

August 2025

# Housing Supply Market Advice

*Prepared For*  
**Whitehorse City Council**

## Executive Summary

This report sets out a summary of the state of the housing market in Australia, Melbourne and then more specifically in Whitehorse LGA with a particular focus on the supply of new dwelling stock within Whitehorse LGA.

The key findings from the research are summarised below and set out in detail in the report.

### State of the Housing Market in Australia and Melbourne

#### Key Findings

The population of Victoria and Melbourne is growing very strongly, and Victoria and Melbourne will be the fastest growing State and City in Australia.

Population growth drives the demand for additional and diverse forms of dwellings.

There are key structural changes in living preferences (specifically the take up medium and higher density living and also renting and renting for longer) occurring across Australia.

The types of dwellings that have been built in the past are not necessarily the same as those that need to be built into the future to best respond to current buyer and renter demand across Australia.

There are several major issues constraining the delivery of new dwellings across Australia.

Some of the major issues include rapidly increasing building costs, high interest rates, the lack of foreign investors, prohibitive taxes and charges and finally to the overall costs of delivery for new dwellings.

### State of the Housing Market in Whitehorse LGA

#### Key Findings

The structural changes in living preferences identified in Australia is also occurring in Whitehorse LGA.

More residents and household types are taking up longer term renting and living in medium and higher density dwellings and this needs to be acknowledged in the delivery of future dwellings in Whitehorse LGA.

Apartments play a key role in Whitehorse LGA. They offer more affordable price points and weekly rents when compared to townhouses or houses and are often more suitable forms of dwellings for various household types or age groups across Whitehorse LGA.

There is the requirement to deliver 76,500 new dwellings over the next 30 years in Whitehorse LGA (2,550 dwellings p.a.). Much of this supply will need to be in the form of medium and higher density dwellings in and around the Box Hill and Burwood Stations (SRL East Precincts) as well as the Blackburn, Mitcham and Nunawading activity centre stations.

### Tools & Levers Available to Council

#### Key Findings

There are various tools and levers that Council ought to explore and which will assist with the delivery of new dwelling supply.

Many of these tools and levers do not cost money and can be used to assist with the feasibility of projects which in the current environment are financially unviable.

The case studies in the report show that there are already tried and tested examples of these tools and levers that could be adopted or expanded upon to allow Council to achieve the aspirations of the current Housing Strategy of Whitehorse LGA as well as those of Victoria's Housing Statement – The Decade Ahead, 2024 – 2024 (Housing Statement) of the State Government.

# Whitehorse City Council

## Housing Supply Market Advice

---

### Contents

Executive Summary .....	2
1.0 Instructions & Methodology .....	4
2.0 State of the Housing Market in Australia & Melbourne.....	5
3.0 State of the Housing Market in Whitehorse LGA .....	14
4.0 Tools & Levers Available to Council.....	21
5.0 Appendix – Key Data Tables.....	27

## 1.0 Instructions & Methodology

### 1.1 Instructions

Charter Keck Cramer (Charter) has been engaged to update Whitehorse City Council on the state of the housing market as described in the Whitehorse City Council resolution below:

*Carry out a high-level assessment of the causal factors influencing dwelling supply and policy settings, including but not limited to government policy and economics, that could meaningfully support improved housing supply". The discussion should cover factors such as material costs, labour, the property market, financial and taxation at the national, metropolitan level and local level with specific commentary on Whitehorse.*

### 1.2 Methodology

Charter has decided on the methodology below to explore the questions of Whitehorse City Council. The methodology provides a logical and evidence-based approach to informing Whitehorse City Council on the salient issues hindering housing supply in Whitehorse LGA (and Melbourne more broadly). It also provides actionable tools and levers that Whitehorse City Council could adopt to assist with facilitating the supply of new dwellings.

Figure 1: Methodology for this research



Source: Charter Keck Cramer

### 1.3 Project Reference

This report has been prepared for the exclusive use of the party to whom it is addressed and for no other purpose. No responsibility is accepted for any third party who may use or rely on the whole or any part of the content of this report. It should be noted that any subsequent amendments or changes in any form to this report would only be notified to and known by the parties to whom it is addressed. This report has been carefully prepared by Charter Keck Cramer Research and the information contained herein should not be relied upon to replace professional advice on specific matters.

© 2025 (Charter Keck Cramer)

### 1.4 Our Reference

<b>Charter Contact</b>	Richard Temlett
<b>Report Author</b>	Richard Temlett

## 2.0 State of the Housing Market in Australia & Melbourne

This section provides an update and outlook on the state of the housing market in both Australia and Melbourne

### Key Findings

The population of Victoria and Melbourne is growing strongly, and Victoria and Melbourne will be the fastest growing State and City in Australia.

Population growth drives the demand for additional and diverse forms of dwellings.

There are key structural changes in living preferences (specifically the take up medium and higher density living and also renting and renting for longer) occurring across Australia.

The types of dwellings that have been built in the past are not necessarily the same as those that need to be built into the future to best respond to current buyer and renter demand across Australia.

There are several major issues constraining the delivery of new dwellings across Australia.

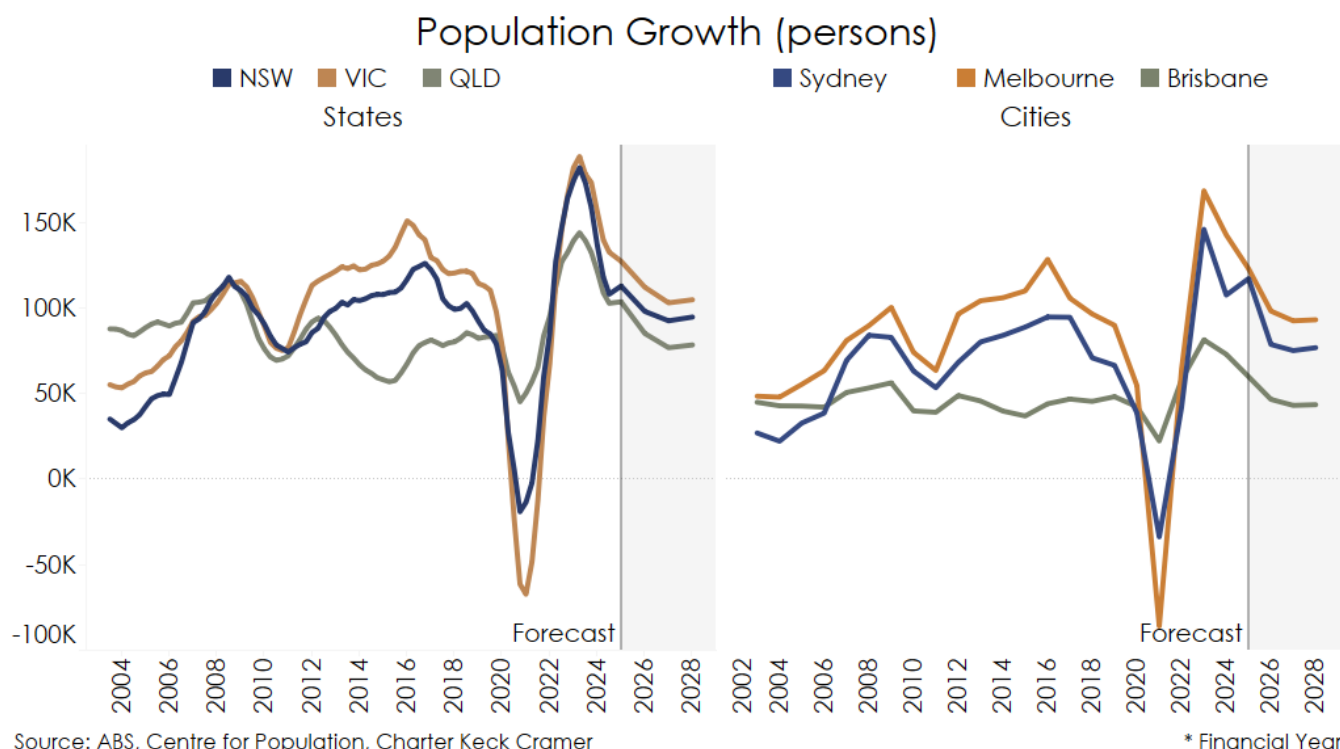
Some of the major issues include rapidly increasing building costs, high interest rates, the lack of foreign investors, prohibitive taxes and charges and finally to the overall costs of delivery for new dwellings.

### 2.1 Population Growth

The charts below show the historic and forecast population growth for the States of NSW, VIC and QLD as well as the cities of Sydney, Melbourne and Brisbane. An increase in population creates the demand for additional and diverse forms of dwellings. The key take outs are:

- Melbourne (& Victoria) has been, and will continue to be, the fastest growing City & State in Australia. Melbourne is forecast to grow to the size of London (8 million residents) by 2050.
- The Victorian Government has acknowledged this through various strategic planning documents including Plan Melbourne, Plan for Victoria and the Housing Statement.
- The Housing Statement notes that 80,000 dwellings need to be built each year in Victoria between 2024-2034 to accommodate the population growth over this period of time.

Figure 2: Population Growth (2004-2028)

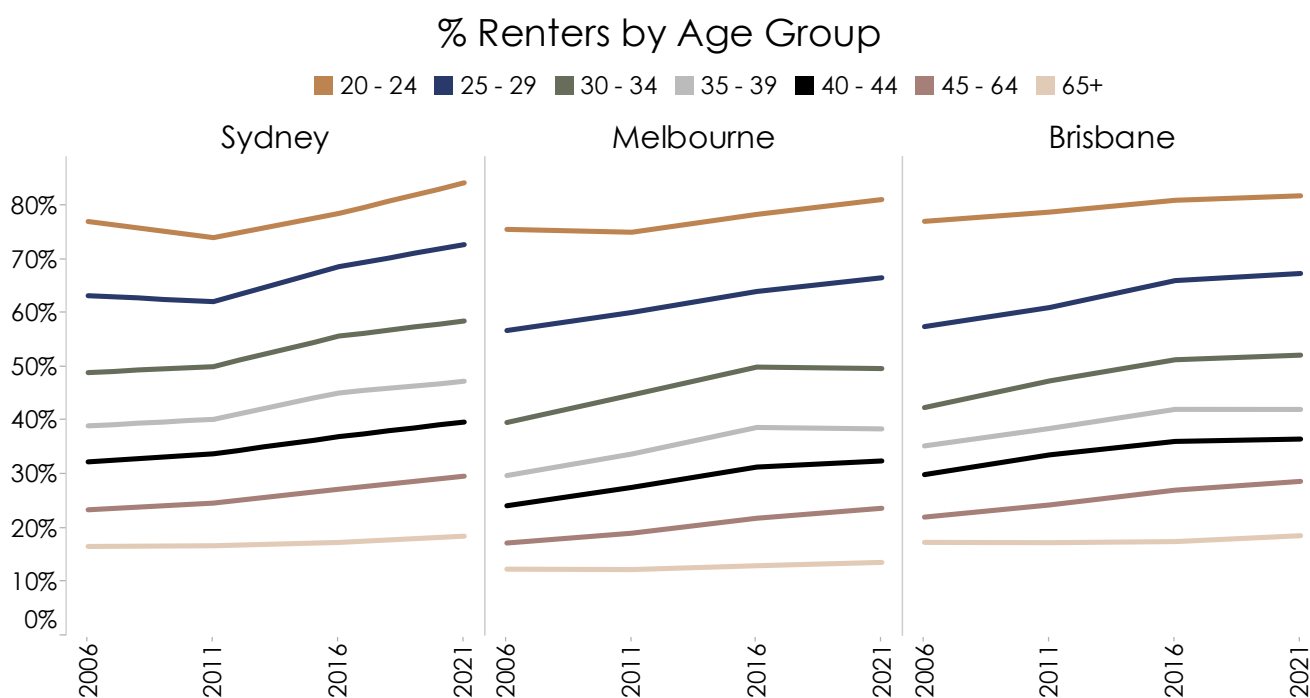


## 2.2 Change in Dwelling Tenure

The charts below show the historic take up of renting in the cities of Sydney, Melbourne and Brisbane. This is a key structural (not cyclical) change that will become more entrenched over the next decade. The key take outs are:

- Over the last 15 years more residents are renting the dwelling in which they are living. Charter's research shows that much of this is affordability driven although it is also lifestyle driven for various residents.
- Importantly, around 1 in 2 millennials rent and cannot or are not entering the home ownership market in Melbourne.

Figure 3: Change in Dwelling Tenure (2006-2021)



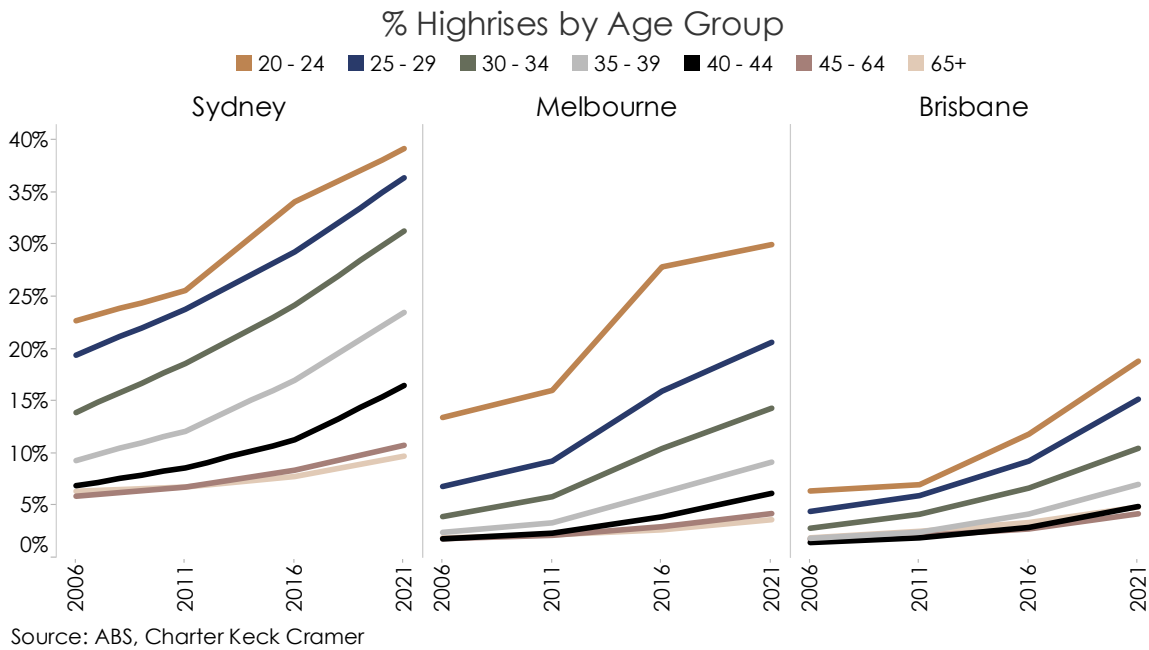
Source: ABS, Charter Keck Cramer

## 2.3 Change in Dwelling Structure

The charts below show the historic take up of higher density living for the cities of Sydney, Melbourne and Brisbane. This is a further key structural (not cyclical) change that will also become more entrenched over the next decade. The key take outs are:

- Over the last 15 years more residents are living in apartments. The same trend applies to living in townhouses. Again, this is driven by affordability pressures and also lifestyle preferences by these residents.
- The strongest take up has been in the millennial and baby boomer segment of the population.
- Charter's research suggests that the types of dwellings that have been built in the past are different to what needs to be built into the future to respond appropriately to future housing needs.

Figure 4: Change in Dwelling Structure (2006 – 2021)



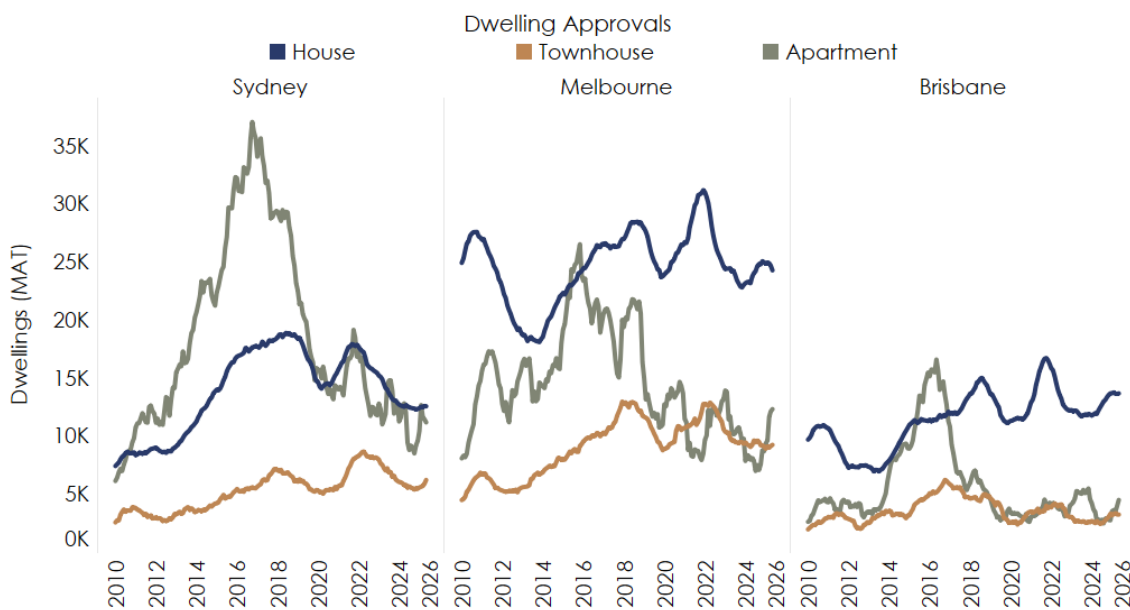
\* % Highrises = residential apartment buildings with 4+ levels in them as categorized by the ABS Census.

## 2.4 Supply of Dwellings

The charts below show the approvals of dwellings for the cities of Sydney, Melbourne and Brisbane. Dwelling approvals are a key lead metric to understand the quantum and type of future dwelling supply to be delivered to a market. The key take outs are:

- Melbourne has the largest house & land (greenfield) market in Australia.
- The townhouse & apartment markets are also essential product types. They deliver dwelling diversity (both through product and bedroom types as well as price points) which is important for Melbourne.
- Charter's research shows that there is a missing middle in Melbourne with insufficient numbers of townhouses & apartments being built.

Figure 5: Supply of new dwellings (2010-2025)

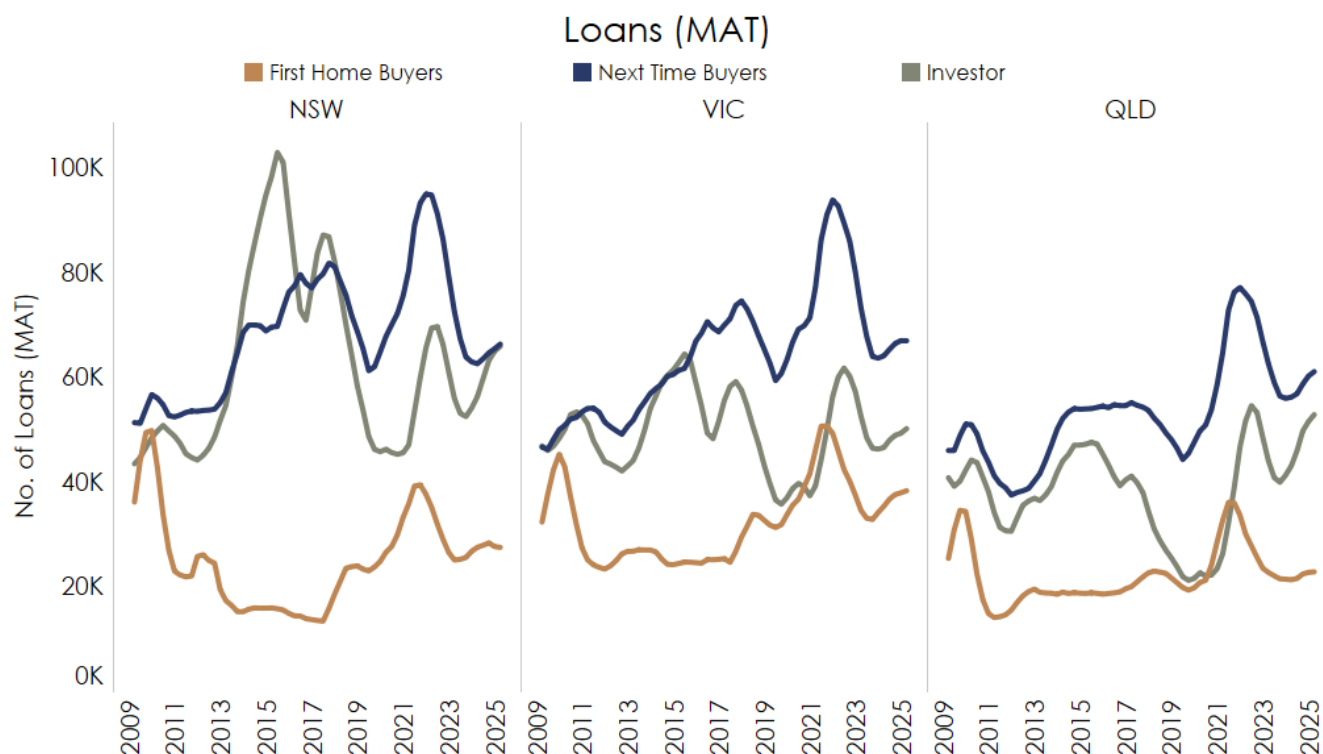


## 2.5 Buyers of Dwellings

The charts below show the types of buyers of dwellings for the States of NSW, VIC and QLD. It is important to understand the level of activity across these buyer types as this shows the relative demand for housing. The key take outs are:

- Next time buyers (upgraders) are typically the most active and largest buyer market across all three cities.
- More recently, investors have been hesitant to enter the market due to high taxes and charges as well as elevated interest rates.
- First Home Buyers are struggling to enter the market due to affordability issues and high interest rates.
- As rates continue to be cut it is anticipated that all three buyer types will become more active in the market.

Figure 6: Loan to domestic purchasers (2009-2025)



Source: NAB quarterly buyer and investor survey.

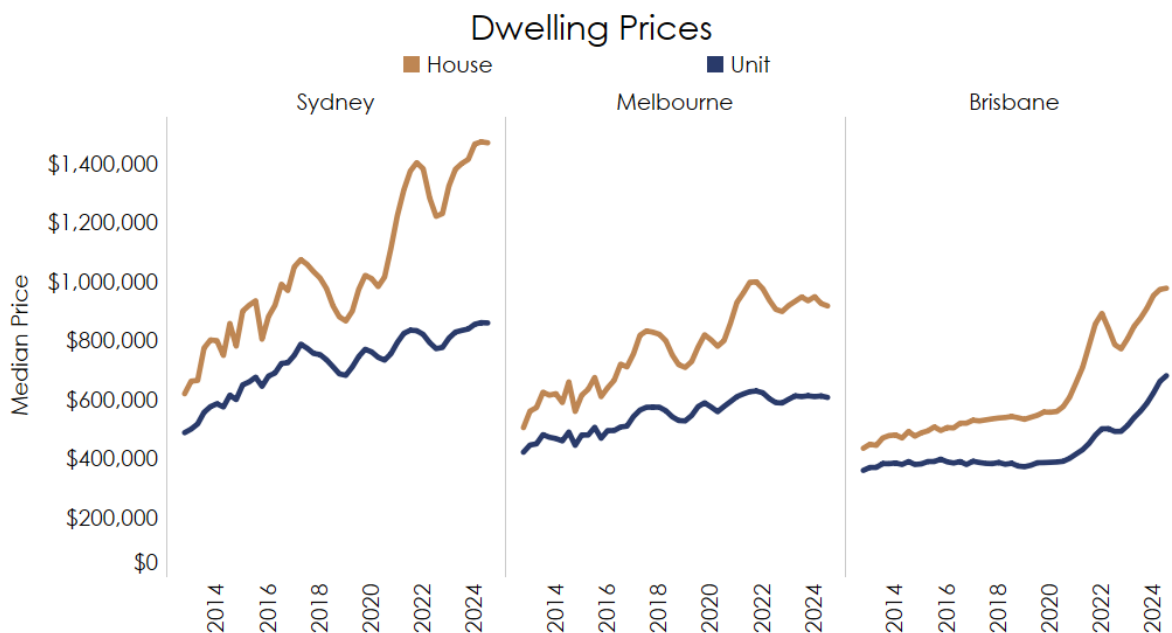
\* MAT = moving annual total.

## 2.6 Pricing Metrics

The charts below show the median prices of houses and units for the cities of Sydney, Melbourne and Brisbane. House and unit prices are a reflection of the supply of and demand for dwellings in a sub-market. The key take outs are:

- Melbourne is normally the second most expensive housing market in Australia (behind Sydney).
- Due to the pandemic and high taxes and charges, Melbourne has fallen to the 6th most expensive housing market in Australia.
- The gap between houses and units is very wide as houses are becoming unaffordable.

Figure 7: Median House and Unit Prices (2014-2024)



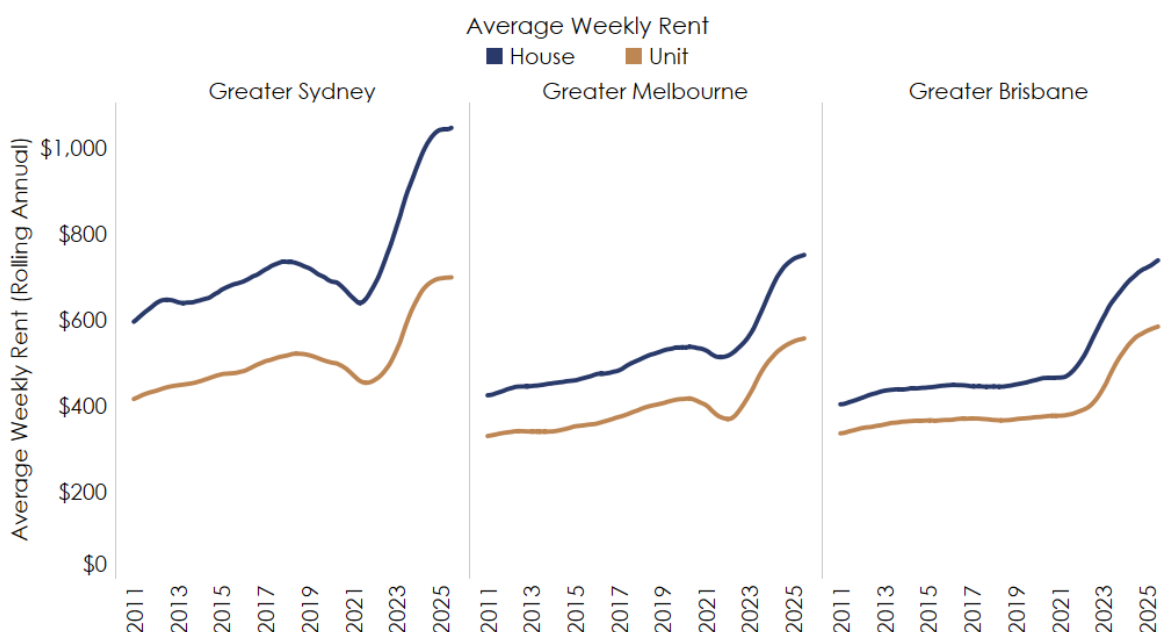
Source: Corelogic, Charter Keck Cramer

## 2.7 Rental Metrics

The charts below show the average weekly rents of houses and units for the cities of Sydney, Melbourne and Brisbane. House and unit rents are also a reflection of the supply of and demand for rental accommodation in a sub-market. The key take outs are:

- Melbourne is normally the second most expensive rental market in Australia (behind Sydney).
- Whilst rents have recovered since borders reopened (and migration was able to re-occur), Melbourne is now more affordable than Brisbane.
- All 3 cities have a rental crisis with rents (and prices) anticipated to increase over the next 3-4 years.

Figure 8: Average Weekly Rents (2011-2025)



Source: SQM, Charter Keck Cramer

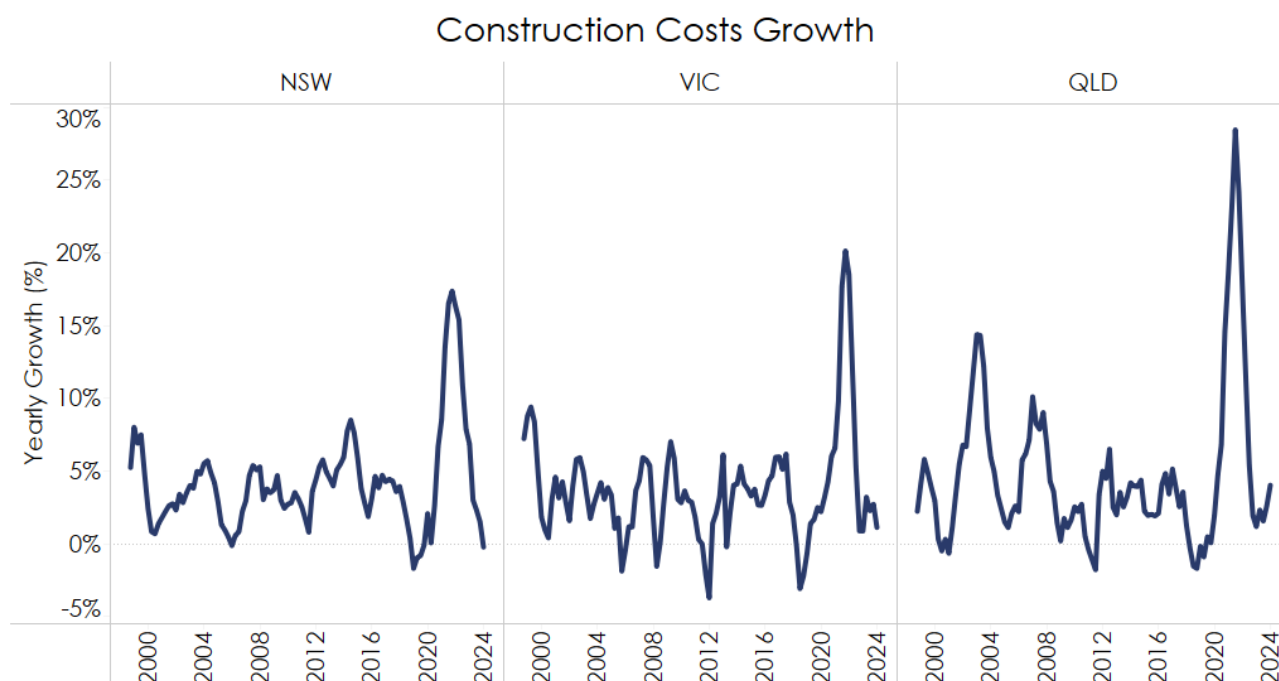
There are several key issues that are contributing to the low levels of new dwelling supply (production) across Australia. The major ones are summarised below.

## 2.8 Key Issue 1: Building Costs

The charts below show the change in construction costs for States of NSW, VIC and QLD. Construction costs are a key input to track in the overall cost of new dwellings. The key take outs are:

- Building costs have increased by +30% to +50% since 2019. Building costs are starting to stabilize but will remain above pre-pandemic levels.
- Labour costs continue to increase due to a shortage of labour and a heavy infrastructure pipeline.
- This is causing new dwelling supply to be around +30% more expensive than prior to the pandemic.

Figure 9: Construction Costs Growth (2000-2024)



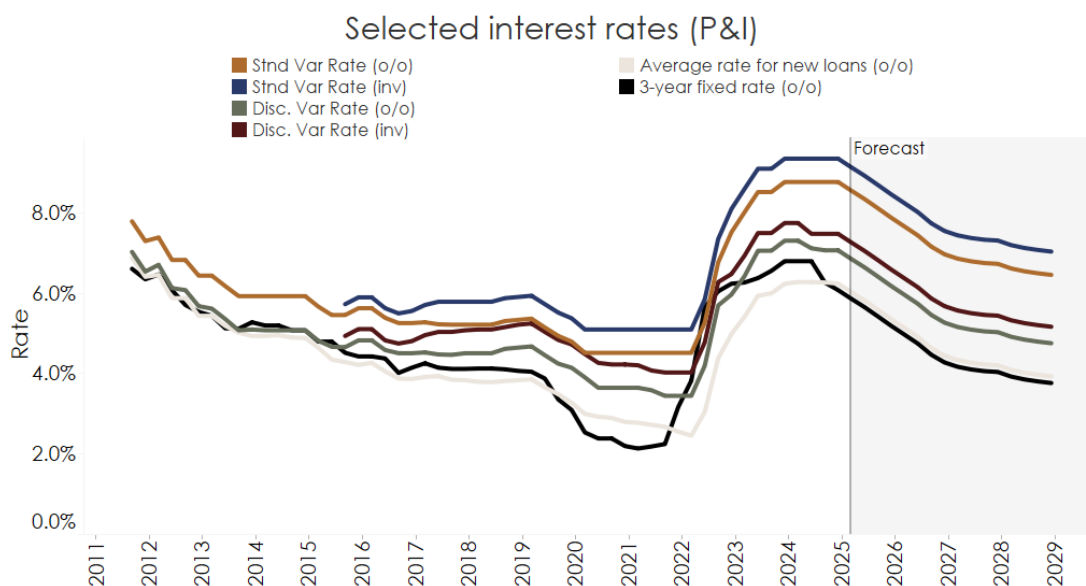
Source: ABS, Charter Keck Cramer

## 2.9 Key Issue 2: Interest Rates

The chart below shows selected interest rates of various loans in Australia. It is important to understand the lending environment over time as this dictates both buyer and investor activity across Australia. The key take outs are:

- Interest rates are decreasing but will not return to emergency\* levels (0.1%).
- Buyer capacity is impacted by interest rates and Australian Prudential Regulation Authority (APRA) settings.
- The housing market is one of the most responsive parts of the economy to a change in interest rates.
- Buyers cannot enter the market at present given high rates, but this will change as rates are cut, and capacity is improved.
- Charter's research shows that buyer demand will be driven into more affordable dwelling types such as townhouses and apartments given high median house prices across Australia.

Figure 10: Interest Rates and Various Loans (2011-2029)



Source: RBA, Deloitte Access Economics, Charter Keck Cramer

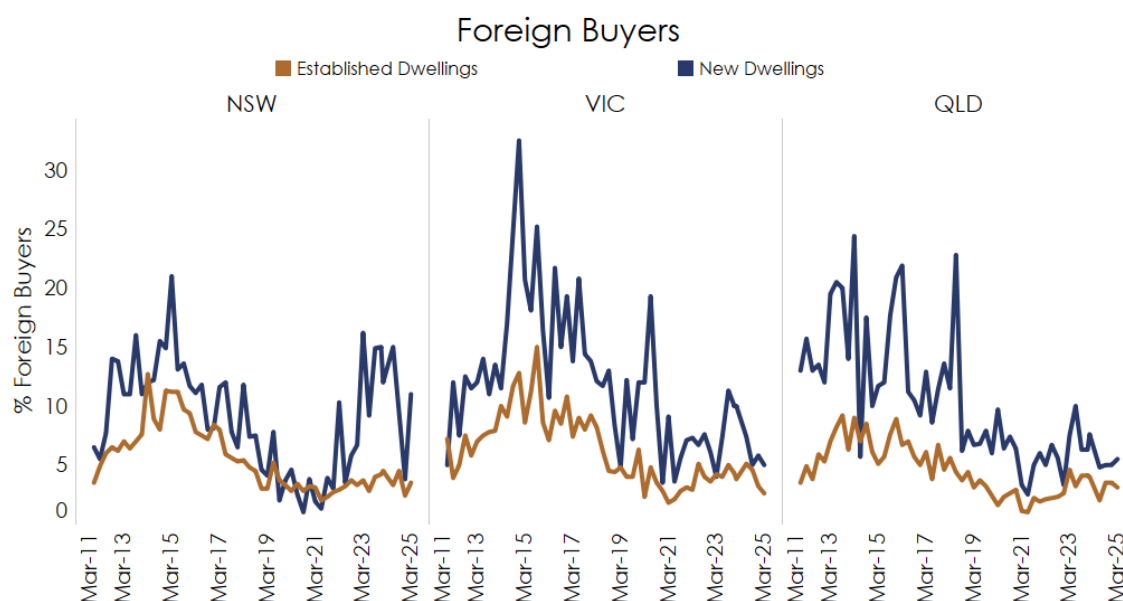
\* Rates were cut to historically low levels to support the economy from the harsh impact of the lockdowns.

### 2.10 Key Issue 3: Foreign Investors

The charts below show the percentage of foreign buyers of established and new dwellings for the States of NSW, VIC and QLD. Foreign buyers make up a key component of Off the Plan buyer demand of apartments and much of this stock enters the rental market. The key take outs are:

- Foreign buyers have underpinned apartment development across Melbourne.
- These apartment projects add to dwelling supply and place downwards pressure on prices and rents (because the apartment prices and weekly rents are lower than townhouse or detached house pricing in the same location)
- Foreign investors have been removed from the market due to State and Federal Government taxes and charges & capital controls from various countries overseas.

Figure 11: Foreign Buyers of Property (2011-2025)



Source: NAB Residential Property Survey

\* Capital controls = relate to the controls implemented by China to stop Chinese residents from moving large amounts of money out of the country and into foreign countries.

## 2.11 Key Issue 4: Tax Settings

The table below shows a summary of the key tax settings across the various States and Territories in Australia. Taxes and charges impact buyer and investor behaviour and have also increased the costs of delivery and ultimately the costs of new housing. The key take outs are:

- Victoria has the highest cumulative taxes and charges of all the States and Territories in Australia.
- These taxes and charges are deterring investment from the State. These taxes and charges are also making the viability of projects less likely.

Figure 12: Summary of Tax Settings across Australia (2025)

State/Territory	Stamp Duty	Land Tax	Foreign Buyer Surcharge	Vacancy Tax
VIC	Progressive rates up to 6.5%	Up to 2.65% over \$3M; threshold reduced to \$50K	8% on residential land	1% on vacant residential land over 6 months
NSW	Up to 5.5% on property value	Up to 2% over \$6.571M; threshold frozen at \$1.075M	9% on residential land	No state-level vacancy tax
QLD	Up to 5.75%	Up to 2.75% over \$10M	8% on residential land	No state-level vacancy tax
WA	Up to 5.15%	Up to 2.67% over \$11M	7% on residential land	No state-level vacancy tax
SA	Up to 5.5%	Up to 2.4% over \$5M	7% on residential land	No state-level vacancy tax
TAS	Up to 4.5%	Up to 1.5% over \$500K	8% on residential land	No state-level vacancy tax
ACT	Progressive rates; transitioning from stamp duty to land tax	Up to 1.14% over \$2M	None	No state-level vacancy tax
NT	Up to 5.95%	No land tax	None	No state-level vacancy tax

Source: State Budget Papers, Charter Keck Cramer

## 2.12 Key Issue 5: Costs of Delivery

The table below shows a summary of the costs of delivery of a typical Build to Sell (BTS) apartment project in a middle ring suburb in Melbourne in 2015 compared to 2025. These figures have been provided by the same developer who carries out this type of higher density development across Melbourne. The key take outs are:

- The total costs of delivery of new dwellings have risen dramatically between 2015 and 2025 (+76%).
- Project (sales) revenues have not commensurately increased and so projects are no longer viable.
- Major culprits are in fact Government levies, taxes and charges as well as increased regulation have had significant cost imposts as can be seen in the summary below.

Figure 13: Summary of the costs of delivery – 2015 vs 2025

Apt Building - 5 levels, 45 apts, Middle Ring			
	2015	2025	% Change
	\$/unit	\$/unit	
Land Cost	\$75,000	\$115,000	53%
Build Cost	\$225,000	\$400,000	78%
Open Space Contribution	\$3,800	\$10,900	187%
Additional Contributions	\$3,260	\$7,900	142%
Consultants Fees	\$6,520	\$17,040	161%
<b>Total Development Costs</b>	<b>\$313,580</b>	<b>\$550,840</b>	<b>76%</b>
Revenues	\$550,000 (\$8,200/sqm)	\$775,000 (\$10,000/sqm)	41%
Project Feasible	Yes	No	

Levies, contributions & additional regulation

Value rates need to be \$12,500/p.s.m. to proceed

Source: Charter Keck Cramer

### 3.0 State of the Housing Market in Whitehorse LGA

This section provides an update and outlook on the state of the housing market in Whitehorse LGA

#### Key Findings

The structural changes in living preferences identified in Australia is also occurring in Whitehorse LGA.

More residents and household types are taking up longer term renting and living in medium and higher density dwellings and this needs to be acknowledged in the delivery of future dwellings in Whitehorse LGA.

Apartments play a key role in Whitehorse LGA. They offer more affordable price points and weekly rents when compared to townhouses or houses and are often more suitable forms of dwellings for various household types or age groups across Whitehorse LGA.

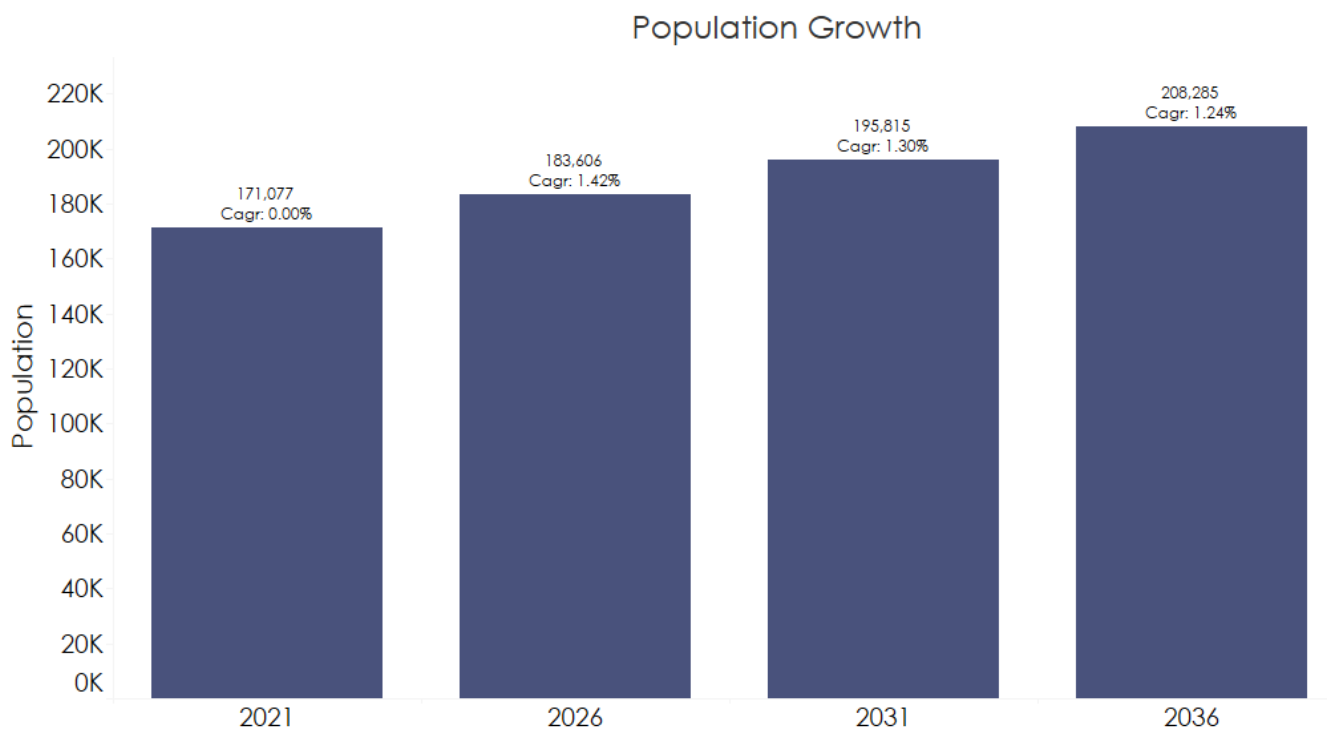
There is the requirement to deliver 76,400 new dwellings over the next 30 years in Whitehorse LGA (2,550 dwellings p.a.). Much of this supply will need to be in the form of medium and higher density dwellings in and around the Box Hill and Burwood Stations (SRL East Precincts) as well as the Blackburn, Mitcham and Nunawading activity centre stations.

#### 3.1 Population Growth

The chart below shows the current and forecast population growth for Whitehorse LGA from 2021-2036. Population growth drives the demand for additional dwellings. The key take outs are:

- The population of Whitehorse LGA was 171,077 in 2021 and is forecast to grow to 208,285 residents by 2036.
- These State Government forecasts are “top down” forecasts and are made on the assumption that land is made available for development and that new supply is delivered. If this does not occur this population will move to locations where this new supply.
- This underscores the important role key nodes in Whitehorse LGA need to play to accommodate greater numbers of residents.

Figure 14: Population Growth – Whitehorse LGA (2021-2036)

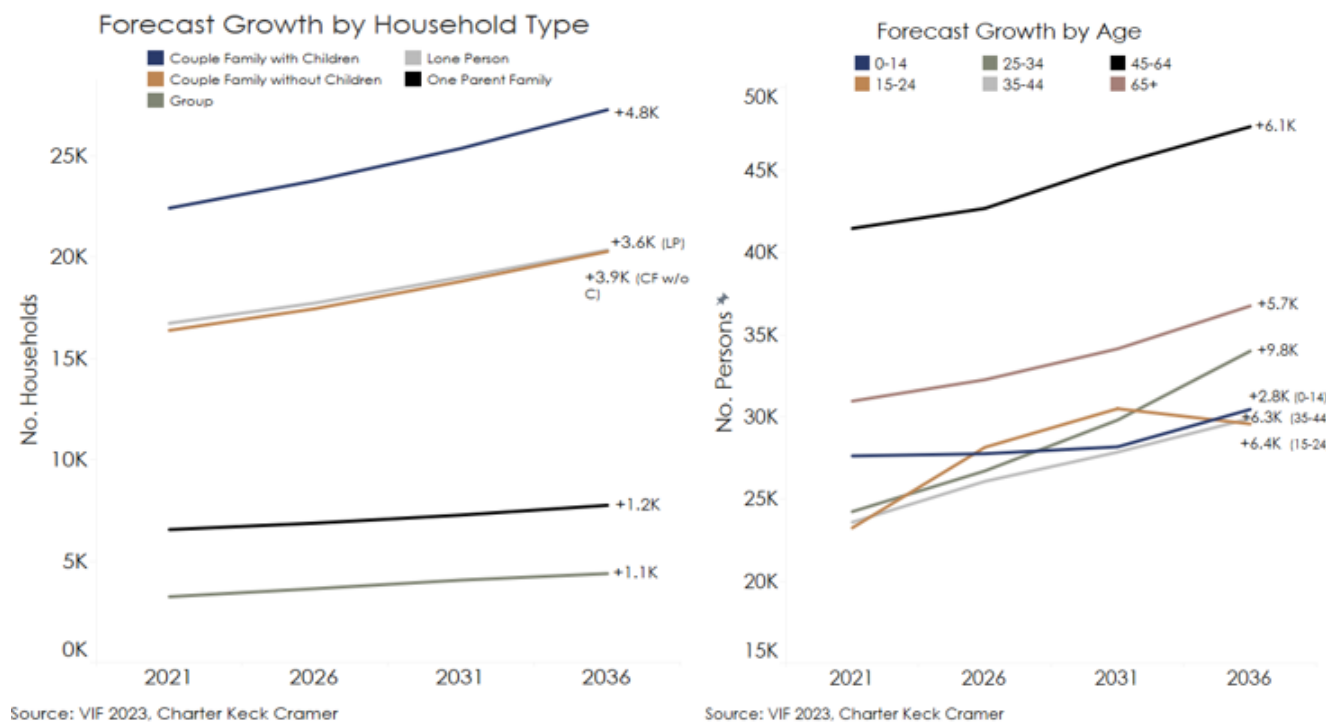


Source: VIF2023, Charter Keck Cramer

The charts below show the growth of households and age groups for Whitehorse LGA. The growth of key household types and age groups drive the demand for various types of dwellings and various types of tenures. The key take outs are:

- The largest growth in household type will be in the Couple Family with Children (4,800 households) followed by the Couple Family without Children (3,890 households).
- The largest growth in age group will be in the 25–34-year-olds followed by the 15-24- and 35–44-year-olds respectively.
- Many of these age groups and household types have living preferences that are adequately met with medium and higher density dwellings.

Figure 15: Household and Age Group Growth – Whitehorse LGA (2021-2036)



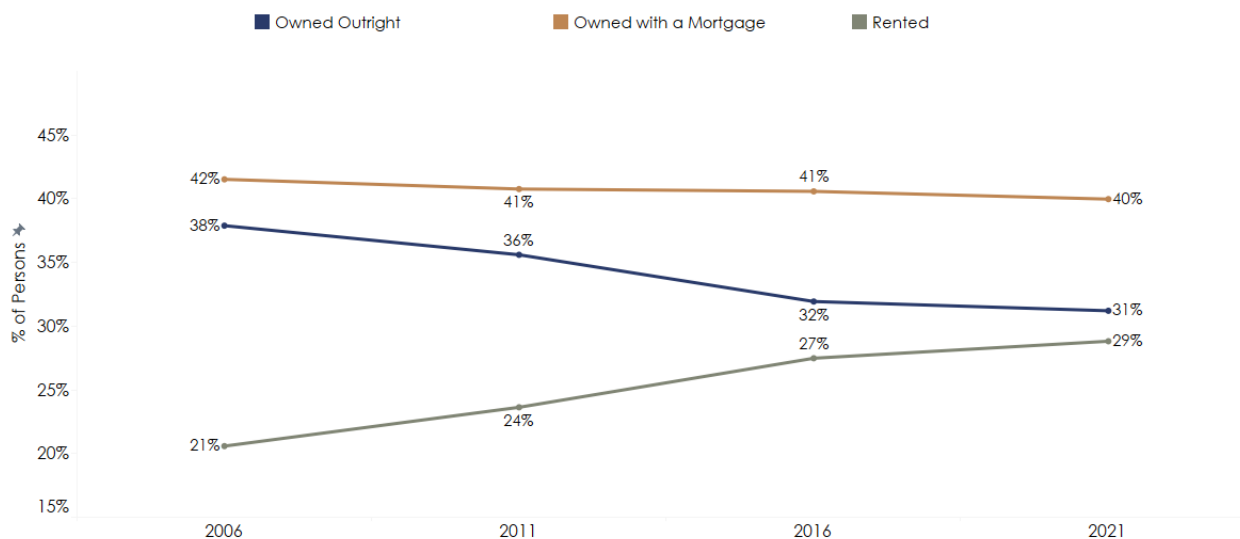
### 3.2 Change in Dwelling Tenure

The chart below shows the proportion of persons by dwelling tenure for Whitehorse LGA. As mentioned above, it is important to understand how living preferences in a housing market are changing so that policies can be introduced to support market demand. The key take outs are:

- There is a strong take up of renting and a decrease in outright ownership in Whitehorse LGA.
- Charter's research shows that this is both affordability and also lifestyle driven.
- New medium and higher density dwellings can provide more affordable ownership and rental living options when compared to detached housing in the same sub-market.

Figure 16: Change in Dwelling Tenure - Whitehorse LGA (2006-2021)

### % of Persons Growth by Dwelling Tenure: Whitehorse LGA



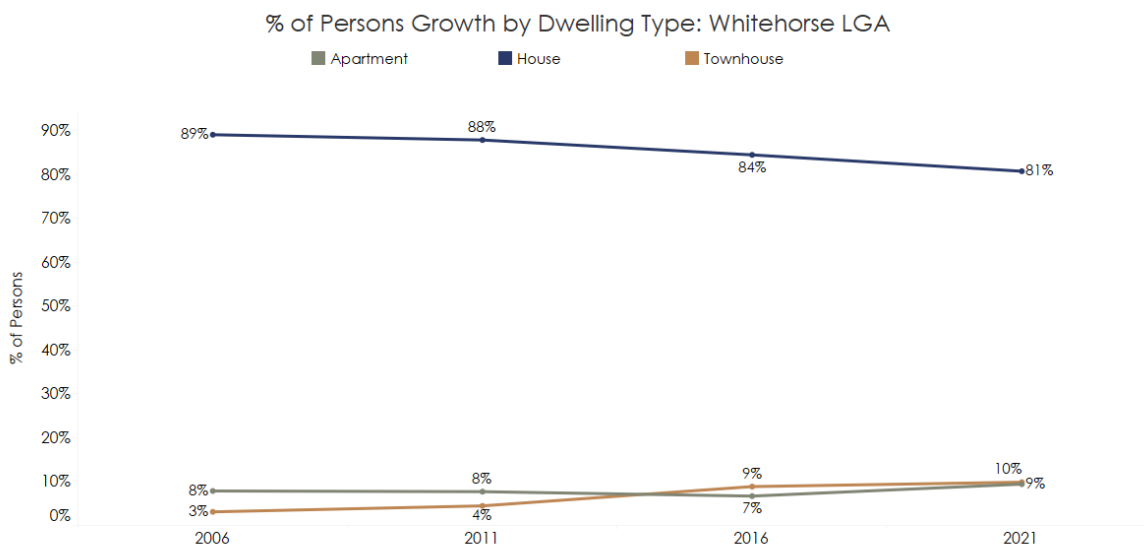
Source: ABS, Charter Keck Cramer

### 3.3 Change in Dwelling Type

The chart below shows the proportion of persons living in apartments, townhouses and houses for Whitehorse LGA. The types of dwellings being delivered across a sub-market is often a function of buyer demand and also planning policy. The key take outs are:

- What has been built in the past is different to what needs to be built into the future. Apartment and townhouse living is gaining market acceptance across various household types.
- More medium and higher density dwellings need to be built in Whitehorse LGA to accommodate these residents.

Figure 17: Change in Dwelling Type - Whitehorse LGA (2006-2021)



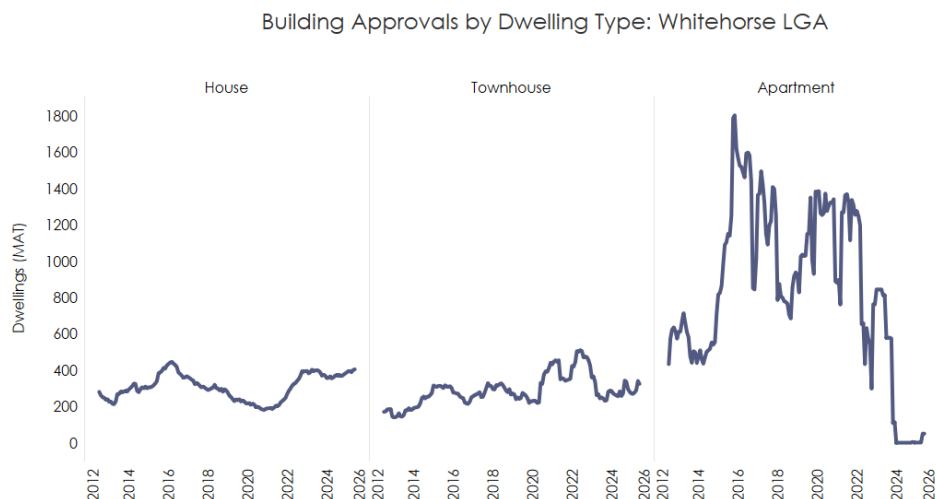
Source: ABS, Charter Keck Cramer

### 3.4 Supply of Dwellings

The charts below show the total number of dwellings approved for Whitehorse LGA. It is important to understand the role that various types of dwellings are playing in a sub-market. The key take outs are:

- Detached houses continue to be delivered in Whitehorse LGA. Given affordability constraints, as well as the scarcity of sites, medium and higher density dwellings are being delivered in larger numbers.
- The planning system needs to continue to recognise this in Whitehorse LGA via controls to encourage greater levels of density.

Figure 18: Supply of Dwellings – Whitehorse LGA (2012-2026)



Source: ABS, Charter Keck Cramer

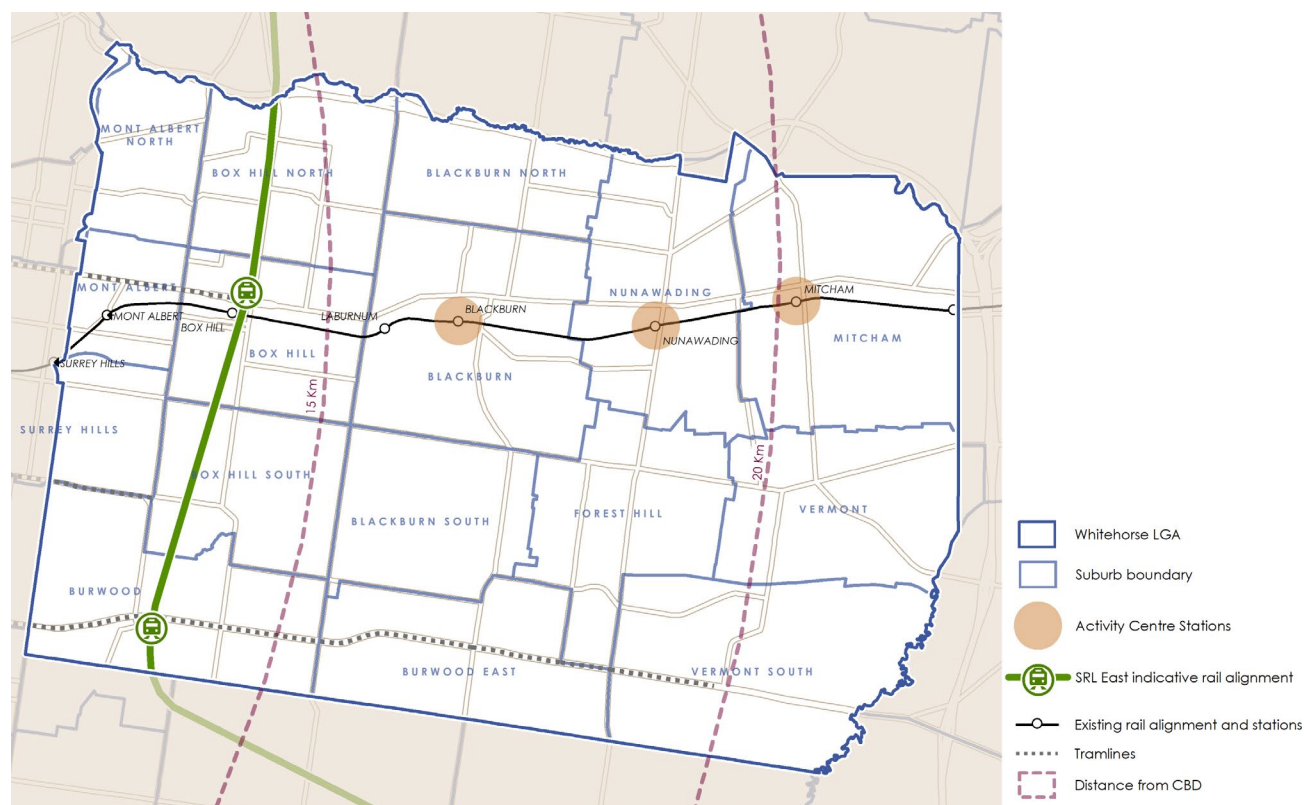
\* NOTE: Apartment approvals have been the lowest on record due to the impact of the pandemic on demand and also the increase in costs which are making many apartment projects unviable.

### 3.5 Planning Support

The map below shows Whitehorse LGA as well as the key transport nodes and future proposed nodes for activity in Whitehorse LGA. There are distinct sub-markets in the Whitehorse LGA and various types of dwellings need to be delivered across various suburbs to house the respective populations in Whitehorse LGA. The key take outs are:

- The dwelling targets for Whitehorse LGA over the next 30 years are 76,500 dwellings (2,550 p.a.).
- Much of this supply can and must be delivered across Box Hill and Burwood stations (SRL East Precincts) and also Blackburn, Mitcham and Nunawading Stations.

Figure 19: Summary of key transport nodes in Whitehorse LGA



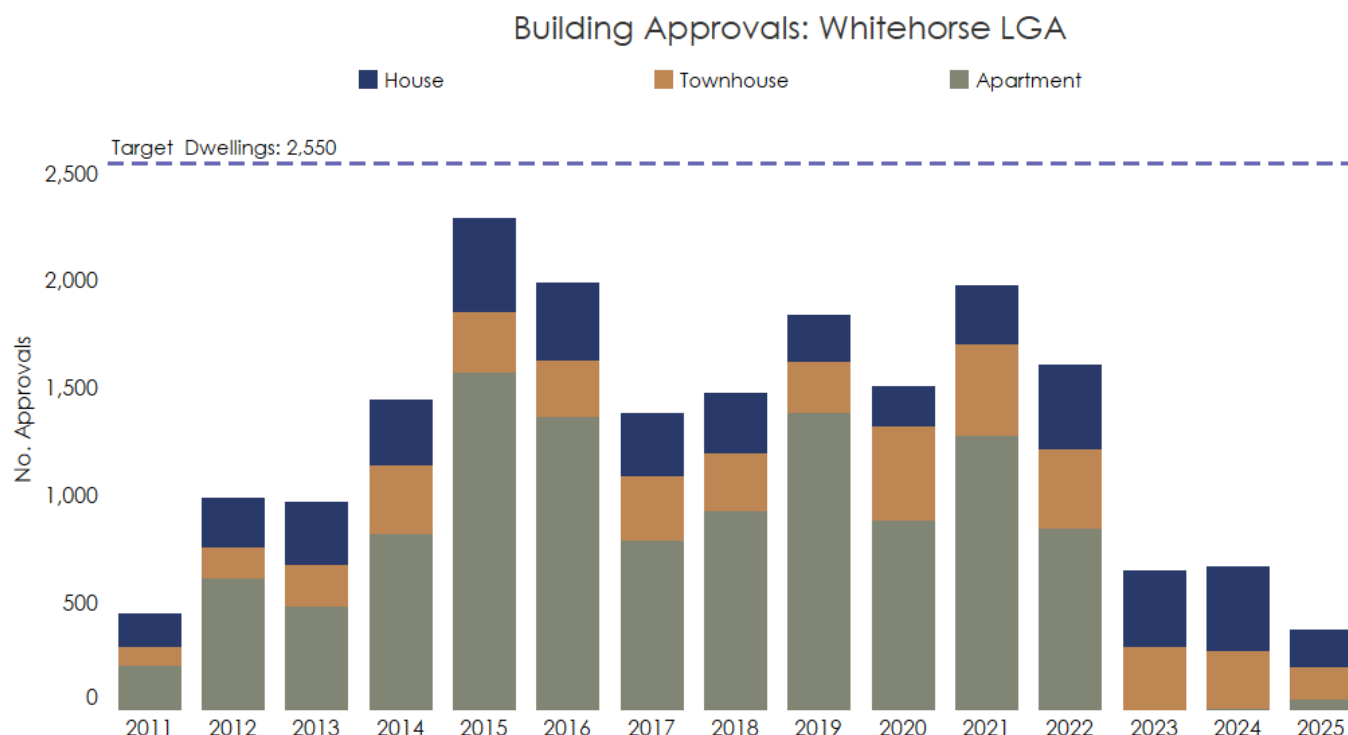
Source: Charter Keck Cramer

### 3.6 Supply v Demand – Whitehorse LGA

The chart below shows the supply v demand balance of dwellings for Whitehorse LGA. It is important to understand the historic level of supply as well as the future level of demand required for Whitehorse LGA so that various decisions can be made about the delivery of new supply in the area. The key take outs are:

- The housing targets are aiming for 2,550 dwellings to be delivered in Whitehorse LGA each year.
- The 15-year average has been 1,310 dwellings per year which has resulted in an ongoing undersupply of dwellings.
- This is not anticipated to increase dramatically given current (1) planning, (2) tax settings and (3) building costs and without State and Local Government support.

Figure 20: Supply v Demand Balance in Whitehorse LGA (2011-2025)



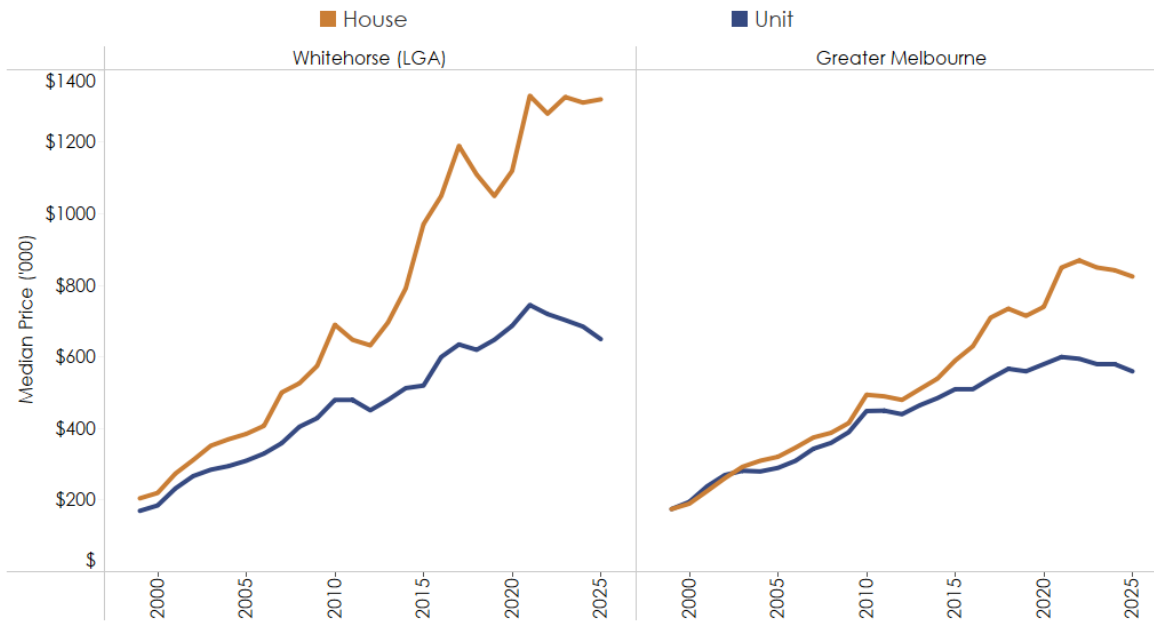
Source: ABS, Charter Keck Cramer

### 3.7 Pricing Metrics

The charts below show the median prices of houses and units for Whitehorse LGA. Median house prices set the context within which alternative and higher density dwelling typologies can be delivered, and accepted, by the market. The key take outs are:

- The “house price hierarchy” occurs when land values reach a price point where purchasers trade-off the dwelling type in which they will live to remain in (or enter) a location. Typically, purchasers will trade off a house for a townhouse and when prices increase further, a townhouse for an apartment.
- The median house price in Whitehorse LGA has reached a price point where buyers are trading into a townhouse and also an apartment given buyer capacity.
- Certain types of apartment projects are financially viable in Whitehorse LGA given house prices and land values. These projects are the higher-end rightsizer or downsizer projects where the buyers are able to pay the required price points of the apartments.
- Prices are anticipated to increase given supply side constraints and the delivery of SRL East which will create additional demand to reside in the local area.
- Charter’s research shows that new apartment and townhouse product enters the market below the median house price in the same market and therefore places downward pressure in prices and improve affordability.

Figure 21: Median House and Unit Prices – Whitehorse LGA vs Greater Melbourne (2000-2025)



Source: Domain, Charter Keck Cramer

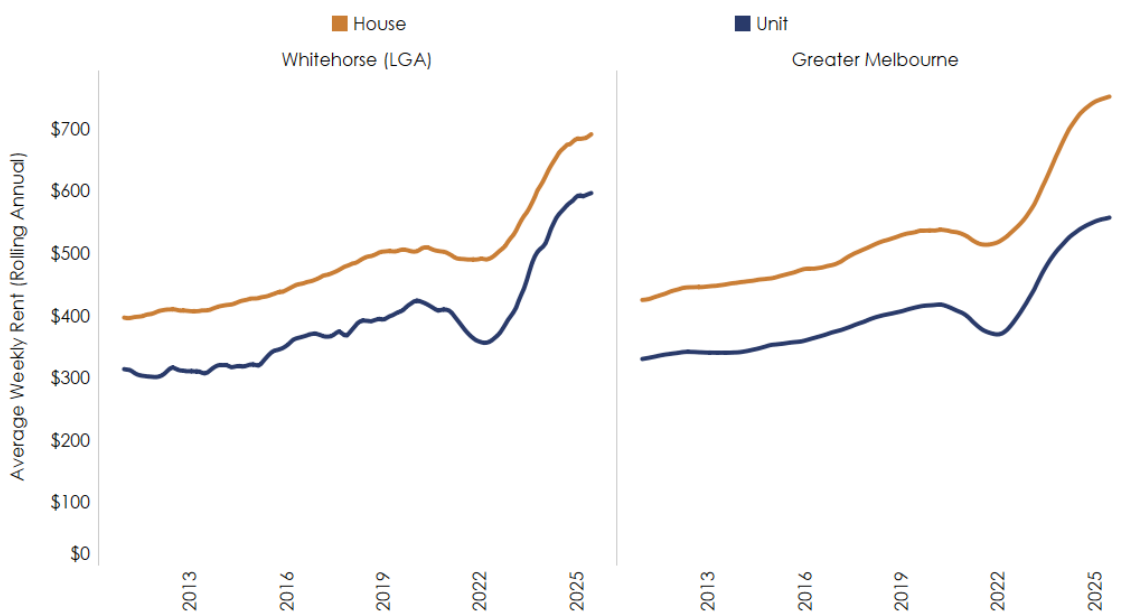
\* Unit = apartment, townhouse, terrace house or flat.

### 3.8 Rental Metrics

The charts below shows the average weekly rents for houses and units in Whitehorse LGA. House and unit rents are also a reflection of the supply of and demand for rental accommodation in a sub-market. The key take outs are:

- Weekly rents for houses and units have increased dramatically since the State borders re-opened.
- Given the shortage of supply of dwellings both rents and prices are anticipated to increase over the next few years.
- Increasing the supply of dwellings will also place downwards pressure on prices and rents given there will be more choice for renters.

Figure 22: Average Weekly Rents of Houses and Units – Whitehorse LGA and Greater Melbourne (2013-2025)



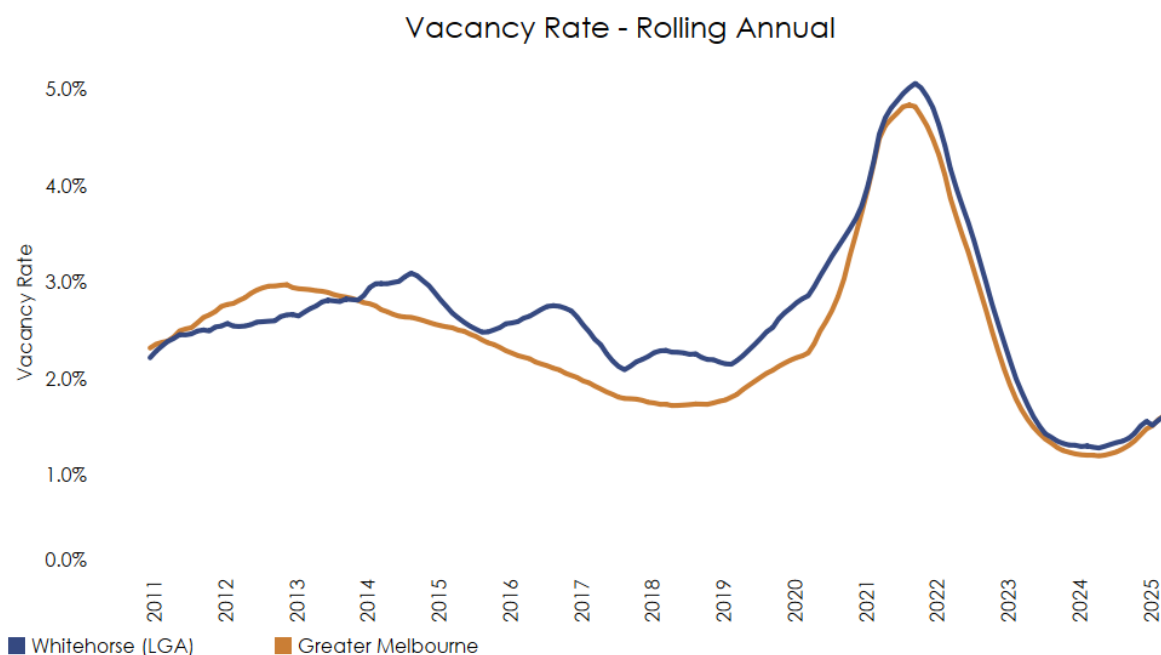
Source: SQM, Charter Keck Cramer

### 3.9 Vacancy Rates

The charts below shows the vacancy rates for Whitehorse LGA. A rental market is in equilibrium when the vacancy rate is between 2-3% with a rate higher than this suggesting an oversupply of rental dwellings. The key take outs are:

- The vacancy rate in Whitehorse LGA is 1.7% which is below market equilibrium (2-3%).
- Given the shortage of supply of dwellings both rents and prices are anticipated to increase over the next few years.

Figure 23: Vacancy Rates – Whitehorse LGA and Greater Melbourne (2011-2025)



Source: SQM, Charter Keck Cramer

\* Market equilibrium = when supply and demand are broadly in balance and there is nominal annual rental growth.

In discussions with Whitehorse LGA Councillors, two queries were raised about vacant properties and also short stay accommodation in Whitehorse LGA and what Whitehorse City Council could do to address these issues. Charter's views are:

- Vacant properties. Council could carry out a detailed assessment to understand how many properties are in fact vacant in Whitehorse LGA. Council could then consider both a "carrot" and a "stick" approach with the intention of ultimately having these properties occupied. The carrot approach could be to incentivise the owners through perhaps a reduction in rates whilst the stick approach could be to impose a tax or charge on the owners of these properties if they are not able to provide a reasonable explanation for why they are vacant.<sup>1</sup>
- Short stay accommodation. Charter notes that a short stay levy has already been introduced from 1 January 2025 in Victoria. The levy is a 7.5% charge on the total booking amount for the short stay. The intention was to deter owners prioritising short stay accommodation over rental accommodation in an attempt to ease the rental crisis. Based on conversations with various people in the industry it does appear that this levy is having the desired effect and causing various owners to rent out the investment properties to renters rather than list them as short stay accommodation. This is another item that Whitehorse City Council could consider monitoring over the next 12 months.

<sup>1</sup> NOTE: The Victorian Government already imposes a Vacant Residential Land Tax (VRLT) on properties unoccupied for more than 6 months. The VRLT aims to encourage property owners to make housing available to address the rental crisis. The VRLT could already be sufficient to assist with making residential properties available for lease in Whitehorse LGA however Charter's suggestion is something Council could consider adopting.

## 4.0 Tools & Levers Available to Council

This section provides a summary of the tools and levers available to Whitehorse City Council to assist with facilitating the supply of new dwellings in Whitehorse LGA.

### Key Findings

There are various tools and levers that Council ought to explore and which will assist with the delivery of new dwelling supply.

Many of these tools and levers do not cost money and can be used to assist with the feasibility of projects which in the current environment are financially unviable.

The case studies in the report show that there are already tried and tested examples of these tools and levers that could be adopted or expanded upon to allow Council to achieve the aspirations of the current Housing Strategy of the Whitehorse LGA as well as those of the Housing Statement of the Victorian Government.

### 4.1 Tools and Levers

The table below sets out a summary of the tools and levers that could be used by Whitehorse City Council to assist with the facilitation of new dwelling supply in Whitehorse LGA.

Figure 24: Summary of Tools and Levers to increase dwelling supply

Policy & Planning	Land & Development	Grow & Support Industry
<ul style="list-style-type: none"> <li>➤ Long Term Strategic Vision &amp; Governance Framework</li> <li>➤ Planning Certainty and Flexibility</li> <li>➤ Mayor and Councillor Support</li> <li>➤ Support the SRL East Precincts and Activity Centre Stations</li> <li>➤ Tax Incentives</li> </ul>	<ul style="list-style-type: none"> <li>➤ Audit of Council / Government-owned land</li> <li>➤ Assemble Development Sites</li> <li>➤ Bring Strategic Sites to Market</li> <li>➤ Commercial Venture Partnerships</li> </ul>	<ul style="list-style-type: none"> <li>➤ Pilot projects</li> <li>➤ Developer Forums</li> <li>➤ Facilitate a Work, Play, Live and Learn Environment</li> </ul>

The key planning and policy tools that Whitehorse City Council ought to consider adopting are set out in the table below.

Figure 25: Policy & Planning Tools

Tool & lever	Objective	Rationale	Tools
Long Term Strategic Vision & Governance Framework	<ul style="list-style-type: none"> <li>➤ To provide a long-term vision and robust Governance framework for Whitehorse City Council.</li> <li>➤ To create certainty for developers and investors to make development and investment decisions.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Investment and development decisions need to be made with as much certainty as is possible.</li> <li>➤ A detailed Vision Statement and updated Housing Strategy to achieve this vision for Whitehorse City Council as well as a robust Governance Framework will allow a level of certainty to be provided to reduce the risks of development in Whitehorse LGA.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Comprehensive Vision Statement and Housing Strategy (with feedback from the private sector).</li> <li>➤ Robust Governance Framework.</li> <li>➤ Measurable objectives and goals.</li> <li>➤ Whitehorse City Council to report annually on the approval and completion of dwellings vs the housing targets for Whitehorse LGA.</li> </ul>
Planning Certainty and Flexibility	<ul style="list-style-type: none"> <li>➤ To minimise the time and costs associated with development planning applications.</li> <li>➤ To ensure that existing and future planning controls reinforce the outcomes and objectives required to attract major private development.</li> <li>➤ To provide greater certainty and reduce risk to the private sector.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Establishing a planning framework that provides clear guidance, and certainty will assist in attracting private investment to Whitehorse LGA.</li> <li>➤ An effective and efficient planning system will provide greater certainty and reduce risk to the private sector.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Quick turnaround on planning applications.</li> <li>➤ Preparation and application of supportive land use zones; overlays and local planning policies.</li> <li>➤ Clear definition of Affordable Housing and incentives such as a density bonus for Affordable Housing.</li> <li>➤ Affordable housing requirements are included as part of the rezoning of various land parcels / holdings.</li> <li>➤ Allow upzoning (height or density bonuses) for projects that achieve various key goals of both Whitehorse City Council and State Government.</li> </ul>
Mayor and Councillor Support	<ul style="list-style-type: none"> <li>➤ To obtain continued support from the Mayor and Councillors for the development of and investment in Whitehorse LGA.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Having the continued support of both the Mayor and Councillors for the development and investment in Whitehorse LGA will encourage developers to pursue development applications that will transform the local area.</li> </ul>	<ul style="list-style-type: none"> <li>➤ The Mayor and Councillors support key development applications in Whitehorse LGA.</li> <li>➤ Education and messaging to the local community of the benefits of this type of development.</li> </ul>
Support the SRL East Precincts and Activity Centre Stations	<ul style="list-style-type: none"> <li>➤ To create an environment around the SRL East Precincts and Activity Centre Stations to allow these areas to reach their full potential and support the local area.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Upgraded amenity will encourage further residential, retail and commercial uses to co-locate into the area and enjoy agglomeration benefits.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Continue to upgrade the public realm and civic amenity in the area around the SRL East Precincts and Activity Centre Stations.</li> </ul>
Tax Incentives	<ul style="list-style-type: none"> <li>➤ To reduce up-front development costs.</li> <li>➤ To encourage private sector investment in Whitehorse LGA.</li> <li>➤ To help establish the preconditions to make Whitehorse LGA more attractive as a residential location.</li> <li>➤ To make housing more affordable.</li> </ul>	<ul style="list-style-type: none"> <li>➤ As a means of addressing the current low levels of supply in Whitehorse LGA, a review of existing relevant taxes and charges is recommended to remove financial obstacles and furthermore to provide incentives to attract purchasers into the area.</li> <li>➤ Examples include the removal / reduction in developer charges or contributions for developers in Whitehorse LGA.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Review existing cost impost of tax system and identify potential for removal and / or incentives.</li> <li>➤ Provide rebates, deferrals or exemptions of council rates, fees or charges where new development can support various housing outcomes or models.</li> </ul>

The key land and development tools that Whitehorse City Council ought to consider adopting are set out in the table below.

Figure 26: Land & Development Tools

Tool & lever	Objective	Rationale	Tools
Audit of Council / Government-owned land	<ul style="list-style-type: none"> <li>➤ To provide a single reference point for all participating public sector organizations and to enable a 'whole of Government' approach regarding the available supply of Whitehorse LGA (and Government) land.</li> <li>➤ To determine the significance and potential of each site for future development in accordance with Whitehorse City Council objectives.</li> </ul>	<ul style="list-style-type: none"> <li>➤ There are sites within Whitehorse LGA that are held or controlled (directly or indirectly) by various levels of Government. These sites have the potential for substantial development and are typically in key locations.</li> <li>➤ The specific location and physical characteristics of each site will dictate the scale and type of redevelopment opportunities, and varying degrees of 'value-add' to Whitehorse LGA in terms of stimulating development interest, improving the quality of the built environment and altering perceptions of the area.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Land Use Victoria (LUV) and the Digital Twin Victoria program used as the central point for all Government landholdings.</li> </ul>
Assemble Development Sites	<ul style="list-style-type: none"> <li>➤ To enable transport-oriented development.</li> <li>➤ To stimulate housing supply and deliver affordable and social housing.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Direct purchase and acquisition of sites.</li> <li>➤ Land swaps.</li> <li>➤ Partnerships with institutions and private sector.</li> </ul>	<ul style="list-style-type: none"> <li>➤ To date, Whitehorse City Council (and State Government) has supported the growth in the area via the delivery of new infrastructure. Further investment will require Whitehorse City Council to acquire and assemble strategic land parcels in the SRL East Precincts and Activity Centre Stations through direct purchase, land swaps and compulsory acquisition.</li> <li>➤ A land acquisition and development strategy is needed to deliver on the strategic vision for Whitehorse City Council. This might include a process to sell non-strategic council owned land in order to fund the purchase of more centrally located land</li> </ul>
Bring Strategic Sites to Market	<ul style="list-style-type: none"> <li>➤ To dispose of land for (re)development in accordance with the project objectives and vision for Whitehorse City Council.</li> </ul>	<ul style="list-style-type: none"> <li>➤ The release/disposal of land for development is a fundamental task in attracting development in Whitehorse LGA.</li> <li>➤ A release of Council land will similarly provide opportunities to support private development (i.e. through a reduced purchase price or seek community facilities as part of any transaction).</li> <li>➤ The precise means by which this is undertaken may vary considerably, however, the usual competitive processes will ensure the best development outcome, whether it be through the invitation to tender to a selected panel of developers or directly to the open market.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Select site(s) from audit of suitable Whitehorse LGA sites for development.</li> <li>➤ Determine objectives for sites.</li> <li>➤ Release through direct negotiation / competitive tendering.</li> </ul>
Commercial Venture Partnerships	<ul style="list-style-type: none"> <li>➤ To enable and encourage private sector investment through diversification and de-risking development.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Whitehorse City Council should investigate various commercial venture partnerships with public and private sectors to assist with the delivery of additional and also affordable and social housing.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Understanding site availability from audit of suitable Whitehorse LGA sites for development.</li> <li>➤ Actively engage with developers and community housing providers around requirements.</li> <li>➤ Actively engage with developers around appetite to participate in Whitehorse LGA, on the back of education / legal and government requirements.</li> </ul>

The key tools to grow and support the industry that Whitehorse City Council ought to consider adopting are set out in the table below.

Figure 27: Tools to Grow & Support the Industry

Tool & lever	Objective	Rationale	Tools
Pilot projects	<ul style="list-style-type: none"> <li>➤ To provide examples to the private sector about new types of development or new housing models that could be pursued in Whitehorse LGA.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Government may need to be the first mover when it comes to new types of development or new models of housing to provide the private sector with more confidence that these ideas can work in Whitehorse LGA.</li> <li>➤ The private sector will then respond at scale.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Partnerships with institutions and private sector.</li> <li>➤ Carry out pilot (demonstration) projects to prove up new types of development (such as BTR) or new housing models (such as ground leases).</li> </ul>
Developer Forums	<ul style="list-style-type: none"> <li>➤ To regularly seek developer input into development issues / constraints.</li> <li>➤ To research and monitor the local triggers for developers.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Maintaining regular communication with developers, investors and landlords as a means of understanding the various development opportunities and constraints within Whitehorse LGA is considered necessary. This will allow a more informed understanding of the local triggers for development and how they are changing.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Maintain regular communication with developers.</li> <li>➤ Undertake regular market research to understand the state of the property market and opportunities that may be available.</li> </ul>
Facilitate a Work, Play, Live and Learn Environment	<ul style="list-style-type: none"> <li>➤ To improve the quality of the public realm in and around the SRL East Precincts and Activity Centre Stations.</li> <li>➤ To create the conditions to support commercial office, retail and high density (apartments) residential uses.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Improving the civic amenity of the SRL East Precincts and Activity Centre Stations is essential to attracting new households, enterprises and private sector investment.</li> <li>➤ Improving public realm, recreational facilities, pedestrian and cycling networks are essential in enhancing the liveability of the SRL East Precincts and Activity Centre Stations.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Decontaminate and remediate the land (if required).</li> <li>➤ Streetscape Improvement Works.</li> <li>➤ Improved and new pedestrian connections.</li> <li>➤ Closed / pedestrianised roads and creation of green areas.</li> <li>➤ Invest in the enabling infrastructure (sewer, water etc.) to support new development.</li> </ul>

## 4.2 Case Studies

Charter has provided two case studies of how the tools and levers could be used to create several positive outcomes for new dwelling supply and also achieve various Local and State policy outcomes. The first case study relates to a project in Whitehorse LGA whilst the second relates to a project in the City of Merri-Bek.

### Case Study 1 – Partnerships with Council, local developers and community housing providers

This is an example of a commercial venture partnership which has been used to achieve additional and diverse dwelling supply as well as affordable housing outcomes. The particular mechanism was the sale of land at a discount with the discount being the subsidy to fund affordable housing. The key background facts to this development include:

- Whitehorse City Council identified an underutilised car park at 2-4 Bruce Street, comprising approximately 2,500sqm, located within the Box Hill Activity Centre, that would be suitable for Affordable Housing development and the rehousing of residents of the boarding houses.
- The land was zoned Public Use. In 2016, Whitehorse City Council undertook a planning amendment to zone it to Mixed Use, enabling residential development.
- The land was released for sale via a tender directed to Registered Housing Agencies. Agencies could submit in partnership with a developer, but developers could not tender without a Registered Housing Agency partner.
- Housing First, in partnership with developer MAB Corporation, was selected to acquire the site at a significant discount.
- Housing First secured State Government funding towards the project.
- The project will deliver a total 233 units across a 10 and 19-storey development.
- 73 dwellings (31 per cent) will be owned by Housing First, comprising one and two-bedroom dwellings located in the 10-storey tower.
- The remaining dwellings will be sold by MAB at market value.

Figure 28: Strategic Partnerships Approach



## Case Study 2: Density Bonus – Additional Height to subsidise Affordable Housing

This is an example of how a density bonus can be used to subsidise the delivery of affordable housing in a mid-rise apartment project. The key facts are:

- Housing All Australians (HAA) have developed a model for affordable housing called the Progressive Residential Affordability Development Solution (PRADS) model.
- The model allows for the supply of long-term affordable rental housing, locked in at an agreed below market rent for a period of at least 30 years without the need for any Government subsidy. Charter understands that the compliance requirements will be monitored by local Government through a digital Affordable Housing Register (AHR) which is being delivered with PEXA.
- The PRADS model has been used by HAA and Nightingale Housing (Nightingale) on a development in the City of Merri-bek. HAA and Nightingale have kindly provided their consent to use this case study to assist Council with understanding how affordable and social housing can be feasibly delivered with no monetary subsidy.
- Nightingale acquired the site when it was in the process of being rezoned from industrial to residential and mixed use.
- Nightingale took an Incorporated Plan rezoning approach which included the provision of 5% of dwellings as affordable housing in return for a building not exceeding the preferred height limit. However, noting that the provision of affordable housing needs a subsidy to be economically viable, the rezoning included an option of increasing the building height to 5 storeys if the provision of affordable housing was increased to 15% (this percentage includes both social and affordable housing).
- The additional uplift (building height) created additional value to the land which in-turn became the subsidy needed for the social and affordable housing. The provision of affordable and social housing comes at a cost to the development that needs to be funded in some way.
- By allowing the building height to exceed the preferred controls, real community benefit was achieved by increasing the provision of affordable housing.

Figure 29: Density Bonus Approach (City of Merri-Bek)

## CASE STUDY



**NIGHTINGALE HOUSING**  
**CITY OF MERRI-BEK VIC**  
2021-2023

“ Affordable housing needs a subsidy. We used the principles of Housing All Australians PRADS model, and worked collaboratively with council to achieve additional density, which increased the land value. We used this additional value to provide the subsidy needed for the affordable housing. It’s a clever way to create affordable housing without using any government money. ”

Dan McKenna  
CEO Nightingale Housing



Sheppard Street and Norris Street, development site (in orange) North Coburg, Victoria. The land to which the Incorporated Plan applies.

**ADDING ADDITIONAL VALUE TO LAND  
TO FUND AFFORDABLE HOUSING**

## 5.0 Appendix – Key Data Tables

This section provides the key data in tabular format that has been used in this report, and which has been requested by Whitehorse City Council.

Figure 14: Population Growth – Whitehorse LGA (2021-2036)

Type	2021	2026	2031	2036
Population	171,077	183,606	195,815	208,285
5-Year CAGR	0.00%	1.42%	1.30%	1.24%

Source:VIF2023, Charter Keck Cramer

Figure 15: Household and Age Group Growth – Whitehorse LGA (2021-2036)

Type	2021	2026	2031	2036
Couple Family with Children	22,410	23,770	25,360	27,260
Couple Family without Children	16,380	17,450	18,800	20,270
Group	3,240	3,640	4,060	4,380
Lone Person	16,730	17,730	19,000	20,340
One Parent Family	6,550	6,870	7,270	7,750
<b>Age Group</b>				
0-14	27.6K	27.8K	28.2K	30.4K
15-24	23.2K	28.1K	30.5K	29.6K
25-34	24.2K	26.7K	29.8K	34.0K
35-44	23.6K	26.1K	27.8K	29.9K
45-64	41.5K	42.7K	45.4K	47.6K
65+	31.0K	32.3K	34.1K	36.7K

Source:VIF2023, Charter Keck Cramer

Figure 16: Change in Dwelling Tenure - Whitehorse LGA (2006-2021)

Type	2006	2011	2016	2021
Owned Outright	38%	36%	32%	31%
Owned with a Mortgage	42%	41%	41%	40%
Rented	21%	24%	27%	29%

Source: ABS, Charter Keck Cramer

Figure 17: Change in Dwelling Type - Whitehorse LGA (2006-2021)

Type	2006	2011	2016	2021
Apartment	8%	8%	7%	9%
House	89%	88%	84%	81%
Townhouse	3%	4%	9%	10%

Source: ABS, Charter Keck Cramer

Figure 18: Supply of Dwellings – Whitehorse LGA (2012-2026)

Date	House	Townhouse	Apartment
1/05/2013	271	147	613
1/05/2014	288	249	504
1/05/2015	342	312	1,107
1/05/2016	422	252	1,596
1/05/2017	332	255	1,155
1/05/2018	304	330	778
1/05/2019	241	248	1,033
1/05/2020	200	332	1,375
1/05/2021	206	352	1,366
1/05/2022	331	512	436
1/05/2023	400	248	816
1/05/2024	372	286	3
1/05/2025	407	327	53

Source: ABS, Charter Keck Cramer

Figure 20: Supply v Demand Balance in Whitehorse LGA (2011-2025)

Year	House	Townhouse	Apartment
2011	157	85	208
2012	229	143	614
2013	297	194	479
2014	308	318	819
2015	437	279	1,573
2016	364	258	1,367
2017	294	298	789
2018	279	273	924
2019	219	232	1,386
2020	192	434	884
2021	272	425	1,279
2022	398	364	847
2023	360	288	3
2024	389	274	4
2025	180	149	49

Source: ABS, Charter Keck Cramer

Figure 21: Median House and Unit Prices – Whitehorse LGA vs Greater Melbourne (2000-2025)

Year	Whitehorse (LGA)		Greater Melbourne	
	House	Unit	House	Unit
1999	\$205,000	\$170,000	\$175,000	\$175,000
2000	\$220,000	\$185,000	\$190,000	\$195,000
2001	\$274,000	\$232,500	\$225,000	\$238,450
2002	\$311,750	\$267,000	\$261,000	\$270,000
2003	\$352,000	\$285,000	\$293,100	\$282,000
2004	\$370,000	\$295,000	\$310,000	\$280,000
2005	\$385,000	\$310,000	\$321,000	\$290,000
2006	\$407,500	\$330,000	\$346,750	\$310,000
2007	\$500,750	\$359,000	\$375,000	\$343,500
2008	\$526,501	\$405,000	\$388,000	\$360,000
2009	\$575,000	\$429,000	\$415,500	\$390,000
2010	\$690,000	\$480,000	\$494,500	\$449,000
2011	\$648,000	\$480,000	\$490,000	\$450,000
2012	\$632,500	\$451,000	\$480,000	\$440,000
2013	\$696,500	\$480,000	\$510,000	\$465,000
2014	\$791,750	\$513,000	\$539,471	\$485,000
2015	\$971,000	\$520,000	\$590,000	\$510,000
2016	\$1,050,000	\$600,000	\$630,000	\$510,000
2017	\$1,190,000	\$635,000	\$710,000	\$540,000
2018	\$1,110,000	\$620,000	\$735,000	\$567,000
2019	\$1,050,000	\$648,000	\$715,000	\$560,000
2020	\$1,120,000	\$687,000	\$740,000	\$580,000
2021	\$1,330,000	\$745,193	\$850,000	\$600,000
2022	\$1,280,000	\$720,000	\$870,000	\$595,000
2023	\$1,326,500	\$703,000	\$850,000	\$580,000
2024	\$1,311,000	\$685,000	\$842,500	\$580,000
2025	\$1,320,000	\$650,000	\$825,000	\$560,000

Source: Domain, Charter Keck Cramer

Figure 22: Average Weekly Rents of Houses and Units – Whitehorse LGA and Greater Melbourne (2013-2025)

Date	Whitehorse (LGA)		Greater Melbourne	
	House	Unit	House	Unit
1/07/2011	\$400	\$304	\$434	\$337
1/07/2012	\$410	\$316	\$446	\$342
1/07/2013	\$409	\$309	\$450	\$341
1/07/2014	\$423	\$320	\$458	\$347
1/07/2015	\$434	\$342	\$468	\$357
1/07/2016	\$453	\$367	\$478	\$368
1/07/2017	\$471	\$373	\$500	\$385
1/07/2018	\$495	\$392	\$521	\$402
1/07/2019	\$506	\$407	\$536	\$415
1/07/2020	\$506	\$413	\$535	\$413
1/07/2021	\$491	\$377	\$514	\$377
1/07/2022	\$501	\$368	\$540	\$394
1/07/2023	\$573	\$471	\$625	\$483
1/07/2024	\$667	\$568	\$724	\$539
1/07/2025	\$695	\$599	\$754	\$559

Source: SQM, Charter Keck Cramer

Figure 23: Vacancy Rates – Whitehorse LGA and Greater Melbourne (2011-2025)

Date	Whitehorse (LGA)	Greater Melbourne
1/06/2011	2.46%	2.52%
1/06/2012	2.59%	2.92%
1/06/2013	2.82%	2.90%
1/06/2014	3.01%	2.65%
1/06/2015	2.55%	2.46%
1/06/2016	2.72%	2.16%
1/06/2017	2.19%	1.84%
1/06/2018	2.27%	1.73%
1/06/2019	2.36%	1.98%
1/06/2020	3.17%	2.60%
1/06/2021	4.88%	4.75%
1/06/2022	3.62%	3.31%
1/06/2023	1.51%	1.44%
1/06/2024	1.32%	1.23%
1/06/2025	1.67%	1.73%

Source: SQM, Charter Keck Cramer

**Notes:**

The VIF2023 and ABS datasets used in these charts is publicly available. The Domain and SQM data used in these charts have been obtained from a subscription to both data providers. Charter has analysed the data with a property lens and hence added our name as one of the sources.





**Charter**  
Keck Cramer

**Advisory, Capital, Projects,  
Research, Valuations**

**W** [charterkc.com.au](http://charterkc.com.au)

**E** [enquiry@charterkc.com.au](mailto:enquiry@charterkc.com.au)

**T** 1300 242 787

Melbourne, Sydney, Brisbane, Gold Coast, Singapore