

# Suburban density restrictions anger mid-sized developers

By Clay Lucas

Updated August 11, 2014 – 1:14pm, first published August 6, 2014 – 12:15am



f t e | A A A

Changes to Melbourne’s planning laws that have made it harder to build high-density housing in the city’s inner and middle suburbs have angered small and medium-scale developers, who say the new rules go too far.

Planning Minister Matthew Guy in June introduced the rules in eight Melbourne councils, including those in the city’s leafy inner-east and its bayside suburbs.



Goal Property Group’s Daniel Birner on a job site in Sandringham. PENNY STEPHENS

They allow councils to put an end to squabbles over what can be built where, by pushing high-density and high-rise development to a small number of “residential growth zones”.

Other councils now want the rules applied in their areas.

But developers whose main trade is in-fill projects in established areas say the rules have made it difficult to find suitable sites.

They argue the government’s new “neighbourhood residential zone”, which limits housing growth by promoting only dual-occupancies and two storeys, is being too widely adopted.

Daniel Birner is managing director of Goal Property Group. His firm has completed about a dozen residential developments ranging from eight townhouses to 112 apartments.

One of its current projects is 16 townhouses in Sandringham, on a large 2300-square-metre block. The site, a short walk to Sandringham railway station, previously supported a 29-room nursing home.

Had Mr Birner applied to build the houses today – under new zones signed off by Mr Guy that now apply to 80 per cent of Bayside Council – he could only have built two homes.

Mr Birner said the change was ridiculous, because there was obvious demand for such projects in the area. "I'm not some gung-ho developer looking to build towers in peoples' backyards," he said.

Mr Birner said Mr Guy had "made it more difficult for developers and given councils too much power. If I can walk 500 metres from a railway station and then be restricted to a two-lot subdivision, something is wrong."

Mr Birner said he was glad Melbourne's CBD was now set to accommodate many new extra skyscrapers. "It's acknowledging that we have a huge population issue to deal with."

Under the Napthine government's Plan Melbourne strategy, the city is expected to grow from 4.3 million to 7.7 million by 2051.

Consultants for Mr Birner's company also recently looked at a 6500-square-metre site in Glen Iris, but backed away from buying it when it became clear Boroondara Council would similarly allow only a handful of dwellings on it.

Colleen Peterson is managing director of planners Ratio Consultants. She said the Sandringham site was a perfect example of how the new zones "deny commonsense opportunities for development".

She said rules stopping redevelopment of sites like it for just two houses meant more eye-sores would stay undeveloped for many years. "People aren't going to pump money into these properties when they can't realise their true value."

Kyp Bosci runs Kalex Projects, which has completed several small to medium-sized projects in South Yarra, Hawthorn and Port Melbourne.

He said that, while the planning changes had not yet gone to areas such as Yarra and Darebin councils where his firm had projects, they had already created difficulties finding development sites.

"There seems to be an unexplainable disconnect between those broader [population growth] figures that always get talked about and the planning strategy," Mr Bosci said. The market would ultimately adjust itself, he said. "But in the short to medium term it is going to be challenging."

Michael McCormack from Milieu Property also said the zoning changes could make the sort of boutique in-fill developments his firm specialised in harder.

He said projects he had completed in Fitzroy would most likely not have been possible under the zone changes Yarra Council wanted Mr Guy to approve.

The government did not respond to questions about the zoning laws.

Opposition planning spokesman Brian Tee said the laws had introduced an element of "absurdity" to certain areas, blocking them from development despite their obvious suitability. The changes were also, he said, "closing down the Liberal Party's heartland seats and forcing everyone else to cop the brunt of development".

But one of the highest-profile campaigners who has supported the changes, Planning Backlash's Mary Drost, said developers always talked up their problems, but residents suffered the consequences.

She said the changes that Mr Guy had started to put through across Melbourne were desperately needed.

"The areas that have got them, the people are delighted," she said. "After years and years of screaming, they have finally got some protection from terrible developments."

"Of course the developers are screaming – well, let them scream, they have had it too good for too long," she said. The changes had not made it impossible for development to occur, she said, "they just have to be more selective".



[License this article](#)



### Clay Lucas



Clay Lucas is a senior reporter for The Age. Clay has worked at The Age since 2005, covering urban affairs, transport, state politics, local government and workplace relations for The Age and Sunday Age.

#### OUR SITES

- The Age
- The Sydney Morning Herald
- Brisbane Times
- WAtoday
- The Australian Financial Review
- Domain
- Traveller
- Good Food
- Drive
- CarAdvice
- RSVP

Weatherzone

#### CLASSIFIEDS

- Tributes
- Celebrations
- Place your ad
- Commercial Real Estate
- Oneflare

#### THE AGE

- Contact & support
- Advertise with us
- Newsletters
- Accessibility guide
- Sitemap
- Photo sales
- Purchase front pages
- Content licensing
- Our events
- Work with us
- Conditions of use

- Privacy policy
- Press Council

#### PRODUCTS & SERVICES

- Subscription packages
- Subscriber benefits
- My account
- Subscriptions FAQs
- Today's Paper
- Daily Crosswords