements matched the Planning Scheme Clause 52.06 requirements, which requires dwellings with three or more bedrooms to require at least two spaces. The revised wording effectively allows all Small Lot Dwellings to provide a single car space on site. The Property Council supports this, noting that it will impact the demand for on-street car parking which is not addressed in the SLHC.

However, Section 6.4 states that when two spaces are provided, the dimensions are as follows:

6.4 If 2 car parking spaces are ~~required~~ proposed under Standard 6.1 –

- one space must be at least 6.0 metres long and 3.5 metres wide; and
- the second space must be at least 4.9 metres long and 2.6 metres wide.

Therefore, as we interpret it, the second space at 4.9 x 2.6m fits into the 5.0m setback.

4.9 x 2.6 is a standard car park module but only when adjacent to other spaces (for example, the supermarket) and does not allow sufficient walking room either at the front, rear or sides of the vehicle. This means that drivers will leave a gap between the vehicle and the garage door, pushing the parked vehicle back into the footpath. They will also need to walk on their garden or lawn to get in and out of their vehicle if the carparking space is only 2.6m wide.

The second issue is that if the setback is a minimum of 5.0m under the Section 2.3 requirements, every dwelling will effectively provide a second car space, hence why a change to Section 2.3 wording is important.

We support the reduced parking provision rates for the Small Lot product, and recommend for successful implementation that:

- Section 2.3 a) is amended to be consistent with Section 9 or, alternatively, “no less than 5.4m from the front street alignment”
- Section 6.4 b) is amended to “the second space must be at least 5.4 metres long and 3.0 metres wide”.

Roof reflectivity

This Standard seeks to reduce the heat island effect by requiring roofs to be constructed and coloured to achieve a minimum level of reflectivity. We note the roof reflectivity and see the value in advocating to reduce the heat island effect to help address climate change.

We note the roof of a dwelling must not exceed an LRV level of 50.

Commentary on SLHC Type C

After looking closely at the 2019 background report and the recommended changes, we note few changes have been made to Type A and B:

- The inclusion of a Type C is a good outcome with some more appropriate provisions for lots under 150m². However, it is recommended that, if possible, a current product on a 60m² lot should be tested against the code to confirm it can comply.
- We recommend guidance on where the different Types should be located is extremely important and currently missing from the SLHC.

Comments from previous submission

The comments from the previous submission are below and have noted where the changes in the 2019 Background Report that were both supported and opposed by the Property Council and have been followed through into the amended SLHC.

Where no changes were proposed to a standard in the 2019 Background Report, and no changes have been made have not been included below.

- A large proportion of the recommendations that were in the 2019 Background report and were supported by the Property Council have not followed through into the amended SLHC.

Standard	Response to recommendation		Property Council's previous comment	Has it changed?
	Agree	Disagree		
1 and 2 - Street Setbacks.		Disagree in part	Agree in principle, subject to the following: <ul style="list-style-type: none">• Do not support an increase to side street setbacks. This would not necessarily improve the interface and would result in loss	<p>The side street setbacks change opposed by Property Council in the background report has not followed through into the amended SLHC.</p> <p>The side street facades change supported by Property Council has been adopted and additional standards 2a and 2b have been included to improve glazing and articulation on frontages.</p>

			<p>of dwelling floor area.</p> <ul style="list-style-type: none"> · Support the proposal to improve the appearance of side street facades by increasing the area of articulation. · Do not support a requirement for garages and dwelling entries to be located on the side street. This could be encouraged, but not mandated, as it will limit the product that can be used on corner lots. <p>Refer to Section 3.2 for further comments.</p>	<p>The garage and dwelling entries change opposed by Property Council in the background report has not followed through into the amended SLHC.</p>
6 - Car Parking		Disagree in part	<p><i>Standard 6.7 and 6.8</i></p> <p>Disagree that the façade calculation should not include façade set back more than 5m from dwelling frontage – this could affect up to 50% of the dwelling façade calculation causing a ripple effect on the potential for double garages that would then not meet the façade area calculation.</p>	<p>This change opposed by Property Council in the background report has not followed through into the amended SLHC.</p>

7 - Side and Rear Setbacks	Agree in part		<p><i>Garage setbacks</i></p> <p>Agree that taller walls and balcony encroachments should be provided to rear laneways.</p> <p>We do not share the view that a 2m setback is necessary for walls of more than 6.9m. We submit that a zero setback is appropriate for walls of any height.</p> <p>Refer to comments in Section 3.2.</p>	The changes both supported (taller walls and balcony encroachments) and opposed (setbacks) by Property Council in the background report have not followed through into the amended SLHC.
8 - Walls on Boundaries	ü		<p>Agree with changes to walls on boundary scope.</p> <p>Refer to comments in Section 3.2.</p>	This change supported by Property Council in the background report has not followed through into the amended SLHC.
12 - Overlooking	ü			The changes supported by Property Council in the background report have not followed through into the amended SLHC.
13 - Daylight to Habitable Room Windows	ü		<p><i>Daylight to habitable rooms</i> Agree to include balconies. This may need to be worded as 'veranda or balcony'.</p>	This change supported by Property Council in the background report has not followed through into the amended SLHC.
14 - Private Open Space		X	<p><i>Private open space</i></p> <p>Disagree. Not all lots can achieve the required orientation – just like any other lot. This has not been raised in respect of daylight to habitable rooms but appears in</p>	This change opposed by Property Council in the background report has not followed through into the amended SLHC.

			the private open space considerations.	
15,16, 17 - Front, Side and Rear Fences	ü			The changes supported by Property Council in the background report have not followed through into the amended SLHC.
18 - Fences on Street Alignments		X	<i>Fence on side streets</i> Disagree with the 60% length of boundary. Change to 60% length solid, 85% visual permeable for balance.	This change opposed by Property Council in the background report has not followed through into the amended SLHC – changes suggested by Property Council also not included.

In relation to the different standards to which the Property Council of Australia had made a previous submission, we note:

- Standard 1 (maximum setback).** *This can be difficult to comply with sometimes and is not always necessary on a lot 300sqm or less. When you have a lot where the minimum front setback is 1.5m under standard 2 (e.g., a lot on the opposite side of the road to a reserve), the maximum setback is then 3m. With required encroachments of up to 1.5m, this maximum setback is sometime not enough. Also, on some odd shaped front boundaries with town houses it can also be a problem. – This change has been adopted and the maximum building setback standard has been removed.*
- Standard 7+8 (side setbacks).** *Often there are examples of small parts of a two-storey wall setback 1.0m from the side boundary, which is usually part of the façade projection or a small indentation to the side of the house. These don't comply, and we recommend for these to be allowed under a modified standard 8 to allow parts of a wall on or within 1.0m to be over 3.6m in height, it can be capped at a set length also. Currently you can continue a two storey wall a further 2.0m on the boundary beyond the adjoining dwelling, but if it is 1.0m from the boundary then you are stuck with the max 3.6m wall height at 1.0m - This change has not followed through into the amended SLHC.*
- Standard 7 (rear laneway setbacks).** *Setbacks from rear laneways should be able to be in the 0mm-1000mm zone. Currently it needs to comply with the standard side/rear setbacks of either 0mm or 1000mm, but not in between. However, to promote efficient land use, often a smaller setback - for example, 300mm – is better. This enables enough space for the shaping of the small driveway from the lane to the garage door with site fall, and any drainage requirements. This change has not followed through into the amended SLHC.*

- **Standard 2+7 (rear laneways splays).** *Corner laneway splay setbacks are problematic if the garage is sited at 1000mm from the rear lane, where often the setback requirement of the splay on narrow end lots pushes it even further into the allotment. Rear laneways splays would be good to have a 0mm setback requirement. This change has not followed through into the amended SLHC.*

Final Comments

The SLHC currently sits as an Incorporated Document in growth area planning schemes and is only 'switched on' in the Urban Growth Zone. We are aware of examples in growth area councils where the SLHC would be a useful tool; however, those projects have related to land in a General Residential Zone and the controls therefore have no effect. This is often the case with strategic redevelopment sites, such as golf course redevelopments, which are effectively a greenfield subdivision in an infill context.

In our experience, growth area councils have been willing to negotiate an approval loosely based on the SLHC so that they can avoid the need to consider a number of applications under Clause 54 for a single dwelling on a lot.

Currently Type A lots, which are opposite a recreation reserve, have a minimum setback of 1.5m and a maximum setback of 3.0m. This should be an optional reduced setback so that the maximum is still 4.5m as with Type A lots not facing a recreation reserve.

We suggest that the SLHC has potential for wider application beyond Melbourne's growth areas. There is no reason why these controls should not be considered acceptable in a middle or inner-city residential context. We believe that the SHLC could be included within the VPP and sit alongside the current residential design controls (Clause 54 and 55) so that it can be used in a broader context.

We appreciate that this is a longer-term piece of work, potentially beyond the scope of the current study and we would welcome the opportunity to discuss this with the Government further.