

Part 1:

Introduction

We are developing a new Housing Strategy for the City of Port Phillip to help plan for and manage housing growth and change in a way that will enhance the city's resilience, liveability, diversity, and valued character. This 15-year strategy, outlines the housing vision and key strategies required to accommodate the projected population and household needs of our residents.

The Draft Strategy is set out in five parts as follows:

- Part 1: Introduction
- Part 2: Context
- Part 3: The Strategy
- Part 4: Residential Development Framework Plan
- Part 5: Implementation and Delivery

The draft Housing Strategy aspires to achieve Port Phillip's community vision as a liveable and vibrant city and has been informed by in-depth background research, other existing council strategies, as well as the community members who talked to us about their housing priorities in 2022 and 2023 as part of the Housing Strategy Phase 1 & 2 Engagement.

1.1 Why do we need a new housing strategy?

State planning policy requires councils to proactively plan for, at a municipal level, projected population growth over at least a 15-year period and provide clear direction on locations where growth should occur.

A Housing Strategy is the key foundational strategic planning document that assists Council in planning for our residents' current and future housing needs.

Council's existing Housing Strategy was finalised over 15 years ago and lapsed in 2017. The current strategy is based on sound strategic principles of providing opportunities for new residential development in well-serviced locations with a high capacity for change. However, the City is facing a number of new challenges and opportunities, as well as changes to Port Phillip's planning framework and local context, which have significant local implications including:

- a) Port Phillip's Declaration of Climate Emergency in 2019 and preparation of a Climate Emergency Plan (updated 2023). This provides an important basis for how we plan for new housing ensuring its location and design respond to our changing climate.
- b) Rezoning the Fishermans Bend Urban Renewal Area ('Fishermans Bend') in 2012 to accommodate residential land uses and development. Fishermans Bend will be Australia's largest urban renewal area. It is anticipated that the Sandridge, Wirraway and Montague precincts located in Port Phillip will accommodate 68,000 residents.
- c) Changes to the State Government policy context including the release of Melbourne's Metropolitan Planning Strategy, *Plan Melbourne 2017-50*, which outlines how Melbourne will meet the demand for housing diversity and growth, including by accommodating an increased percentage of new housing in established areas and activity centres.
- d) Introduction of a new suite of residential zones in 2013 (reformed in 2017), which provide local government with the opportunity to better direct the location and scale of residential change.
- e) Updated Victoria in Future 2023 State Government population and household projections.

An up-to-date Housing Strategy will provide direction on what, where and how much housing should be accommodated in areas across the municipality. This supports Council in undertaking precinct and area-based planning such as structure planning.

1.2 Role of Council in housing provision

Each level of government has a role to play in relation to housing. The diagram at Figure 1 sets out the responsibilities of various level of government.

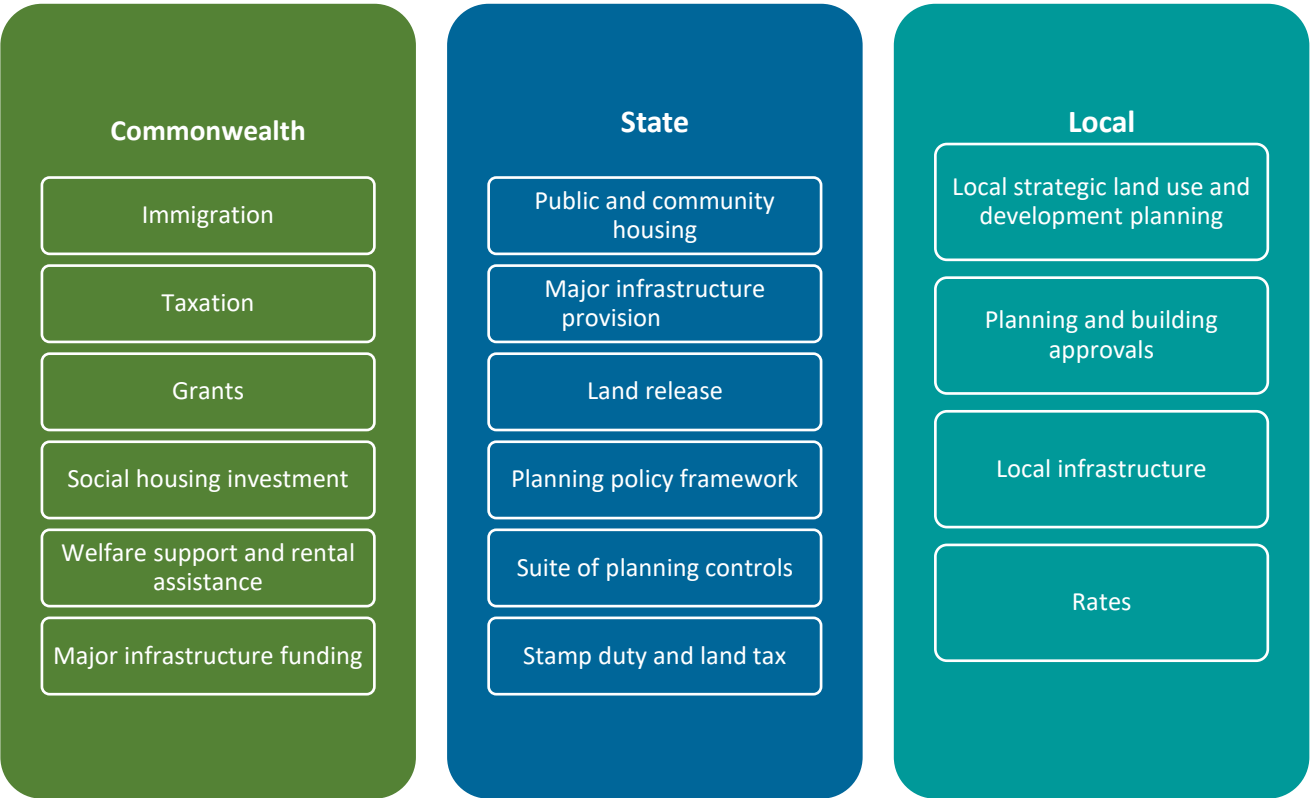


Figure 1: Government planning responsibilities, adapted from AHURI (source: adapted from: [Understanding the housing policy levers of Commonwealth, state and territory, and local government | AHURI](#))

Alongside various levels of governments, the community housing sector also plays an important role in the provision of affordable housing. Community housing is a form of social housing that comprises various

forms of rental housing which are owned and/or managed by a wide range of community housing organizations (CHO) or not-for-profit companies. In 2021, the 100 largest CHOs managed 122,000 social and affordable tenants in the country.¹

Importantly, the sector not only has expertise in looking after affordable and social housing tenants who sometimes have complex needs but is also closely regulated by the government. These regulations are typically designed to prevent the conversion of affordable units into market-rate housing, maintain income eligibility requirements, and protect the interests of low- and moderate-income households. This makes the community housing sector an increasingly important partner for the private and public sectors when comes to delivering and managing affordable housing over the longer term. In such arrangements, affordable housing delivered by private development can be transferred to the CHOs either with or without cost. For optimal affordable housing outcomes, private sectors are often encouraged to partner with CHO at the planning application stage through an agreement under section 173 of the planning scheme.

Role of Council in housing

Most of the housing in Port Phillip is delivered by the privately operated market, which is influenced by various geographic, regulatory, and economic factors. Local governments do not control many of the drivers behind the market, however, they do play a role in facilitating an efficient housing market.

Local government is the only tier of government that:

- undertakes a comprehensive review of local housing needs and demand.
- reviews land capacity and land use trends to ensure supply of land can readily meet the community's needs.
- provides detailed guidance on how local housing needs and demand should be met in terms of housing type, size, amenity, character, and location.
- leads the implementation of local housing strategies including changes to local planning policy, zones and planning controls in the planning scheme to achieve desired housing outcomes.

¹ Community Housing Industry Association, 2023, Australian's community housing industry in profile, <<https://www.communityhousing.com.au/wp-content/uploads/2023/06/CHIA-Profile-2023-Final-1.pdf?x44516>>

1.3 Scope of the Housing Strategy as a planning document

Housing strategies are important local planning documents that help councils plan for housing growth and change in the municipality. To do this, we consider the following questions:

- **Housing capacity** – how much new housing do we need?
- **Housing location** – where should new housing be located to create liveable and sustainable neighbourhoods?
- **Housing diversity** – what types of new housing would best meet the needs of our community?
- **Housing quality** – how should housing be designed to be more liveable and consider the changing environment?
- **Housing character** – how do we maintain and enhance the things we love about Port Phillip? How do we ensure future housing collectively contributes to our preferred neighbourhood character?
- **Housing affordability*** – how can we support the market to deliver more affordable housing options?

*In relation to affordable housing this document provides market opportunities in the form of identifying opportunities for housing development, encouraging a diversity of housing and higher density housing. The coordination, delivery, and management of affordable (including social) housing is beyond the scope of this strategy and will be addressed when Council's affordable housing strategy (In Our Backyard) is updated.

The draft Housing Strategy applies to all land in Port Phillip that may be used for residential purposes as shown in the map in Figure 2 - Land subject to this Housing Strategy



Figure 2 - Land subject to this Housing Strategy

1.4 Housing Strategy Approach

The draft Housing Strategy has been prepared in accordance with State Government requirements outlined in Planning Practice Note 90 and 91. It has been informed by two rounds of community engagement (see section 1.5 for details, and is evidence-based having been informed by technical investigations, including:

- Housing capacity report (Urban Enterprise, 2023)
- Affordable Housing Needs Study (SGS Economics, 2023)

The draft Strategy also incorporates findings from a Neighbourhood Character Study and Preferred Character Statements (LATStudios, 2024) which provides vision and direction for preferred character outcomes in specific areas in our established residential areas. In addition to the existing built form guidance for our heritage precincts and within our activity centre areas that is already contained in the Port Phillip Planning Scheme, this character work will ensure clear guidance is provided for preferred built form outcomes for all residential development.

The draft Strategy provides a housing response aligned to other relevant Council strategies and policies such as Move, Connect Live ‘Integrated Transport Strategy’ and Climate Emergency Plan. It also aligns with other strategic planning projects being undertaken concurrently by Council, including the municipal-wide Spatial Economic and Employment Framework and the new draft South Melbourne Structure Plan.

The development of the draft Housing Strategy was preceded by a Discussion Paper which to help refine scope, priorities, and direction. The Discussion Paper was released for consultation in April – May 2023, with more detailed Neighbourhood Character conversations taking place in July 2023. The feedback received during community consultation has informed the priorities and actions of the draft Strategy.

Once formally adopted by Council, the Housing Strategy will be implemented primarily through a planning scheme amendment to update the Port Phillip Planning Scheme, as well as non-statutory implementation such as advocacy and improvements to operations. Figure 3 provides an indicative timeline of the Housing Strategy.



Figure 3. Housing Strategy Timeline

1.5 What we heard from the community

The development of the draft Housing Strategy has been informed by two rounds of community² consultation.

Phase 1 Engagement Sept - Oct 2022

The first phase of community engagement helps us understand, at a high level, local community' priorities and ideas for housing in Port Phillip.

Our key findings from Phase 1 were:

- Our community most values housing that is well-designed, energy efficient and affordable.
- Most people believed new housing should be located close to public transport, parks, open space and local shops.
- The community indicated they would like more affordable and public housing, followed by increased protection of neighbourhood character, and more focus on green and open space.
- Trees, landscaping, and vegetation in front gardens were identified as neighbourhood character elements that people liked most about their area.

Phase 2 Engagement April - May 2023

The second phase of community engagement help us gather specific feedback on the issues and opportunities presented in *Places to Live, the City of Port Phillip Housing Strategy Discussion Paper*. The draft Housing Strategy has been updated to reflect those comments. Our key findings from Phase 2 were:

The Vision

The feedback we received was that the draft Vision was too generic and requires more tangible outcomes.

Housing needs

- Design quality (access to well-designed and energy efficient housing) was identified as the most significant housing need followed by preferred neighbourhood character; housing diversity and accessibility; and appropriate location of future housing.
- Housing location and supply were of significant interest to the community. The need for diverse, accessible, well-designed housing close to infrastructure and amenities was recognised by the community as being of great importance.

Future of housing

The desired future of housing outcomes that emerged through the engagement process involved accommodating diverse housing needs in a way that preserves neighbourhood character and makes homes more affordable. The feedback indicated that the community are looking for a range of innovative housing solutions facilitated by Council. Balancing development while protecting what people value about their neighbourhoods, and meeting housing needs while addressing affordability, are seen as central to shaping a future where everyone can find suitable housing in Port Phillip.

Quotes from the community:



"For families looking to move into the area and have space for kids, it can be quite expensive".

"It is mostly apartment living, and the new ones are really small. It is also quite expensive. In saying that, there are some very nice places to live in Port Phillip."

"I think the issues are bigger than Port Phillip, and there needs to be more of a coordinated effort between all levels of government."

"Incentivise good developers to include more social housing and energy efficiency in their developments".

"An increase in the supply of quality infill / medium density housing. This can be done as build to sell or build to rent - quality and sustainability is important and ensures that adaptive, diverse housing options are priced".

"Accept not everyone can live in Port Phillip - continue to keep it a desirable place to live".

"Implement a plan for Fishermans Bend. There are a range of housing types, but developers are building apartments and not family housing."



² When referring to the 'community' throughout this document, it is important to note that the feedback captured throughout the engagement processes represents the views of people who chose to participate in the engagement activities and is not representative of the whole Port Phillip community.

Part 2:

Context

2.1 Policy Context

The Housing Strategy is informed by a broad range of State and Local plans, strategies, and policies. These include the following:

Table 1: State and Local Strategies, Policies and Plans informing the Housing Strategy

State Framework	
<i>Planning and Environment Act 1987</i>	Sets the legislative framework for Victoria's planning system. Section 4 sets out the objectives of planning in Victoria, which the Minister for Planning has delegated to the City of Port Phillip to implement within the municipal boundaries. The Act establishes the Victorian Planning Provisions, a set of standard provisions for Victoria to be used as the 'planning tools' to achieve specific land use and development outcomes.
<i>Planning Policy Framework</i>	<p>The PPF is the integrated policy context of a planning scheme and includes state, regional and local policies. It sets out Council's (as planning authority) obligations in planning for population growth and housing change.</p> <p>The key PPF housing and settlement State and Regional policies include:</p> <ul style="list-style-type: none"> • Clause 11.01-1S – Settlement • Clause 11.02-1S – Supply of urban land • Clause 15.01-5S – Neighbourhood Character • Clause 16.01-1S - Housing Supply • Clause 16.01-1R – Metropolitan Melbourne
<i>Plan Melbourne 2017-2050 – Metropolitan Planning Strategy</i>	<p>Establishes a vision for Melbourne by integrating land use, infrastructure, and transport planning to meet the City's future environmental, population, housing, and employment needs. The three key directions of Plan Melbourne are:</p> <ul style="list-style-type: none"> • Ensure a 15-year supply of land to accommodate projected population growth and provide clear direction on locations where growth should occur. • Location of 70% of net additional dwellings within established Melbourne and 30% in the growth areas. • Residents can access most everyday needs within a 20-minute walk, bike-riding, or public transport trip from a person's home
<i>Homes for Victorians – Affordability, access and choice 2017</i>	The strategy aims to improve housing choice by outlining a coordinated approach across government.
<i>Victoria's Housing Statement: The decade ahead 2024-2034 September 2023</i>	The Statement aims to boost the supply, affordability and quality of housing across Victoria through numerous recommendations including policy reforms. The subsequent planning scheme amendments (VC242 and VC243) Implemented some of the actions.
<i>Planning for housing Planning Practice Note 90 - December 2019 (PPN90)</i>	Provides information and guidance to Councils about how to plan for housing growth and protect neighbourhood character to ensure a balanced approach to managing residential development in planning schemes. PPN90 highlights the need for Councils to undertake local strategic studies for the development of a Residential Development Framework.
<i>Planning Practice Note 43 – Understanding Neighbourhood Character (PPN43)</i>	Provides guidance for applicants, the community and councils about understanding what is meant by neighbourhood character and preparing or assessing permit application with respect to neighbourhood character objectives and standards in the planning scheme.
<i>Using the Residential Zones Planning Practice Note 91 December 2019 (PPN91)</i>	Provides guidance to Councils on how residential zones should be applied across their municipality once the Residential Development Framework has been prepared. Further clarification is also provided on the objectives to be applied to the residential zones by Councils.
<i>Fishermans Bend Framework 2018</i>	<p>The Framework is a long-term strategic plan for the development of Fishermans Bend to 2050. It will guide investment and development by the Victorian Government, local governments and the private sector. The Framework provides direction on how the transition of the area will be managed, creating certainty for the community, landowners, developers, businesses, and investors. The Framework provides:</p> <ul style="list-style-type: none"> • a long-term plan extending to 2050. • a guide to inform the preparation and consideration of planning permit applications.

	<ul style="list-style-type: none"> • clear strategic planning directions to inform public and private investment • a plan that enables the community, businesses and investors to make informed decisions that will assist in the realisation of the Vision
Local Framework	
<i>City of Port Phillip Council Plan 2021-31</i>	<p>Outlines the community vision for Port Phillip: <i>Proudly Port Phillip: A liveable and vibrant City that enhances the wellbeing of our community.</i></p> <p>A key initiative of the Plan is to update Port Phillip's Housing Strategy to effectively manage growth, land use change and support community sustainability, health, and wellbeing.</p>
<i>Climate Emergency Plan 2023-2028</i>	<p>Port Phillip Council declared a Climate Emergency in 2019, recognising that climate change is a global and that everyone must play their part. The declaration responds to the critical climate situation and demonstrates Council's commitment to take action. The five year plan outlines what Council will do, what the Port Phillip community can do and what Council is advocating for the Victorian and Australian Governments to do. The Plan includes measurable targets and practical actions to respond to the climate emergency and adapt and thrive.</p>
<i>Move, Connect, Live Integrated Transport Strategy 2018-28</i>	<p>Move, Connect, Live ITS aims to create neighbourhoods with access to key services within a 10-minute walk. It seeks Victorian Government funding for early delivery of connections to public transport, public space and streetscapes, footpaths and bike lanes in Fishermans Bend; and to optimise wider transport connections for both current and future residents and workers.</p>
<i>Places for People Public Space Strategy 2022-32</i>	<p>Sets the vision and blueprint for the future of our public spaces in Port Phillip.</p>
<i>Act and Adapt Sustainable Environment Strategy 2023-28</i>	<p>Outlines the City of Port Phillip's commitment to environmental sustainability for the organisation and the wider community. It establishes a pathway that will help transition the City to a greener, cooler more liveable City where we are all reducing our impact on the environment and are more resilient to the impacts of climate change.</p>
<i>In Our Backyard – Growing Affordable Housing in Port Phillip, 2015-2025</i>	<p>The In our Backyard Strategy (IOBY) identifies Council's role and actions it will take to grow the supply and diversity of affordable housing in the Port Phillip to address priority local housing needs. It sets up overall vision and policies to increase the supply of social and affordable housing in our municipality. The Housing Strategy will explore planning tools to help implement the IOBY strategy.</p>
<i>Think and Act: Homelessness Action Strategy 2015-2020</i>	<p><i>Think and Act: Homeless ness Action Strategy</i> is Council's specific homelessness strategy. It seeks to reduce the risks associated with homelessness through the development of agreed actions, continuing council's role as a leader, advocate, planner, facilitator and service provider.</p>
<i>Draft Urban Forest Strategy 2040</i>	<p>The Draft Urban Forest Strategy will replace the 2011 Urban Forest Strategy. It will set a 20-year vision or aspiration for how we want Port Phillip's Urban Forest to be in 2040 – so we know what we are working towards. It will include a set of Principles that will help guide the decisions and action that we take.</p>
<i>Draft Spatial Economic and Employment Framework (SEEF)</i>	<p>The draft Spatial Economic and Employment Framework (SEEF) sets out a Vision and a series of Objectives and Directions to support economic growth and vitality over the coming years.</p>
<i>Port Phillip Planning Scheme</i>	<p>The Port Phillip Planning Scheme is a statutory document that outline policies, zones, overlays, and other provisions to manage the use and development of land in a consistent and sustainable manner.</p>
<i>Structure Plans, Precinct Plans and Framework Plans</i>	<p>Port Phillip has numerous structure plans, Precinct Plans and Framework Plans that provide guidance to development and land use in specific areas. While the specific roles and definitions may vary, generally, these plans serve to provide a vision, set objectives, and establish guidelines for development within the City of Port Phillip.</p> <p>Current plans include: <i>Bay Street Activity Centre Structure Plan (Parts 1 and 2, 2014)</i>, <i>Carlisle Street Activity Centre Structure Plan (2009)</i>, <i>St Kilda Road South Urban Design and Land Use Framework Plan (2015)</i>, <i>Ormond Road Urban Design Guidelines (2007)</i>, <i>St Kilda Road North Precinct Plan (updated 2015)</i>.</p> <p>Draft plans include: draft South Melbourne Structure Plan (2024)</p>
<i>Port Phillip Heritage Review Volumes 1 – 6, Incorporated Document</i>	<p>The main heritage review document for Council, providing a municipal-wide, post-European contact environmental history, and includes citations for heritage precincts and individual heritage places as well as maps identifying the gradings of places within the heritage overlay (Heritage Policy Map) and contributory heritage places not included by a heritage overlay (Neighbourhood Character Map). This document underpins heritage policy and heritage overlays in the Port Phillip Planning Scheme.</p>

2.2 Port Phillip Planning Scheme

This section gives an overview of the Planning Policy Framework, and relevant Victorian Planning Provisions that influence Council's provision of Housing.

Residential Zones

The residential zones in Port Phillip are:

- Mixed Use Zone
- Residential Growth Zone
- General Residential Zone
- Neighbourhood Residential Zone

Capital City Zone, Commercial 1 Zone and Comprehensive Development Zone also allow for residential uses, though it is in combination with other land uses.

Overlays

There are a number of overlays used across Port Phillip to achieve different built form outcomes. Within Port Phillip's residential areas these are predominately:

- Heritage Overlay – applied to individual sites and precincts to conserve heritage significance.
- Neighbourhood Character Overlay – applied to areas of special character.
- Design and Development Overlay – applied to sites and precincts to achieve specific design and built form requirements.

Particular Provisions

- Rescode (Clause 54 One dwelling on a lot or a small second dwelling on a lot, and Clause 55 Two or more dwellings on a lot and residential buildings)
- Apartment Design Standards (Clause 58 Apartment developments)

Local Planning Policy Framework

Key housing and settlement policies in Local Planning Policy Framework include:

- 16.01-1L-01 Housing diversity
- 16.01-1L-02 Location of residential development
- 16.01-2L Affordable housing
- 16.01-4L Community care accommodation
- 16.01-5L Residential aged care facilities

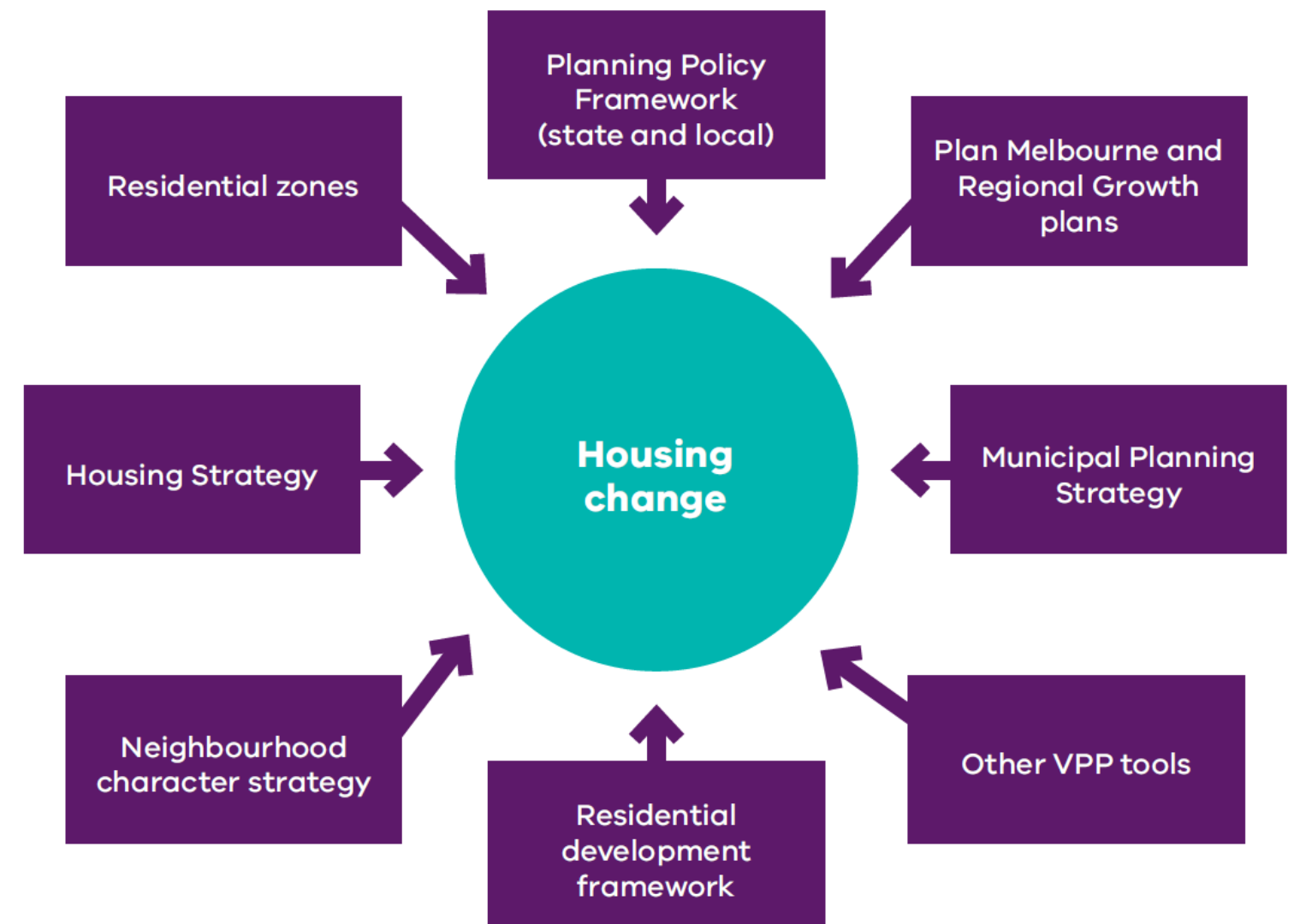
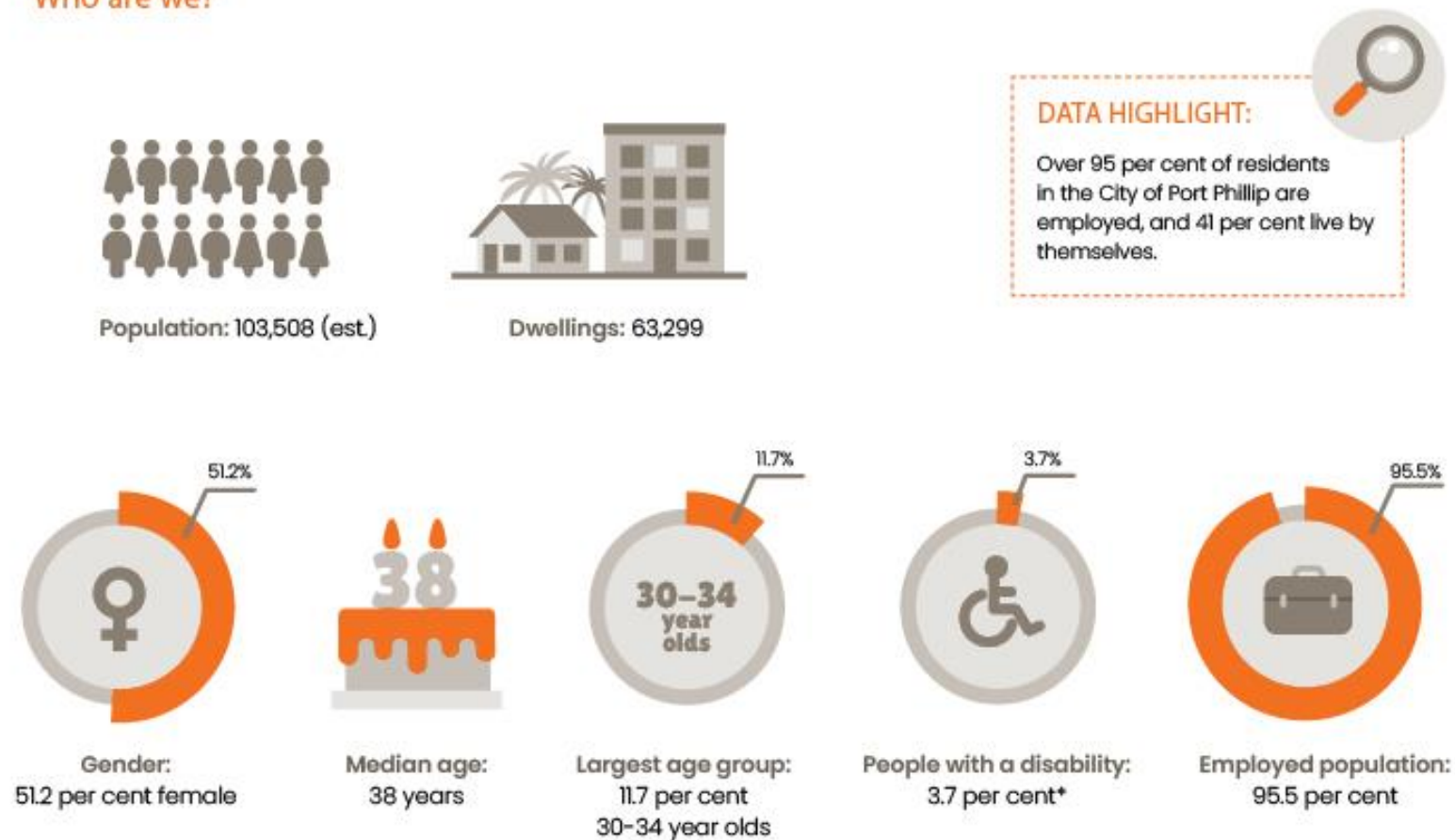


Figure 4. Planning for housing change (Source: Planning Practice Note 90, Department of Transport and Planning)

2.3 Community profile

Who are we?



* The people with a disability figure reflects people who reported needing help in their day-to-day lives due to disability and does not represent all disability needs in the City.

Source: City of Port Phillip. Estimated Resident Population. [Online] Profile .id, 2023g

Where do we come from?



Key facts:

- Our young workforce cohort aged between 25 and 34 has declined slowly but from 28.4 per cent (2006) to 22.7 per cent (2021). This runs against the trend in Greater Melbourne and other inner metropolitan Melbourne councils, where this age cohort has grown over the past 15 years.
- Port Phillip is culturally diverse with over 33% of our community born overseas, and 21% of our community speaking a language other than English at home.
- In 2021, 3.7 per cent of the population in Port Phillip reported needing help in their day-to-day lives due to disability. Of this, the largest age group needing assistance were those 85 years and over.

2021 Snapshot - household makeup



Number of homes: 63,299

Average household size:



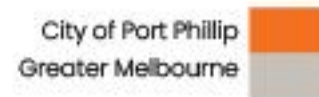
City of Port Phillip:
1.88 persons



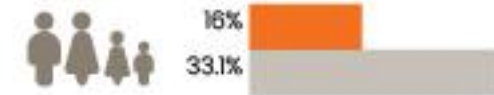
Greater Melbourne:
2.58 persons

How do we live?

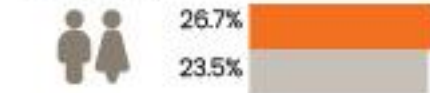
Household types



Families with children:



Couples:



One parent families:



Group households:



Lone person:



Source: ABS Census 2021

Household split by dwelling type



Families with children (16% of all households)



Couples (26.7% of all households)



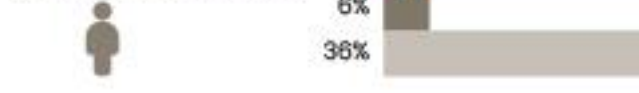
One parent families (6.2% of all households)



Group household (6.8% of all households)



Lone person (44.4% of all households)



Key facts:

- Our average household size is 1.88 persons, which is lower compared to the Greater Melbourne average of 2.58 persons. This reflects a declining trend from 1.91 in 2016.
- Our most common household type is Lone persons (41%), followed by Couples without children (24.7%). These are both higher than the Greater Melbourne averages at 23.7% and 23.5% respectively.
- The proportion of families (both couples and one parent) with children has grown from 17.3 per cent (2006) to 20.6 per cent (2021) however remains low in comparison to the rest of Greater Melbourne (43% at 2021).

2021 Snapshot - Education and employment

Median weekly income



Individual: \$1,289



Family: \$3,051



Household: \$2,069

HIGH INCOMES



44 per cent of people aged 15+ are in the highest income quartile (\$1,475+ per week), compared with Greater Melbourne at 27 per cent.



A third of the households are in the highest income quartile (\$2,947+ per week), compared with Greater Melbourne at 28 per cent.

LOW INCOMES

About 12,882 (16 per cent) of individuals aged 15+ are in the lowest income quartile, earning less than \$375 per week.

Nearly 1 in every 5 households (9,204 households in total) are in the lowest income quartile, earning less than \$881 in 2021.

Key facts:

- Overall, 31.0 per cent of the households earned a high income and 16.8 per cent were low-income households, compared with 25.3 per cent and 19.0 per cent respectively for Greater Melbourne.
- 48.9 per cent of people in the City of Port Phillip had a Bachelor or Higher degree qualification in 2021, higher than Greater Melbourne. This represents an increase of 5,365 people since 2016.
- The most popular industry sectors were: Professional, Scientific and Technical Services (9,911 people or 16.2%). In comparison, Greater Melbourne employed 9.6% in Professional, Scientific and Technical Services.
- The level of volunteering can indicate the cohesiveness of the community and how readily individuals are able to contribute to that community. 15.3 per cent of the population reported doing some form of voluntary work in 2021. This was a greater proportion than 12.1 per cent in Greater Melbourne.

Industry Sectors



16.2 per cent work in professional, scientific, and technical services



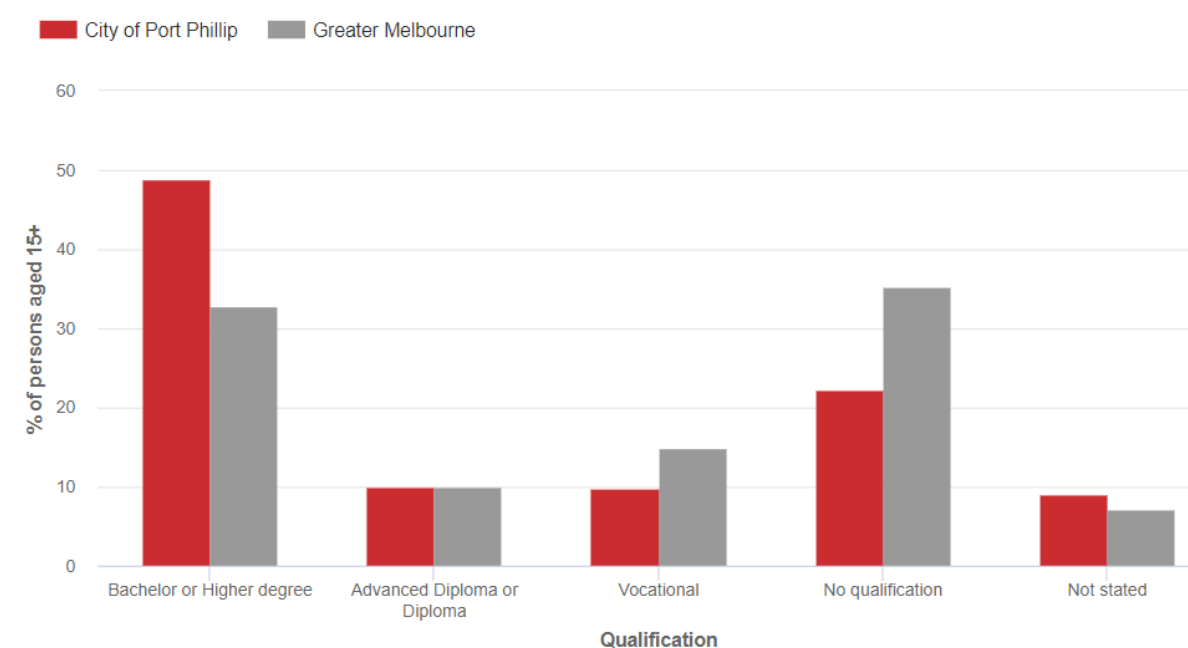
11.8 per cent work in health care and social assistance



8.6 per cent work in education and training

Highest qualification achieved, 2021

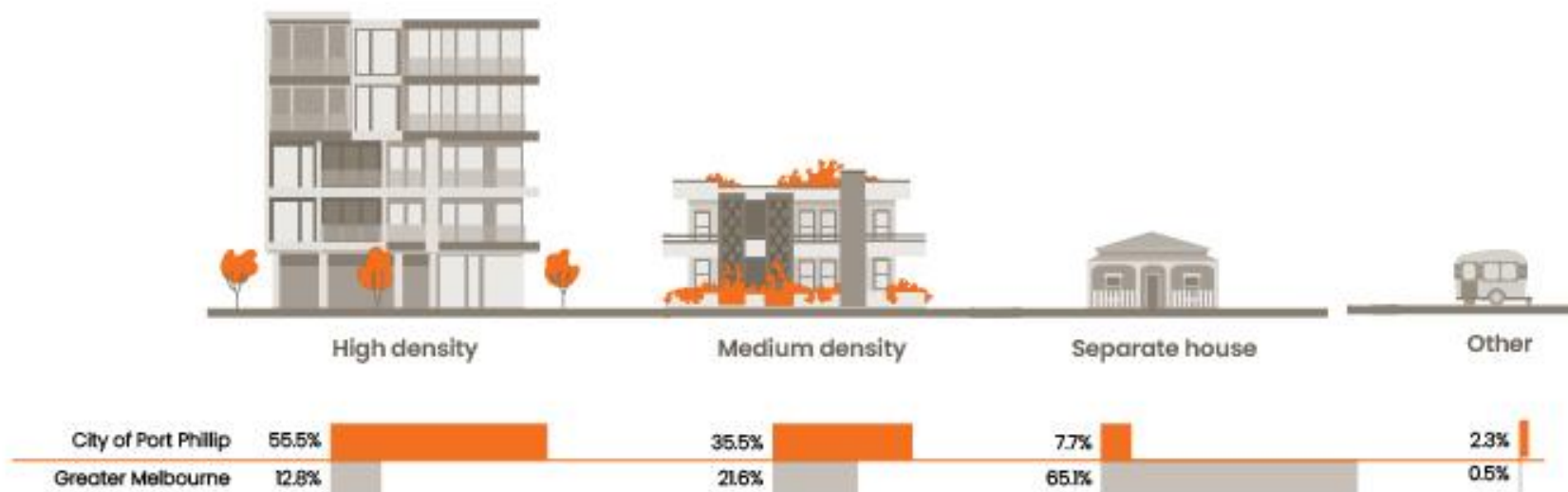
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Source: Australian Bureau of Statistics, [Census of Population and Housing, 2021](#) (Usual residence data). Compiled and presented in profile.id by [.id](#) (informed decisions).

2.4 Housing Profile

What types of dwellings do we live in?



Definitions:

High density includes apartment buildings in block of 3 storeys or more

Medium density includes semi-detached, row or terrace houses, townhouses, and flats or apartments in 1-2 storey block

Other includes caravans and cabins

Source: City of Port Phillip. Estimated Resident Population. [Online] Profile .id, 2023d

DATA HIGHLIGHT:

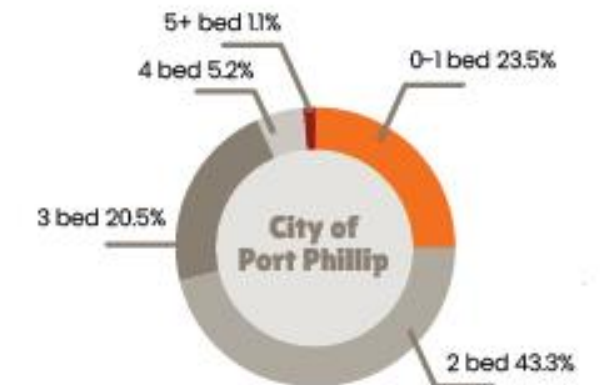
High density apartments make up 55.5 per cent of our housing stock, 4 times that of Greater Melbourne.

Key facts:

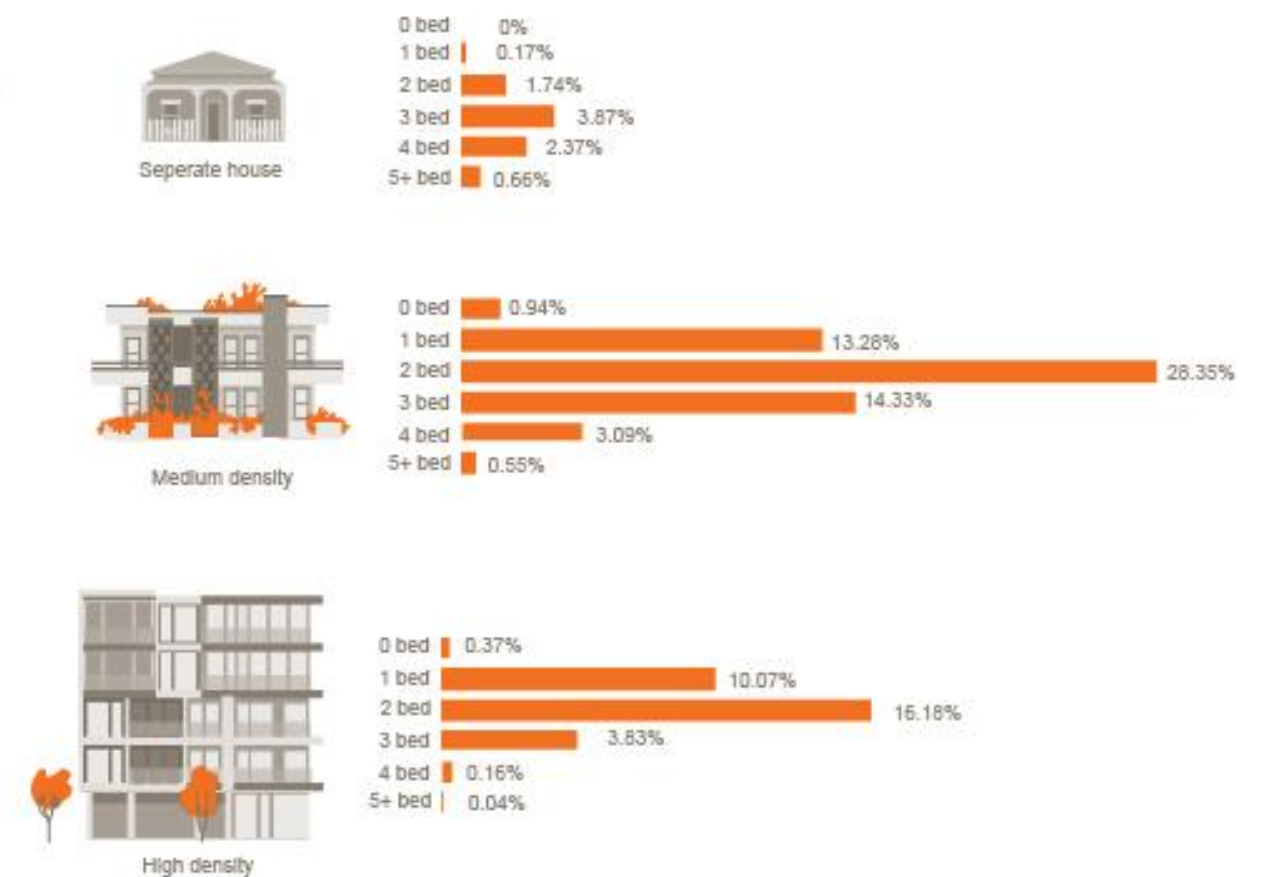
- The City of Port Phillip continues to be the most densely populated local area in Victoria. We have a population density of 5,029 people per square km in Greater Melbourne.
- A majority of the dwellings in Port Phillip have 2 bedrooms or less (66.8 per cent).
- The percentage of separate houses has slowly declined from 8.4 per cent in 2016 to 7.7 per cent in 2021.

What do our dwellings look like?

Number of Bedrooms



Types of dwellings and their bedroom split

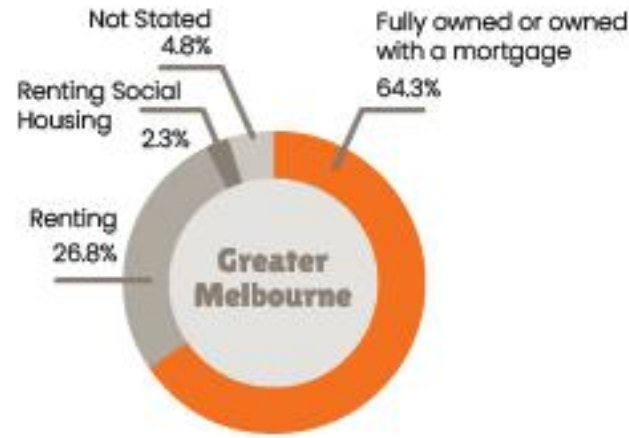
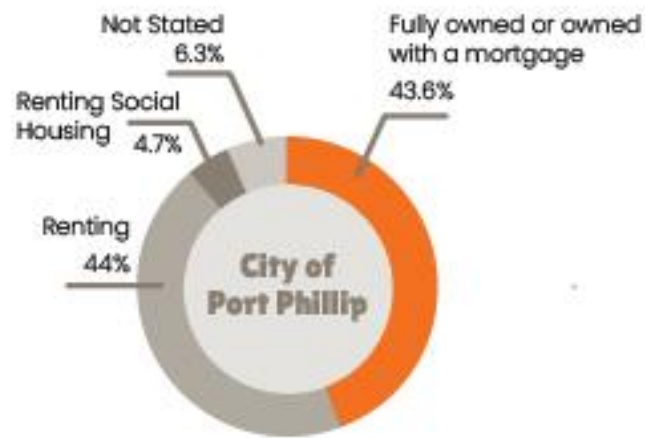


Source: ABS Census 2021

Home ownership

Home Ownership

Note: The ABS figure for social housing rental is under counted. The Department of Families, Fairness and Housing, 2021/22 data state about 6.5% of dwellings in CoPP is social housing, including short term crisis support accommodation units, and transitional housing units.



Source: City of Port Phillip: Estimated Resident Population. [Online] Profile .id, 2023e.

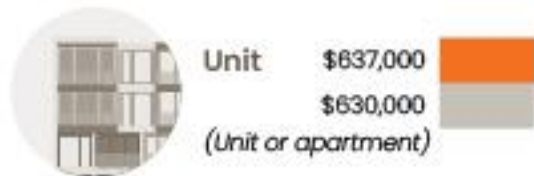
Costs of buying and renting

City of Port Phillip
Greater Melbourne

Source: *Housing prices* (Victoria. Department of Environment, Land, Water & Planning, (issuing body), 2021)

Rental prices (Victoria. Department of Families, Fairness and Housing, (issuing body), 2022)

Median house prices (2021)



Median rental prices (2022) per week



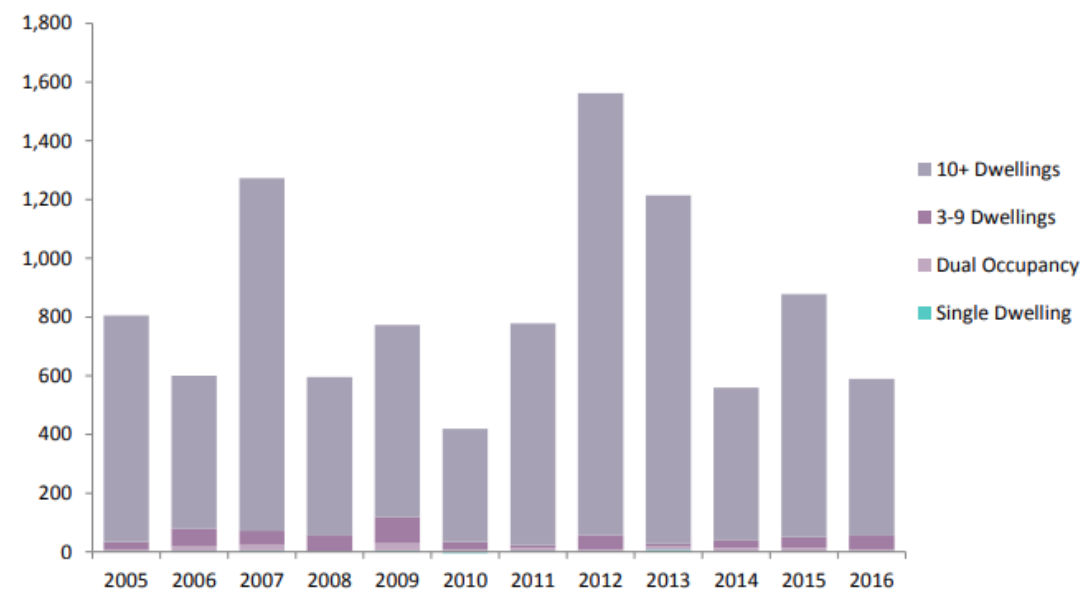
Key facts:

- There is an estimated shortfall of 7,000 affordable housing units across Port Phillip. Without policy intervention, the estimated shortfall will increase to 11,300 by 2041.
- Both median house prices and rental prices for separate, townhouse or terrace house in Port Phillip is higher than Greater Melbourne average.

2.5 Housing Development Trends

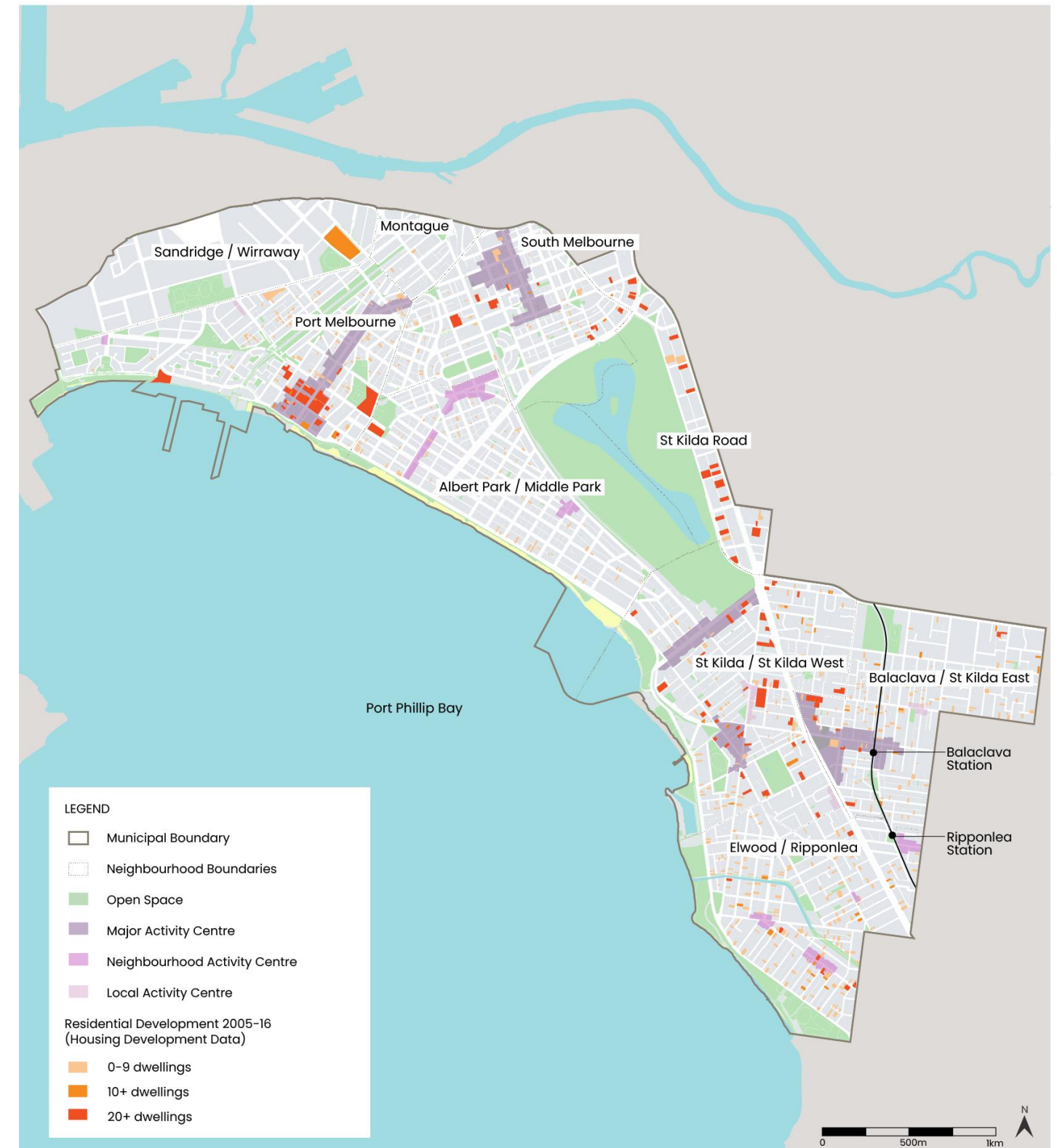
The two figures below explore the development trends in Port Phillip between the years 2005 – 2016.

Figure 5: Annual new dwellings in Port Phillip 2005 – 2016 (source: Victoria Environment, Land, Water and Planning)



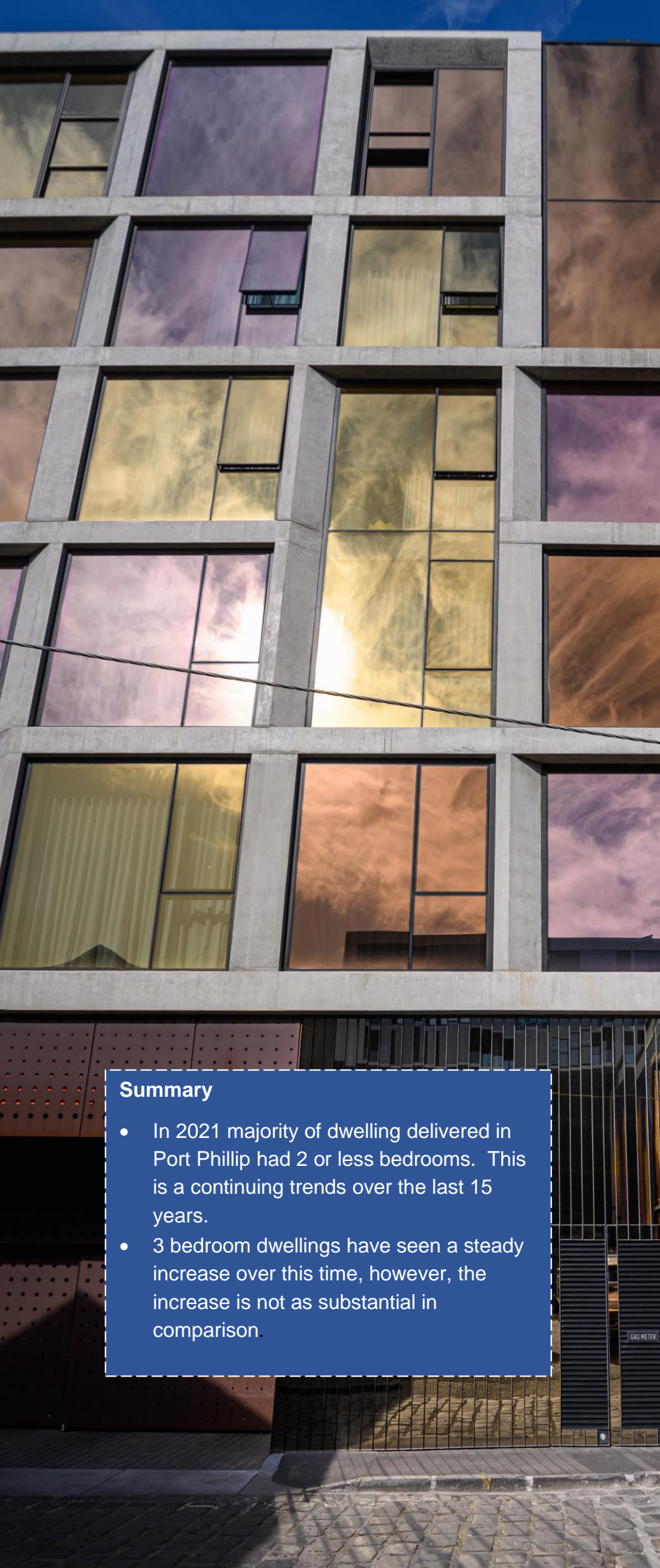
Summary

- Approvals for new dwellings has been relatively consistent over the past 6 years (to 2023) at between 1,000 and 1,300 approvals each year. More than half of all dwelling approvals over the period were in areas in the northern section of the municipality including Fishermans Bend, South Melbourne and St Kilda Road North (including Domain).
- Larger residential redevelopments (50+ dwellings) have been concentrated around St Kilda (along Nepean Road / St Kilda Road), Melbourne and South Melbourne (Albert Road, Kings Way, Queens Road and the South Melbourne Activity Centre) and in Fishermans Bend.
- Medium sized residential developments (10-50 dwellings) are more distributed spatially, with concentrations in St Kilda, Elwood, Port Melbourne and South Melbourne.
- Developments with 10 or more dwellings (apartment buildings) have been the dominant dwelling typology in Port Phillip over the past decade.
- Almost all (99 per cent) of housing approved in 2021 were apartments. 66 per cent of the apartments approved were in buildings over 20 storeys high.
- Recent permit data indicates that 92.51 per cent of new major residential development (with 10 dwellings or more) is located outside Port Phillip's Activity Centres (refer Figure 6 right) in the areas of Fishermans Band, the St Kilda Road corridor (including the Domain Precinct) and St Kilda. Recent permit data indicates that 92.51 per cent of new major residential development (with 10 dwellings or more) is located outside Port Phillip's Activity Centres (refer Figure 6 right) in the areas of Fishermans Band, the St Kilda Road corridor (including the Domain Precinct) and St Kilda.



Residential Development 2005 – 2016

Figure 6: Residential Development 2005 – 2016 location



How our dwellings have looked in the past 15 years

Figure 7: Typology trends 2006 – 2021 (ABS Census 2021)

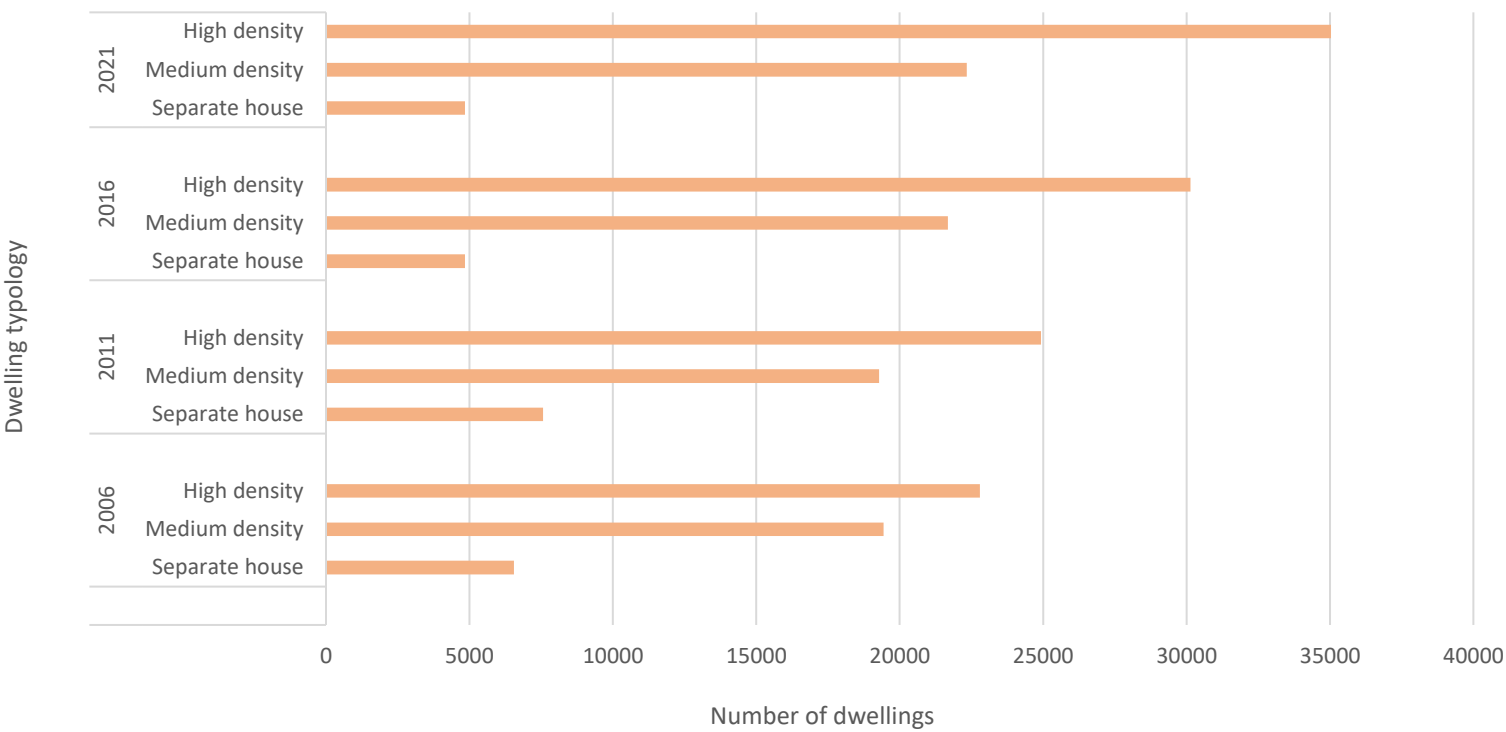
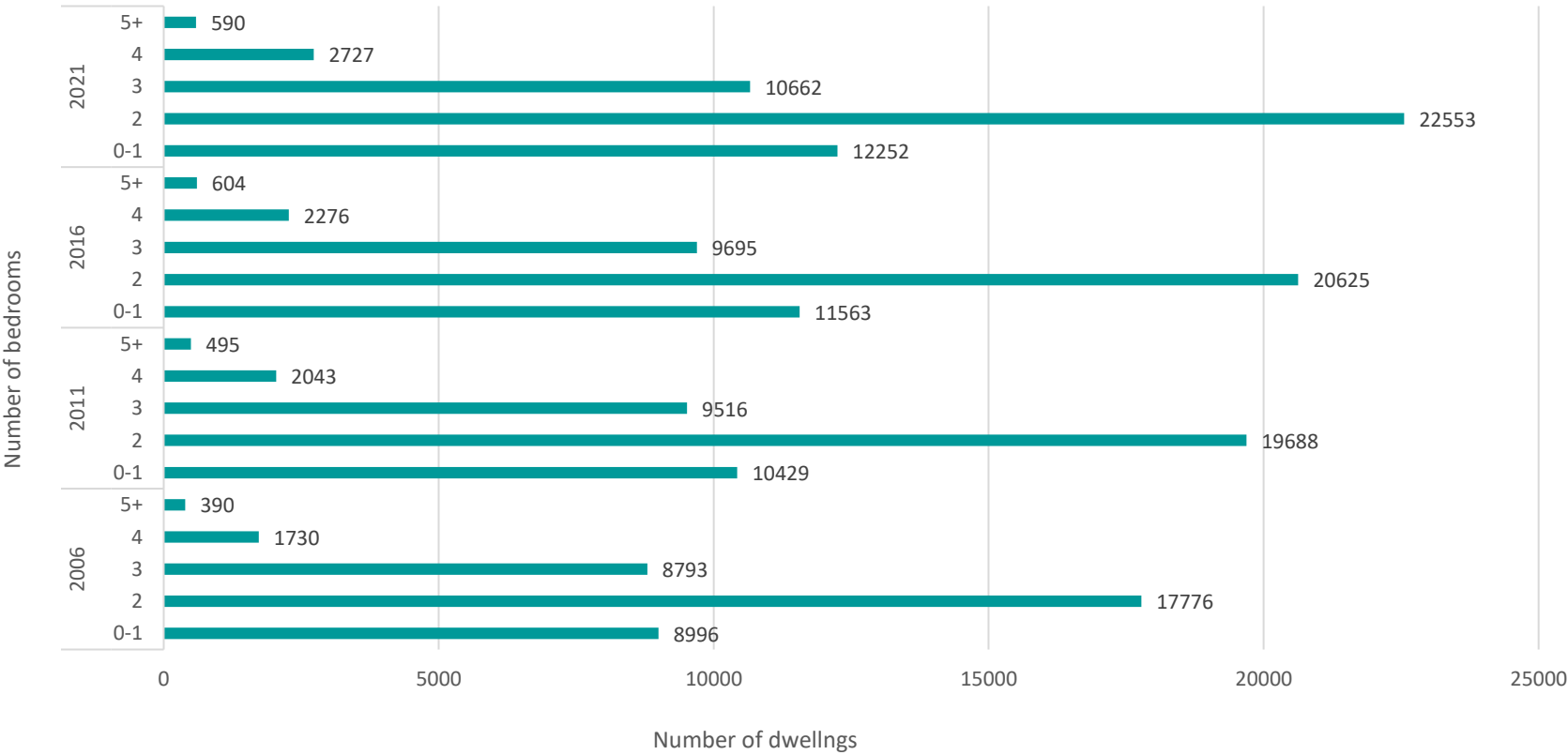


Figure 8: Dwelling typology trends (bedroom split) 2006 – 2021 (ABS Census 2021)



Summary

- In 2021 majority of dwelling delivered in Port Phillip had 2 or less bedrooms. This is a continuing trends over the last 15 years.
- 3 bedroom dwellings have seen a steady increase over this time, however, the increase is not as substantial in comparison.

2.6 What are we planning for – Key housing challenges

As a city, we face a number of challenges impacting key decisions around how we plan for our community's future housing. These include:

Climate Change – Increasing Flood Risk and Urban Heat

Climate change is driving unprecedented changes in weather, with disasters resulting from increased storm severity and extreme temperatures. As a result, we are experiencing floods, storm surges, heatwaves, bushfires and erosion more frequently.

Flood Risk

Melbourne's sea level has increased by 10.6 centimetres since 1966. As a coastal municipality and with more than half of the city below three metres above sea level, we are vulnerable to rising sea levels and increasing coastal erosion with more frequent and intense storm surges.

The rising sea levels, coupled with intensified rainfall and greater frequency of storm surges could have a substantial impact on the future location and design of new housing in Port Phillip. This particularly affects low-lying urban renewal areas like Fishermans Bend and established regions like South Melbourne, Port Melbourne, Albert Park, Middle Park, St Kilda, Balaclava, and Elwood. Currently, flood risk is mapped across Port Phillip through the Special Building Overlay (SBO) in the Port Phillip Planning Scheme. However, this risk will increase in the future, both in terms of its severity and the number of properties that could be affected.

Urban Heat

Across our state, the average annual temperature has risen 1°C since 1910, while average annual rainfall has decreased. Rising temperatures are changing our city, and the most vulnerable in our community are the most affected.

Urban heat is an increasing threat to liveability and productivity because cities have less vegetation cover than surrounding land. Instead, they're full of concrete, brick and asphalt – hard and dark materials that absorb heat, which worsen summer heat extremes and jeopardise the health and wellbeing of people, pets and native wildlife. In addition, temperatures are intensified by climate change, with more frequent and extreme hot weather and heatwaves.

Increased densification and larger houses have resulted in the loss of large canopy trees across Port Phillip. However, trees and greenery benefit individual households and the whole municipality.

Plan for Population Growth and Changing Households

By 2036, we expect our population to grow by another 43,510 people. As it grows, the types of households will keep changing.

Smaller household size

The projected change in households in Port Phillip from 2021 to 2036 (15 years) indicates a growth in the number of couples without children (27 per cent), while the proportion of families with children will decline from 21.8 per cent in 2021 to 19.7 per cent. The number of people living by themselves is projected to remain steady at 41 per cent and continue to be the most common household structure in Port Phillip.

Ageing population

By 2041, people aged 60 years and older are forecast to represent almost 21 per cent of the Port Phillip population, and in areas such as Port Melbourne, South Melbourne, Albert Park and Middle Park at least one in four residents will be over sixty.

Improve Housing Affordability

Victoria has the nation's fastest growing population, and as the costs of living rise and housing becomes more and more expensive, it is increasingly becoming more difficult for people to afford to buy and rent places to live in Melbourne.

The housing affordability problem (rental and home ownership) has deepened over the last 25 years in Port Phillip. It is the result of many interconnected factors including the supply and demand dynamics, gentrification, interest rates, and government tax incentives, etc. The supply of new housing has a role to play in making housing affordable, however is only one part of the solution.

It is a shared responsibility across the levels of Government (Commonwealth, State and Local) and each tier has a different role to play.

Provide for Affordable Housing Needs

As population and household numbers grow, the need for affordable housing choices also increases. In 2021, about 10,500 households (20% of all households) need housing assistance. Among those in need, half of them are in severe or moderate rental stress, spending more than 30% of their income on housing). Another half are either homeless or living in social housing.

If the current supply of social housing dwellings does not change, the need for housing assistance is forecast to increase to 17,300 households by 2041, indicating an estimated shortfall of 12,600 affordable dwellings.

Managing Conflict in Mixed Use Areas

Mixed use areas (such as activity centres and employment precincts) are where both residential and commercial development do and will co-exist. The City is becoming an increasingly mixed-use environment. With more housing being accommodated in, or close to areas where there are existing or planned commercial uses (such as retail, hospitality or office spaces), there is potential for conflict to arise around amenity impacts (such as noise), traffic and parking. While there are benefits associated with locating housing in our activity centres and some employment areas, it needs to be carefully managed so the different uses can coexist harmoniously.

Balance Heritage values, Neighbourhood Character Objectives and Sustainable Development

Port Phillip has some of the most extensive heritage areas in Melbourne, with some of the earliest European settlement patterns and development. Our heritage and neighbourhood character are highly valued by our community and contributes to our sense of place. A majority of our municipality is also well located with good proximity to public transport, shops, jobs and services. Striking the balance between protecting our valued heritage and character and supporting housing growth and development in key locations for walkable, healthy communities is a challenge that warrants careful consideration.

Facilitating quality design especially in apartments

Almost all (99 per cent) of housing approved in 2021 were for new apartments. 66 per cent of the apartments approved were in buildings over 20 storeys high. It is projected that apartments will continue to be the main housing products delivered by the market in Port Phillip. Facilitating quality design, especially in apartments is crucial for the health and wellbeing of our community.

2036 projections:
Who are we planning for?



Number of homes: 63,299

Average household size:



City of Port Phillip:
1.88 persons

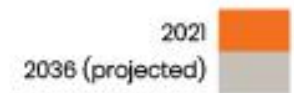


Greater Melbourne:
2.58 persons

Key facts:

- Consistent with Australia-wide trends, our population is ageing. In 2021, there were more than 19,000 people aged 60 years and older residing in the City of Port Phillip representing 19 per cent of our population. This is an increase of approximately 3,000 older residents since 2016.
- By 2041, people aged 60 years and older are forecast to represent almost 21 per cent of the Port Phillip population, and in areas such as Port Melbourne, South Melbourne, Albert Park and Middle Park at least one in four residents will be over sixty.

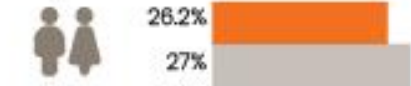
Household types



Families with children:



Couples:



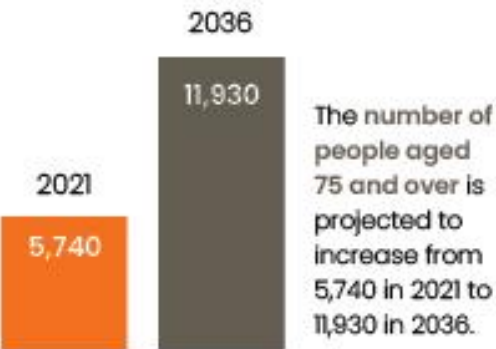
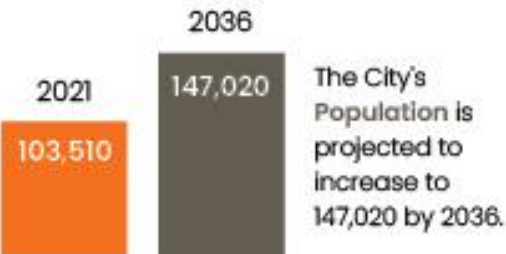
One parent families:



Group households:



Lone person:



Housing Need and Shortfall of Affordable Housing in Port Phillip

Household type ¹	Port Phillip LGA Total	
	2021	2041
Homeless	1,200 2%	1,900 2%
Severe rental stress	2,500 5%	5,400 6%
Moderate rental stress	2,900 6%	5,300 6%
Living in social housing	3,900 7%	4,700† 6%
TOTAL need for assistance	10,500 20%	17,300 21%
Affordable housing shortfall	6,600	12,600

¹Rental stress includes very low to moderate income households spending more than 30 per cent of their income on housing. Numbers have been rounded to the nearest 100 and totals may not add.
†Assumes an additional 800 Affordable housing from Fishermans bend based on assumption that the 6% affordable housing target would be fully implemented.
Notes: Percentages (%) are a share of all households. The count of social housing comprises long-term accommodation (not temporary accommodation), source: Department of Families, Fairness and Housing.
Source: SGS Economics and Planning 2023, Housing Assistance Demand Model (based on 2021 ABS Census)