

Victorian Govt. Housing Statement Hawker Britton Occasional Paper 20 September 2023

This morning the Andrews Labor Government released [Victoria's Housing Statement](#). The statement outlines the Government's plan to build an extra 800,000 new homes over a decade through planning reforms. The statement also includes a 7.5% levy on short stay accommodation, rental reforms, and a plan to redevelop all of Victoria's 44 high-rise public housing towers by 2051.

Victoria's population is expected to reach 10.3 million by 2051, by which time 1.6 million new homes will need to be built to ensure the existing housing pressures facing Victorians does not get worse. To ease this pressure, Victoria will need to build 2.24 million homes by 2051, around 80,000 per year. Current trends indicate that Victoria is expected to build 540,000 homes by 2034, however the Andrew's Government plans to facilitate the building of an additional 250,000 homes through the steps outlined in the Housing Statement.

Planning reforms

Currently, there is a backlog of approximately 1,400 planning permit applications for multi-unit housing that have been sitting with councils for more than six months, 550 of which have been waiting a decision for over a year. The number of dwellings approved over the last year fell by 26.1%.

The Government plans to:

- **Clear the application backlog** by creating a dedicated team to work with project proponents, local councils, and referral agencies to resolve issues. The statement also says that that "the Minister for Planning won't hesitate to call them in".
- **Expand the Development Facilitation Program**, speeding up the approvals process from up to two years to four months for medium to high density residential developments that have construction costs worth at least \$50 million in Melbourne or \$15 million in regional Victoria, and deliver at least 10% affordable housing.
- **Deliver an additional 60,000 homes** around an initial 10 activity centres: Broadmeadows, Camberwell Junction, Chadstone, Epping, Frankston, Moorabbin, Niddrie (Keilor Road), North Essendon, Preston (High Street) and Ringwood, through clear planning controls.
- **Small second homes – granny flats or dwelling garden units** – less than 60 square metres will no longer require a planning permit.
- **Faster permits and planning certainty:** councils will only assess aspects of a permit that don't comply with *Deemed to Comply* residential standards.

- **The *Future Homes* program will be expanded**, including new designs for 4 and 5 storey developments, and expansion of the areas they can be used.
- **Single dwellings** on lots smaller than 300 square metres, with no overlays, will have planning permits approved within 10 days. Single dwellings on lots bigger than 300 square metres, and not covered by an overlay, will no longer require a planning permit.
- **Convert commercial buildings to residential**: 80 buildings have been identified by the City of Melbourne and Property Council of Australia where offices can be converted into around 10,000-12,000 apartments and mixed-use properties.
- **Hiring 90 new planners** in the Department of Transport and Planning.
- **Unlock and rezone surplus government land** to deliver around 9,000 homes across 45 sites in both metropolitan Melbourne and regional Victoria.
- **Strengthen apartment design standards.**
- **Update Plan Melbourne** and expand it to cover the whole state.

Short-stay accommodation

The Victorian Government has announced that it will introduce a 7.5% levy on short stay accommodation. The revenue raised from the levy will go to Homes Victoria, with 25% of the funds to be invested in regional Victoria.

Existing local council charges on short stay accommodation will be removed.

Social housing estates

The Victorian Government will embark on “Australia’s biggest ever urban renewal project”, retiring and redeveloping all of Melbourne’s 44 high-rise public housing estates by 2051.

The project will start with the towers in Flemington, North Melbourne and Carlton.

Currently around 10,000 people live at these sites, and the Government anticipates that will increase to 30,000 at the completion of the project. The new sites will house a mixture of social, affordable, and market homes, while increasing the overall number of social homes by 10%.

Rental reforms

The Government plans to:

- **Restrict rent increases** between successive fixed-term rental agreements: If agents or landlords are issuing a new lease after they’ve evicted previous tenants on their first fixed-term one, they’ll have to offer the property at the same rent for at least 12 months.



- **Ban all types of rental bidding** and introduce tougher penalties for agents and landlords who break the law.
- **Establish *Rental Dispute Resolution Victoria*** to resolve tenancy disputes over rent, damages, repairs and bonds. It will have a clear pathway to settle issues in a faster, fairer and cheaper way – freeing up VCAT for more serious or complicated matters.
- **Introduce a portable rental bond scheme**, where tenants can carry their rental bond from one property to another.
- **Extend notice of rent increase and notice to vacate periods to 90 days.**

Download the full Housing Statement [here](#).

See Premier Andrews' media release [here](#).

Further information

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