



ACKNOWLEDGEMENT OF COUNTRY

Council respectfully acknowledges the Traditional Owners of this land, the people of the Kulin Nations. We pay our respect to their Elders, past and present. We acknowledge and uphold their continuing relationship to this land.

August 2024

City of Port Phillip

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Mayor's message

On behalf of our Council, I am pleased to present our Housing Strategy 2024–2039.

This important strategy responds to a range of opportunities and challenges which have emerged since our previous Housing Strategy lapsed in 2017.

Significant shifts to housing and planning policy, climate change, the rezoning of Fishermans Bend, sustainability and updated population projections are among the many changes considered in this Strategy.

As our diverse community is always at the heart of everything we do, the 15 year land use plan embedded in the Strategy is aimed at supporting the housing needs and aspirations of current and future residents. The Strategy identifies the following fundamental housing needs for our community:

- sufficient land is available to accommodate projected population growth
- new housing is in appropriate locations close to jobs, public transport, open space and other key facilities and services

- new housing respects heritage and responds to preferred neighbourhood character
- people can access a range of well-designed housing choices that consider the environment, health, and wellbeing (design quality and sustainability)
- people have access to housing choices that are fit for purpose for people at different life stages and of varied abilities and needs
- people have access to affordable housing choices regardless of changing social or economic status (affordable housing).

Our City has a proud history of supporting and increasing community housing.

In line with this long-standing commitment, the Strategy contains an affordable housing policy which proposes that 10 per cent of new dwellings in future private developments should be affordable housing. Under the current State policy framework, councils can't impose a mandatory affordable housing target. We are advocating for this mandatory regime, however, as we know 10 per cent of all Port

Phillip households are experiencing severe or moderate rental housing stress.

Housing is so much more than brick and mortar. It is also about environments, people, and places where residents want to live and become involved in their community.

We look forward to collaborating with communities, government agencies and industry partners to implement this Strategy over the next 15 years as we work towards achieving our Community Vision of "a liveable and vibrant City that enhances the wellbeing of our community".



Cr Heather Cunsolo
Mayor
City of Port Phillip





1 Introduction

The City of Port Phillip Housing Strategy guides housing growth and change over the next 15 years to enhance the City's resilience, liveability, diversity, and valued character.

It outlines the housing vision and key strategies to accommodate our residents' projected population and household needs.

The Strategy is set out in five parts:

Part 1 Introduction

Part 2 Context

Part 3 Objectives

Part 4 Residential Development Framework Plan

Part 5 Implementation and Delivery

The Strategy aspires to achieve Port Phillip's community vision as a liveable and vibrant city. It has been informed by in-depth background research, other Council strategies, and the community members who shared their housing priorities as part of the engagement process.

We have created a municipal-wide housing vision to guide the Council's actions over the next 15 years as we meet our evolving community's housing needs and aspirations.

Our housing vision directly responds to the community vision in our Council Plan: "Proudly Port Phillip: A liveable and vibrant City that enhances the wellbeing of our community."

We will achieve our housing vision through six objectives:

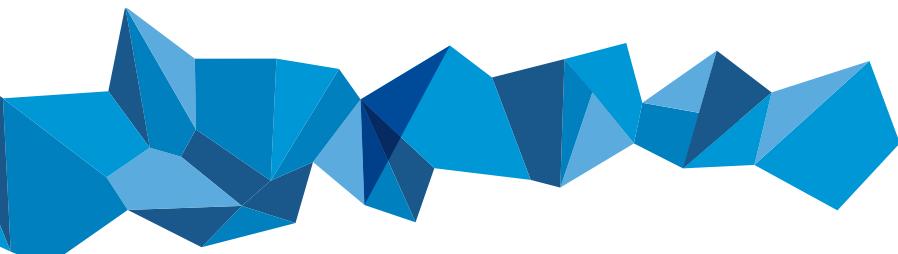
- 1** Ensure adequate housing supply
- 2** Direct new housing to appropriate locations
- 3** Ensure new housing responds to neighbourhood character and heritage values of established residential areas
- 4** Encourage a range of housing options to support our diverse community
- 5** Support new housing that is well-designed and resilient to climate change impacts
- 6** Facilitation the provision of more affordable housing

Housing Vision

A City with liveable neighbourhoods and places to live that meet the needs of our diverse and growing community.

An evolving City that respects its rich history while looking and adapting to the future. A City of safe, distinct, inclusive, interconnected neighbourhoods.

A City that continues its long-standing commitment to providing affordable housing and is a home to our diverse community. A City that is sustainable and resilient to meet the challenges of a changing environment.



1.1 Why do we need a new housing strategy?

State planning policy requires Councils to proactively plan for projected population growth at a municipal level over at least 15 years and provide clear direction on 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 previous Housing Strategy was finalised over 15 years ago and lapsed in 2017. It was 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 several new challenges and opportunities, as well as changes to Port Phillip's planning framework and local context, which have significant implications, including:

- a) Port Phillip's Declaration of Climate Emergency in 2019 and preparation of a Climate Emergency Plan (updated 2023) provide an important basis for planning 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. The Sandridge, Wirraway and Montague precincts in Port Phillip are anticipated to accommodate 68,000 residents.

- c) A new suite of residential zones was introduced in 2013 (reformed in 2017), allowing local government to better direct the location and scale of residential change.**
- d) Changes to the Victorian Government policy context, including:**
 - Updated Victoria in Future 2023 Victorian Government population and household projections.
 - The Victoria Housing Statement was released. It aims to deliver 80,000 new homes annually across the state between 2024 and 2034. It affirms that 70 per cent of new homes are to be built in established areas. Additionally, the statement foreshadows a new plan for Victoria that will establish local government targets for where those homes will be built. According to the draft housing target released by the Victorian Government for public consultation in June 2024,¹ the City of Port Phillip will be expected to deliver additional 56,000 new homes by 2051.

Our Strategy provides direction on what, where, and how much housing should be accommodated in areas across the municipality. It will also help us undertake precinct and area-based planning, such as structure planning.

The Strategy is aligned with other Council strategies and policies such as Move, Connect Live: Integrated Transport Strategy, Spatial Economic and Employment Framework, South Melbourne Structure Plan, and Climate Emergency Action Plan.

We will implement the Strategy through an amendment to update the Port Phillip Planning Scheme and non-statutory implementation, such as advocacy and improvements to operations.

1.2 Our role

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

Alongside each level of government, the community housing sector is vital to providing affordable housing. Community housing is a form of social housing comprising various forms of rental housing owned and managed by community housing organisations (CHOs) or not-for-profit companies. In 2021, the 100 largest CHOs managed 122,000 social and affordable tenants in the country.²

Notably, the sector has expertise in looking after affordable and social housing tenants who sometimes have complex needs, and it 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 delivering and managing affordable housing over the longer term.

Australian	State	Local
Immigration	Public and community housing	Local strategic land use and development planning
Taxation	Major infrastructure provision	Planning and building approvals
Grants	Land release	Local infrastructure
Social housing investment	Planning policy framework	Rates
Welfare support and rental assistance	Suite of planning controls	
Major infrastructure funding	Stamp duty and land tax	

Figure 1. Government planning responsibilities. Adapted from Understanding the Housing Policy Levers of Commonwealth, state and territory, and local government | AHURI

In such arrangements, affordable housing delivered by private developers can be transferred to the CHOs with or without cost. For optimal affordable housing outcomes, the private sector is often encouraged to partner with CHOs at the planning application stage through an agreement under section 173 of the planning scheme.

Role of local government 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 government does not control many of the drivers behind the market. However, Council does 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 the land supply meets the community's needs.
- Provides detailed guidance on how local housing needs and demands should be met regarding 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.
- Approves the vast majority of the planning applications.

1.3 Housing Strategy as a planning document

This Strategy is an important local planning document that helps us plan for housing growth and change in the municipality.

It incorporates findings from a Neighbourhood Character Study and Preferred Character Statements (LatStudios, 2024), providing 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 activity centre areas, which are already contained in the Port Phillip Planning Scheme, this character work will ensure clear guidance for preferred built form outcomes for all residential development.

This Strategy considers the following questions:

Housing need and capacity – how much housing do we need to accommodate the projected population?

Housing location – where should new housing be located to create liveable and sustainable neighbourhoods and best use infrastructure and transport networks?

Housing diversity – what types of new housing would best meet the needs of our community and provide appropriate housing choices for people throughout their lives?

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 in delivering more affordable housing options? As a planning document, the Strategy identifies opportunities for housing development and encourages a diversity of housing and higher-density housing. The coordination, delivery, and management of affordable (including social) housing are beyond the scope of this strategy and are addressed in our strategy *In Our Backyard Growing Affordable Housing in Port Phillip*.

The Strategy has been prepared in accordance with Victorian Government requirements outlined in Planning Practice Notes 90 and 91. We also undertook three rounds of detailed community engagement.

Our strategy is informed by technical investigations, including:

- Port Phillip Housing Market and Capacity Assessment City of Port Phillip, November 2022 Urban Enterprise
- Port Phillip Housing Market and Capacity Assessment City of Port Phillip (update), July 2024 Urban Enterprise
- City of Port Phillip Affordable Housing Needs Report, SGS Economics, 2023

The Strategy applies to all land that can be used for residential purposes, as shown in Figure 2.



Figure 2. Land in Port Phillip subject to this Housing Strategy.

1.4 What we heard from the community

Three rounds of community consultation, outlined in Figure 3, have informed and supported the development of the strategy.



Phase one engagement September to October 2022

The first phase of community engagement helped us understand, at a high level, the local community's priorities and ideas for housing in Port Phillip. During this phase, we received 354 contributions through various engagement activities.

Key findings:

- Our community values housing that is well-designed, energy efficient, and affordable.
- Most people believed new housing should be close to public transport, parks, open spaces and local shops.
- The community indicated they would like more affordable and public housing, increased neighbourhood character protection, 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 two engagement April to May 2023

The second community engagement phase helped us gather specific feedback on the issues and opportunities presented in *Places to Live*, the City of Port Phillip Housing Strategy Discussion Paper. It was released for consultation in April and May 2023, with more detailed Neighbourhood Character conversations in July 2023. We heard from 211 people who provided input through the online survey, workshops, pop-ups, and one-on-one meetings. The community's feedback helped to inform a draft Strategy, which was released for consultation in March and April 2024.

Key findings:

- **The Vision:** We received feedback that the initial draft Vision was too generic and required more tangible outcomes.
- **Housing needs:** Design quality (access to well-designed and energy efficient housing) was identified as the most significant, followed by preferred neighbourhood character, housing diversity and accessibility, and appropriate location of future housing. Housing location and supply were also of considerable interest to the community.

Figure 3. Housing Strategy Community Consultation Timeline

The community recognised the need for diverse, accessible, well-designed housing close to infrastructure and amenities as being of great importance.

- Future of housing: The community indicated that they wanted diverse housing needs to be accommodated, neighbourhood character to be preserved, and homes to become more affordable. The community is looking for various innovative housing solutions facilitated by the Council. We need to balance development while protecting what people value about their neighbourhoods. Meeting housing needs while addressing affordability is central to shaping a future where everyone can find suitable housing in Port Phillip.

Phase three engagement March to April 2024

During the final phase, the community was invited to provide feedback on the draft Housing Strategy to ensure it accurately reflected the needs and aspirations of the current and future community. We received 63 responses to our online survey, 12 submissions and had six one-on-one meetings with community members. The community's feedback helped to refine and finalise our priorities and actions.

Key findings:

- Overall, community members supported key elements of the draft Housing Strategy, including the affordable housing target in new development, its emphasis on maintaining neighbourhood character, and the focus on sustainability and climate change.
- Participants wanted to see some areas strengthened, including the affordable housing target and measures to protect neighbourhood character. Other areas people would like the Strategy to focus on include increasing the supply of social housing, addressing the need for larger apartments, and addressing the impact of population growth on infrastructure.
- The highest priority objectives for survey respondents were 'Directing future housing to appropriate locations' and 'Encouraging a range of housing options to support a diverse community.'

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.



Quotes from the community

“

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

“

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

“

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.

“

Port Phillip needs to house people who work locally. Better low and medium-density designs would enhance liveability and discourage 'nimbyism'. Enabling and encouraging communal utilities (laundry, community solar batteries) and spaces would enhance liveability and be part of being resilient to climate change.

“

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 are important and ensure that adaptive, diverse housing options are priced.

“

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

“

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



2 Context

2.1 Policy context

The state and local plans, strategies, and policies outlined in the table below have informed the development of this document.

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> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> Clause 11.01-1S Settlement </div> <div style="text-align: center;"> Clause 11.02-1S Supply of urban land </div> <div style="text-align: center;"> Clause 15.01-5S Neighbourhood Character </div> <div style="text-align: center;"> Clause 16.01-1S Housing Supply </div> <div style="text-align: center;"> Clause 16.01-1R Housing Supply for Metropolitan Melbourne </div> </div>
<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 per cent of net additional dwellings within established Melbourne and 30 per cent in the growth areas. • Residents can access most everyday needs within a 20-minute walk, bike-ride, 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.

STATE FRAMEWORK

<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 (the Framework)</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• 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. <p>The Framework has been incorporated into the Port Phillip Planning Scheme through the application of zones and other planning controls.</p>

LOCAL FRAMEWORK

<i>City of Port Phillip Council Plan 2021-2031</i>	Outlines the community vision for Port Phillip: Proudly Port Phillip: A liveable and vibrant City that enhances the wellbeing of our community. 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.
<i>Climate Emergency Plan 2023-2028</i>	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 act. 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.
<i>Move, Connect, Live Integrated Transport Strategy 2018-2028</i>	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.
<i>Places for People Public Space Strategy 2022-2032</i>	Sets the vision and blueprint for the future of our public spaces in Port Phillip.
<i>Act and Adapt Sustainable Environment Strategy 2023-28</i>	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.
<i>In Our Backyard – Growing Affordable Housing in Port Phillip, 2015-2025</i>	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 In our Backyard Strategy.
<i>Think and Act: Homelessness Action Strategy 2015-2020</i>	Think and Act: Homelessness Action Strategy is our specific homelessness strategy. It seeks to reduce the risks associated with homelessness through agreed actions, continuing Council's role as a leader, advocate, planner, facilitator and service provider.
<i>Draft Urban Forest Strategy 2040</i>	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.
<i>Spatial Economic and Employment Framework</i>	The Framework sets out a Vision and a series of objectives and directions to support economic growth and vitality over the coming years.

LOCAL FRAMEWORK

<i>Port Phillip Planning Scheme</i>	The 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.
<i>Structure Plans, Precinct Plans and Framework Plans</i>	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. Current plans include Bay Street Activity Centre Structure Plan (Parts 1 and 2, 2014), Carlisle Street Activity Centre Structure Plan (2009), St Kilda Road South Urban Design and Land Use Framework Plan (2015), Ormond Road Urban Design Guidelines (2007), St Kilda Road North Precinct Plan (updated 2015), South Melbourne Structure Plan (2024).
<i>Port Phillip Heritage Review Volumes 1 – 6, Incorporated Document</i>	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.

Table 1. Policy context: state and local strategies, policies and plans

2.2 Port Phillip Planning Scheme

This section overviews the Planning Policy Framework and relevant Victoria Planning Provisions that influence Council's housing provision.

Residential Zones

The residential zones in Port Phillip are:

- Mixed-use Zone
- Residential Growth Zone
- General Residential Zone
- Neighbourhood Residential Zone

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

Overlays

Several overlays are 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

- Residential development provisions, known as 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

State and Local Planning Policy Framework

Essential housing and settlement policies in the Local Planning Policy Framework include:

16.01-1R	Housing Supply – Metropolitan Melbourne
16.01-1L-01	Housing diversity
16.01-1L-02	Location of residential development
16.01- 2S	Housing Affordability
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

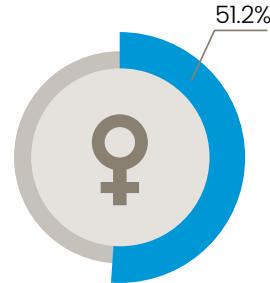
Who are we?



Population: 103,508 (est.)

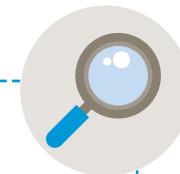


Dwellings: 63,299



DATA HIGHLIGHT:

Over 95 per cent of residents in the City of Port Phillip are employed, and 41 per cent live by themselves.

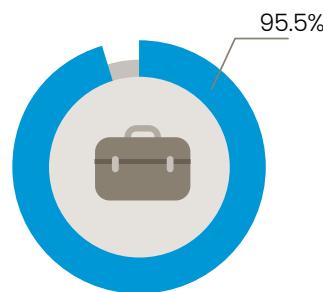
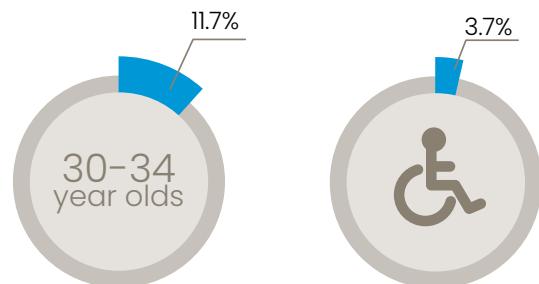


Key facts:

- Our young workforce aged between 25 and 34 has declined slowly, from 28.4 per cent in 2006 to 22.7 per cent in 2021. This trend contradicts Greater Melbourne and other inner metropolitan Melbourne Councils, where this age workforce has grown over the past 15 years.
- Port Phillip is culturally diverse with over 33 per cent of our community born overseas, and 21 per cent 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. The largest age group needing assistance were those 85 years and over.



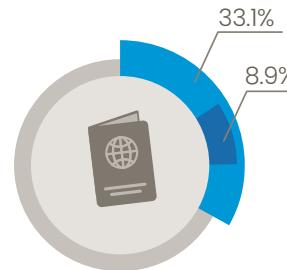
Median age:
38 years



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

*This 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.

Where do we come from?



Born overseas: 33.1 per cent
(Residents of Greater Melbourne born overseas: 35.7 per cent)

Born overseas, arriving in the last 5 years:
8.9 per cent



Residents speaking a language at home other than English:
21%
(34.1% in Greater Melbourne)



Most common language spoken at home (other than English):
Greek
(Most common for residents of Greater Melbourne: Mandarin)

2021 Snapshot – household makeup



Number of homes:
63,299

Average household size



City of Port Phillip:
1.88 persons



Greater Melbourne:
2.58 persons

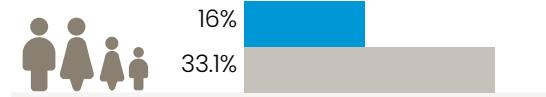
Key facts:

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

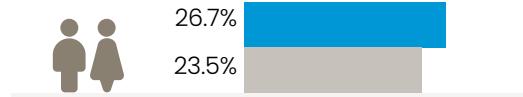
How do we live?



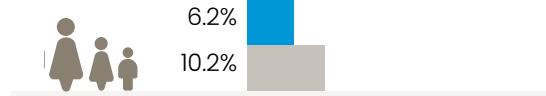
Families with children:



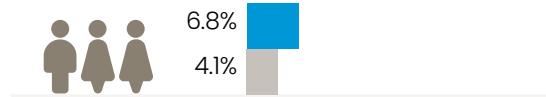
Couples:



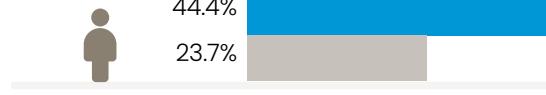
One parent families:



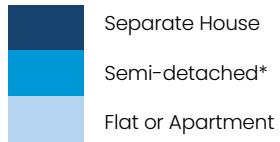
Group households:



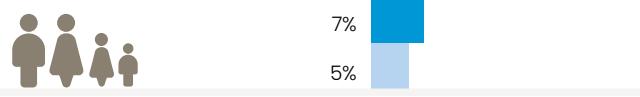
Lone person:



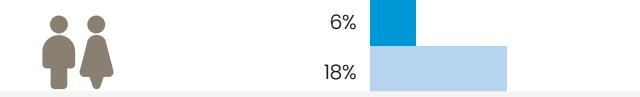
Household split by dwelling type



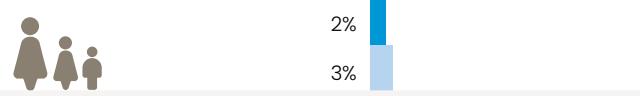
Families with children: (16% of all households)



Couples: (26% of all households)



One parent families: (6% of all households)



Group household: (7% of all households)



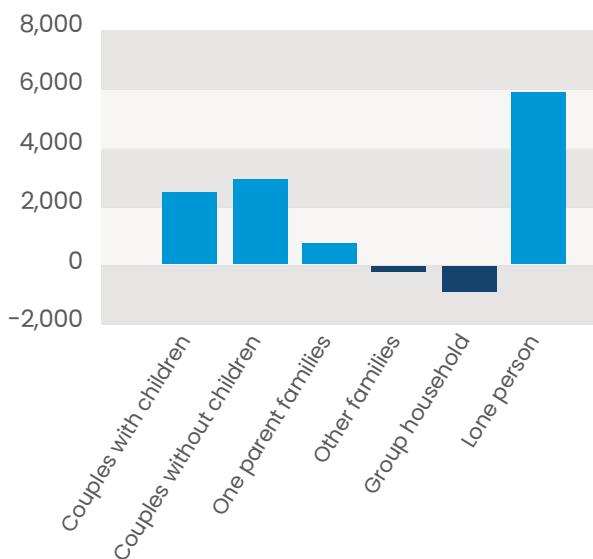
Lone person: (44% of all households)



Change in household type

Change in household type from 2006 to 2021, City of Port Phillip

Increase
Decrease



2021 Snapshot – Education and employment

Median weekly income

Individual:
\$1,289Family:
\$3,051Household:
\$2,069

Industry sectors

Professional,
Scientific and
Technical: 16.2%Healthcare and
Social Assistance:
11.8%Education and
Training:
8.6%

Key facts:

- Overall, 31 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 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 sector was: Professional, Scientific and Technical Services (representing 9,911 people or 16.2 per cent of people). In comparison, in Greater Melbourne, 9.6 per cent of people were employed 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. In 2021, 15.3 per cent of the Port Phillip population reported doing some form of voluntary work, a greater proportion than 12.1 per cent in Greater Melbourne.

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.



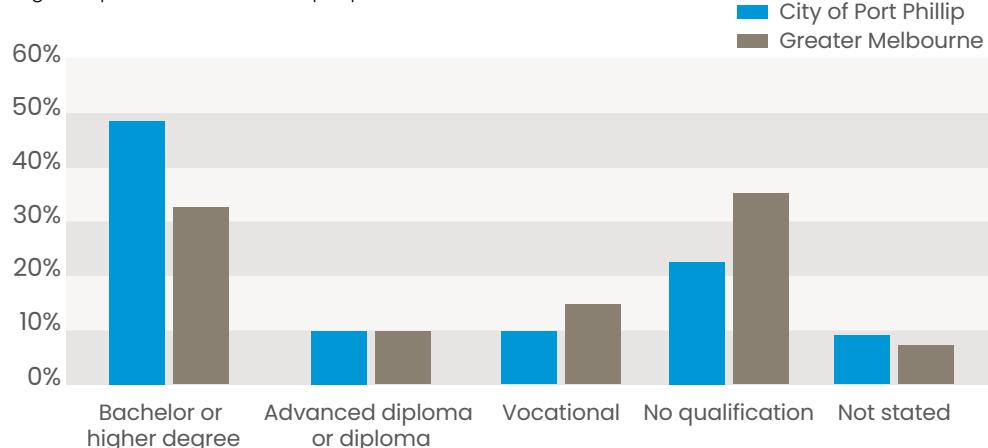
A third of the households are in the highest income quartile (\$2,947+ per week), compared with Greater Melbourne at 28 per cent.

LOW INCOMES

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

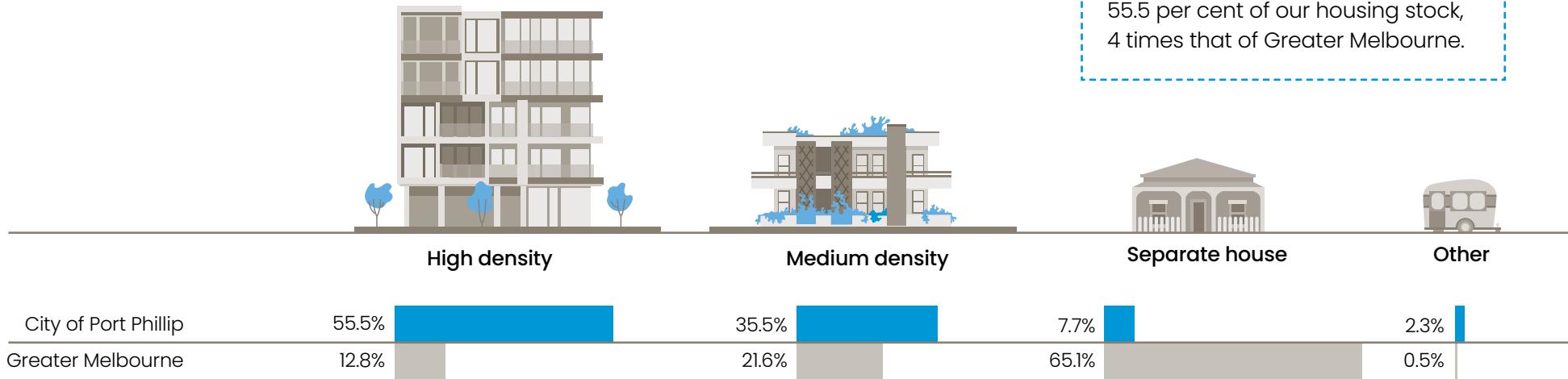
Nearly 1 in every 5 households (9,204 households in total) are in the lowest income quartile, earning less than \$881 in 2021.

Highest qualification achieved per person 2021



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.

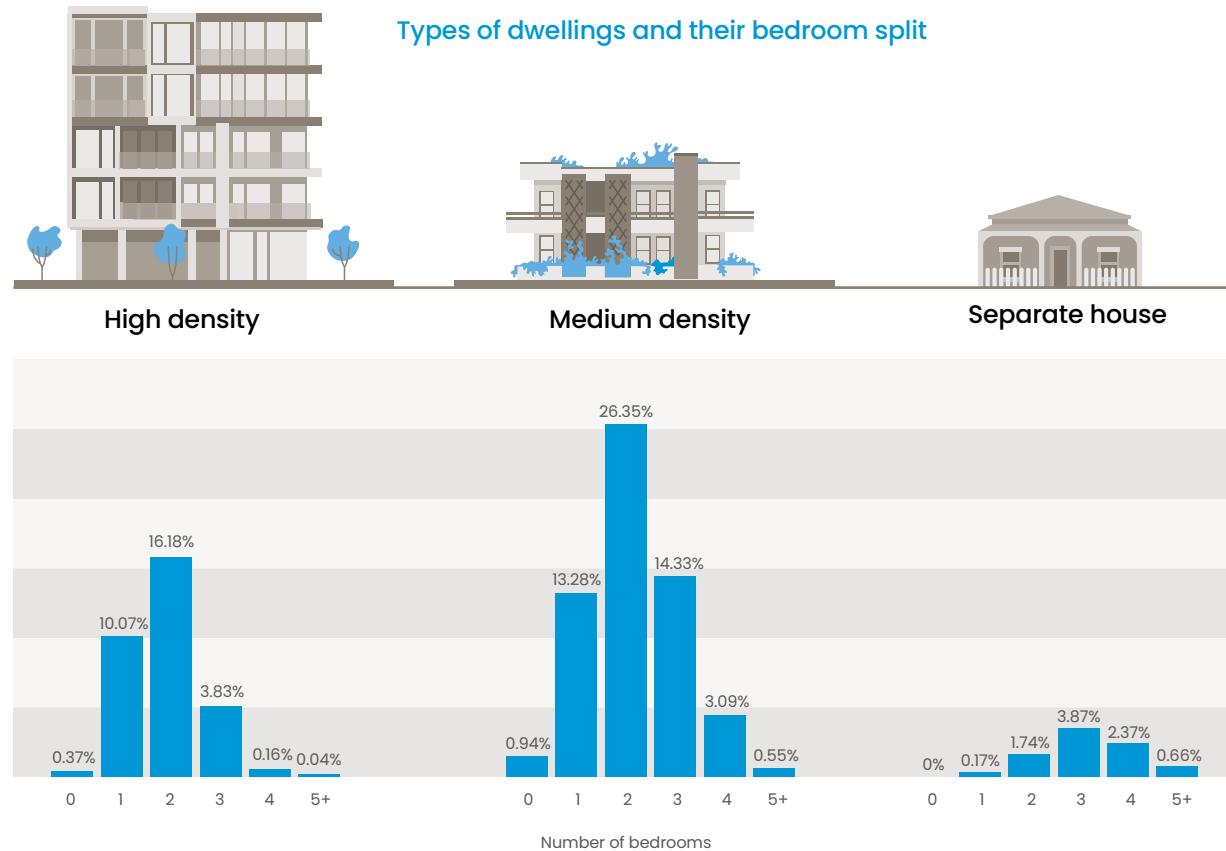
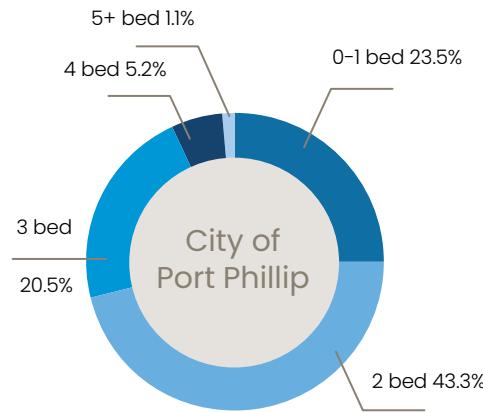


Key facts:

- 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 compared to 493 people per square km in Greater Melbourne.
- A majority of the dwellings in Port Phillip have two 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.

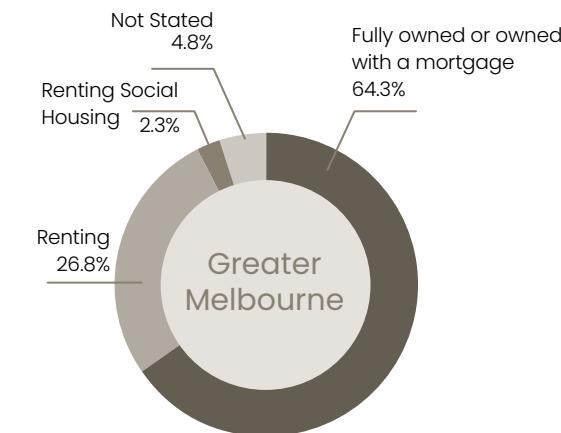
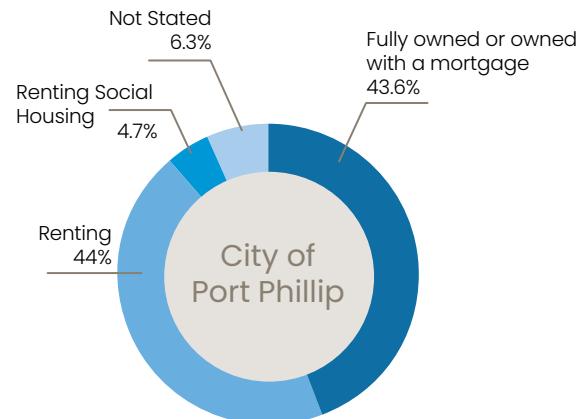
What do our dwellings look like?

Number of bedrooms



Source: ABS Census 2021

Home ownership

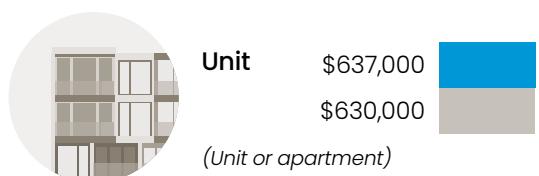
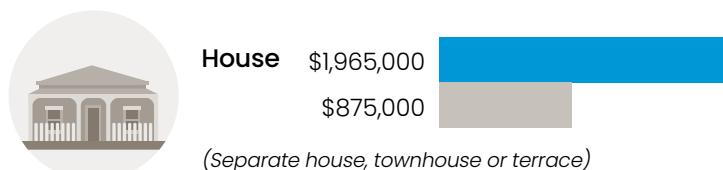


Note: The ABS figure for social housing rental is under counted. The Department of Families, Fairness and Housing, 2022-23 data state about 6.5% of dwellings in CoPP is social housing, including short term crisis support accommodation units, and transitional housing units.

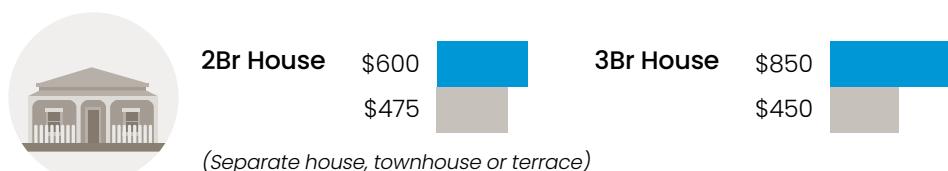
Costs of buying and renting



Median house prices (2021)



Median rental prices (2022) per week



Key facts:

- There is an estimated shortfall of 6,600 affordable housing units across Port Phillip. Without policy intervention, the estimated shortfall will increase to 12,600 by 2041.
- Median house prices and rental prices for separate, townhouse and terrace houses in Port Phillip are higher than the Greater Melbourne average.

2.5 Housing development trends

Summary

- Approvals for new dwellings have been relatively consistent since 2014, at between 1,000 and 1,300 each year. More than half of all dwelling approvals over this period were in areas in the northern section of the municipality, including Fishermans Bend, South Melbourne, and St Kilda Road North (including Domain).
- The volume of dwelling approvals in the financial year to December 2023 has already exceeded the annual volume of the preceding two financial years, indicating a strong increase in development rates after two years below trend.
- Larger residential redevelopments (50 or more dwellings) have been concentrated around St Kilda (along Nepean Road and St Kilda Road), South Melbourne (Albert Road, Kings Way, Queens Road and the South Melbourne Activity Centre), St Kilda Road and Queens Road and in Fishermans Bend.



Figure 5. Residential Development 2005 – 2018

- Medium-sized residential developments (10 to 50 dwellings) are more evenly 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 new dwellings 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 in the areas of Fishermans Band, the St Kilda Road corridor (including the Domain Precinct) and St Kilda.

Figures 6, 7 and 8 explore the development trends in Port Phillip between the years 2006 to 2021.

Figure 6. Typology trends 2006 – 2021, Source: ABS Census 2021

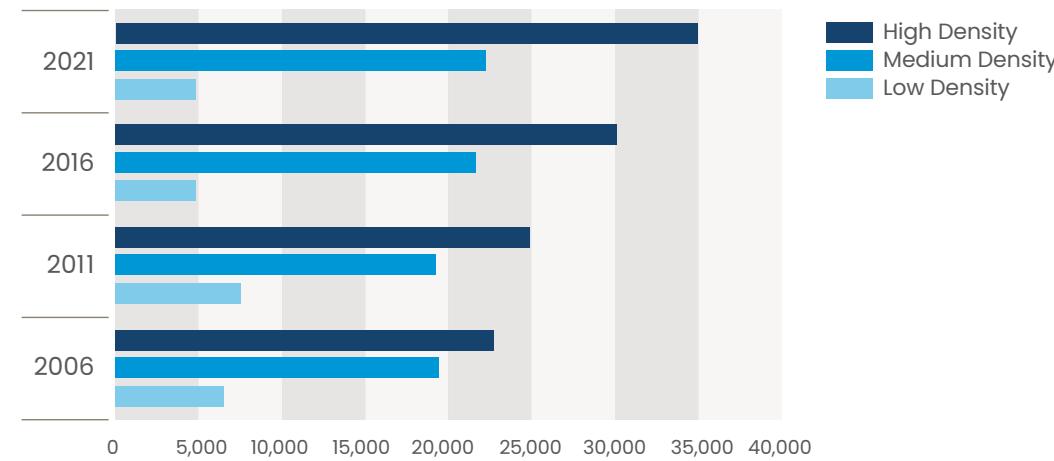
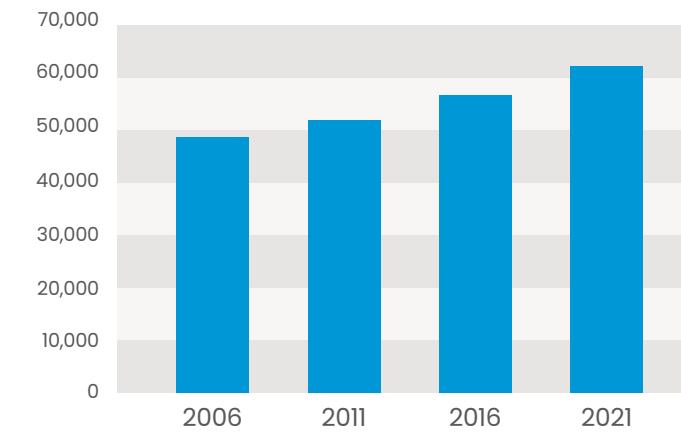


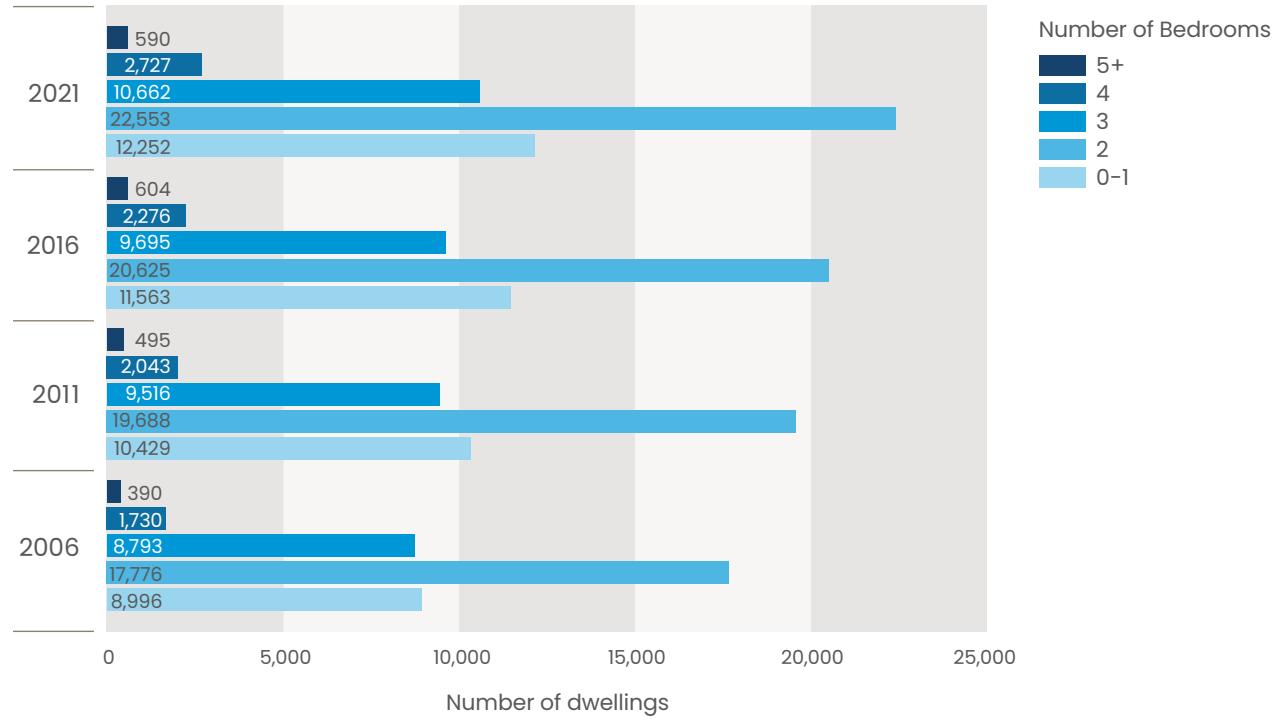
Figure 7. Total number of dwellings in the City of Port Phillip 2006 to 2021, Source: ABS Census 2021



Summary

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

Figure 8: Dwelling typology trends (bedroom split) 2006 to 2021, Source: ABS Census 2021



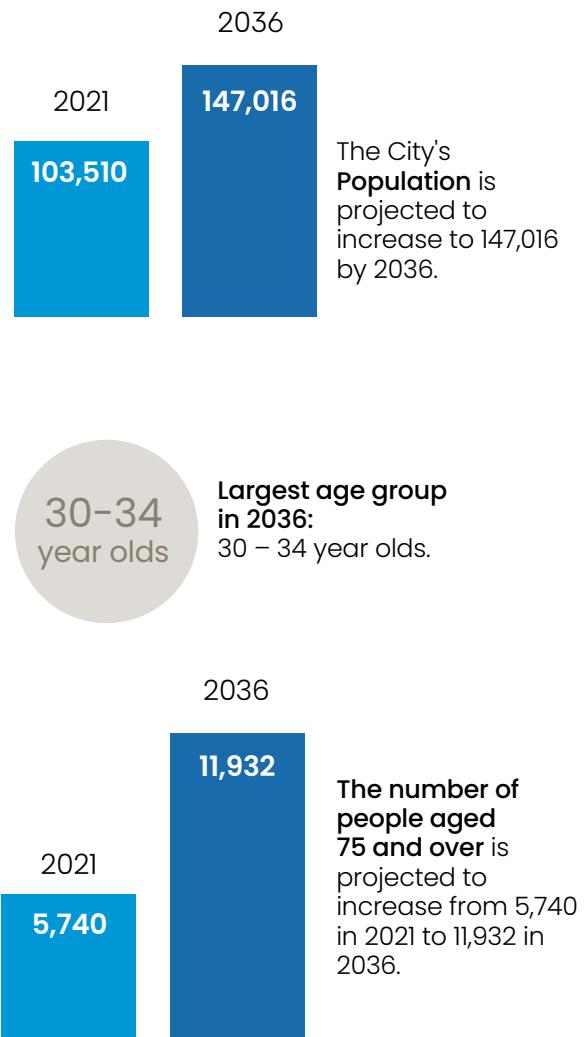
2036 projections: Who are we planning for?



Number of homes:
86,290



Average household size:
1.86 persons



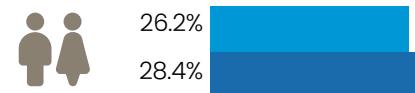
Household types



Families with children:



Couples:



One parent families:



Group households:



Lone person:



HOUSEHOLD TYPE [^]	PORT PHILLIP (TOTAL)	
	2021	2041
Experiencing homelessness	1,200	1,900
	2%	2%
Severe rental stress	2,500	5,400
	5%	6%
Moderate rental stress	2,900	5,300
	6%	6%
Living in social housing	3,900	4,700†
	7%	6%
Total need for assistance	10,500	17,300
	20%	21%
Affordable housing shortfall	6,600	12,600

Table 2. Housing Need and Shortfall of Affordable Housing in Port Phillip

[^] Rental 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 dwellings from Fishermans Bend based on the 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)

Key facts:

- By 2036, it is projected that there will be 86,290 dwellings in Port Phillip. This is a 41 per cent increase from the 2021 figure of 63,299.
- Consistent with Australia-wide trends, our population is ageing. In 2021, more than 19,000 people aged 60 years and older, representing 19 percent of our population, resided in the City of Port Phillip. 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.

2.6 Key housing challenges

As a City, we face several challenges that impact the decisions made regarding planning 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

As a coastal municipality with over 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 intensified rainfall, and greater frequency of storm surges could substantially impact the future location and design of new housing in Port Phillip. This mainly 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. Flood risk is mapped across Port Phillip through the Special Building Overlay (SBO) in the Port Phillip Planning Scheme. However, the current mapped risk does not reflect the latest data, which is likely to indicate that flooding impacts a larger area than currently shown. A comprehensive flooding study is underway. The Strategy, particularly the Housing Framework Plan, will be updated upon the study's completion and throughout the document's life cycle to incorporate the best available science.

Urban heat

Across our state, the average annual temperature has risen 1°C since 1910,³ 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. These materials 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.

Planning for population growth and changing households

The Victorian government has projected that our population will grow by another 43,510 people.⁴ As it grows, the types of households will keep changing. Given the Victoria Housing Statement's aspirational target of building 80,000 dwellings per year,⁵ the City of Port Phillip will be expected to accommodate its fair share of this growth. In fact, according to the Victorian Government's newly released draft housing target, the City of Port Phillip is expected to accommodate an additional 56,000 new homes by 2051.⁶

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),⁷ 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 and older are forecast to represent almost 21 per cent of the Port Phillip population. In areas such as Port Melbourne, South Melbourne, Albert Park and Middle Park, at least one in four residents will be over sixty.⁸

Improving 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 for rental properties and home ownership has deepened over the last 25 years in Port Phillip. It results from many interconnected factors, including supply and demand dynamics, gentrification, interest rates, and government tax incentives. New housing supply contributes to making housing more affordable, but it is only one part of the solution.

Improving housing affordability is a shared responsibility across the levels of government – Australian, state and local – and each tier has a different role to play.

Providing affordable housing

As the population and household numbers grow, the need for affordable housing choices also increases.⁹ In 2021, about 10,500 households (20 per cent) needed housing assistance. Half of those in need are in severe or moderate rental stress, spending more than 30 per cent of their income on housing. Another half are either experiencing homelessness or living in social housing.¹⁰

If the current supply of social housing dwellings stays the same, the need for housing assistance will increase to 17,300 households by 2041, indicating an estimated shortfall of 12,600 affordable dwellings.¹¹

Managing conflict in mixed-use areas

Mixed-use areas (such as activity centres and employment precincts) are where both residential and commercial development does 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 must be carefully managed to harmonise the different uses.

Balancing heritage values, neighbourhood character objectives and sustainable development

Port Phillip has some of Melbourne's most extensive heritage areas, with some of the earliest European settlement patterns and development. Our community values our heritage and neighbourhood character, contributing to our sense of place.

Most of our municipality is also well located, close to public transport, shops, jobs, and services. Striking the balance between protecting our valued heritage and character and supporting housing growth and development in critical locations for walkable, healthy communities is a challenge that warrants careful consideration.

Facilitating quality design, especially in apartments

According to the ABS Census 2021, 99 per cent of housing approved in 2021 was for new apartments. In total, 66 per cent of the apartments approved were buildings over 20 storeys. Apartments are projected to continue to be the primary type of housing built in Port Phillip. Facilitating quality design, especially in apartments, is crucial for the health and wellbeing of our community.

