

CELEBRATING
30
YEARS
1989-2019

urban planning
enterprise economics+tourism

BASS COAST RESIDENTIAL MARKET, DEMAND AND SUPPLY ASSESSMENT

FINAL REPORT

BASS COAST SHIRE COUNCIL | AUGUST 2022



www.urbanenterprise.com.au

AUTHORS

Paul Shipp, Director

Kurt Ainsaar, Director

Madeleine Hornsby, Senior Consultant

Georgiana Babatsikos, Consultant

FILE

Bass Coast Residential Market Supply Demand Assessment
Final 110822.docx

VERSION

1

DISCLAIMER

Neither Urban Enterprise Pty. Ltd. nor any member or employee of Urban Enterprise Pty. Ltd. takes responsibility in any way whatsoever to any person or organisation (other than that for which this report has been prepared) in respect of the information set out in this report, including any errors or omissions therein. In the course of our preparation of this report, projections have been prepared on the basis of assumptions and methodology which have been described in the report. It is possible that some of the assumptions underlying the projections may change. Nevertheless, the professional judgement of the members and employees of Urban Enterprise Pty. Ltd. have been applied in making these assumptions, such that they constitute an understandable basis for estimates and projections. Beyond this, to the extent that the assumptions do not materialise, the estimates and projections of achievable results may vary.

COPYRIGHT

© Copyright, Urban Enterprise Pty Ltd, 2022

This work is copyright. Apart from any uses permitted under Copyright Act 1963, no part may be reproduced without written permission of Urban Enterprise Pty Ltd.



L1 302-304 Barkly St, Brunswick VIC 3056
+61 3 9482 3888 urbanenterprise.com.au

CONTENTS	
EXECUTIVE SUMMARY	1
1. INTRODUCTION	6
1.1. BACKGROUND	6
1.2. ENGAGEMENT	6
1.3. PURPOSE & SCOPE	6
1.4. STRUCTURE	7
<u>PART A.</u> CONTEXT	8
2. SETTLEMENT AND POLICY CONTEXT	9
2.1. OVERVIEW	9
2.2. KEY POINTS	9
2.3. MUNICIPAL SNAPSHOT	10
2.4. LOCAL SETTLEMENT HIERARCHY AND GROWTH ROLE	11
2.5. STATE AND REGIONAL SETTLEMENT POLICY	13
3. DEMOGRAPHIC AND ECONOMIC CONTEXT	16
3.1. INTRODUCTION	16
3.2. KEY POINTS	16
3.3. DATA AREAS AND AVAILABILITY	17
3.4. DEMOGRAPHIC SNAPSHOT	18
3.5. AGE PROFILE	19
3.6. BASS COAST'S ECONOMY AT A GLANCE	20
3.7. EMPLOYMENT PROFILE	21
3.8. MAJOR PUBLIC SECTOR PROJECTS	22
3.9. ECONOMIC CONDITIONS INFLUENCING HOUSING MARKETS	23
4. HOUSING STOCK PROFILE	25
4.1. OVERVIEW	25
4.2. KEY POINTS	25
4.3. DWELLINGS, OCCUPANCY & TENURE	26
4.4. DWELLING AND HOUSEHOLD TYPOLOGIES	27
4.5. RENTAL HOUSING	28
4.6. HOLIDAY HOMES	29
4.7. RURAL AND LOW DENSITY HOUSING	31
<u>PART B.</u> DEMAND & DEVELOPMENT	32
5. HOUSING DEMAND	33
5.1. OVERVIEW	33
5.2. KEY POINTS	33
5.3. RESIDENTIAL MARKET TRENDS, REGIONAL VICTORIA	34
5.4. POPULATION GROWTH	36
5.5. DWELLING GROWTH	38
5.6. PROPERTY MARKET INDICATORS	39
5.7. RENTAL MARKET CONDITIONS	42
5.8. PROPERTY MARKET DEMAND COMMENTARY	43

6. RESIDENTIAL DEVELOPMENT ACTIVITY	45
6.1. OVERVIEW	45
6.2. KEY POINTS	45
6.3. BASS COAST SHIRE	46
6.4. PHILLIP ISLAND AND MAINLAND	47
6.5. SETTLEMENTS	48
6.6. RESIDENTIAL SUBDIVISION	49
6.7. INFILL AND MEDIUM DENSITY DEVELOPMENT	51
6.8. RURAL AREAS	53
6.9. DEVELOPMENT INDUSTRY CONSULTATION	55
7. HOUSING NEED	56
7.1. OVERVIEW	56
7.2. KEY POINTS	56
7.3. DEMAND SCENARIOS	57
7.4. HOUSEHOLD TYPES AND MARKET SEGMENTS	59
<u>PART C.</u> SUPPLY AND CAPACITY	62
8. LAND SUPPLY AND CAPACITY OVERVIEW	63
8.1. INTRODUCTION	63
8.2. RESIDENTIAL ZONES AND SPATIAL DISTRIBUTION	63
8.3. LAND SUPPLY TYPES	64
8.4. METHOD	65
9. BROADHECTARE LAND SUPPLY	67
9.1. INTRODUCTION	67
9.2. KEY POINTS	67
9.3. URBAN BROADHECTARE LAND SUPPLY	68
9.4. LOW DENSITY BROADHECTARE LAND SUPPLY	69
9.5. RURAL LIVING ZONE BROADHECTARE LAND SUPPLY	70
9.6. VACANT SINGLE LOTS	70
9.7. SUPPLY SUMMARY	72
10. INFILL CAPACITY	73
10.1. INTRODUCTION	73
10.2. KEY POINTS	73
10.3. INFILL DEVELOPMENT CAPACITY	74
10.4. ACTIVITY CENTRE CAPACITY	76
11. ADEQUACY OF SUPPLY	81
11.1. INTRODUCTION	81
11.2. KEY POINTS	81
11.3. SEPARATE DWELLINGS	82
11.4. CONSIDERATIONS FOR MARKET SEGMENTS	83
<u>PART D.</u> ISSUES	85
12. HOUSING ISSUES	86
12.1. INTRODUCTION	86

12.2. DEMAND ISSUES	86
12.3. SUPPLY ISSUES	88
APPENDICES	91
APPENDIX A STATISTICAL AREA BOUNDARIES	92
APPENDIX B BROADHECTARE LAND SUPPLY ASSESSMENT DETAILS	99
APPENDIX C INFILL CAPACITY ASSESSMENT DETAILS	112

FIGURES

F1. PERI-URBAN COUNCILS VICTORIA MAP	10
F2. BASS COAST STRATEGIC DIRECTIONS FRAMEWORK PLAN	12
F3. GIPPSLAND REGION FUTURE DIRECTIONS FOR SETTLEMENT	14
F4. BASS COAST AND ID AREA BOUNDARIES	17
F5. AGE PROFILE, LIFECYCLE GROUPS, BASS COAST & REGIONAL VICTORIA, 2016	19
F6. LOCAL EMPLOYMENT, BASS COAST	21
F7. ACTIVE RENTAL BONDS & MEDIAN RENTS, BASS COAST	28
F8. AIRDNA ACTIVE LISTINGS, BASS COAST	29
F9. INDICATIVE HOUSING TENURE MIX, 2016	30
F10. DWELLING APPROVALS, REGIONAL VICTORIA, MARCH 2011 TO MARCH 2021	34
F11. ESTIMATED RESIDENTIAL POPULATION & NET INTERNAL MIGRATION, REGIONAL VICTORIA	35
F12. MEDIAN HOUSE PRICE, REGIONAL VICTORIA	35
F13. DWELLING SALES, GIPPSLAND, AUG 2020 – AUG 2021	35
F14. POPULATION GROWTH, BASS COAST SHIRE, 2011 TO 2021	36
F15. POPULATION GROWTH, PHILLIP ISLAND & MAINLAND, 2001 TO 2021	36
F16. POPULATION GROWTH (AAGR), PERI-URBAN MUNICIPALITIES, 2017 TO 2021	37
F17. PRIVATE NEW DWELLING APPROVALS, 2016 TO 2021	38
F18. VOLUME OF SALES, BASS COAST, 2012 TO 2021	39
F19. MEDIAN PROPERTY VALUES, BASS COAST	39
F20. MEDIAN HOUSE PRICE BY LGA, 2020 & 2021	41
F21. ACTIVE BONDS & MEDIAN RENTS (PER WEEK), BASS COAST SHIRE, JUN 2015 TO JUN 2021	42
F22. PRIVATE NEW DWELLING APPROVALS, 2015 TO 2021, BASS COAST	46
F23. PRIVATE NEW DWELLING APPROVALS, 2014 TO 2021, BY DISTRICT GROUPING	47
F24. APPROVALS BY SETTLEMENT, 2014 TO 2021	48
F25. APPROVALS BY MAJOR SETTLEMENT, 2014 TO 2021	48
F26. NET LOTS APPROVED FOR CREATION BY SUBDIVISION, BASS COAST, 2011-2021	49
F27. PROPORTION OF NET LOTS APPROVED FOR CREATION BY LOCALITY 2011-2021	49
F28. SUBDIVISIONS BY NUMBER OF LOTS APPROVED FOR CREATION, BASS COAST, 2011-2021	50
F29. TOTAL NET LOTS APPROVED FOR CREATION BY ZONE, 2011 TO 2021	50
F30. 'OTHER RESIDENTIAL' NEW BUILDING APPROVALS, BASS COAST 2015 TO 2021	51
F31. BUILDING APPROVALS BY ACTIVITY CENTRE, 2014 TO 2021	51
F32. NET LOTS CREATED, SUBDIVISIONS IN THE FZ, BASS COAST, 2011 TO 2021	54
F33. COWES ACTIVITY CENTRE HOUSING CAPACITY	77
F34. INVERLOCH ACTIVITY CENTRE HOUSING CAPACITY	78
F35. SAN REMO ACTIVITY CENTRE HOUSING CAPACITY	79
F36. WONTHAGGI ACTIVITY CENTRE HOUSING CAPACITY	80
F37. CAPE PATERSON BROADHECTARE LOCATIONS	101
F38. CORINELLA AND CORONET BAY BROADHECTARE LOCATIONS	102
F39. COWES BROADHECTARE LOCATIONS	103
F40. VENTNOR BROADHECTARE LOCATIONS	104
F41. GRANTVILLE BROADHECTARE LOCATIONS	105
F42. INVERLOCH BROADHECTARE LOCATIONS	106
F43. KILCUNDA & DALYSTON BROADHECTARE LOCATIONS	107
F44. SAN REMO BROADHECTARE LOCATIONS	108
F45. SUNDERLAND BAY BROADHECTARE LOCATIONS	109
F46. WATTLE BANK BROADHECTARE LOCATIONS	110
F47. WONTHAGGI BROADHECTARE LOCATIONS	111

TABLES

T1. COMPARISON OF DEMAND AND SUPPLY FOR KEY LOCATIONS (SEPARATE DWELLINGS)	4
T2. SUMMARY OF ISSUES	5
T3. SETTLEMENT HIERARCHY, BASS COAST SHIRE	11
T4. DRAFT STATEMENT OF PLANNING POLICY – SETTLEMENT OVERVIEW	15
T5. DEMOGRAPHIC SNAPSHOT	18
T6. TOP 10 INDUSTRY SECTORS, VALUE-ADDED, OUTPUT & JOBS, BASS COAST	20
T7. AVERAGE ANNUAL VISITATION AND VISITOR EXPENDITURE, BASS COAST & SURF COAST	20
T8. MAJOR INFRASTRUCTURE AND INVESTMENT PROJECTS	22
T9. DWELLING SUMMARY, BASS COAST SHIRE & DISTRICTS	26
T10. DWELLING TYPES & HOUSEHOLD SIZE SUMMARY, BASS COAST & DISTRICTS	27
T11. HOUSEHOLD TYPES, BASS COAST & DISTRICTS	27
T12. INFORMAL/ UNSTRUCTURED HOUSING, 2011 AND 2016	28
T13. UNOCCUPIED DWELLINGS LIKELY TO BE USED AS HOLIDAY HOMES AND HOLIDAY RENTALS (2016)	29
T14. LOT COUNT (BY SIZE), LDRZ BY SETTLEMENT, 2021	31
T15. LOT COUNT (BY SIZE), RLZ BY SETTLEMENT, 2021	31
T16. COMPONENTS OF POPULATION CHANGE, BASS COAST, 2017 TO 2020	37
T17. NET INTERNAL MIGRATION, BASS COAST, 2017 TO 2020	37
T18. MEDIAN HOUSE VALUES BY SETTLEMENT, 2012 TO 2021	40
T19. MEDIAN VACANT HOUSE BLOCK PRICE BY SETTLEMENT, 2012 TO 2021	41
T20. CASE STUDY APARTMENT DEVELOPMENT PROPOSALS	52
T21. BUILDING APPROVALS IN RURAL AREAS, 2014-2021	53
T22. NET ADDITIONAL LOTS CREATED BY SUBDIVISION, LDRZ AND RLZ, 2011 – 2021	53
T23. LOT SALES, LDRZ & GRZ, CORONET BAY, 2020 & 2021	54
T24. DWELLING DEMAND RATE SUMMARY, BASS COAST	57
T25. VICTORIA IN FUTURE DWELLING PROJECTIONS BREAKDOWN	57
T26. VICTORIA IN FUTURE – KEY PROJECTION VARIABLES	58
T27. HOUSEHOLD TYPE PROJECTIONS	59
T28. RESIDENTIAL ZONES IN THE BASS COAST PLANNING SCHEME	63
T29. LAND SUPPLY AND CAPACITY ASSESSMENT METHOD	65
T30. URBAN BROADHECTARE LAND SUPPLY	68
T31. LOW DENSITY AND TOWNSHIP ZONE BROADHECTARE LAND SUPPLY	69
T32. RURAL BROADHECTARE LAND SUPPLY	70
T33. SINGLE VACANT LOTS	71
T34. URBAN AND LOW DENSITY LAND SUPPLY SUMMARY	72
T35. RURAL LIVING LAND SUPPLY SUMMARY	72
T36. INFILL CAPACITY RESULTS	75
T37. ACTIVITY CENTRE DWELLING CAPACITY	76
T38. AGGREGATE DEMAND AND SUPPLY COMPARISON	82
T39. COMPARISON OF DEMAND AND SUPPLY FOR KEY LOCATIONS	83
T40. APPROACHES TO MANAGING SHORT STAY RENTALS	90
T41. BROADHECTARE CAPACITY ASSUMPTIONS	99
T42. BROADHECTARE ASSUMPTIONS – RURAL LIVING ZONE	99
T43. LIST OF BROADHECTARE SITES	100
T44. EXCLUSIONS	112
T45. SUMMARY OF POLICY FOR RESIDENTIAL INTENSIFICATION	113
T46. CLAUSE 16 LOT SIZE POLICY	114
T47. DENSITY AND LOT SIZE ASSUMPTIONS	115
T48. SLIDING SCALE OF HOUSING DENSITY IN AREAS SUPPORTED FOR INFILL DEVELOPMENT	115

ACRONYMS

AAGR	Average Annual Growth Rate
ANZSIC	Australian New Zealand Standard Industry Classifications
AVPCC	Australian Valuation Property Classification Code
ERP	Estimated Residential Population
NIM	Net Internal Migration
NOM	Net Overseas Migration

GLOSSARY OF TERMS

Occupied Dwelling	A dwelling which was occupied by one or more people on Census night.
Unoccupied Dwelling	A dwelling which was identified to be unoccupied on Census night.
Occupied Lot	A lot which is classified as occupied by an urban land use (e.g. dwelling or shop) as identified through the AVPCC.
Unoccupied Lot	A lot which is classified as not occupied by an urban land use as identified through the AVPCC (i.e. a vacant lot)
Estimated Residential Population	The official measure of the population of Australia. It refers to all people, regardless of nationality, citizenship or legal status, who usually live in Australia, with the exception of foreign military or diplomatic personnel and their families. It includes usual residents who are overseas for less than 12 months over a 16-month period. It excludes overseas visitors who are in Australia for less than 12 months over a 16-month period.
Natural Increase	Net change in population due to the number of births minus deaths.
Interstate Migration / Net Internal Migration (NIM)	The movement of people over a state or territory boundary for the purpose of changing their place of usual residence. Net Interstate Migration is the number of arrivals minus the number of departures.
Net Overseas Migration (NOM)	The net gain or loss of population through immigration to Australia and emigration from Australia.
New Lots Approved for Creation	The number of lots for which a planning permit for subdivision has been issued by Council.
Medium Density Dwelling	'Medium density' includes all semi-detached, row, terrace, townhouses and villa units, plus flats and apartments in blocks of 1 or 2 storeys, and flats attached to houses.
High Density Dwelling	'High density' includes flats and apartments in 3 storey and larger blocks

EXECUTIVE SUMMARY

OVERVIEW

Bass Coast Shire is one of the fastest growing municipalities in Regional Victoria, driven primarily by internal migration owing to a combination of the area's lifestyle, location, access and natural environmental attributes. Bass Coast Shire Council acknowledges the municipality's sustained period of growth and has recognised a need for a clear set of strategies to effectively manage future housing provision across the Shire.

This report includes a housing market assessment and residential demand and supply assessment for the municipality which will inform the preparation of a Housing Strategy and Neighbourhood Character Study.

PLANNING POLICY CONTEXT

Bass Coast Shire has long been a popular tourist and holiday home destination and is now one of several peri-urban municipalities in Victoria that are attracting strong demand for housing from permanent residents. Bass Coast's network of settlements include a range of coastal and agricultural villages and hamlets, larger towns and one regional centre (Wonthaggi).

Existing state planning policy promotes Victoria's peri-urban municipalities to accommodate population and housing growth. Local, regional and State housing policy generally supports the provision of a greater diversity of housing to reflect changing demographics, the provision of affordable housing, increased housing densities close to commercial centres and community facilities and the provision of rural living and low density residential development in areas already zoned for this purpose.

A Draft Statement of Planning Policy prepared as part of the Bass Coast Distinctive Areas and Landscapes project will (once finalised) directly influence the location and type of residential development which can be accommodated in the municipality due to the proposed introduction of protected settlement boundaries. This report notes the major elements of the proposed policy and discusses the various impacts that the policy could have on housing in the municipality, acknowledging that the policy content is yet to be finalised.

DEMOGRAPHIC AND ECONOMIC CONTEXT

Housing markets are directly influenced by demographic and economic characteristics and trends. Key demographic and economic influences are summarised as follows:

- Bass Coast's settlements are, on average, occupied by older residents compared with Regional Victoria. Labour force participation is relatively low, reflecting the age profile.
- The municipal economy is primarily driven by agriculture, tourism and population-services (health, education, retail). There has been low jobs growth in recent years but strong population increase.
- Strong population and jobs growth in southeast Melbourne, coupled with improved transport connections, has led to greater labour flows across the region. More flexible working arrangements for office-based sectors has also provided greater opportunity for remote work, especially since the beginning of the COVID pandemic. The opportunity to live in Bass Coast and undertake jobs based in metropolitan areas is highly attractive to many residents.
- Real estate agents and developers have observed increasing housing demand from permanent residents compared with previous periods where holiday home buyers were more prevalent. Permanent residents generally originate from within a 100km radius of Bass Coast, mostly from south-east Melbourne.
- Rising interest rates and the resumption of international travel are likely to contribute to an overall reduction in housing demand pressure for coastal areas such as Bass Coast compared with pandemic-period highs, however coastal locations are expected to remain popular housing locations in the medium to long term.

EXISTING HOUSING STOCK

The housing stock in Bass Coast is relatively homogenous and primarily comprises separate dwellings - medium density housing makes up less than 10% of the housing stock. The substantial supply of separate dwellings contrasts with the predominantly smaller household types (one and two persons), an issue which the housing strategy should respond to.

The rental market comprises approximately 24% of the occupied dwelling stock, however the number of active rental bonds has remained relatively stable in recent years despite strong overall dwelling and population growth. The median rent has increased strongly at an average rate of 7% per annum. The combination of strong rental price growth and limited stock growth indicates, in broad terms, that demand comfortably exceeds supply, an issue which the housing strategy should address.

Unoccupied dwellings are a feature of the housing stock with only 56% of dwellings occupied at the 2016 Census. Occupancy levels are particularly low in Phillip Island (37-45%), Inverloch (55%) and San Remo (60%).

It is estimated that more than one-third of the existing housing stock is used primarily to accommodate non-residents, including holiday homes and holiday rentals, and the number of active listings for holiday rentals (including Airbnb) has increased strongly in recent years.

Rural areas play a minor but important housing role in Bass Coast, particularly in and around Wonthaggi, San Remo, Cowes and Coronet Bay. Low density and rural living areas across Bass Coast are very well occupied and accommodate more than 700 dwellings (3% of the overall dwelling stock).

HOUSING DEMAND INDICATORS

Key findings of an assessment of housing demand are summarised as follows:

- In June 2021, the Estimated Resident Population of Bass Coast Shire was 38,835 persons.
- Between 2011 and 2021, the Shire's population increased by 8,600 residents. The rate of population growth was substantially over the past 5 years (3.0% per annum) compared with the preceding 5 years (2.1% per annum). Population growth has occurred on both the mainland and Phillip Island.
- The COVID-19 pandemic has impacted regional migration patterns, with a notable increase in migration from metropolitan to regional areas. The housing market in Bass Coast has experienced strong demand for housing in recent years driven by sustained population growth (due primarily to internal migration), resulting in high sales volumes and price growth.
- The median house price in Bass Coast is now in-line with Greater Geelong (~\$750,000) and is the highest of any peri-urban municipality. Cowes and Inverloch are the most in-demand locations in Bass Coast Shire. Other popular townships include San Remo, Cape Woolamai, Wonthaggi and Coronet Bay.
- There has been a noticeable shift towards permanent buyers over holiday home/investment in recent years. The buyer profile across Bass Coast is mixed, but primarily consists of:
 - Local buyers - seeking to upsize or downsize;
 - Intrastate migration – primarily residents within a 100km commuter distance (e.g., Casey, Cardinia, Greater Dandenong, South Gippsland); and
 - Investors and lifestyle buyers – primarily holiday home and holiday rentals.
- Demand for medium density housing is anticipated to grow over the period of the Housing Strategy, particularly in the larger settlements of Cowes, Inverloch and Wonthaggi. However, medium density housing remains a secondary market to the primary demand for separate houses and new vacant lots.
- Demand for rental properties is currently exceeding supply and there is a lack of rental properties available.
- Demand for rural living has increased in recent years, resulting in strong price growth for lots around 2ha.

HOUSING DEVELOPMENT ACTIVITY

Over the past 5 years, Bass Coast has experienced an average of 648 dwelling approvals per annum. Approvals rates have been higher since the commencement of the COVID pandemic and residential development activity has been strongest in the major towns of Cowes, Wonthaggi, Inverloch and San Remo, with recent increases observed in Wonthaggi and San Remo.

Residential development activity in Bass Coast is heavily weighted towards greenfield housing at conventional densities in the General Residential Zone, however many established areas are also experiencing infill development in 2-5 lot subdivisions. Although infill and medium density housing makes up a small proportion of the development activity in Bass Coast (approximately 3%), several recent and proposed apartment developments are emerging in locations such as Cowes and San Remo.

When developments have occurred in the RLZ and LDRZ in recent years, lots have sold quickly and prices have increased strongly, indicating that development activity in these zones may not be keeping pace with demand.

Property sector consultees identified that land supply constraints in some areas and long planning timeframes are likely to have limited development activity to some extent, and that in the short term at least, there is likely to be a degree of latent demand for new residential lots in parts of the municipality.

HOUSING NEEDS

Over the next 15 years, projections indicate that between 534 – 656 additional dwellings will be required per year, resulting in the need for approximately 10,000 additional dwellings in the Shire by 2036.

The mainland areas are projected to accommodate the majority of population and dwelling growth over the period, with substantial growth projected in Wonthaggi, Inverloch and Waterline townships.

78% of the additional households over the next 15 years are projected to have either 1 or 2 residents. This will generate demand for smaller dwellings, however many of these household types currently occupy separate dwellings which is common of a coastal setting where retirees and semi-retirees are prominent.

With an overall shortage of rental housing, weakening housing affordability across the Shire and substantial public sector investment in Wonthaggi (especially healthcare), the Housing Strategy should plan for Wonthaggi to play an important role in providing a range of housing products, lot sizes and tenure types for permanent residents, while acknowledging that a large proportion of the housing market in Bass Coast seeks alternative coastal and lifestyle locations.

The market for medium density housing in Bass Coast is expected to increase over time - this housing type will serve a range of segments including downsizers, investors and holiday rentals. Strong price growth of separate dwellings is expected to also increase the feasibility of medium density development over the planning period.

Based on development activity, demand for new dwellings in rural areas can be expected to comprise between 5% and 10% of new dwellings. Lots in the order of 0.2ha and 2ha are in high demand.

Bass Coast's coastal environment and proximity to Melbourne suggests that the holiday home and investment market will continue to be prevalent, especially given the substantial population growth which continues to occur in the main market for holiday home buyers: metropolitan Melbourne.

RESIDENTIAL LAND SUPPLY

An analysis of the availability of residential land to accommodate additional housing is provided in Part C of this report. Land which is most readily converted into new housing stock is broadhectare land included in a residential zone. Single vacant house lots are also dispersed throughout the municipality and add to potential to accommodate new housing.

Table 1 summarises the estimated capacity of zoned land (broadhectare and vacant single lots) to accommodate additional housing, alongside the estimated rate of demand for new separate houses in each main area of the Shire. The key findings are as follows:

- In aggregate, current land supply could accommodate demand for approximately 8 – 11 years if the locations and housing types were well matched to demand.
- There is variation in the land supply available by location across the municipality relative to demand. Once the Wonthaggi North East PSP is finalised, Wonthaggi is estimated to have in excess of 38 years of land supply, while some parts of the municipality such as Cowes, Phillip Island overall and Inverloch are likely to have less than 10 years of supply available.
- Once the Wonthaggi North East PSP is finalised, the market segment seeking regional centre housing will be well catered for if this new land can be efficiently and cost effectively brought to the market by developers. It is important that a variety of housing types are delivered in Wonthaggi.
- The holiday home market is likely to see declining availability of opportunities to construct new dwellings in coastal locations given the relatively low supply in popular locations such as Inverloch and Cowes. This is likely to manifest in strong competition for existing dwellings (and associated price growth) and some transfer of demand to smaller towns in Bass Coast and adjacent coastal locations.
- The market for low density and rural living housing and property is relatively poorly supplied. Without further opportunities for dwelling growth in the LDRZ and RLZ, this market will have relatively few options remaining.

T1. COMPARISON OF DEMAND AND SUPPLY FOR KEY LOCATIONS (SEPARATE DWELLINGS)

Location	Capacity of Zoned Residential Land	Separate Dwelling Demand Rate		Years Supply	
		Low	High	Low demand	High demand
Cowes	916	135	135	6.8	6.8
Other Phillip Island	360	61	61	5.9	5.9
Phillip Island sub-total	1,276	195	195	6.5	6.5
Wonthaggi	1,305	85	119	15.3	11.0
Inverloch	795	68	95	11.6	8.4
San Remo	522	31	43	16.7	12.0
Waterline	799	57	79	14.0	10.1
Other mainland	352	43	59	8.3	5.9
Mainland sub-total	3,773	284	395	13.3	9.5
<i>Mainland sub-total excluding Wonthaggi</i>	<i>2,468</i>	<i>199</i>	<i>277</i>	<i>12.4</i>	<i>8.9</i>
Total	5,049	480	590	10.5	8.6

Source: Urban Enterprise.

INFILL DEVELOPMENT

An assessment of the capacity of existing zoned and occupied land to accommodate more intensive residential development and higher densities is provided in Part C of this report.

Infill development is often not considered in detail as part of residential land demand and supply assessments in areas where demand is primarily for separate housing, however as several towns in Bass Coast approach their policy and environmental boundaries, it is expected that infill will need to play an increasingly important role in housing the Bass Coast community over the period of the Housing Strategy.

The following summarises the key findings of the infill capacity assessment:

- Infill development capacity is estimated at approximately 12,000 additional dwellings in established areas, 40% of which is on Phillip Island and 60% on the Mainland. Locations with the greatest capacity are Cowes, Wonthaggi, Grantville, Inverloch and San Remo.
- There is limited capacity for infill development in the RLZ, but relatively substantial capacity for re-subdivision in the LDRZ across several towns.
- 11% of infill capacity is within the 4 main activity centres of Cowes, Inverloch, San Remo and Wonthaggi, with the greatest capacity in Cowes where planning controls .
- In the activity centres of Inverloch and Wonthaggi (and to a lesser extent, San Remo), there are relatively few sites that are clearly suitable for higher density development, based on the site size profile and value of existing improvements. This is likely to reduce the contribution of these activity centres to the overall additional dwelling supply in coming years.
- As broadhectare land becomes more scarce in many towns, it is likely that medium density demand and development will increase due to higher overall dwelling prices and fewer separate dwelling alternatives.
- Infill development can assist in increasing the diversity of housing available within the municipality, especially in terms of tenure and size. The resulting dwellings can meet a range of markets, especially permanent rental tenants, downsizers, holiday rentals, couples and singles.
- Although infill will have an increasingly important role to play in housing supply over the planning period, this type of development can be relatively slow to deliver (compared with broadhectare development), will only meet the needs of certain market segments and can create other challenges to do with infrastructure and character which need to be managed.

SUMMARY OF ISSUES

The main issues arising from the analysis are summarised in Table 2 - further detail is provided in Part D.

T2. SUMMARY OF ISSUES

Demand issues	Supply issues
There is increasing demand for housing in Bass Coast, especially from permanent residents.	The Housing Strategy will need to plan to accommodate increasing overall dwelling demand levels.
Residential development has accelerated and is heavily weighted toward separate housing.	A greater diversity of dwelling types and tenures is needed to meet demographic changes and market needs.
Rental availability is very limited , resulting in some residents leaving the municipality and challenges for businesses to access local labour.	There is an overall misalignment of locations of supply and demand, requiring consideration of how to maintain a suitable supply of coastal housing and lower density residential opportunities.
Housing affordability has declined substantially and is expected to remain under pressure during the Strategy period.	Although there is substantial capacity for infill development, inconsistent planning policy, limited spatial extent of activity centres and a relative lack of strategic redevelopment sites may limit the extent to which this capacity is realised.
A substantial proportion of the housing stock is used by visitors, not permanent residents.	There is a need to balance the availability of existing and new housing supply for use by both residents and visitors. A range of tools are available to respond to this issue.

Source: Urban Enterprise.

1. INTRODUCTION

1.1. BACKGROUND

Bass Coast Shire is one of the fastest growing municipalities in Regional Victoria, driven primarily by internal migration owing to a combination of the area's lifestyle, location, access and natural environmental attributes.

Bass Coast Shire Council (**Council**) acknowledges the municipality's sustained period of growth and has recognised a need for a clear set of strategies to effectively manage future housing provision across the Shire.

Alongside population and dwelling growth pressures, a major planning policy study led by the Department of Environment, Land, Water and Planning (**DELWP**) is well underway. The Bass Coast Distinctive Areas and Landscapes (**DAL**) Statement of Planning Policy will provide guidance for settlement planning within the municipality and seeks to balance development pressures with protecting environmental and significant landscapes.

Separate to the DAL process, Council is preparing a Shire-wide Housing Strategy and Neighbourhood Character Study.

1.2. ENGAGEMENT

Bass Coast Shire engaged Urban Enterprise to undertake a housing market assessment and residential demand and supply assessment for the municipality. This work will inform the preparation of a Housing Strategy and Neighbourhood Character Study.

1.3. PURPOSE & SCOPE

The purpose of this report is to provide an assessment of the supply and demand for residential land in all settlements included in the municipal Settlement Hierarchy detailed in Clause 02.03 of the Bass Coast Planning Scheme.

The scope of this study includes the following:

- Outline and examine the key economic and demographic drivers for housing in Bass Coast.
- Identify needs and requirements to support future growth and investment in the housing sector to ensure Council can maintain adequate supply over the next 20 years to meet the diverse needs of the community.
- Consider the viewpoints and concerns of key stakeholders both internal and external to Council, especially those associated with the planning and delivery of housing.
- Identify and assess the issues and opportunities that exist for housing in Bass Coast.
- Quantify the consumption of residential land and identify trends.
- Assist Council to collect relevant data that will inform future supply and demand assessments.
- Provide a methodology and evidence base for residential land supply and demand in Bass Coast to inform the Housing Strategy, including accounting for vacant residential lots and the role, quantum, trends and opportunities associated with the holiday home market.
- An analysis of the supply and demand for rural residential land in the municipality.

1.4. STRUCTURE

The sections of this Study are summarised below.

- **Part A** provides context for the analysis, including current settlement policy, demographic and economic conditions and trends and a profile of the existing housing stock.
- **Part B** provides an assessment housing demand, including population growth, property market conditions and residential development activity.
- **Part C** provides an analysis of the availability and capacity of residential land to accommodate additional housing over the planning period, including both broadhectare land and infill capacity. The section then compares demand and supply, having regard to key market segments and locations of land supply/demand.
- **Part D** includes a discussion of issues arising from the analysis.

PART A. CONTEXT

2. SETTLEMENT AND POLICY CONTEXT

2.1. OVERVIEW

This section provides an overview of Bass Coast's existing settlement network and hierarchy in regard to strategic planning policy at the local, regional and state level.

An overview and description of the housing role of Bass Coast's settlements provides context for location, development setting and future growth role.

2.2. KEY POINTS

- Bass Coast Shire has long been a popular tourist and holiday home destination and is now one of several peri-urban municipalities in Victoria that are attracting strong demand for housing from permanent residents.
- Bass Coast's network of settlements include a range of coastal and agricultural villages and hamlets, larger towns and one regional centre (Wonthaggi).
- The Statement of Planning Policy prepared by DELWP as part of the Bass Coast Distinctive Areas and Landscapes project, once finalised, will influence the location and type of residential development which can be accommodated in the municipality due to the proposed introduction of protected settlement boundaries.
- Relevant strategic directions and priorities for housing and growth in Bass Coast Shire at the local, regional and state level are as follows:
 - Support the role of peri-urban municipalities to accommodate population and housing growth but manage the impact on landscape and areas of environmental significance.
 - Strengthen the sub-regional network of Wonthaggi (regional centre), Cape Paterson and Inverloch (secondary centres) through integrated planning and service delivery.
 - Encourage and facilitate opportunities for major scale development in Regional Centres and Growth Centres, including Wonthaggi.
 - Support a greater diversity of housing to reflect changing demographics.
 - Support the provision of affordable housing.
 - Support increased housing densities close to commercial centres and community facilities.
 - Support the provision of rural living and low density residential development in areas already zoned for this purpose.

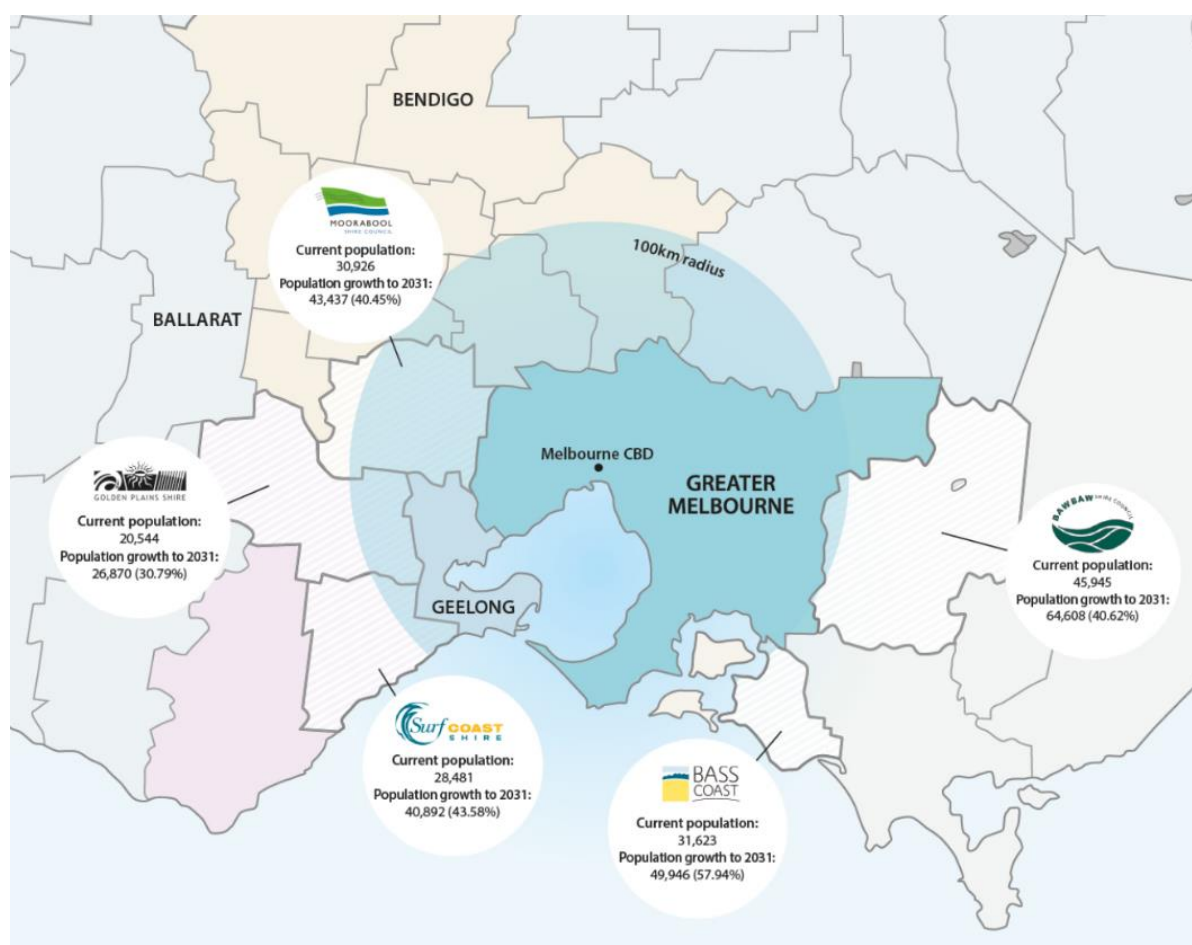
2.3. MUNICIPAL SNAPSHOT

Bass Coast Shire is a peri-urban municipality, with the northern boundary located approximately 100 km from Melbourne (approximately 1.5 hours drive).

Bass Coast Shire has long been a popular tourist and holiday home destination but is one of several peri-urban municipalities in Victoria that are increasingly attracting more permanent residents. Victoria's sustained period of strong population growth, changing lifestyle preferences, improved transport infrastructure and remote/flexible working arrangements have all combined to strengthen the permanent resident housing role across peri-urban areas.

Figure 1 shows the location of Victoria's municipalities which are part of the Peri-Urban Councils Victoria group.

F1. PERI-URBAN COUNCILS VICTORIA MAP



Source: Peri-Urban Councils Victoria. It is noted that Macedon Ranges Shire and Mitchell Shire are also commonly considered "peri-urban" but are not members of Peri-Urban Councils Victoria.

2.4. LOCAL SETTLEMENT HIERARCHY AND GROWTH ROLE

Bass Coast Shire's network of settlements includes a range of coastal and agricultural villages and hamlets, some larger towns and one regional centre.

Whilst spatial areas and towns in Bass Coast are often differentiated by their location as either on Phillip Island or the mainland, several mainland coastal towns (such as San Remo) are proximate to Phillip Island and have similar location characteristics.

Wonthaggi is the Shire's only Regional Centre. Located on the mainland, Wonthaggi has the largest population, employment and housing base, and serves surrounding settlements, particularly Dalyston, Kilcunda, Cape Paterson and Inverloch (as well as the rural hinterland and parts of neighbouring South Gippsland Shire).

SETTLEMENT HIERARCHY

The Local Planning Policy Framework (LPPF) in the Bass Coast Planning Scheme (Clause 02.03-1-Settlement) outlines the settlement hierarchy and future direction for all towns within Bass Coast.

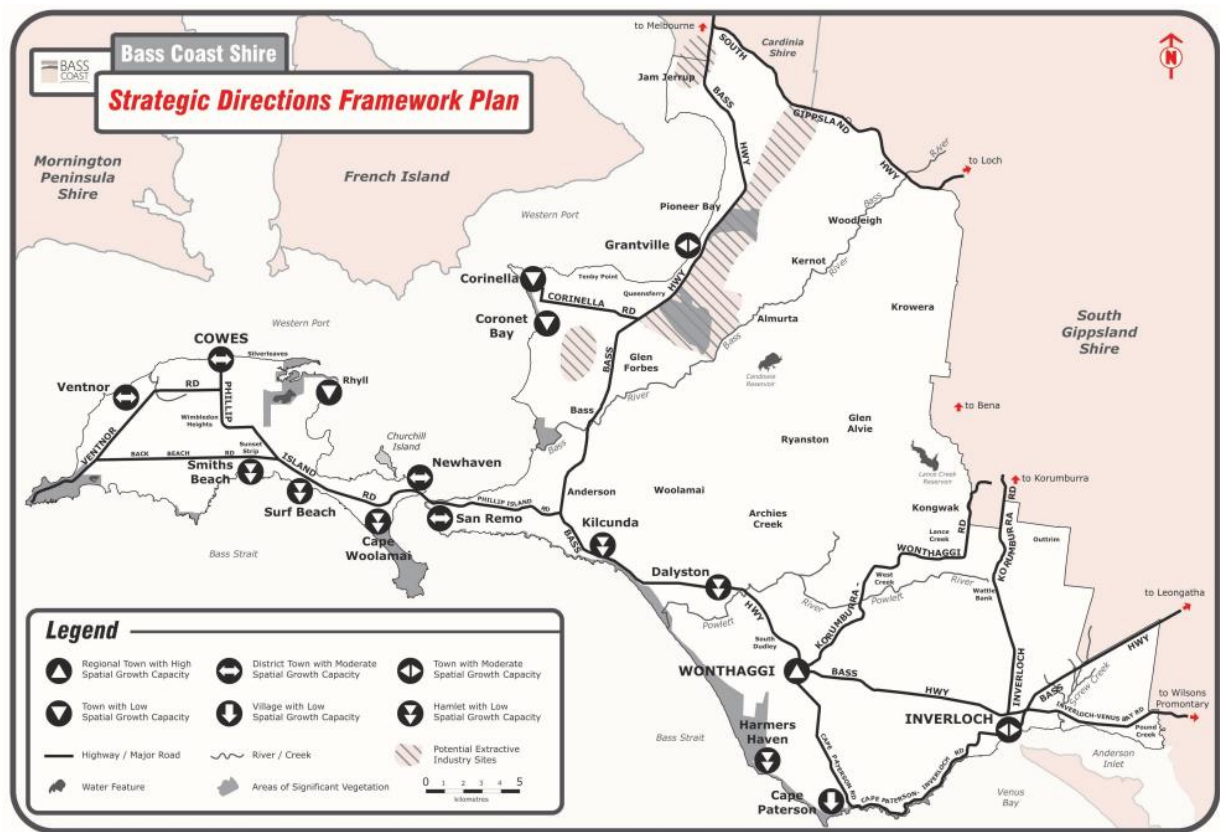
The hierarchy is summarised in Table 3. A Strategic Directions Framework Plan for Bass Coast is included in Clause 02.03 and is reproduced in Figure 2.

T3. SETTLEMENT HIERARCHY, BASS COAST SHIRE

Hierarchy	Settlement	Expansion and Infill Capacity
Regional Centre	Wonthaggi	High growth capacity Potential for large scale residential growth (within settlement boundary)
District Towns	Cowes / Ventnor San Remo / Newhaven	Moderate growth capacity Some potential for growth beyond urban zoned land. Some infill opportunities (within settlement boundaries)
Towns	Grantville Inverloch	Moderate growth capacity Some potential for growth beyond urban zoned land. Some infill opportunities (within settlement boundaries)
	Rhyll Coronet Bay Corinella	Low growth capacity Some potential for growth within existing appropriate zoned land – primarily through infill development (within settlement boundaries)
Villages	Cape Paterson	Low growth capacity Some potential for growth within existing zoned land – primarily through infill development (within settlement boundaries)
Hamlets	Kilcunda Dalyston Smiths Beach Sunset Strip Sunderland Bay Surf Beach Cape Woolamai Tenby Point Harmers Haven Wimbledon Heights Pioneer Bay / The Gurdies Jam Jerrup Bass	Low growth capacity Some potential for growth within existing zoned land – primarily through infill development (within settlement boundaries)

Source: Bass Coast Planning Scheme.

F2. BASS COAST STRATEGIC DIRECTIONS FRAMEWORK PLAN



Source: Bass Coast Planning Scheme.

Clause 02.03 contains the following strategies relevant to this study:

- “Support housing diversity that is reflective of the changing demographic in permanent residents and the needs of non-permanent residents;
- Support the provision of affordable housing;
- Support increased housing densities close to commercial centres and community facilities;
- Support the provision of rural living and low density residential development in areas already zoned for this purpose; and
- Minimise the impact of rural living and low density residential development on the landscape and the environment”.

2.5. STATE AND REGIONAL SETTLEMENT POLICY

2.5.1. PLAN MELBOURNE

Plan Melbourne 2017 to 2050 is the strategic plan for Melbourne and Victoria and provides a series of outcomes and policies to guide settlement and development.

Outcome 7 of Plan Melbourne relates to investment in housing and economic growth of Regional Victoria. Bass Coast Shire is identified as a peri-urban area in Plan Melbourne. Under Policy 7.1.2 *Support planning for growing towns in peri-urban areas*, Wonthaggi is identified as a town with potential for increased housing development.

Peri-urban town development is supported in Plan Melbourne as an affordable and attractive alternative to metropolitan living. However, the plan also recognises the need for strategies to be developed for state and local infrastructure requirements to support this growth. The plan identifies that growth boundaries should be established for each town to avoid urban sprawl and protect agricultural land and environmental assets. Moreover, development must retain the existing the local character, attractiveness and amenity.

2.5.2. GIPPSLAND REGIONAL GROWTH PLAN

The Gippsland Regional Growth Plan provides direction for future urban growth and development in Gippsland and identifies current and potential drivers of the region's growth.

Overall, the Plan identifies the need to accommodate population growth in the defined growth nodes, which include the regional centre of Wonthaggi. The Plan also seeks to provide greater housing diversity to support growth and population retention.

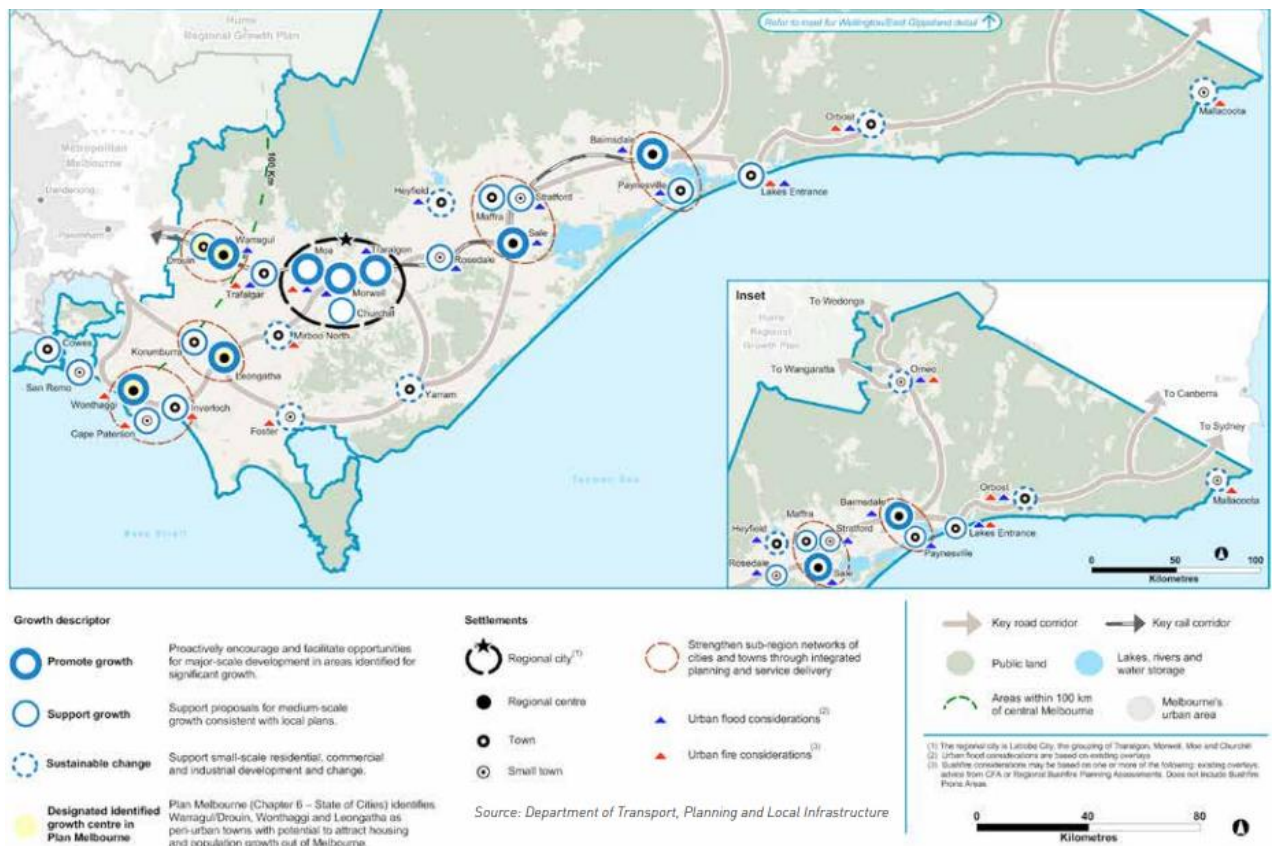
Future directions in the Plan relevant to the study towns include:

- **Strengthen the sub-regional network** of Wonthaggi (regional centre), Cape Paterson and Inverloch (secondary centres), through integrated planning and service delivery;
- **Promote growth** and proactively encourage and facilitate opportunities for major scale development in Regional Centres and Growth Centres, including Wonthaggi; and
- **Support growth** and support proposals for medium scale growth consistent with local plans in Inverloch, Cape Paterson, San Remo and Cowes.

Relevant trends and objectives for urban growth and land use include:

- Accommodating projected population growth within the context of environmental considerations and hazards such as bushfire, coastal inundation and floods;
- Accommodating a projected increase in population from 270,400 in 2011 to 386,000 in 2041;
- Growing the population beyond projected populations. The region's population has the potential to reach 465,000 by 2041 by attracting and retaining more people through improved lifestyle and housing affordability;
- Preparing strategies to increase youth retention and demographic diversity in response to the forecasted increased growth of elderly population groups from 20 per cent to 35 per cent by 2031. Bass Coast has one of the oldest populations in the region; and
- Planning to accommodate projected urban growth within Wonthaggi. It is projected that Wonthaggi will have an additional 2,760 households by 2041.

F3. GIPPSLAND REGION FUTURE DIRECTIONS FOR SETTLEMENT



Source: Gippsland Regional Growth Plan, DELWP, 2014.

2.5.3. BASS COAST DISTINCTIVE AREA AND LANDSCAPES

The Bass Coast Distinctive Area and Landscape Draft Statement of Planning Policy (**Draft Policy**) was prepared by DELWP and published in March 2022.

The Draft Policy recognises Bass Coast as a location of “cultural heritage, outstanding natural beauty and environmental, economic and social significance”. The Draft Policy provides a vision for the future of Bass Coast for the next 50 years.

Table 4 summarises the proposed hierarchy and settlement policy for towns taken from the various sections of the Draft Policy. The Draft Policy proposes changes to the settlement role / categorisation of several towns as well as the introduction of ‘Protected Settlement Boundaries’ to all settlements.

T4. DRAFT STATEMENT OF PLANNING POLICY – SETTLEMENT OVERVIEW

Town	Type	Settlement Policy Comments
Wonthaggi	Regional Centre	“Growth will be accommodated within designated growth areas within the current settlement boundary and the future protected settlement boundary”.
Cowes and Silverleaves	District Town	“Growth will be accommodated by developing vacant residential land within the proposed protected settlement boundary, which will contain Cowes’ growth...”
Inverloch	District Town	“Growth will be accommodated by developing vacant residential land and land to the north-west of the town within the proposed protected settlement boundary. This will contain Inverloch’s growth...”
Newhaven	District Town	“Growth will be accommodated by developing vacant residential land within the proposed protected settlement boundary...”
San Remo	District Town	“Future growth will be contained within the proposed protected settlement boundary. Growth will occur with the development of vacant residential land and greenfield development to the east of San Remo. Development will be sensitively designed to integrate with the regionally significant landscape. Development of land to the east of San Remo will support the establishment of the new Bass Coast College located in this area.”
Grantville	Town	“Growth will be accommodated by developing vacant land within the proposed protected settlement boundary, which will contain Grantville’s growth, prevent further linear development along the Western Port coastline...”
Cape Paterson	Village	“Growth will be accommodated by developing vacant residential land and more substantial greenfield development north of Seaward Drive that will be sensitively designed to integrate with the regionally significant landscape. Cape Paterson’s proposed protected settlement boundary will provide long-term protection for Cape Paterson’s environs while containing its growth within an area close to nearby Wonthaggi’s regional services and facilities.”
Cape Woolamai	Village	“Limited growth will be accommodated within the proposed protected settlement boundary, which will contain Cape Woolamai’s growth.”
Rhyll	Village	“Limited growth will be accommodated by developing vacant residential land within the proposed protected settlement boundary, which will contain Rhyll’s growth.”
Dalyston	Village	“Growth will be accommodated by developing vacant residential land within the proposed protected settlement boundary, which will contain Dalyston’s growth...”
Corinella	Village	“Growth will be accommodated within the proposed protected settlement boundary, which will contain Corinella’s growth.... It will also prevent further linear development along the Western Port coastline.”
Coronet Bay	Village	“Growth will be accommodated within the proposed protected settlement boundary, which will contain Coronet Bay’s growth and prevent further linear development along the Western Port shoreline.”
Kilcunda	Village	“Growth will be accommodated by developing vacant residential land within the proposed protected settlement boundary, which will contain Kilcunda’s growth...”
Smiths Beach, Sunset Strip, Sunderland Bay and Surf Beach	Hamlets	“Limited growth will be accommodated by low-density residential development to the west of Sunset Strip. The proposed protected settlement boundary will contain the four hamlets growth.”
Ventnor	Hamlet	“Limited growth will be accommodated by developing vacant residential land within the proposed protected settlement boundary, which will contain Ventnor’s Growth and provide long-term protection for its environs.”
Bass	Hamlet	“Growth will be accommodated within the proposed protected settlement boundary, which will contain Bass’ growth.... Bass can accommodate some low density residential development within the boundary to the east of the settlement, but it will remain a small settlement”
Harmers Haven	Hamlet	“Harmers Haven will remain a small settlement. Its growth will be limited and will be accommodated within the proposed protected settlement boundary...”
Jam Jerrup	Hamlet	“Growth will be very limited and contained within the proposed protected settlement boundary...Jam Jerrup will remain a small settlement.”
Wimbledon Heights	Hamlet	“Limited growth will be contained within the proposed protected settlement boundary...Wimbledon Heights will remain a small settlement.”
Tenby Point	Hamlet	“Limited growth will be accommodated within the proposed protected settlement boundary, which will contain Tenby Point’s growth and ensure it remains a small settlement,”
Pioneer Bay and The Gurdies	Hamlets	“Limited growth will be contained within the proposed protected settlement boundaries...”

Source: Draft Bass Coast Statement of Planning Policy, DELWP, 2022. Compiled by Urban Enterprise.

3. DEMOGRAPHIC AND ECONOMIC CONTEXT

3.1. INTRODUCTION

Housing markets are directly influenced by demographic and economic characteristics and trends. This section assesses Bass Coast's demographics and economy to identify housing market segments and trends which will influence the type and volume of housing needed in the municipality.

3.2. KEY POINTS

- Bass Coast's settlements are, on average, occupied by older residents compared with Regional Victoria overall.
- The municipal economy is primarily driven by agriculture, tourism and population-services (health, education, retail).
- Labour force participation is relatively low, reflecting the older age profile.
- There has been low jobs growth alongside strong population increases. This is likely to be attributed to an aging population that are exiting the workforce, older cohorts migrating to Bass Coast, and an increasing prevalence of residents commuting to workplaces in other municipalities.
- Strong population and jobs growth in southeast Melbourne, coupled with improved transport connections has led to greater worker flows across the region. More flexible working arrangements for office-based sectors has also provided greater opportunity for remote work.
- The opportunity for Bass Coast Shire to commute to jobs in metropolitan areas is highly attractive to residents. This appeal has strengthened since the beginning of the COVID-19 pandemic.
- Real estate agents and developers have observed increasing housing demand from permanent residents compared with previous periods where holiday home buyers were more prevalent. Permanent residents generally originate from within a 100km radius of Bass Coast, mostly from south-east metropolitan Melbourne.
- Rising interest rates and the resumption of international travel are likely to contribute to an overall reduction in housing demand pressures for coastal areas such as Bass Coast compared with pandemic-period highs, however coastal locations are expected to remain popular housing locations in the medium to long term.

3.3. DATA AREAS AND AVAILABILITY

For the purposes of demographic and housing analysis in this report, Bass Coast's Forecast ID areas have been grouped into the following 'Districts' based on their spatial characteristics:

1. **Phillip Island** – includes the following Districts:
 - Cowes, Ventnor, Silverleaves and Wimbleton Heights;
 - Rhyll, Sunset Beach, Smiths Beach, Sunderland Bay and Surf Beach; and
 - Cape Woolamai and Newhaven.
2. **Mainland** – includes the following Districts:
 - San Remo;
 - Waterline townships (Coronet Bay, Corinella, Grantville, Pioneer Bay, Jam Jerrup);
 - Wonthaggi and Cape Paterson;
 - North Wonthaggi;
 - Inverloch; and
 - Other Coastal and Rural Hinterland (e.g., Kilcunda, Dalyston, Wattle Bank etc.).

Districts are shown in Figure 4. Although these data areas have some limitations in that the boundaries do not align with townships (for example, Cape Paterson and Wonthaggi are located within the same District), grouping areas for this type of assessment enables the main demographic characteristics and trends to be considered spatially.

F4. BASS COAST AND ID AREA BOUNDARIES



Source: Forecast ID, 2022, annotated by Urban Enterprise.

It is also noted that the demographic and housing data primarily relates to the latest ABS Census, which was conducted in 2016, 5-6 years prior to the preparation of this assessment.

Although Census data is an important input to the Housing Strategy, this report draws on a wide range of other recent and up-to-date information sources that inform an understanding of residential demand and supply conditions including dwelling approvals, population growth and projections, property prices, macro-economic conditions, rental market data, holiday rental data, property databases, stakeholder consultation (including with agents, developers etc.) and so on.

Given the breadth of evidence assessed, the analysis and conclusions of the report are considered robust whether 2016 or 2021 Census data is used. Once all relevant Census data has been released (expected in October 2022),

it is recommended that this report is updated to capture new demographic, housing and journey to work information. If available, any updated State government population projections should also be considered at this point.

3.4. DEMOGRAPHIC SNAPSHOT

A snapshot of the population, household and age profile attributes of Bass Coast Shire and settlements are summarised in Table 5.

Whilst the demographic characteristics naturally differ from town to town, the following conditions are fairly uniform across Bass Coast Shire:

- The age profile is weighted towards older cohorts, with a high proportion of empty nesters (60-69 years), seniors (70-84 years).
- The labour force participation rate is lower compared with Regional Victoria and correlates with the older age profile.
- The age profile is generally younger in Wonthaggi, Cape Woolamai, Newhaven. Rhyll, Sunset Beach, Smiths Beach, Sunderland Bay and Surf Beach - with a higher proportion of residents in the labour force.

T5. DEMOGRAPHIC SNAPSHOT

Location	Population (ERP)	Top 3 Service Age Groups	Household type	Labour force participation
Bass Coast Shire	38,825	Empty nesters (60-69) - 17.3% Parents and homebuilders (35-49) - 16.4% Seniors (70-84) - 15.3%	Adult couples 33% Couples with children 27% Lone person 23%	48.8%
Phillip Island				
Cowes, Ventnor, Silverleaves + Wimbledon Heights	7,740	Empty nesters and retirees (60 to 69) - 18.8% Seniors (70-84) - 17.5% Parents and Homebuilders (35-49) - 15.2%	Adult couples 31% Couples with children 16% Lone person 31%	45.3%
Cape Woolamai + Newhaven	2,436	Parents and Homebuilders (35-49) - 20.1% Older workers (50-59) - 16.2% Empty nesters and retirees (60 to 69) - 14.2%	Adult couples 26% Couples with children 25% Lone person 25%	59.2%
Rhyll, Sunset Beach, Smiths Beach, Sunderland Bay + Surf Beach	2,377	Empty nesters (60-69) - 18.4% Parents and Homebuilders (35-49) - 18% Older workers (50-59) - 16.1%	Lone person 29% Adult couples 26% Couples with children 23%	52.9%
Mainland				
Wonthaggi + Cape Paterson	7,233	Seniors (70-84) - 16.7% Empty nesters (60-69) - 16.5% Parents and homebuilders (35-49) - 14.4%	Lone person 38% Adult couples 27% Couples with children 16%	42.9%
North Wonthaggi	3,220	Parents and Homebuilders (35-49) - 16.8% Older workers (50-59) - 13.2% Seniors (70-84) - 13%	Adult couples 26% Couples with children 26% Lone person 25%	53%
Inverloch	6,376	Empty nesters and retirees (60 to 69) - 18.1% Seniors (70-84) - 17.4% Parents and Homebuilders (35-49) - 16.9%	Adult couples 32% Lone person 28% Couples with children 20%	46.6%
San Remo	1,494	Empty nesters (60-69) - 19.2% Seniors (70-84) - 16.7% Parents and homebuilders (35-49) - 14.8%	Adult couples 33% Lone person 31% Couples with children 18%	48.9%
Waterline Townships	4,737	Empty nesters (60-69) - 21.4% Parents and homebuilders (35-49) - 16.2% Seniors (70-84) - 15.8%	Adult couples 31% Lone person 30% Couples with children 16%	47.9%
Other Coastal + Rural Hinterland	3,164	Parents and Homebuilders (35-49) - 20.2% Older workers (50-59) - 16.4% Empty nesters (60-69) - 14.8%	Adult couples 33% Couples with children 27% Lone person 23%	61.9%

Source: Bass Coast Profile Id, derived from Census of population and housing, ABS, 2016

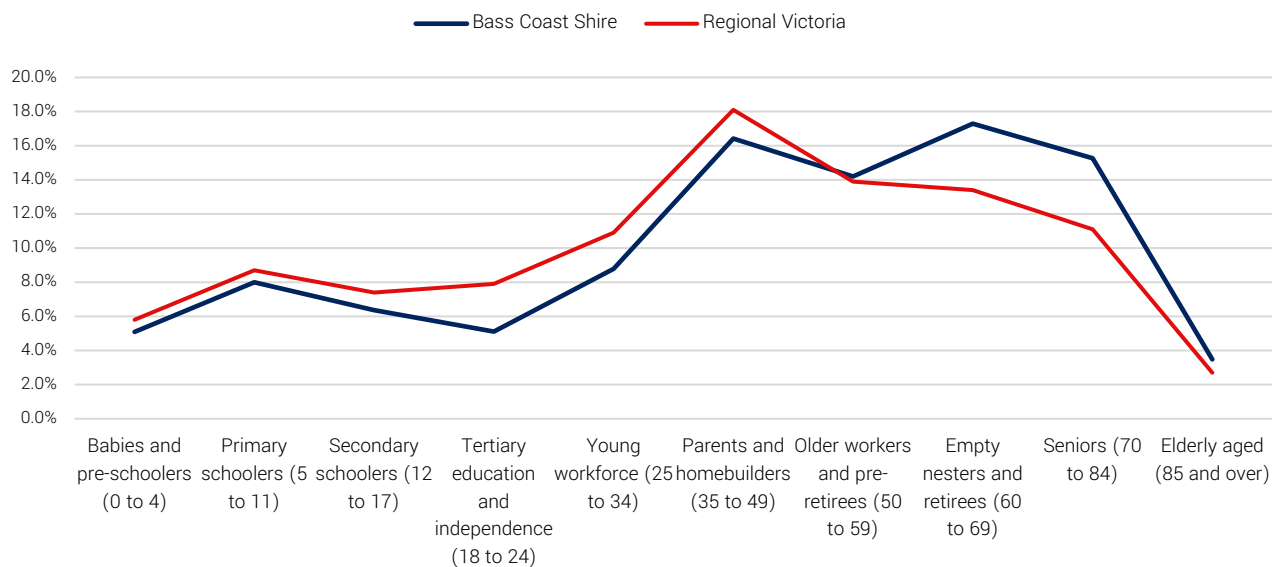
3.5. AGE PROFILE

At the 2016 Census, the median age in Bass Coast was 50 years (46 years in 2011), substantially higher than Victoria (37 years) and Regional Victoria (43 years).

Compared with Regional Victoria, Bass Coast accommodates a higher proportion of empty nesters (60-69 years); Seniors (70-84 years) and elderly residents (85+ years), and a lower proportion of tertiary education and independence aged residents (18-24 years) and primary and secondary schoolers (5-17 years) as shown in Figure 5.

Although the age profile of new residents moving to Bass Coast is likely to be somewhat different to the existing age profile due to more permanent residents relocating to the municipality (this can be analysed in the future taking into account the 2021 Census results), the substantial proportion of older residents likely to remain in the municipality and potentially requiring alternative housing types should be a primary consideration for future strategies.

F5. AGE PROFILE, LIFECYCLE GROUPS, BASS COAST & REGIONAL VICTORIA, 2016



Source: Bass Coast Profile Id, derived from Census of population and housing, ABS, 2016.

3.6. BASS COAST'S ECONOMY AT A GLANCE

Economic activity can directly influence housing markets. In the case of Bass Coast, the location, profile and scale of employment opportunities can impact demand for housing.

The primary drivers of Bass Coast's economy are the agriculture and tourism sectors, and population-related service sectors such as construction, health care and education. Together these industries account for the majority of Bass Coast's economic value, output and jobs as shown in Table 6.

Bass Coast is a popular tourist destination, attributed to the coastal environment, nature and water-based activities and farmgate attractions and experiences. Although tourism is not a specific industry classification according to the Australian New Zealand Standard Industry Classification (ANZSIC), the sector is supported by a mix of activity within the Retail Trade and Accommodation and Food Services sectors which are both in the top 6 sectors of value added and are two of the top 3 sectors of employment in the municipality as shown in Table 6. The Phillip Island and San Remo Visitor Economy Strategy (Bass Coast Shire, 2016) identified Phillip Island and San Remo as the second most dependent community on tourism in Australia, after Central Australia.

As shown in Table 7, Bass Coast attracts more than 2 million visitors and generates more than \$660 million in visitor expenditure per annum. As a comparison, it is noted that visitation to Bass Coast is higher than Surf Coast Shire, which is located a similar distance from Melbourne, forms part of the Great Ocean Road region, and includes the coastal townships of Torquay, Anglesea, Aireys Inlet and Lorne.

T6. TOP 10 INDUSTRY SECTORS, VALUE-ADDED, OUTPUT & JOBS, BASS COAST

ANZSIC Industry Sector	Value Added (\$m)		Output (\$m)		Jobs	
Rental, Hiring & Real Estate Services	307.72	20%	435.78	13.3%	199	2.0%
Construction	172.65	11%	611.85	18.7%	888	9.0%
Health Care & Social Assistance	143.87	9%	206.61	6.3%	1,442	14.7%
Retail Trade	105.38	7%	177.22	5.4%	1,441	14.6%
Agriculture, Forestry & Fishing	87.88	6%	217.49	6.6%	605	6.1%
Accommodation & Food Services	84.96	6%	224.61	6.9%	1,225	12.4%
Public Administration & Safety	77.03	5%	124.67	3.8%	462	4.7%
Education & Training	74.10	5%	101.14	3.1%	723	7.3%
Electricity, Gas, Water & Waste Services	71.24	5%	129.88	4.0%	173	1.8%
Financial & Insurance Services	62.93	4%	93.05	2.8%	121	1.2%
Total (All industry sectors)	1,541.97		3,275.26		9,842	

Source: Remplan, 2021 and ABS Census, 2016.

T7. AVERAGE ANNUAL VISITATION AND VISITOR EXPENDITURE, BASS COAST & SURF COAST

Visitor Type	Number of Visitors		Visitor Expenditure	
	Bass Coast	Surf Coast	Bass Coast	Surf Coast
Domestic Day trips	1,247,129	1,127,486	\$116.78 m	\$101.77 m
Domestic Overnight trips	829,207	816,288	\$406.78 m	\$436.55 m
International trips	36,368	33,555	\$137.26 m	\$436.55 m
Total	2,112,705	1,977,329	\$660.80 m	\$974.87 m

Source: Domestic & International Visitation, National & International Visitor Survey, Bass Coast & Surf Coast Shire, Tourism Research Australia, 2012-2021 (calendar years).

3.7. EMPLOYMENT PROFILE

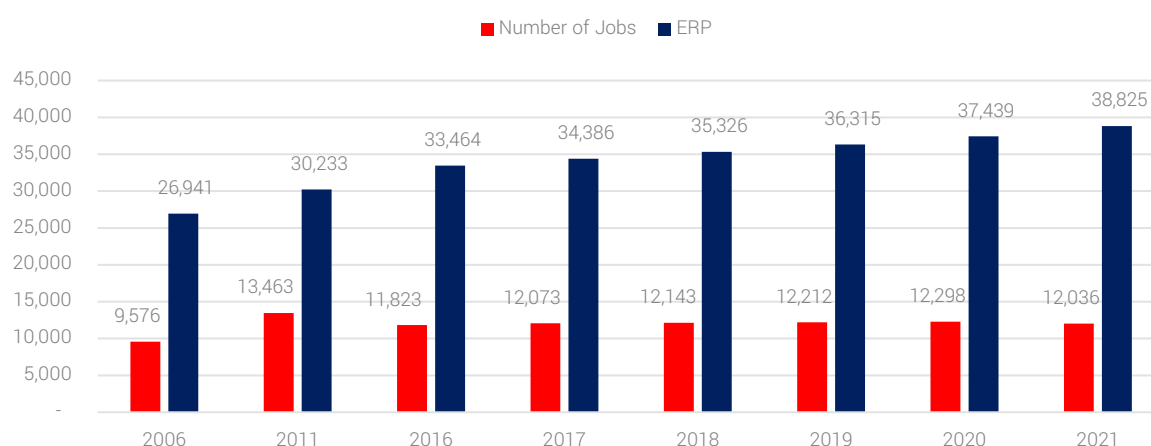
Employment indicators are useful to understand the profile of the local labour force and provides supplementary information for the market characteristics of residents, including location of work, skills and income circumstances.

At the last census, Bass Coast had a labour force participation rate of 49%, substantially lower than Regional Victoria overall (56%).

In 2021, there were approximately 12,000 local jobs in Bass Coast. Since 2017, the number of jobs has remained stable despite strong population growth occurring during the period. This could be a result of one or a combination of factors, including:

- An ageing population, with many residents exiting the workforce;
- Migration being weighted towards older cohorts (e.g., retirees and seniors);
- A lack of local employment opportunities; and/or
- High incidence of new residents commuting to jobs outside Bass Coast.

F6. LOCAL EMPLOYMENT, BASS COAST



Source: Bass Coast Economy ID profile, 2021.

JOURNEY TO WORK

Bass Coast's job containment rate in 2016 was 83% - in other words, 83% of employed Bass Coast residents work within the Shire. This containment rate is higher than Surf Coast Shire (68%) and Moorabool Shire (66%), but comparable to Baw Baw Shire (80%).

Of the workers who travelled outside Bass Coast for employment (~17%), 44% travelled to South Gippsland and 36% travelled to Melbourne's southeastern suburbs (Cardinia, Casey, Greater Dandenong, Monash, Frankston and Mornington Peninsula).

The southeast metropolitan region has recorded rapid and substantial population, dwelling and jobs growth over the past 20 years. This level of growth, coupled with improved transport connections has led to greater worker flows across the region. Further, more flexible working arrangements for office-based sectors provides opportunities to work remotely (i.e., from home) and commute less frequently / regularly.

Consultation with local estate agents and developers indicated that permanent resident buyers are now mostly attracted from locations within a 100km radius of Bass Coast in the southeast metropolitan area.

The commutability of Bass Coast Shire to metropolitan areas is a highly attractive characteristic of the local housing market, and its favourability and appeal to the market has strengthened since the beginning of the COVID-19 pandemic.

3.8. MAJOR PUBLIC SECTOR PROJECTS

Several major public sector projects are currently planned or underway in parts of Bass Coast which are expected to generate employment opportunities and liveability improvements and could influence housing demand.

The majority of proposed investment is concentrated in Wonthaggi and Cowes. Of particular note is the \$115 million Wonthaggi Hospital Expansion which will substantially increase patient capacity through new care and treatment facilities. The investment will likely lead to growth in health care employment and subsequent housing demand.

The northeast growth corridor of Wonthaggi is currently undergoing a Precinct Structure Plan (PSP) process. Whilst development is underway in parts of the growth corridor, the majority of the PSP area remains vacant and undeveloped. At full-development, the PSP area is estimated to accommodate around 5,000 homes, 12,000 residents and 1,700 jobs.

T8. MAJOR INFRASTRUCTURE AND INVESTMENT PROJECTS

Project	Sector	Details	Investment	Status	Timing
Wonthaggi Hospital expansion	Health.	<ul style="list-style-type: none"> - 26,000 extra patients treated - 3 new operating theatres and a procedure room - 18 extra treatment spaces - 32-bed new inpatient ward 	\$115m in State Government funding	In progress	Expected to be complete in early 2023
Wonthaggi North East PSP	Planning	<ul style="list-style-type: none"> - 633 hectares precinct - Approx. 5,000 homes - Approx. 12,000 residents - Approx. 1657 jobs 	Unavailable	Draft PSP released.	Construction over the next 30-40 years
12 new Business Fibre Zones (NBN)	Infrastructure.	Broadband service upgrades: <ul style="list-style-type: none"> - Two zones will cover Wonthaggi, Inverloch, Cape Paterson, Grantville, Corinella and Coronet Bay and Cowes - Zones are designed to reduce the cost gap between regional towns and metro areas for business broadband services. 	\$73m in State Government funding (for whole project)	In progress	Expected to be completed Sept, 2022
Cowes Cultural and Community Centre (Incl. Phillip Island Library)	Community & recreation.	<ul style="list-style-type: none"> - Will seek to encourage a range of community activities and events. - Home to the new Phillip Island Library. 	\$18.3m in State Govt. funding	In progress	Expected to be completed Mar, 2023

Source: Various sources, desktop research, Urban Enterprise 2021.

3.9. ECONOMIC CONDITIONS INFLUENCING HOUSING MARKETS

Macroeconomic conditions influence local housing markets in many ways, usually underpinned by fiscal conditions, and the strength and outlook for the economy.

An overview of economic conditions and considerations for the housing market are discussed below.

Fiscal conditions

Whilst the Reserve Bank of Australia had previously noted that very low interest rates would endure until 2024, a series of recurring rate rises have occurred between May 2022 and July 2022 on the back of inflationary pressures felt across Australia. The current interest rate in Australia is 1.3% (July 2022), and several major banks project that rates will reach in the order of 2%-3% in 2022.

Rising interest rates may result in a cooling of the state's housing market on the back of the increasing costs of debt. This could flow through to a reduction in housing market participation, property prices and development activity in Bass Coast Shire in the short term.

Macroeconomic outlook

Victoria's economy is rebounding strongly from the COVID-19 pandemic, with unemployment at record lows (3.5% June 2022). The competitive job market is placing upward pressure on wages but has not yet translated to a substantial rise in the Wage Price Index (WPI). So, whilst wages are increasing, they are not increasing in-line with inflation – meaning that available funds for discretionary spending could be lower, as household expenditure will largely be directed to cost of living (e.g., housing, food, energy etc.).

There are some signs that Victoria's housing market is in the early phase of a downturn, owed to a combination of stretched housing affordability and fiscal conditions. The overall slowdown in the housing market may lead to the following implications:¹

- Housing demand is likely to be deflected towards more affordable price points, including higher density stock due to affordability constraints.
- Affordability constraints and few stimulus measures and incentives have caused a drop in first home buyer participation.
- The number of advertised sales listings is beginning to normalise in metropolitan Melbourne but remains very low in regional Victoria.
- Rental supply and vacancy rates remain at record lows, causing upward pressure on rents. Rental market conditions are extremely tight.
- Investors could become more active in the market over the next 12-24 months alongside a slowdown in owner-occupier demand.

Recent construction material cost increases, supply chain disruptions and labour shortages have resulted in strong increases to construction costs and prices. This will impact new house builds, multi-unit developments and renovations and is likely to offset any reductions in overall housing prices for some housing types.

Domestic and international travel

Victoria's holiday home market experienced strong demand conditions in 2020 and 2021, with international and state border closures restricting international and domestic travel. For higher income households, this resulted in higher rates of intrastate travel, and international travel expenditure being redirected elsewhere. These conditions encouraged demand for holiday home and other investment purchases, including in areas such as Bass Coast.

International borders re-opened early in 2022 and overseas travel has now resumed, meaning that expenditure could again be redirected outside of the state. This may reduce demand in the holiday home market momentarily,

¹ Housing Market Update for UDIA, CoreLogic, May 2022

however Bass Coast's coastal environment and proximity to Melbourne suggests that the holiday home and investment market will continue to be prevalent.

4. HOUSING STOCK PROFILE

4.1. OVERVIEW

This section profiles current housing stock in Bass Coast Shire, including dwelling typologies, occupancy, tenure, household types and sizes.

4.2. KEY POINTS

- The housing stock in Bass Coast is relatively homogenous and primarily comprises separate dwellings. Medium density housing makes up less than 10% of the housing stock.
- Bass Coast has a lower average household size compared with Regional Victoria, reflecting the high proportion of single and couple households (and older residents).
- The substantial supply of separate dwellings contrasts with the predominantly smaller household types (one and two persons), an issue which the housing strategy should investigate.
- The rental market comprises approximately 24% of the occupied dwelling stock, however the number of active rental bonds has remained relatively stable since 2015 despite strong overall dwelling growth. The median rent has increased strongly at an average rate of 7% per annum. The combination of strong rental price growth and limited stock growth indicates, in broad terms, that demand comfortably exceeds supply, an issue which the housing strategy should investigate.
- Unoccupied dwellings are a feature of the housing stock with only 56% of dwellings occupied at the 2016 Census. Occupancy levels are particularly low in Phillip Island (37-45%), Inverloch (55%) and San Remo (60%).
- It is estimated that more than one-third of the existing housing stock in 2016 was used primarily to accommodate non-residents, including holiday homes and holiday rentals. The number of active listings for holiday rentals (including AirBnB) increased by 9% per annum from 2018 to 2021.
- Rural areas play a minor but important housing role in Bass Coast, particularly in and around Wonthaggi, San Remo, Cowes and Coronet Bay. Low density and rural living area across Bass Coast are very well occupied and accommodate more than 700 dwellings (3% of the overall dwelling stock).

4.3. DWELLINGS, OCCUPANCY & TENURE

In 2016, there were approximately 25,800 dwellings in the municipality.

The following observations are relevant to dwellings, occupancy and tenure:

- 56% of dwellings were located on the mainland, including 20% in Wonthaggi / Cape Paterson, and 17% in Inverloch;
- 44% of dwellings were located on Phillip Island, including 27% in the Cowes, Silverleaves and Ventnor District.
- Dwelling occupancy is around 56% in Bass Coast Shire, with an average of 40% of private dwellings occupied on Phillip Island and 70% of private dwellings occupied on the mainland. This demonstrates that a substantial proportion of dwellings on Phillip Island are unoccupied (60%) and used for holiday homes or holiday rental purposes.
- Approximately two-thirds (67%) of occupied dwellings in Bass Coast are owner-occupied and 24% are rented. The highest proportion of rental occupancy is located in the larger settlements of Wonthaggi, Cowes and San Remo.

T9. DWELLING SUMMARY, BASS COAST SHIRE & DISTRICTS

Location	Dwellings		Occupancy Rate*	Tenure of occupied dwellings	
				Owner Occupied	Rented
Phillip Island					
Cowes, Ventnor, Silverleaves and Wimbledon Heights	6,932	27%	39%	65%	26%
Cape Woolamai and Newhaven	2,009	8%	45%	71%	21%
Rhyll, Sunset Beach, Smiths Beach, Sunderland Bay and Surf Beach	2,311	9%	37%	71%	20%
Mainland					
Inverloch	4,305	17%	55%	69%	23%
North Wonthaggi	1,243	5%	89%	71%	21%
Other Coastal and Rural Hinterland	1,390	5%	78%	76%	17%
San Remo	924	4%	60%	67%	26%
Waterline Townships	2,753	11%	66%	70%	20%
Wonthaggi and Cape Paterson	3,921	15%	74%	60%	30%
Bass Coast Shire	25,817	100%	56%	67%	24%

Source: Dwelling, occupancy and tenures, Profile id, derived from Census of Population and Housing, ABS, 2016. *Occupancy rate refers to the proportion of total private dwellings that were occupied on census night. Colours show blue (highest) to red (lowest) proportions by column. Balance of tenure proportion relates to "other tenure type" (such as life tenure schemes and dwellings occupied rent free) and tenure "not stated".

4.4. DWELLING AND HOUSEHOLD TYPOLOGIES

The following observations have been derived from an assessment of dwelling and household typologies and sizes with data shown in Table 10 and Table 11:

- The housing stock in Bass Coast is mostly homogenous, with 91% of dwellings classified as separate houses in 2016.
- Medium density housing types (i.e., townhouses, unit, apartments) make up a very small proportion of total stock (7%).
- The average household size in Bass Coast in 2016 was 2.17 people, reflecting the high proportion of single person and adult couple households.
- A substantial proportion of housing in North Wonthaggi is occupied by families (40%) – this district has the largest average household size (2.46 people).
- The substantial supply of separate dwellings contrasts with the predominantly smaller household types (one and two persons).

T10. DWELLING TYPES & HOUSEHOLD SIZE SUMMARY, BASS COAST & DISTRICTS

Location	Ave Household Size	Dwelling Type			
		Separate House	Medium Density	High Density	Caravans, Cabin, Houseboat
Phillip Island					
Cowes, Ventnor, Silverleaves and Wimbledon Heights	2.11	87%	12%	1%	0%
Cape Woolamai and Newhaven	2.29	96%	3%	0%	0%
Rhyll, Sunset Beach, Smiths Beach, Sunderland Bay and Surf Beach	2.25	100%	0%	0%	0%
Mainland					
Inverloch	2.18	89%	11%	0%	0%
North Wonthaggi	2.46	97%	3%	0%	0%
Other Coastal and Rural Hinterland	2.37	97%	1%	0%	1%
San Remo	2.04	83%	13%	2%	1%
Waterline Townships	2.11	96%	1%	0%	2%
Wonthaggi and Cape Paterson	2.04	90%	6%	0%	4%
Bass Coast Shire	2.17	91%	7%	0%	1%

Source: Dwelling type and household size, Profile id, derived from Census of Population and Housing, ABS, 2016. Colours show blue (highest) to red (lowest) proportions by row.

T11. HOUSEHOLD TYPES, BASS COAST & DISTRICTS

Location	Household Type				
	Lone Person	Adult couples	Couples with children	One parent families	Group household
Phillip Island					
Cowes, Ventnor, Silverleaves and Wimbledon Heights	31%	32%	16%	9%	2%
Cape Woolamai and Newhaven	26%	27%	25%	10%	3%
Rhyll, Sunset Beach, Smiths Beach, Sunderland Bay and Surf Beach	29%	26%	23%	10%	2%
Mainland					
Inverloch	29%	32%	20%	8%	2%
North Wonthaggi	25%	26%	26%	14%	3%
Other Coastal and Rural Hinterland	23%	33%	27%	7%	3%
San Remo	32%	34%	18%	6%	3%
Waterline Townships	30%	31%	16%	10%	3%
Wonthaggi and Cape Paterson	38%	24%	16%	10%	2%
Bass Coast Shire	30%	29%	20%	10%	3%

Source: Household types, Profile id, derived from Census of Population and Housing, ABS, 2016. Colours show blue (highest) to red (lowest) proportions by row.

INFORMAL HOUSING

Informal housing typically relates to unstructured accommodation such as caravans, cabins, houseboats or improvised homes (e.g., tents). 1.2% of dwellings in Bass Coast were classified as informal housing in 2016.

T12. INFORMAL/ UNSTRUCTURED HOUSING, 2011 AND 2016

Dwelling Type	2011		2016		Change (2011-16)
Caravans, cabin, houseboat	207	0.9%	264	1%	57
Other	49	0.2%	58	0.2%	9
Sub Total	256	1.1%	322	1.2%	66
Total dwellings, Bass Coast	24,124		25,794		1,670

Source: Household types, Profile id, derived from Census of Population and Housing, ABS, 2016

*Other includes houses and flats attached to shops or offices, and improvised homes, tents and sleepers out on Census night.

During consultation for this project, Council officers noted that many of the municipality's caravan parks, including those managed by Council, accommodate residents on a temporary basis. Council has issued a number of different permits for a range of timeframes (short stays, seasonal or annual) allowing people to install a movable dwelling, caravan, annex, or tent for the length of their permit.

4.5. RENTAL HOUSING

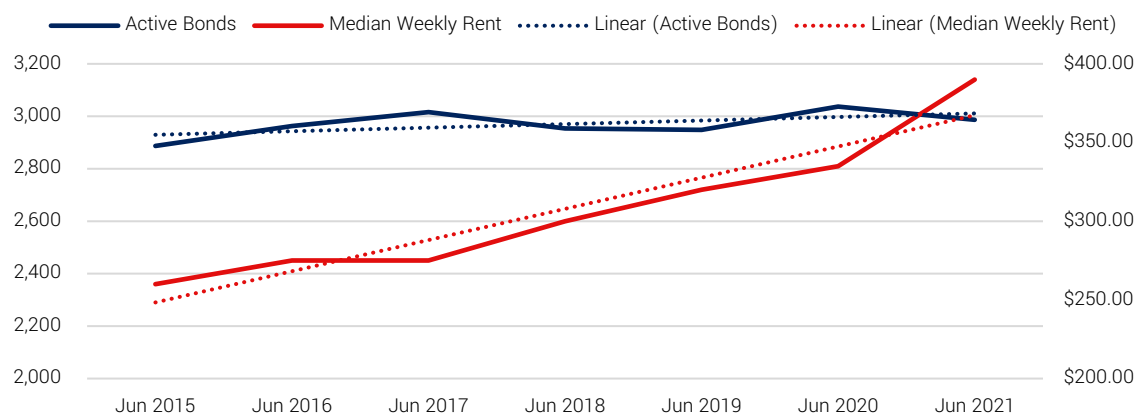
According to the 2016 Census, 24% of occupied dwellings in Bass Coast were categorised as rented (category includes both permanent rentals and holiday rentals). This equates to approximately 3,450 dwellings, or 13% of total dwelling stock across the municipality.

The Homes Victoria Rental Report (Department of Health and Human Services, 2021) identified that there were approximately 3,000 active rental bonds in Bass Coast at the completion of the June quarter 2021. In 2016, the number of properties with rental bonds equated to 11% of the total municipal dwelling stock.

The number of active bonds has remained relatively stable since 2015 with a net increase of only 24 additional rental bonds over the 6 year period. Although the overall number of bonds fluctuates, it is apparent that there has been a lack of growth in permanent rental housing over the past 6 years when compared with the substantial number of overall net additional dwellings construction (see Section 6 for details).

The median rent in Bass Coast is \$390 per week, higher than Regional Victoria (\$360/week). Since 2015, the median rent in Bass Coast has increased strongly at an average rate of 7% per annum. The combination of strong rental price growth and limited stock growth indicates, in broad terms, that demand comfortably exceeds supply, an issue which the housing strategy should investigate.

F7. ACTIVE RENTAL BONDS & MEDIAN RENTS, BASS COAST



Source: Homes Victoria Rental Report, Department of Health and Human Services, June 2021

4.6. HOLIDAY HOMES

Bass Coast is popular holiday destination and settlements (particularly coastal settlements) accommodate a significant number of holiday homes and holiday rentals.

Housing tenure varies over time – this is particularly true for dwellings not permanently occupied. For example, many holiday homes are also used as holiday rentals for certain periods, and holiday homes are often ‘converted’ to permanent residences (often when owners retire).

In the absence of a definitive source of data on the number of properties used as holiday homes, several indicators of the number and location of holiday homes and holiday rentals have been considered as follows.

Unoccupied dwellings

Dwellings which are unoccupied at the Census date are most commonly holiday homes, holiday rentals or vacant permanent rentals. As described earlier in this section, in 2016, 44% of private dwellings were unoccupied (11,423 dwellings). Accounting for a natural level of dwelling vacancy, this method results in an estimate that approximately 9,000 dwellings in 2016 were used for holiday home and holiday rental purposes.

T13. UNOCCUPIED DWELLINGS LIKELY TO BE USED AS HOLIDAY HOMES AND HOLIDAY RENTALS (2016)

Measure	Result
Total Private Dwellings	25,774
Unoccupied Private Dwellings	11,423
Natural vacancy at 10% ¹	2,577
Balance of housing stock likely to be used as holiday homes and holiday rentals	8,846

Source: ABS, Urban Enterprise. 1. Natural vacancy based on 2016 Census occupancy levels in locations primarily inhabited by permanent residents (eg. Greater Melbourne 9% unoccupied, Wonthaggi 11%).

Holiday rental listings

AirDNA collects and publishes aggregated short-stay rental property data for suburbs and municipalities, sourced from active listings across AirBnB, HomeAway and VRBO.

According to AirDNA, in January 2022 there were 2,167 holiday homes categorised as ‘active listings’. More than 800 of these listings were in Cowes and Ventnor, accounting for more than a third (37%) of all active listings.

As shown in Figure 8, the number of active listings increased from 1,544 in August 2018 to 2,092 in July 2021, an increase of 9% per annum over the 3 year period.

F8. AIRDNA ACTIVE LISTINGS, BASS COAST



Source: Active short stay holiday home listings, AirDNA, Jan 2021.

The market share of the listings tracked by AirDNA is not known, and other dwellings will be available as holiday rentals through various holiday rental companies and real estate agents.

One indication of the proportion of holiday homes managed by real estate agents is Council data on holiday home registration compiled as part of a local law relating to Short Stay Accommodation. Although the database only relates to registered holiday homes (a fraction of the total), analysis of the dataset shows that approximately 50% of the registered properties are managed by real estate agents, with the remaining 50% registered by individuals and businesses.

If active listings on AirDNA comprise approximately 50% of the holiday rental market with the remaining properties leased through real estate agents and similar businesses, the overall quantum of holiday rentals would be in the order of 4,000 properties today (and 3,000 properties in 2016, or 12% of the total dwelling stock).

Non-resident ratepayers

Analysis of Bass Coast Shire Council's property rates database found that 74% of residential properties in Bass Coast were owned by individuals or organisations which has a postal address in a different postcode to the dwelling address postcode. This confirms that a high proportion of dwellings in the municipality are not owner-occupied, however it is not possible to use this method to further analyse likely tenure breakdowns.

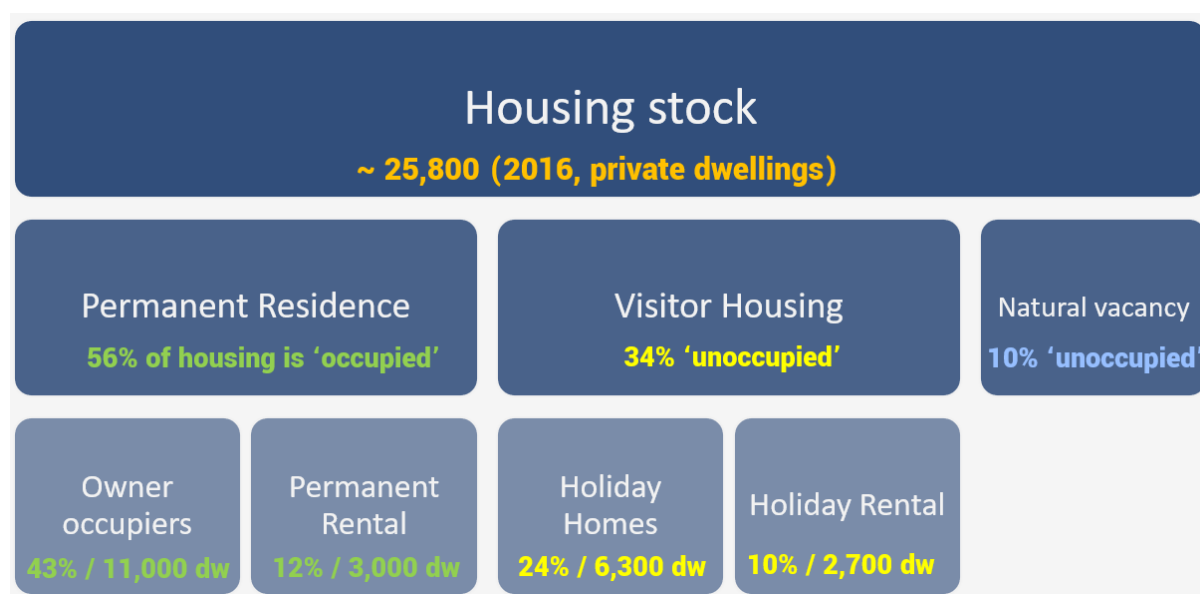
Overall Scale of Holiday Homes and Rentals

Based on the indicators above, it is concluded that in 2016 approximately 34% of dwellings across the municipality (9,000 dwellings) were used for holiday rental or holiday home purposes. Holiday rentals are estimated to comprise at least 30% of this housing stock, with the remaining 70% likely to be used as holiday homes.

Figure 9 depicts the indicative tenure mix between owner occupiers, permanent renters, holiday homes and holiday rentals. This depiction is indicative given the absence of definitive and detailed tenure data; however, it provides a clear indication that a substantial proportion of the Bass Coast housing stock (at least one third) is dedicated to accommodating non-permanent residents.

Ongoing competition for housing from owner occupiers, investors and holiday homeowners, especially in coastal settlements, will result in upward pressure on house and rent prices and is an important consideration for the Housing Strategy.

F9. INDICATIVE HOUSING TENURE MIX, 2016



Source: Urban Enterprise. All numbers rounded. Proportions and dwelling numbers are indicative only due to the absence of detailed data on holiday homes, derivation of proportions from multiple sources and timeframes and the variable nature of housing tenure.

4.7. RURAL AND LOW DENSITY HOUSING

Rural areas play an important housing role across Bass Coast. Several precincts of land in the Low Density Residential Zone and Rural Living Zone accommodate lower density housing options.

In total, there are 711 lots in the LDRZ and RLZ across the municipality that are occupied by a dwelling, equating to approximately 3% of the overall dwelling stock. For the purpose of this assessment, all residential lots across the municipality were classified as either occupied or vacant based on the applicable Australian Valuation Property Classification Code (AVPCC).

Analysis of low density and rural living areas is provided as follows.

LOW DENSITY RESIDENTIAL ZONE

Low density lots across Bass Coast are very well occupied, and the majority of LDRZ lots in Bass Coast are between 0.2 and 1 hectare.

Coronet Bay, Wonthaggi, San Remo and Cowes are the most prominent locations for low density living and include the greatest number of LDRZ lots (approximately two-thirds combined).

T14. LOT COUNT (BY SIZE), LDRZ BY SETTLEMENT, 2021

Town	<2,000 sqm	2,000-4,000 sqm	4,000-10,000 sqm	1-2 ha	2-5 ha	>5 ha	Total	Occupied lots*
Coronet Bay	1	133	5	4	1	1	144	26
Wonthaggi	2	35	85	8	7	1	138	129
San Remo		4	45	50	1		100	87
Cowes	4	15	49	16	6	2	92	80
Grantville	1		28	17	14	1	61	48
Ventnor		8	36	8	3		55	47
Inverloch	2		31				33	24
Corinella		4	8	4	3	1	20	17
Harmers Haven			19				19	9
Bass			13	3			16	10
Sunderland Bay		3	8	1			12	8
Sunset Strip		2	5	1	1		9	8
Silverleaves		1	6	1			8	6
Rhyll				2			2	2
Total	10	205	338	115	36	5	709	501

Source: Property cadastre, Bass Coast Shire Council 2021, compiled and analysed by Urban Enterprise 2022.

RURAL LIVING ZONE

RLZ lots are mostly in rural areas near the towns of Wonthaggi (Wattle Bank), Inverloch, Kilcunda and Woolamai. RLZ lots are very well occupied, with the majority of lots between 1-5 hectares in area.

T15. LOT COUNT (BY SIZE), RLZ BY SETTLEMENT, 2021

Town	<2,000 sqm	2,000-4,000 sqm	4,000-10,000 sqm	1-2 ha	2-5 ha	>5 ha	Total	Occupied
Wattle Bank				25	78	5	108	93
Inverloch	1			36	9	1	47	41
Wonthaggi			16	8			24	24
Kilcunda		2	11	9	1		23	23
The Gurdies	3		13	2	4		22	15
Woolamai	1	7	6				14	14
Total	5	9	46	80	92	6	238	210

Source: Property cadastre, Bass Coast Shire Council 2021, compiled and analysed by Urban Enterprise 2022.

PART B. DEMAND & DEVELOPMENT

5. HOUSING DEMAND

5.1. OVERVIEW

This section provides an assessment of the strength, profile and nature of demand for housing in Bass Coast Shire. Several demand indicators have been assessed, including historical population and dwelling growth, property market conditions (such as sales volumes and median house prices), supplemented by consultation with real estate agents and developers.

5.2. KEY POINTS

- The COVID-19 pandemic has impacted regional migration patterns, with a notable increase in migration from metropolitan to regional areas. This trend is underpinned by remote work capabilities, perceived health and lifestyle benefits of regional areas over urban areas, and ongoing congestion and affordability challenges in metropolitan Melbourne.
- The housing market in Bass Coast has experienced strong demand for housing driven by sustained population growth (due to internal migration), resulting in high sales volumes and price growth.
- The median house price in Bass Coast is now in-line with Greater Geelong (~\$750,000) and is the highest of any peri-urban municipality.
- Cowes and Inverloch are the most in-demand locations in Bass Coast Shire. Other popular townships include San Remo, Cape Woolamai, Wonthaggi and Coronet Bay.
- There has been a noticeable shift towards permanent buyers over holiday home/investment in recent years.
- The buyer profile across Bass Coast is mixed, but primarily consists of:
 - Local buyers - seeking to upsize or downsize;
 - Intrastate migration – primarily residents within a 100km commuter distance (e.g., Casey, Cardinia, Greater Dandenong, South Gippsland); and
 - Investors and lifestyle buyers – primarily holiday home and holiday rentals.
- Intrastate buyers are attracted to the lifestyle characteristics, natural and coastal environment, and proximity/access to metropolitan Melbourne.
- Demand for medium density housing is anticipated to grow, particularly in the larger settlements of Cowes, Inverloch and Wonthaggi. However, medium density housing remains a secondary market to the primary demand for separate houses and house blocks exceeding 500sqm across Bass Coast.
- Demand for rental properties is currently exceeding supply, and there is a lack of rental properties available. As a result, median rents have increased strongly in recent years.
- Demand for rural living properties has increased in recent years, resulting in strong price growth for lots around 2ha.

5.3. RESIDENTIAL MARKET TRENDS, REGIONAL VICTORIA

The impact of the COVID-19 pandemic on housing demand has varied across Victoria. In many regional towns and cities, the pandemic has contributed strongly to intra-state migration from increased movement from metropolitan to regional areas.

This trend is influenced to different degrees by greater opportunities for remote work, perceived health and lifestyle benefits of regional areas, and ongoing congestion and affordability challenges in metropolitan Melbourne.

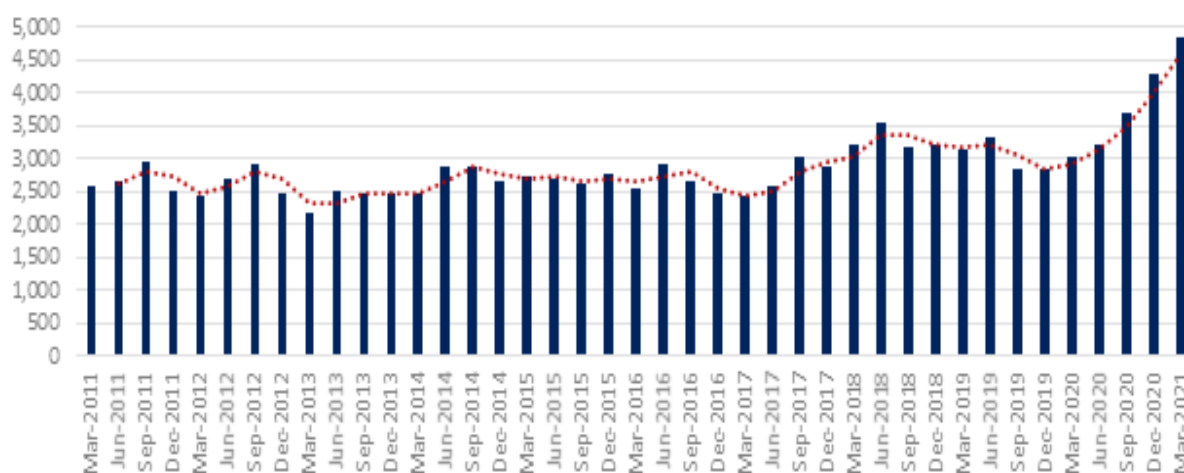
In the year to March 2021 (the first year of the pandemic), more than 16,000 new dwellings were approved for construction in Regional Victoria. When compared with the official government projection (VIF, 2019) for a total of 10,841 new dwellings per annum in the regions (2016 to 2026 average), recent approvals are 48% higher, resulting in considerably greater rates of urban growth and development, population growth and infrastructure requirements (see Figure 10).

Figure 11 and Figure 12 provide further evidence of housing demand growth in Regional Victoria. Between 2017 and 2020, Regional Victoria's population increased by close to 70,000 residents, with annual net internal migration increasing by 45%. Median house prices in regional Victoria also accelerated during the period of increasing migration, providing further evidence of strong market demand for housing.

Throughout 2020 and 2021 during the height of the pandemic in Victoria, interest rates were at record lows (0.1%) and a raft of stimulus measures were introduced by the State Government targeting the housing and construction industry such as the Home Builder Scheme. Market and fiscal conditions during that time are likely to have brought forward demand in some regional areas, but the extent is not yet fully known.

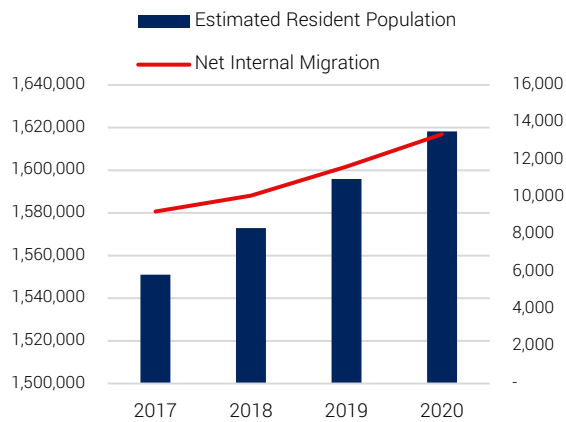
In many regional areas, the initial surge of demand has now begun to subside to some degree. Interest rate increases and relaxing of health restrictions are reducing some of the drivers of the pandemic period regional housing boom.

F10. DWELLING APPROVALS, REGIONAL VICTORIA, MARCH 2011 TO MARCH 2021



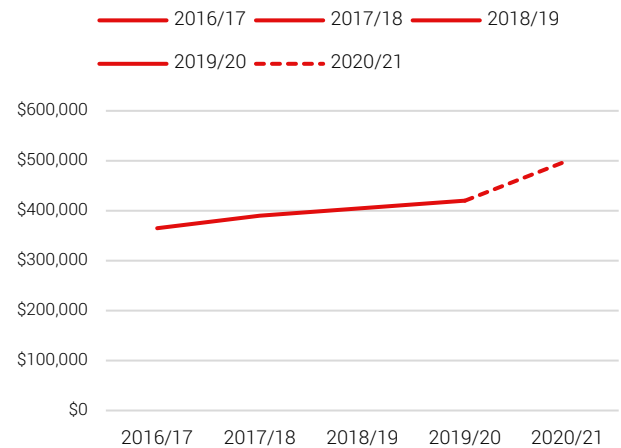
Source: ABS Building Approvals, 2021.

F11. ESTIMATED RESIDENTIAL POPULATION & NET INTERNAL MIGRATION, REGIONAL VICTORIA



Source: ERP, components of population change ABS, 2017-2020.

F12. MEDIAN HOUSE PRICE, REGIONAL VICTORIA



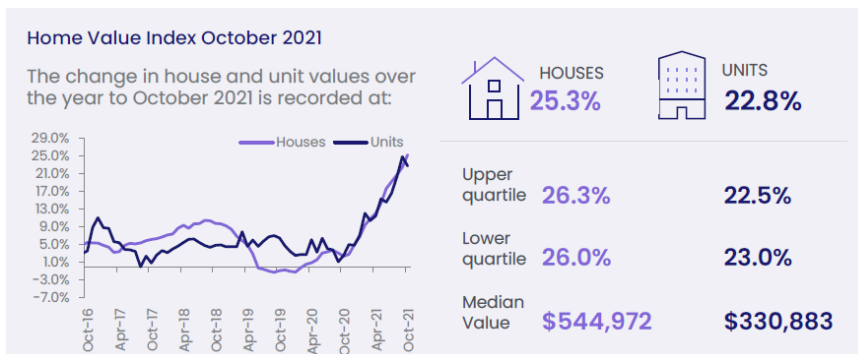
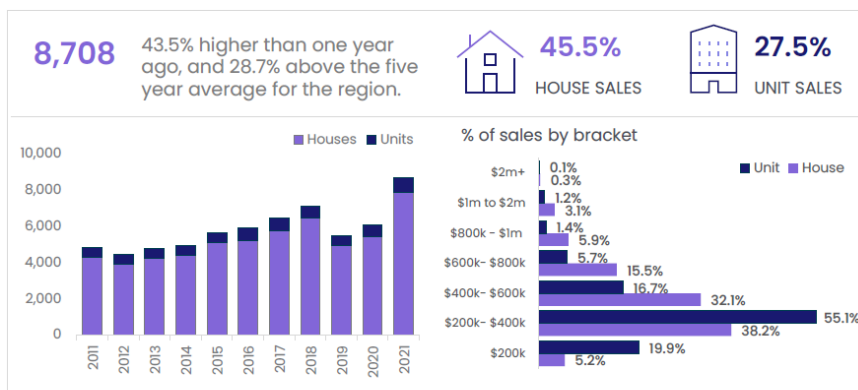
Source: Median house prices, REIV 2017-2021.

LATROBE – GIPPSLAND REGION

Increasing housing demand is also evident in Gippsland. Residential sales and house values data published in CoreLogic's Regional Market Update Report (Nov, 2021) illustrates that the region recorded a notable uplift in demand for housing throughout 2021.

In the 12 months to August 2021, the region recorded 8,708 dwelling sales – a 43.5% increase compared with the previous year and 28.7% above the 5-year average for the region. Further, in the 12 months prior to October 2021, the region recorded a median house price increase in the order of 25%.

F13. DWELLING SALES, GIPPSLAND, AUG 2020 – AUG 2021



Source: Regional Market Update, CoreLogic, November 2021

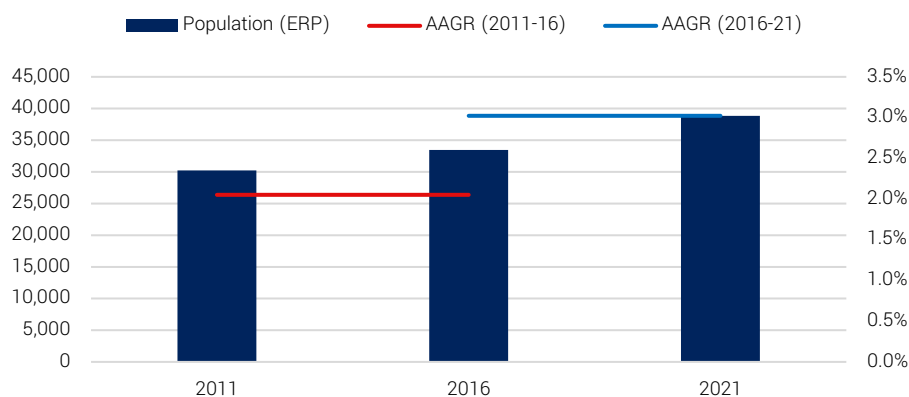
5.4. POPULATION GROWTH

In June 2021, the Estimated Resident Population in Bass Coast Shire was 38,835.

Between 2011 and 2021, the Shire's population increased by 8,600 residents. The rate of population growth increased substantially over the past 5 years compared with the preceding 5 years. The average annual growth rate (AAGR) was 2.1% between 2011 and 2016 and 3.0% between 2016 and 2021.

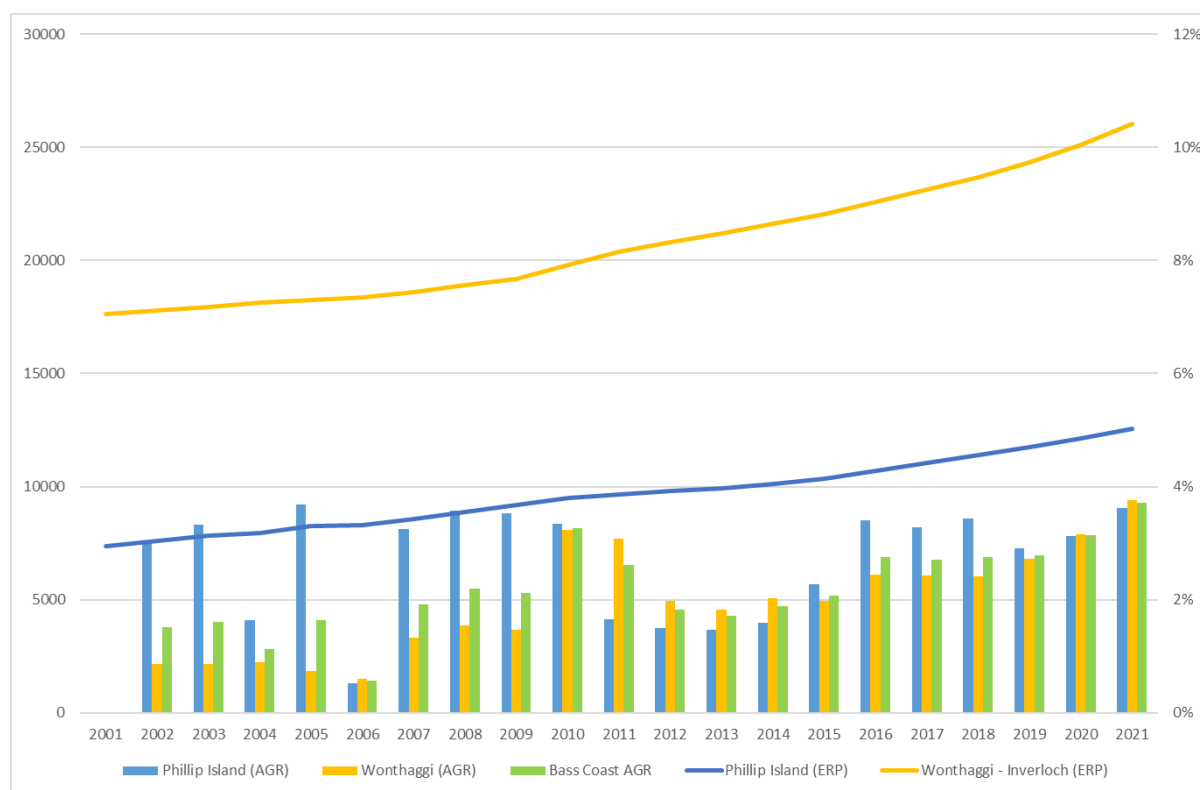
Population growth has occurred on both the mainland and Phillip Island as shown in Figure 15.

F14. POPULATION GROWTH, BASS COAST SHIRE, 2011 TO 2021



Source: Estimated Resident Population, Bass Coast Shire, ABS, 2016 to 2021. AAGR = Average Annual Growth Rate.

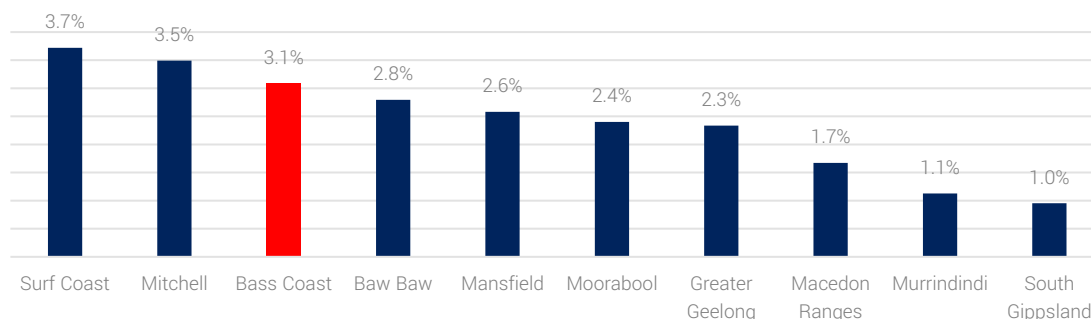
F15. POPULATION GROWTH, PHILLIP ISLAND & MAINLAND, 2001 TO 2021



Source: Estimated Residential Population, Australian Bureau of Statistics, 2001 to 2021. AGR = Annual Growth Rate.

Comparing recent growth rates with other peri-urban and 'inner regional' municipalities (Figure 16), Bass Coast Shire experienced the third highest growth rate from 2017 to 2021 behind Surf Coast and Mitchell Shire. Given that the southern part of Mitchell Shire (around Beveridge) forms part of the northern metropolitan growth area, it is apparent that Bass Coast is Victoria's second fastest growing peri-urban municipality.

F16. POPULATION GROWTH (AAGR), PERI-URBAN MUNICIPALITIES, 2017 TO 2021



Source: Estimated Residential Population, Australian Bureau of Statistics, 2017 to 2021.

COMPONENTS OF POPULATION CHANGE

Population growth across Bass Coast is primarily attributable to Net Internal Migration. Between 2017 and 2020, Bass Coast attracted more than 11,750 internal migrants, with a net figure of 3,668 which accounts for 92% of population growth during that period.

Approximately two-thirds of internal migration originated from metropolitan Melbourne. The municipalities with the greatest share of internal migrants are concentrated to the southeast, including Casey, Yarra Ranges, Frankston, Cardinia and Knox.

T16. COMPONENTS OF POPULATION CHANGE, BASS COAST, 2017 TO 2020

Year	Natural Increase*	Net Internal Migration	Net Overseas Migration	Total Increase
2017	-3	807	118	922
2018	-53	871	122	940
2019	-34	901	122	989
2020	-46	1,089	87	1,130
Total	-136	3,668	449	3,981

Source: Estimated Residential Population – components of population change, Bass Coast Shire, ABS 2017-20. *Natural increase refers to the number of births minus the number of deaths.

T17. NET INTERNAL MIGRATION, BASS COAST, 2017 TO 2020

Origin	In Migration	Out Migration	Net Migration
Melbourne	7,692	3,952	3,740
Gippsland	1,764	1,499	265
Interstate	703	964	-261
Other Regional Victoria	725	845	-120
Total (all LGAs)	11,752	8,084	+3,668

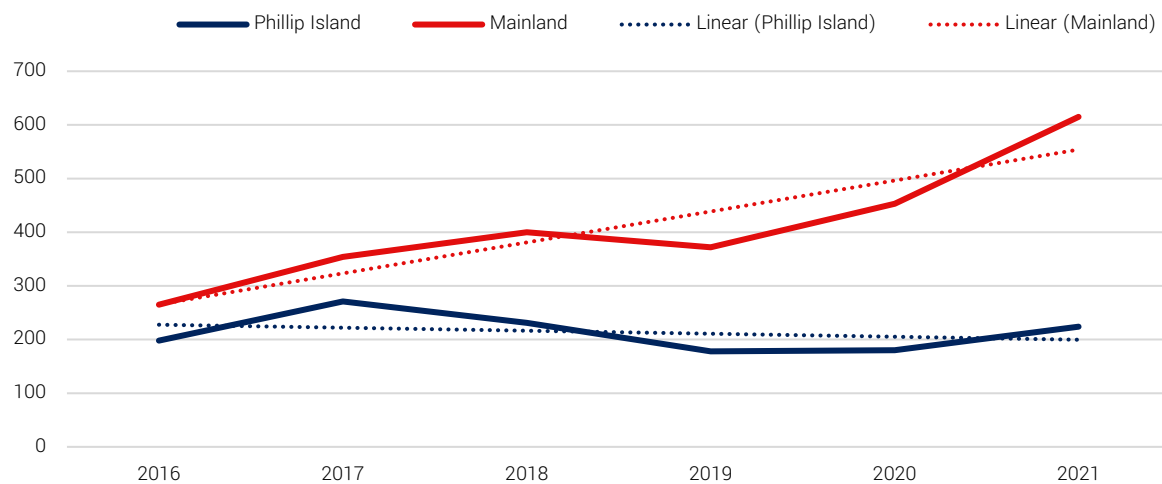
Source: Net internal migration, Bass Coast Shire, ABS 2017-20.

5.5. DWELLING GROWTH

Dwelling approval data shows that since 2015, Bass Coast has recorded around 625 new dwelling approvals per annum (on average), which is a significant increase compared with dwelling growth between the 2011 and 2016 Census' of 328 per annum.

Section 6 provides detailed analysis of recent residential development activity by location and type.

F17. PRIVATE NEW DWELLING APPROVALS, 2016 TO 2021



Source: Private dwelling approvals, Bass Coast Shire, ABS 2016-21 (calendar years), compiled and analysed by Urban Enterprise, 2022.

5.6. PROPERTY MARKET INDICATORS

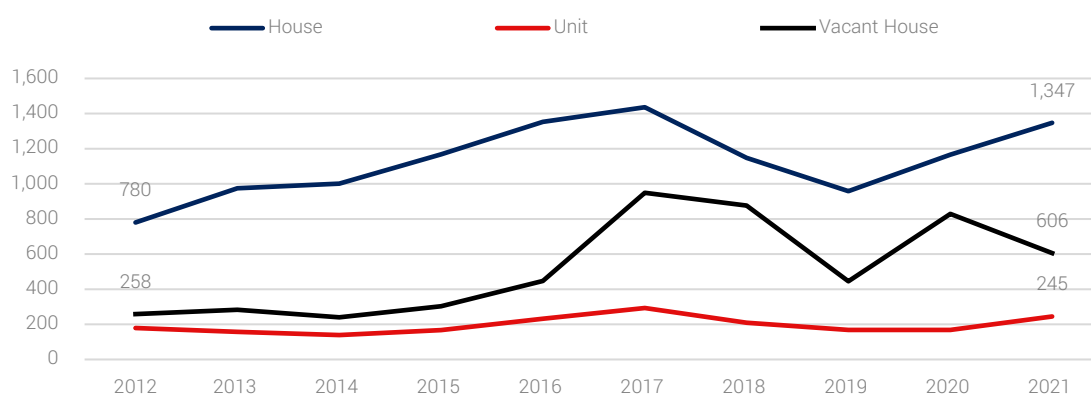
Another important indicator of housing demand relates to residential property transactions and price trends, including volume of sales and house values. An uplift in sales activity and price growth can point to elevated buyer competition in a housing market and can highlight fluctuations and trends.

The settlement data areas referenced in this section are different to the 'District' area boundaries that were referred to in previous sections. Settlement boundaries referred to in this section are provided in **Appendix A**.

5.6.1. VOLUME OF SALES

Since 2012, Bass Coast Shire has averaged around 1,133 house sales per annum, with a peak in 2017 (1,436 sales). Whilst the volume of sales has remained fairly consistent over time, above average sales were recorded in 2020 (1,166) and 2021 (1,347), consistent with other demand indicators.

F18. VOLUME OF SALES, BASS COAST, 2012 TO 2021



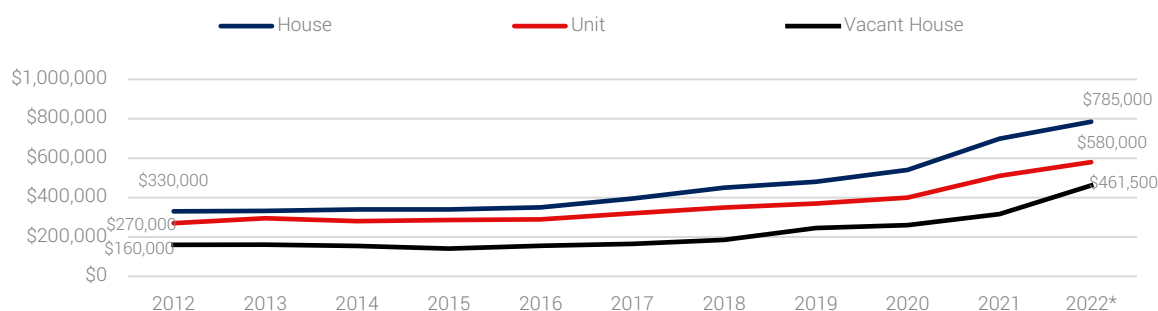
Source: Sales, Bass Coast Shire, A Guide to Property Values, Valuer General, 2022.

5.6.2. RESIDENTIAL PROPERTY VALUES

Median residential property prices across Bass Coast have experienced strong growth in recent years, with prices of houses, units and vacant house blocks all increasing.

Houses have experienced the greatest growth in value, increasing at an average rate of 8.7% per annum between 2012 and 2021. Vacant house blocks have also experienced relatively strong growth, increasing at an average rate of 7.9% and units have experienced growth in value at a rate of 7.3% per annum.

F19. MEDIAN PROPERTY VALUES, BASS COAST



Source: Median Property Values, Bass Coast Shire, A Guide to Property Values, Valuer General, 2021.* Note: 2022 price data is based on a small number of sales are preliminary only.

MEDIAN HOUSE PRICE GROWTH BY SETTLEMENT

Settlements across Bass Coast have recorded consistent house price growth over the past decade, but more recently have experienced a major surge.

The median house price in Bass Coast in 2021 was \$699,000, growing from \$540,000 in 2020 indicating rapid price growth during the pandemic period.

Bass Coast settlements recorded consistently strong annual house price growth generally in the order of 8%-12% per annum from 2012 to 2021. This highest medians are currently in the coastal settlements of Inverloch (\$890,500), Cowes (\$876,500), Kilcunda (\$870,000) and San Remo (\$850,000).

T18. MEDIAN HOUSE VALUES BY SETTLEMENT, 2012 TO 2021

Town	2012	2020	2021	AAGR 2012-22*
Phillip Island				
Cowes	\$380,000	\$589,500	\$876,500	9.7%
Cowes West	\$345,000	\$545,000	\$702,500	8.2%
Ventnor	\$363,500	\$619,500	\$770,000	8.7%
Wimbledon Heights	\$290,000	\$435,000	\$592,000	8.3%
Rhyll	\$400,000	\$579,000	\$781,500	7.7%
Sunset Strip	\$286,500	\$511,000	\$602,500	8.6%
Smiths Beach	\$430,000	\$695,000	\$837,000	7.7%
Sunderland Bay	\$265,000	\$525,000	\$717,000	11.7%
Surf Beach	\$350,000	\$559,000	\$700,000	8.0%
Newhaven	\$360,000	\$505,000	\$827,500	9.7%
Mainland				
San Remo	\$402,500	\$597,500	\$850,000	8.7%
Corinella	\$290,000	\$510,000	\$670,000	9.8%
Coronet Bay	\$222,500	\$407,500	\$522,500	9.9%
Grantville	\$245,000	\$440,000	\$537,500	9.1%
Pioneer Bay	\$235,000	\$355,000	\$354,000	4.7%
Kilcunda	\$350,000	\$702,500	\$870,000	10.6%
Dalyston	\$210,000	\$421,000	\$536,000	11.0%
Wonthaggi	\$229,000	\$405,000	\$550,000	10.2%
North Wonthaggi	\$256,000	\$419,000	\$560,000	9.1%
Cape Paterson	\$348,000	\$635,500	\$782,500	9.4%
Inverloch	\$420,000	\$665,000	\$890,500	8.7%
Bass Coast	\$330,000	\$540,000	\$699,000	8.7%

Source: Median house values, A Guide to Property Values, Valuer General, 2012-22. * Note: 2022 price data is based on a small number of sales are preliminary only.

Consultation with agents revealed that there was a flurry of buyer interest through 2020 and 2021, but that interest has since slowed somewhat in 2022. High demand was driven by buyers seeking both permanent housing and holiday homes, with the main driver being permanent resident buyers from municipalities in the southeast of Melbourne such as Cardinia, Casey and Greater Dandenong.

Agents suggested that the key reason for accelerated price growth was a sustained period of high demand alongside limited housing stock available but acknowledged that these conditions cooled in the first half of 2022.

VACANT HOUSE LOTS

Table 19 shows median prices for vacant house blocks in Bass Coast towns for which data is available, an indication of demand for new housing in greenfield locations.

Most towns have experienced strong price growth over the past 9 years of greater than with the highest growth achieved in Cowes, Coronet Bay and Grantville. The highest current median house block price locations are Cowes and Inverloch.

T19. MEDIAN VACANT HOUSE BLOCK PRICE BY SETTLEMENT, 2012 TO 2021

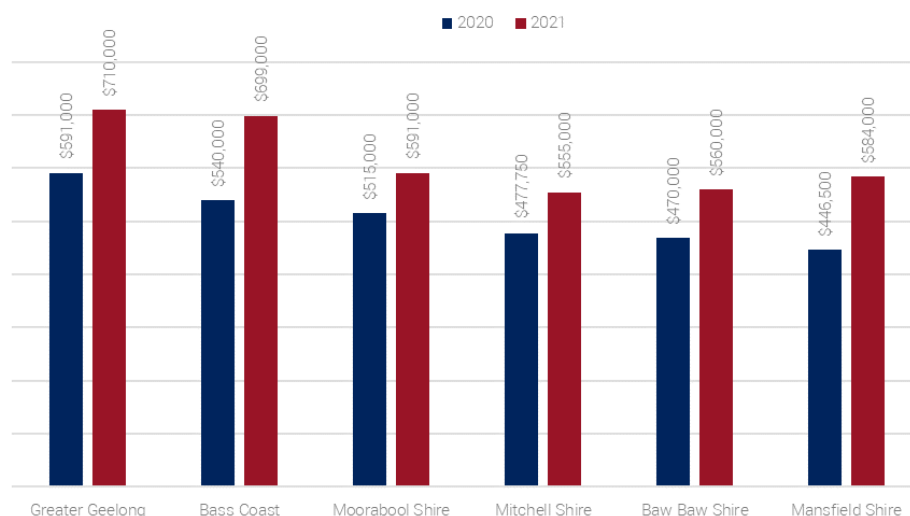
Town	2012	2020	2021	AAGR 2012-21
Cape Paterson	\$210,500	\$280,000	\$362,500	6.2%
Corinella	\$174,000	\$230,000	\$286,000	5.7%
Coronet Bay	\$120,000	\$275,000	\$290,000	10.3%
Cowes	\$172,000	\$287,000	\$450,000	11.3%
Cowes West	\$145,000	\$256,000	\$341,000	10.0%
Dalyston	\$125,000	\$169,000	\$257,500	8.4%
Grantville	\$126,000	\$202,500	\$330,000	11.3%
Inverloch	\$199,000	\$337,000	\$440,000	9.2%
Kilcunda	\$221,500	\$295,000	\$320,000	4.2%
North Wonthaggi	\$137,000	\$205,000	\$250,000	6.9%
San Remo	\$270,000	\$300,000	\$346,000	2.8%
Wonthaggi	\$107,000	\$195,000	\$205,000	7.5%
Bass Coast	\$160,000	\$260,000	\$316,250	7.9%

Source: A Guide to Property Values, Valuer General, 2021. Vacant lot sales data not published for all towns.

OTHER REGIONAL LGA MEDIAN PRICE TRENDS

Substantial price growth has also occurred in other inner regional municipalities as shown in Figure 20, indicating that the trend is not isolated to Bass Coast. The median house price in Bass Coast is, however, currently substantially higher than that of inland peri-urban municipalities including Moorabool, Mitchell, Baw Baw and Mansfield Shire, and is comparable to Greater Geelong.

F20. MEDIAN HOUSE PRICE BY LGA, 2020 & 2021



Source: A Guide to Property Values, Valuer General, 2021.

5.7. RENTAL MARKET CONDITIONS

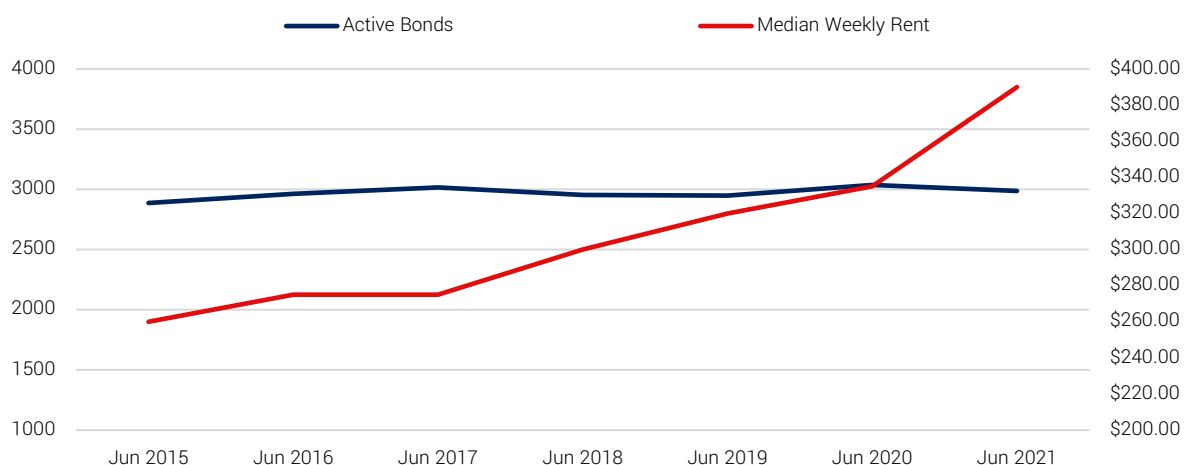
Local real estate agents consulted with as part of the preparation of this assessment identified that there is a lack of permanent rental properties available across Bass Coast. This is reflected in rental data prepared by the Victorian Department of Health, which identifies minimal growth in the number of rental properties available, with active bonds growing at a rate of 0.6% per annum.

Rent payments are increasing across Bass Coast, with weekly repayments increasing to \$390 per week in June 2021. Since 2015, weekly rent payments have increased by 7% per annum.

Agents were of the view that rents are increasing alongside property value growth and noted that when rental properties are sold, existing tenants are often unable to afford higher weekly rent repayments and commonly move to other more affordable rental locations such as the Latrobe Valley.

Potential causes of a lack of rental properties available to the market include higher property prices which are forcing potential investors out of the market and a greater proportion of buyers seeking to permanently live within the Shire.

F21. ACTIVE BONDS & MEDIAN RENTS (PER WEEK), BASS COAST SHIRE, JUN 2015 TO JUN 2021



Source: Active bonds / median rents, Bass Coast Shire, Rental Report, Department of Health, 2021.

5.8. PROPERTY MARKET DEMAND COMMENTARY

Consultation with agents and developers active in Bass Coast was undertaken to gather insights and commentary into current and recent housing market conditions, including the rental market and rural living.

Consultation findings are summarised below.

HOUSING DEMAND

- The most popular locations of residential demand in recent years have been Cowes and Inverloch.
- Other Settlements that have experienced high demand include San Remo, Cape Woolamai and Coronet Bay.
- Residential demand in Wonthaggi increased during the pandemic, particularly house and land packages in new estates (i.e., north east growth corridor). Demand has since normalised to historical levels.
- Popularity and interest in Wonthaggi increased due to the affordability of housing products relative to other locations.

TENURE

- There has been a shift in recent years (including prior to the pandemic) towards buyers seeking permanent housing across Bass Coast.
- Agents estimate that at least 80% of buyers in Cowes, other Phillip Island settlements and San Remo are now seeking a permanent residence as opposed to a holiday home or investment property.
- Inverloch remains a very popular location for holiday homes. Many older buyers (e.g., semi retirees and retirees) have purchased a holiday home in Inverloch with the intention of moving there permanently in the future. This trend is also evident on Phillip Island. As a result, housing stock is turning over slowly - agents indicated that the average turnover period has increased from 3 years to 8 years which is restricting housing availability to new buyers.
- Service authorities have anecdotally reported more regular usage of services such as water throughout the year (i.e., a reduction in seasonal usage), corroborating the agents' views that housing occupation is becoming more permanent.

BUYER PROFILE

- The buyer profile is mixed, but primarily consists of:
 - Residents within a 100km travel distance of Bass Coast (e.g., Casey, Cardinia, Greater Dandenong, South Gippsland);
 - Local buyers seeking to upsize or downsize; and
 - Investors and lifestyle buyers (especially holiday home and holiday rentals purchasers).
- Permanent resident buyers are attracted to the lifestyle characteristics, natural and coastal environment and proximity to the outer metropolitan areas.
- Wonthaggi buyers are primarily Bass Coast locals who are employed in the Shire and are seeking affordable housing stock.

LOT SIZES

- The most in-demand lot sizes are at conventional densities (~500 sqm).
- In Wonthaggi, there is growing demand for both smaller (~300-400sqm) and larger lot sizes (~900-1,000 sqm).
- In San Remo and Phillip Island Hamlets, there is growing demand for larger lots to accommodate vehicles, boats and caravans.
- Larger, lifestyle allotments are attracting interest across the Waterline townships.

- Developers and agents were of the view that that demand for medium density housing is likely to increase, particularly in Cowes, Inverloch and Wonthaggi. They also suggested that masterplanned communities should designate areas to accommodate medium density product.

RENTAL MARKET

- Demand for rental properties is currently exceeding supply, and there is a lack of rental properties available.
- Agents are currently receiving a substantial level of applications for newly listed rental properties (upwards of 25 applications per listing).
- As a result of strong demand and limited supply, median rents have increased to approximately \$350 in locations such as Grantville and other Waterline towns and reached \$450 in San Remo and Phillip Island.
- It is common for rental tenants to have recently left Bass Coast due to being priced out and are forced to relocate to areas such as the Latrobe Valley.

RURAL LIVING

- Demand for house and land product in rural living areas had remained relatively consistent over a long period, although stronger demand conditions have been experienced over the past 6-12 months. This has manifested in strong price growth, with the median property value doubling to \$700,000 for a 2 ha lot and reaching \$1.1 million for a property with a dwelling.
- Overall, rural living properties record a low number of days on the market. If a rural living property is not sold within the first week, they are typically sold within a month.
- The rural living market typically attracts a mix of local and Melbourne buyers (mostly families and semi-retirees) who would like to be located proximate to Wonthaggi.
- RLZ properties typically remain in the same ownership for 5 years to 10 years before being turned over.

6. RESIDENTIAL DEVELOPMENT ACTIVITY

6.1. OVERVIEW

This section includes an assessment of dwelling, building and subdivision data which demonstrates the location, type and scale of development activity that has taken place in Bass Coast Shire's settlements in recent years.

6.2. KEY POINTS

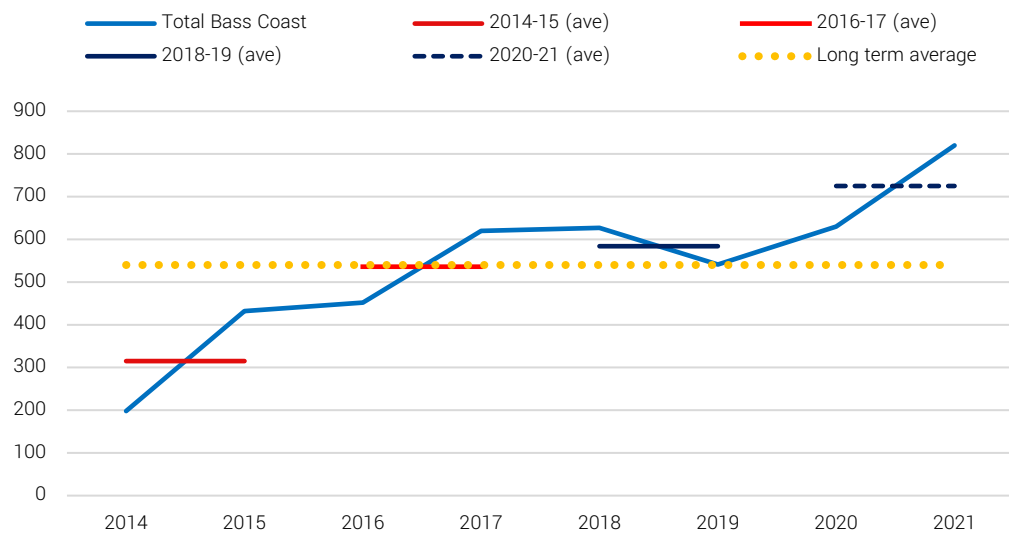
- Over the past 5 years, Bass Coast has experienced an average of 648 dwelling approvals per annum. Approvals rates have been higher since the commencement of the COVID pandemic.
- Residential development activity has been strongest in the major towns of Cowes, Wonthaggi, Inverloch and San Remo, with recent increases observed in Wonthaggi and San Remo.
- Residential development activity in Bass Coast is heavily weighted towards greenfield housing at conventional densities in the GRZ (~500-800sqm lots), however many established areas are also experiencing infill development in 2-5 lot subdivisions.
- Although infill and medium density housing makes up a small proportion of the development activity in Bass Coast (approximately 3%), proposed apartment developments are emerging in certain locations such as Cowes and San Remo.
- Increasing land and house prices in Bass Coast are likely to improve the appeal of higher density housing to buyers and developers alike, however this dwelling type only appeals to a relatively narrow segment of the market at present.
- Since 2014, dwelling approvals in rural areas have accounted for 8% of all approvals in Bass Coast. When larger developments have occurred in the RLZ and LDRZ in recent years, lots have sold quickly and prices have increased strongly, indicating that development activity in these zones may not be keeping pace with demand.
- Property sector consultees identified that land supply constraints in some areas and long planning timeframes are likely to have limited development activity to some extent, and that in the short term at least, there is likely to be a degree of latent demand for new residential lots in parts of the municipality.

6.3. BASS COAST SHIRE

A key indicator of expressed housing demand is dwelling approvals, albeit approvals can only occur where there is land supply and capacity for development to occur.

Bass Coast experienced an average of 540 new dwelling approvals per annum from 2014-2021, which increased to 648 per annum over the period 2017-2021. In 2020 and 2021 (years strongly impacted by the COVID pandemic), an average of 725 new private dwellings were approved per year.

F22. PRIVATE NEW DWELLING APPROVALS, 2015 TO 2021, BASS COAST



Source: Private dwelling approvals, Bass Coast Shire, ABS 2014-21 (calendar years), compiled and analysed by Urban Enterprise, 2022.

6.4. PHILLIP ISLAND AND MAINLAND

Over the past 8 years, mainland settlements have accounted for more than half of new dwelling approvals (56%), followed by Phillip Island (36%), with the balance (8%) dispersed across the mainland rural areas.

Key observations are as follows:

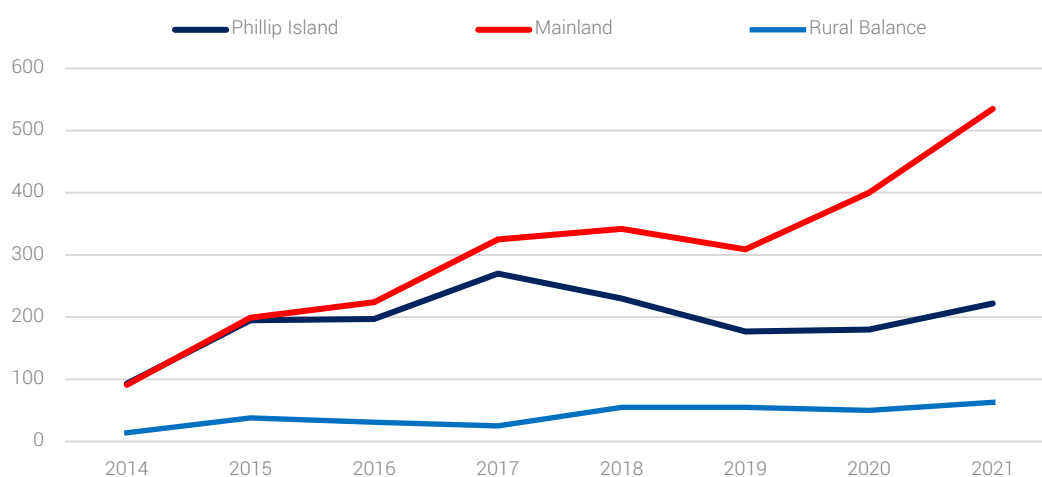
Phillip Island averaged around 196 dwelling approvals p.a. with a peak in 2017 (270 approvals).

- Approvals have remained relatively consistent, ranging between 180-270 p.a between 2015 and 2021.
- Approvals have declined on the Island since the 2017 peak, a result which some consultees noted is primarily due to declining availability of broadhectare residential land supply.

The **mainland** averages around 303 dwelling approvals p.a.

- Approvals have increased substantially since 2016, with a peak of 535 approvals in 2021. The increase in dwelling approvals on the mainland in 2020 and 2021 is the primary reason for the overall increase in new dwelling approvals across Bass Coast Shire in recent years.
- More than 95% of dwelling approvals were for separate houses, with only a very small proportion of medium density, infill housing product (e.g., townhouses, units, apartments).

F23. PRIVATE NEW DWELLING APPROVALS, 2014 TO 2021, BY DISTRICT GROUPING



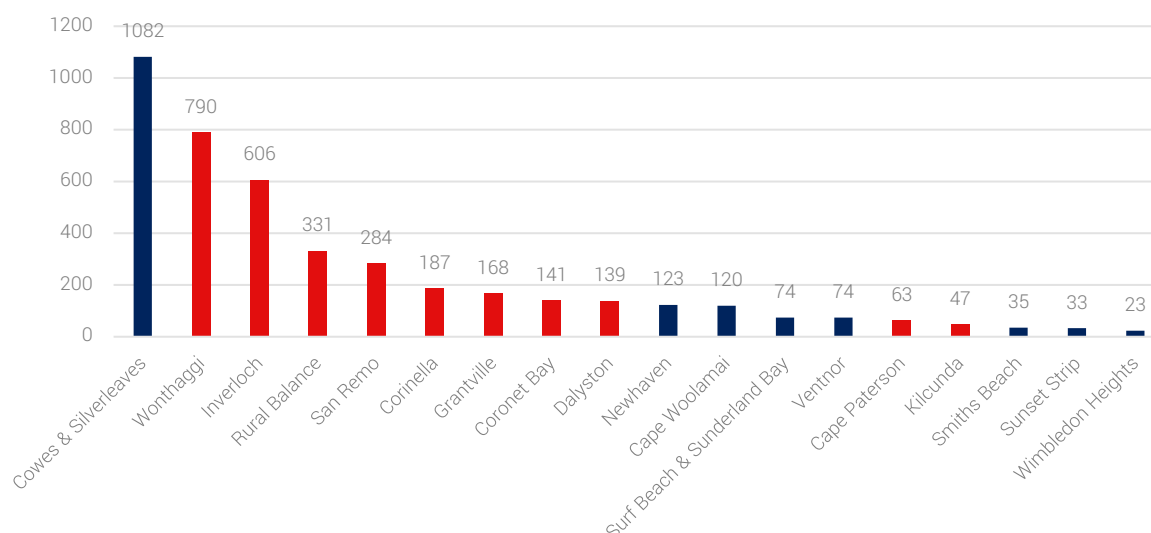
Source: Private dwelling approvals, Bass Coast Shire, ABS 2014-21 (calendar years), compiled and analysed by Urban Enterprise, 2022.

6.5. SETTLEMENTS

Figure 24 shows the total number of dwelling approvals over the period 2014 to 2021 by settlement. Settlement level data was obtained by compiling SA1 results - **Appendix A** shows SA1 data area maps.

The greatest number of approvals occurred in Cowes (1,082), followed by Wonthaggi (790) and Inverloch (606).

F24. APPROVALS BY SETTLEMENT, 2014 TO 2021

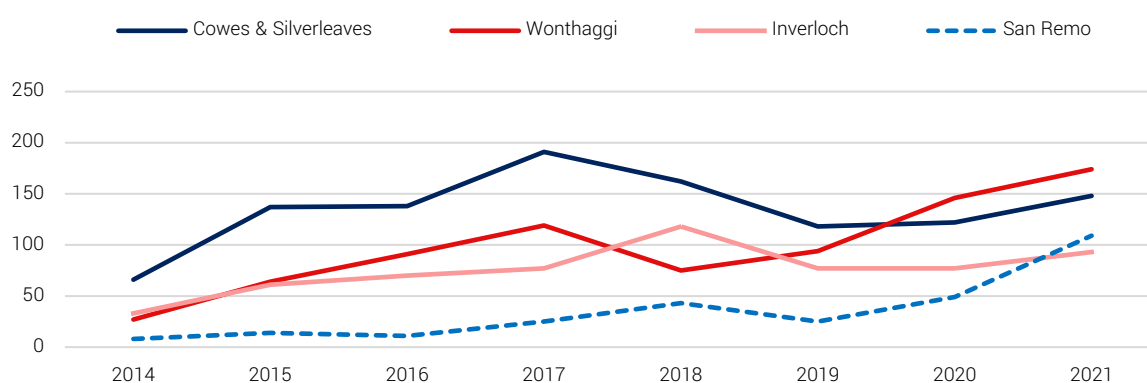


Source: Private dwelling approvals, Bass Coast Shire, ABS 2014-21 (calendar years), compiled and analysed by Urban Enterprise, 2022.

As shown in Figure 25, Wonthaggi and San Remo have experienced strong increases in approvals activity since 2018, primarily enabled by greenfield subdivisions that have occurred. In 2021, Wonthaggi was the location of greatest approvals, the first time this occurred in the recent past.

Approvals in Inverloch and Cowes have remained stable or declined over the past 5 years, a result that is primarily due to limited remaining broadhectare land supply.

F25. APPROVALS BY MAJOR SETTLEMENT, 2014 TO 2021



Source: Private dwelling approvals, Bass Coast Shire, ABS 2014-21 (calendar years), compiled and analysed by Urban Enterprise, 2022.

6.6. RESIDENTIAL SUBDIVISION

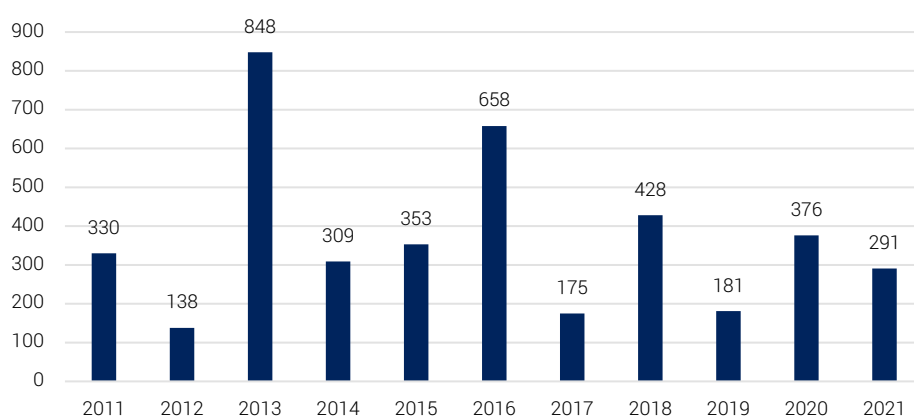
6.6.1. NET LOTS APPROVED

The volume of subdivision activity in Bass Coast Shire has been highly variable over the past decade as shown in Figure 26, with an average of 372 new lots approved for creation per annum from 2011 to 2021.

As with dwelling approvals, Cowes recorded the most substantial subdivision activity in Bass Coast Shire (43%), with around 1,750 new lots approved for creation. In the order of 530-550 new lots were approved for creation over the period in each Wonthaggi and Inverloch.

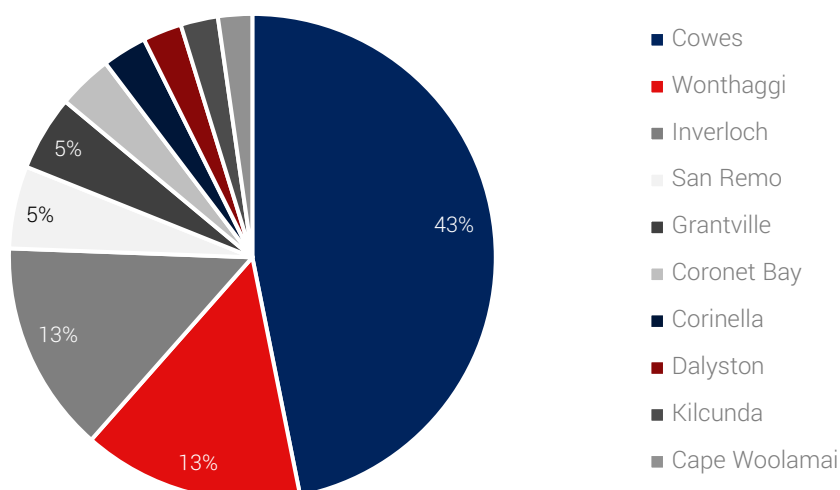
The balance of new lots approved for creation were dispersed across San Remo, Grantville, Coronet Bay, Corinella, Dalyston, Kilcunda and Cape Woolamai; indicating that small scale residential development has occurred across many townships.

F26. NET LOTS APPROVED FOR CREATION BY SUBDIVISION, BASS COAST, 2011-2021



Source: Residential subdivision permit application data, Bass Coast Shire 2011-21 (calendar years), compiled and analysed by Urban Enterprise, 2022.

F27. PROPORTION OF NET LOTS APPROVED FOR CREATION BY LOCALITY 2011-2021



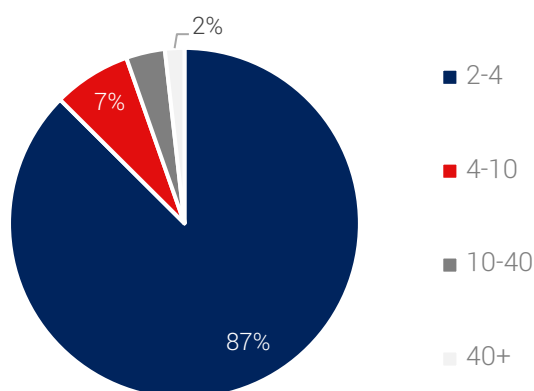
Source: Residential subdivision permit application data, Bass Coast Shire 2011-21 (calendar years), compiled and analysed by Urban Enterprise, 2022.

6.6.2. SCALE AND ZONE

Residential development activity in Bass Coast mostly occurs in greenfield areas. When the number of subdivision permits is considered, smaller 2-5 lot subdivisions is the most common subdivision size approved, mostly for development in established residential areas.

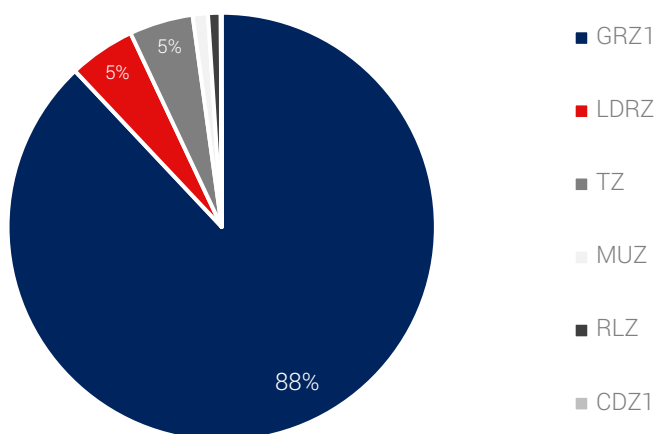
As shown in Figure 29, 88% of lots created by subdivision since 2011 have occurred in the General Residential Zone, with most of the balance located in the LDRZ and TZ.

F28. SUBDIVISIONS BY NUMBER OF LOTS APPROVED FOR CREATION, BASS COAST, 2011-2021



Source: Residential subdivision permit application data, Bass Coast Shire 2011-21 (calendar years), compiled and analysed by Urban Enterprise, 2022.

F29. TOTAL NET LOTS APPROVED FOR CREATION BY ZONE, 2011 TO 2021



Source: Residential subdivision permit application data, Bass Coast Shire 2011-21 (calendar years), compiled and analysed by Urban Enterprise, 2022.

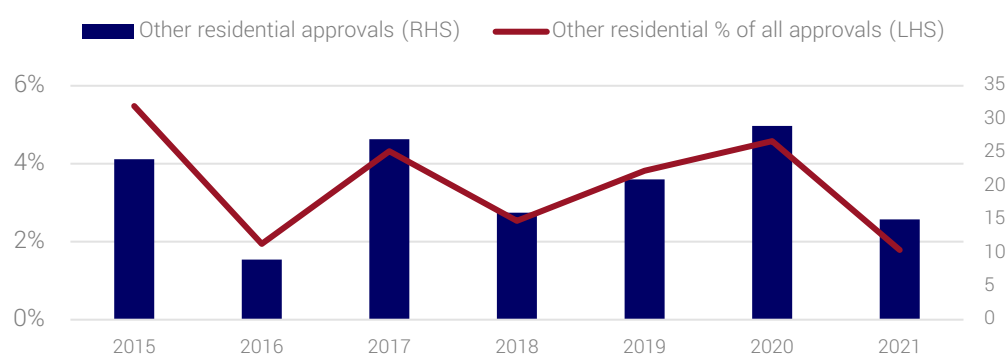
6.7. INFILL AND MEDIUM DENSITY DEVELOPMENT

Infill and medium density housing makes up a small proportion of the development activity in Bass Coast, comprising 3% of all residential dwelling approvals between 2015 and 2021 ('other' dwellings, including townhouses, units and apartments).

In volume terms, the number of other dwelling approvals has remained low over the past 7 years, generally between 10 and 30 dwellings per annum.

Of all new 'other residential' dwellings approved since 2015, 50% were located on Phillip Island and 50% on the mainland.

F30. 'OTHER RESIDENTIAL' NEW BUILDING APPROVALS, BASS COAST 2015 TO 2021



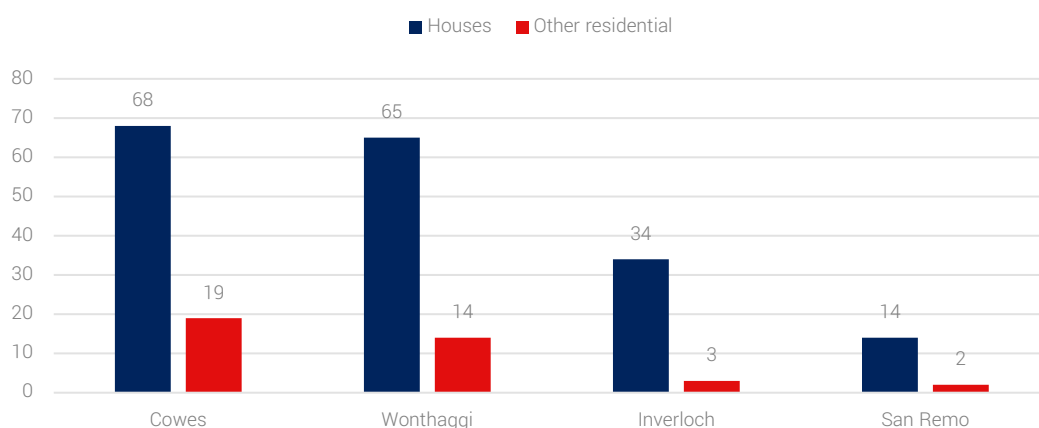
Source: Other Residential Building Approvals, Bass Coast, ABS, 2015 to 2021. Other residential includes semidetached houses, townhouses; units and apartments. LHS and RHS refers to 'Left Hand Side' Axis and 'Right Hand Side' Axis of the graph.

DWELLING APPROVALS BY ACTIVITY CENTRE AND IMMEDIATE SURROUNDS

Bass Coast planning policy identifies Activity Centres of major settlements as the focus for greater housing intensification. Activity Centre boundaries are shown in [Section 10](#).

Over the past 8 years, the Activity Centres and immediate surrounds of Cowes, Wonthaggi, Inverloch and San Remo were the location of a combined total of 216 dwelling approvals, the majority of which are classified as houses. Approvals in Activity Centres and immediate surrounds accounted for 5% of all approvals in the municipality during that period.

F31. BUILDING APPROVALS BY ACTIVITY CENTRE, 2014 TO 2021



Source: Private dwelling approvals, Bass Coast Shire, ABS 2014-21 (calendar years), compiled and analysed by Urban Enterprise, 2022.

Data relates to SA1s of best fit to Activity Centre boundaries and generally capture the activity centre and immediate surrounds. Grantville Activity Centre analysis was not possible due to SA1 boundaries.

EMERGENCE OF APARTMENT DEVELOPMENT

Apartment housing is uncommon in Bass Coast – at the 2016 Census, flats and apartments comprised just 1.5% of the overall dwelling stock (192 occupied dwellings), with only 22 of those dwellings in buildings of 3 or more storeys.

In Cowes, many existing apartments and units are in older low rise buildings, many of which are utilised for short stay rentals/visitor accommodation.

In recent years, apartment development has emerged in selected areas as a viable proposition, particularly in the coastal towns of Cowes and San Remo. This is demonstrated by the case studies summarised in Table 20 which include The Atrium in Cowes and Watersedge in San Remo. These developments are targeting a mix of owner occupiers, as well as investors seeking to utilise the property for short term or permanent rental purposes.

The advertised sales prices for 'The Atrium' indicate a premium price point for apartments, with 3-bedroom dwellings ranging between \$669,000 to \$979,000.

T20. CASE STUDY APARTMENT DEVELOPMENT PROPOSALS

	The Atrium	Watersedge
Location	46-48 Chapel Street, Cowes	131-133 Marine Parade, San Remo
Dwelling Yield	44 apartments	22 apartments
Storeys	5	3
Dwelling mix	2 and 3 bedroom apartments	2 and 3 bedroom apartments
Construction Status	Construction not yet commenced.	Site works commenced.
Advertised selling prices	3-bedroom apartments (\$669,000-\$979,000)	Unavailable.
		

Source: RealEstate.com, accessed May 2022.

6.8. RURAL AREAS

Residential development across Bass Coast's rural areas is considered in this section, focusing on zones outside the settlement boundaries.

6.8.1. BUILDING APPROVALS IN RURAL AREAS

Building approvals data published by the ABS was filtered to rural areas only by removing areas within the municipality's settlements as shown in **Appendix A**. Due to data area boundaries, some smaller hamlets are included in the 'rural' definition such as Jam Jerrup and Tenby Point.

Since 2014, around 330 dwellings have been approved across rural areas, accounting for approximately 8% of all approvals in Bass Coast.

Approximately two-thirds of rural area dwelling approvals (64%) have been recorded on the mainland, in areas surrounding Wonthaggi, Inverloch and Cape Paterson, including:

- 124 approvals in the Wonthaggi, Cape Paterson and Inverloch rural corridor;
- 60 approvals in the Dalyston Kilcunda rural area; and
- 28 approvals in the northeast Inverloch rural area.

Very limited dwelling approvals have been recorded in other rural areas, as shown in Table 21.

T21. BUILDING APPROVALS IN RURAL AREAS, 2014-2021

Rural area	Approvals	%
Wonthaggi, Cape Paterson, Inverloch rural corridor	124	37%
Dalyston, Kilcunda rural areas	60	18%
Woolamai, Ryanston, Almurta and Lance Creek	48	15%
Bass, Anderson, Glen Forbes, and Tenby Point	37	11%
North East Inverloch	28	8%
Jam Jerrup, The Gurdies, Woodleigh	27	8%
Phillip Island rural areas	7	2%
Rural areas total	331	100%

Source: Private dwelling approvals, Bass Coast Shire, ABS 2014-21 (calendar years), compiled and analysed by Urban Enterprise, 2022.

6.8.2. SUBDIVISION IN THE RLZ AND LDRZ

Subdivision data in zones which generally accommodate lower density and rural lifestyle properties is summarised in Table 22. This shows that:

- 205 net additional lots were created by subdivision in the LDRZ over the period 2011 to 2021. The most common locations were Waterline Townships (36%, predominantly Coronet Bay) and Inverloch (32%). This equates to 21 new lots created per annum in the LDRZ.
- 39 new lots created in the RLZ, 95% of which were in the Wattle Bank RLZ, equating to an average of 2 lots per annum.

T22. NET ADDITIONAL LOTS CREATED BY SUBDIVISION, LDRZ AND RLZ, 2011 – 2021

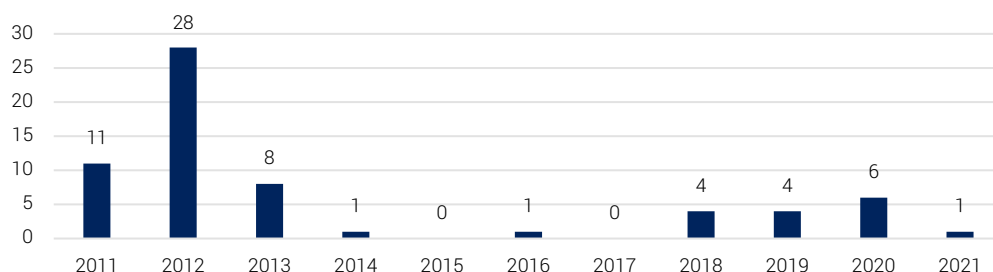
Rural area	Net additional lots created
Low Density Residential Zone	205
Rural Living Zone	39

Source: Urban Enterprise, based on Bass Coast Shire Subdivision data.

6.8.3. SUBDIVISIONS IN THE FARMING ZONE

Subdivision of land in the Farming Zone (FZ) can indicate unmet demand for lifestyle properties in the LDRZ and RLZ. Analysis of Council's subdivision application data shows that 64 new lots were approved for creation in the FZ between 2011 and 2021, with the majority of new lots approved to be created in the vicinity of Inverloch and Harmers Haven. Subdivision data is summarised in Figure 32.

F32. NET LOTS CREATED, SUBDIVISIONS IN THE FZ, BASS COAST, 2011 TO 2021



Source: Residential subdivision permit application data, Bass Coast Shire 2011-21 (calendar years), compiled and analysed by Urban Enterprise, 2022.

6.8.4. LOW DENSITY RESIDENTIAL DEVELOPMENT CASE STUDY

To provide an indication of development activity and demand in the Low Density Residential Zone, a review of lot sales in the most recent subdivisions in Coronet Bay has been undertaken. This area was selected because it is the main location of multi-stage development in the LDRZ in the municipality.

Data on the volume of sales and selling prices in the Coronet Bay LDRZ from 2021 to 2022 is analysed in Table 23 alongside lot sales in the GRZ in Coronet Bay over the same period. The LDRZ properties primarily relate to a low density subdivision approved in 2020 which is now complete and approximately 75% of lots are occupied with a dwelling.

LDRZ lots have recorded strong price growth in a 12-18 month period, increasing from around \$170 per sqm (land value) to \$250sqm in a relatively short period. Most recently, the median lot sale price (approx. 2,300 sqm) in Coronet Bay reached \$575,000.

The quick take-up rate and price growth recorded over a short period in Coronet Bay indicates that low density is an attractive product to the market when development activity can occur. Although land values are notably higher for GRZ lots in Coronet Bay, median selling prices did not demonstrate the same growth as the LDRZ lots.

T23. LOT SALES, LDRZ & GRZ, CORONET BAY, 2020 & 2021

Zone	Time Period	No. of lot sales	Average Lot Size	Median Sales Price	\$ per sqm
LDRZ	2021 (Q2 & Q3)	14	2,122	\$360,000	\$170
	2022 (Q1 & Q2)	8	2,134	\$523,500	\$245
	2022 (Q3)	4	2,292	\$575,000	\$250
	Total	26	2,152	\$415,000	\$193
GRZ	2021 (Q2 & Q3)	17	522	\$247,000	\$473
	2022 (Q1 & Q2)	5	536	\$317,000	\$591
	2022 (Q3)	3	569	\$285,000	\$501
	Total	25	530	\$255,000	\$481

Source: Advertised sales, RealEstate.com, accessed May 2022.

6.9. DEVELOPMENT INDUSTRY CONSULTATION

Consultation with real estate agents and developers revealed the following property industry views regarding development activity and the extent to which this is influenced by factors outside the controls of developers:

- Several consultees identified that developers are currently struggling to release lots quickly enough to meet demand, in part influenced by a lack of active developments, planning timeframes and greater need for government investment in urban growth infrastructure.
- A lack of broadhectare land supply on Phillip Island is limiting development opportunities, as well as Inverloch.
- Difficulty in obtaining planning approvals for smaller and infill developments can deter and slow this type of development, especially given most relevant landowners are not experienced developers.

The consultation indicates that land supply and planning timeframes are likely to have limited development activity to some extent, and that in the short term at least, there is likely to be a degree of latent demand for new residential lots in parts of the municipality.

7. HOUSING NEED

7.1. OVERVIEW

This section assesses the future need for housing in Bass Coast according to population, dwelling and demographic projections.

7.2. KEY POINTS

- Consideration of a range of dwelling demand scenarios has resulted in a demand projection of 534 – 656 additional dwellings required per year over the next 15 years in Bass Coast, resulting in the need for approximately 10,000 additional dwellings by 2036.
- The mainland is projected to accommodate the majority of population and dwelling growth over the next 15 years, with substantial growth projected in Wonthaggi, Inverloch and the Waterline townships.
- Official State government projections have underestimated population and dwelling growth in Bass Coast in recent years, primarily due to strong internal migration to Bass Coast which has been strongly impacted by the COVID pandemic.
- Pandemic period conditions are already changing, and, in some cases, this is resulting in a reduction in housing demand compared with the 'pandemic surge'.
- Demographic projections indicate that 78% of the additional households over the next 15 years are projected to have either 1 or 2 residents. This will generate demand for smaller dwellings, however many of these household types currently occupy separate dwellings which is common of a coastal setting where retirees and semi-retirees are prominent.
- With an overall shortage of rental housing, weakening housing affordability across the Shire and substantial public sector investment in the regional centre, the housing strategy should plan for Wonthaggi to play an important role in providing a range of housing products, lot sizes and tenure types for permanent residents.
- The market for medium density housing in Bass Coast is expected to increase over time – this housing type will serve a range of segments including downsizers, investors and holiday rentals. Strong price growth of separate dwellings is expected to also increase the feasibility of medium density development over the planning period.
- Based on development activity, demand for new dwellings in rural areas can be expected to comprise between 5% and 10% of new dwellings. Lots in the order of 0.2ha and 2ha are in high demand.
- Bass Coast's coastal environment and proximity to Melbourne suggests that the holiday home and investment market will continue to be prevalent, especially given the substantial population growth which continues to occur in the main market for holiday home buyers: metropolitan Melbourne.

7.3. DEMAND SCENARIOS

Housing need is driven by a range of factors, including household formation, migration and population growth. Each of these factors can be assessed by reference to population, dwelling and demographic projections.

The following projection scenarios have been considered for Bass Coast Shire:

1. **Victorian in Future (VIF)** – VIF is the official State Government population projection. The VIF model is based on a 'top down' approach that estimates the future size, distribution and composition of the population, which has regard to historical and projected demographic trends.
2. **Forecast Id** – The Forecast Id model for small areas is based on a 'bottom-up' approach. The components of the model are derived exclusively from housing and demographic assumptions. The drivers of the forecasts are based on new residential development and demographic assumptions, such as in and out migration rates.
3. **Extrapolation of recent development activity** – the recent rate of dwelling approvals is commonly used as a guide to the potential scale of housing demand in the short to medium term future. In order to avoid extrapolating short term fluctuations that may not be representative of underlying demand levels, a medium term rate is used (5 years).

The latest VIF projections were published in July 2019 and Forecast Id projections for Bass Coast were last prepared in November 2017. Both projection scenarios were prepared prior to the COVID-19 pandemic, meaning that they do not have regard to the different migration and housing market landscape that now exists in Bass Coast and across other peri-urban and regional areas. Consideration of recent development activity is therefore particularly important. Although 2021 Census data has been recently published, updated population projections for Bass Coast have not been published by either VIF or Forecast ID.

HEADLINE RESULTS

At the municipal level, the projected number of additional dwellings required over the 15 year period from 2021 to 2036 ranges from 394 per annum (Forecast ID) to 656 per annum (dwelling approvals method).

Given that the Forecast ID projections were prepared some 5 years prior to this assessment and the degree to which recent development has exceeded the projections, it is considered appropriate to prioritise the VIF and dwelling approvals methods for the purposes of strategic planning.

Tables 24 and 25 show the projection results, including the spatial distribution between Phillip Island and mainland areas.

T24. DWELLING DEMAND RATE SUMMARY, BASS COAST

Bass Coast Shire	VIF Projections (2021-36)	Historical dwelling approvals (2017-21)
Average Annual Additional Dwelling Requirement	534	656
Mainland	316 (59%)	439 (67%)
Phillip Island	217 (41%)	217 (33%)

Source: Urban Enterprise, 2022.

T25. VICTORIA IN FUTURE DWELLING PROJECTIONS BREAKDOWN

Area	2021	2036	Change	AAG
Phillip Island	12,774	16,028	3,255	217
Mainland	16,173	20,907	4,734	316
Bass Coast Shire	29,033	37,038	8,005	534

Source: Victoria in Future 2019.

KEY PROJECTION VARIABLES

The main variables which inform the VIF projections for Bass Coast are summarised in Table 26, along with comments on the implications for this study having regard to the analysis in this report.

Overall, the main variable in the VIF projections that has led to an underestimate of population growth in recent years is intrastate migration, a factor which has been strongly impacted by the COVID pandemic.

T26. VICTORIA IN FUTURE – KEY PROJECTION VARIABLES

Variable	VIF Assumption	Comments
Household size	Reduction from 2.13 in 2021 to 2.05 in 2036	Suitably reflects general age trends.
Overseas and interstate migration	Net Overseas Migration (NOM) to Victoria to remain between 70,000 to 80,000 per annum, Net Interstate Migration (NIM) between 8,000 and 10,000 per annum.	Consistent with current Federal government projections ² , however short term NOM and longer term NIM to Victoria are projected to be lower than VIF (primarily influenced by the COVID pandemic).
Intrastate migration	Assumptions based on 2016 Census and analysis of recent trends (i.e., 2016 to 2019).	Does not capture increased intrastate migration during and immediately following pandemic.
Dwelling occupancy	Assumes occupancy will increase from 60.0% in 2021 to 61.9% in 2036.	Consistent with the observed trend in Bass Coast in recent years, however an indication of the quantum of the trend will not be available until 2021 Census results are analysed (noting that occupancy on Census night will be directly influenced by the pandemic and may not be reliable).
Overall population growth rate	Projected to average 1.7% over the period 2021-2036.	Average annual population growth over the medium term (2017 – 2021) of 3%, driven primarily by internal migration.

Source: DELWP and Urban Enterprise.

It is important to consider the range of factors that will influence future housing demand other than those assessed above, and which cannot be readily predicted, such as interest rates, government policy and stimulus, economic and financial conditions and so on.

A period of disrupted migration patterns caused by the COVID pandemic coincided with government stimulus for new housing construction and record low interest rates to drive very strong housing demand – these conditions are already changing and, in some cases, resulting in a reduction in housing demand compared with the 'pandemic surge'.

² Australian Government Centre for Population, Population Statement, December 2021.

7.4. HOUSEHOLD TYPES AND MARKET SEGMENTS

HOUSEHOLD TYPES

Victoria in Future projections include an estimate of the proportion of the future resident population within each household type. Table 27 shows the projected net additional increase in households over the period 2021 to 2036 and the proportions within each household type.

The projections indicate that 43% of the additional households in Bass Coast between 2021 and 2036 are expected to be lone person households, with a further 35% projected to be couples. This means that 78% of the additional households over the next 15 years are projected to have either 1 or 2 residents.

T27. HOUSEHOLD TYPE PROJECTIONS

Area	Couple family with children	Couple family without children	One-parent family	Other family	Group household	Lone person	All Household Types
Net Additional Resident Households							
Phillip Island	121	672	91	13	35	752	1684
Wonthaggi District	483	1283	315	31	123	1593	3828
Bass Coast Shire	604	1955	406	43	159	2345	5513
Proportions							
Phillip Island	7%	40%	5%	1%	2%	45%	100%
Wonthaggi District	13%	34%	8%	1%	3%	42%	100%
Bass Coast Shire	11%	35%	7%	1%	3%	43%	100%

Source: Victoria in Future, 2019.

Different household types have different propensity to live in various dwelling types. Because the existing dwelling stock in Bass Coast is so homogenous, there is relatively little variation in dwelling types occupied, however 2016 Census data shows that:

- Lone persons are the household type most likely to live in semi detached and apartment housing;
- 94% of couples without children live in separate dwellings, with only 4% living in semi-detached or apartments; and
- 98% of couple families in Bass Coast live in separate dwellings.

In terms of tenure, rental dwellings are 4 times more likely than owner/occupied dwellings to be semi-detached or apartments (16% of rental dwellings, compared with 4% for owner/occupied).

These characteristics demonstrate that although smaller households are projected to comprise the majority of additional households over the next 15 years, many of these household types currently occupy separate dwellings. This is common of a coastal setting where retirees and semi-retirees are prominent.

KEY MARKETS

Regional Centre Housing

The regional centre of Wonthaggi performs a housing role which differs from most other settlements in the municipality.

The availability of substantial broadhectare residential land (both current and expected following completion of the Wonthaggi North East Precinct Structure Plan process) is expected to continue to enable urban housing to be delivered, meeting the needs of market segments seeking affordability and proximity to employment and services in the town.

Over the past 5 years, an average of 122 new dwellings have been approved in Wonthaggi, equating to 19% of the municipal total. This proportion has been increasing.

With a shortage of rental housing, weakening housing affordability across the Shire and substantial public sector investment in the regional centre, the housing strategy should plan for Wonthaggi to play an important role in providing a range of housing products, lot sizes and tenure types for permanent residents.

Infill development

Over the past 6 years, only 3% of new dwellings approved for construction were classified as non-separate dwellings. This proportion is likely to increase, however, as the protected settlement boundaries proposed by the DAL Statement of Planning Policy limit the availability of greenfield land across the Shire and demographic changes result in strong growth in single person households.

Agents and developers consulted generally concurred that the market for medium density housing in Bass Coast is expected to increase over time and that the product will serve a range of segments including downsizers, investors and holiday rentals. Strong price growth of separate dwellings will also increase the feasibility of medium density development – this is because medium density housing price growth will generally (although not always) follow separate dwelling price growth and periods of strong growth will usually improve development revenue relative to cost.

The ultimate proportion of overall dwelling stock which could be successfully delivered as medium density housing is difficult to predict in the context of a market currently dominated by separate dwellings because it will depend on a range of factors, especially the market acceptance of higher density living and the availability and viability of medium and higher density development sites in locations of demand. Nonetheless, it is expected that the proportion of households and buyers seeking medium density product will increase over the planning period of this study.

Rural areas

Housing in rural areas makes up a small but important proportion of the municipal housing offer. Recent sales data indicates that there is insufficient low density and rural living options available to buyers at present, warranting consideration of potential new locations for this housing product as part of the housing strategy and subsequent planning studies where possible within existing and proposed planning policy.

Based on development activity (6% of net lots created have occurred in LDRZ, RLZ and FZ), demand for new dwellings in rural areas can be expected to comprise between 5% and 10% of new dwellings. Lots in the order of 0.2ha and 2ha are in high demand.

Holiday homes

As discussed throughout this report, holiday homes and holiday rentals comprise a substantial part of the Bass Coast housing market (approximately one-third). The market was strengthened by interstate and international border closures during the pandemic; however, most borders have since reopened which is likely to somewhat reduce overall demand for holiday homes from recent highs.

The observed increasingly common occurrence of former holiday homes being converted into permanent residences is supporting population growth within the existing dwelling stock. 2021 Census results will provide an

indication of the scale of this trend once analysed, however the results will be influenced by the survey date falling during a period of COVID pandemic restrictions and disruption.

Bass Coast's coastal environment and proximity to Melbourne suggests that the holiday home and investment market will continue to be prevalent, especially given the substantial population growth which continues to occur in the main market for holiday home buyers: metropolitan Melbourne. As a guide, planning for one third of the housing stock to be utilised for holiday homes and rentals is recommended – active monitoring of dwelling ownership, occupancy and tenure outside Census periods will assist in better understanding the demand for and role of visitor-focused dwellings in the future.

PART C. SUPPLY AND CAPACITY

8. LAND SUPPLY AND CAPACITY OVERVIEW

8.1. INTRODUCTION

This part of the report assesses the capacity of zoned residential land in Bass Coast, including broadhectare land, vacant lots and infill capacity.

8.2. RESIDENTIAL ZONES AND SPATIAL DISTRIBUTION

The supply assessment relates to land in zones which can accommodate housing in urban and designated rural residential areas. There are eight zones applied in Bass Coast which have been assessed as summarised in Table 28.

T28. RESIDENTIAL ZONES IN THE BASS COAST PLANNING SCHEME

Zone	Purposes relevant to housing role	Schedules	Spatial distribution
General Residential Zone	To encourage development that respects the neighbourhood character of the area. To encourage a diversity of housing types and housing growth particularly in locations offering good access to services and transport.	Schedule 1	Applied across many towns
Residential Growth Zone	To provide housing at increased densities in buildings up to and including four storey buildings. To encourage a diversity of housing types in locations offering good access to services and transport including activity centres and town centres. To encourage a scale of development that provides a transition between areas of more intensive use and development and other residential areas.	Schedule 1, Schedule 2	Cowes only
Township Zone	To provide residential development and a range of commercial, industrial and other uses in small towns To encourage development that respects the neighbourhood character of the area.	Schedule 1	Applied across many smaller towns
Mixed Use Zone	To provide for a range of residential, commercial, industrial and other uses which complement the mixed use function of the locality. To provide for housing at higher densities To encourage development that responds to the existing or preferred neighbourhood character of the area.	Schedule 1	Wonthaggi, Cowes, Inverloch, Rhyll, Cape Woolamai, San Remo, Newhaven, Smiths Beach, Grantville.
Commercial 1 Zone	To create vibrant mixed use commercial centres for retail, office, business, entertainment and community uses. To provide for residential uses at densities complementary to the role and scale of the commercial centre.	Schedule to the Commercial 1 Zone	Cowes, San Remo, Wonthaggi, Newhaven, Coronet Bay, Corinella, Grantville, Inverloch, Cape Paterson.
Comprehensive Development Zone	To provide for a range of uses and the development of land in accordance with a comprehensive development plan incorporated in this scheme	Schedule 1	Cape Paterson only
Low Density Residential Zone	To provide for low-density residential development on lots which, in the absence of reticulated sewerage, can treat and retain all wastewater.	Schedule 1	Applied in many towns
Rural Living Zone	To provide for residential use in a rural environment.	Schedule 1	Applies in several town fringes and rural areas.

Source: Bass Coast Planning Scheme.

8.3. LAND SUPPLY TYPES

The supply assessment applies to a large number of towns and settlements across the municipality which present several 'development settings' for housing.

The supply assessment has been prepared in the following sections so that the housing opportunities and capacities can be separately understood by location and setting:

1. Broadhectare residential land.

This category applies to large properties which, based on their size and zoning, have the potential to accommodate major residential subdivision in a greenfield development setting. Broadhectare land supply is presented separately for:

- a. Major Urban areas, including:
 - i. Broadhectare land within settlement boundaries in the General Residential Zone and CDZ.
 - ii. Potential future broadhectare land within major settlement boundaries that is yet to be included within a residential zone (usually currently within the Farming Zone);
- b. Lower density areas and smaller towns, including land in the LDRZ and TZ and
- c. Rural areas (the RLZ).

2. Infill dwelling capacity.

This category applies to the opportunity for smaller lots within existing urban areas to be re-subdivided and developed for more intensive housing densities. Realisation of this capacity is considerably less certain than that of broadhectare land, and usually results in medium density housing products such as townhouses and apartments. Infill capacity is assessed separately for:

- a. Major urban areas, including land in the GRZ, RGZ, C1Z and MUZ;
- b. Low density and small town infill opportunities (including in the LDRZ and TZ); and
- c. Rural intensification opportunities (i.e., re-subdivision of existing lots in the RLZ).

8.4. METHOD

A summary of the method undertaken by Urban Enterprise to estimate the capacity of residential land supply is shown in Table 29. Full details regarding assumptions and metrics are provided in Appendix B and Appendix C.

T29. LAND SUPPLY AND CAPACITY ASSESSMENT METHOD

Step		Method
1	Property base	All properties located within residential zones and the Mixed Use Zone and Commercial 1 Zone were identified and profiled based on Council's property cadastre and rating database.
2	Identification of Broadhectare Sites	<p>Broadhectare sites were identified through the following process:</p> <ul style="list-style-type: none"> Sites identified as vacant and over the size threshold for broadhectare land in each zone (e.g., 5,000sqm for the GRZ) were categorised as potential broadhectare land. This list of sites was subsequently assessed by Urban Enterprise and Council staff to identify any necessary additions, deletions or refinements to ensure that all properties with substantial greenfield development capacity were clearly defined.
3	Capacity of broadhectare sites	<p>The capacity of broadhectare sites to accommodate dwellings was estimated by reference to the following:</p> <ul style="list-style-type: none"> Where an approved or proposed Development Plan or subdivision applies to a site or areas, the expected dwelling yield of those plans was adopted based on information supplied by Council. Where no plans are in place or proposed, the likely yield of the site was approximated by Urban Enterprise, taking into account any known encumbrances (such as flooding, steep terrain or areas within land use buffers), standard deductions for local roads and open space and an average lot size which reflects recent development approvals in broadhectare areas in Bass Coast.
4	Infill capacity	<p>For sites not identified as broadhectare, the potential for infill development was assessed through the following process:</p> <ul style="list-style-type: none"> A series of exclusions were first applied to remove from consideration sites that are considered unlikely to be redeveloped in the planning period for this study. Exclusions apply where sites have recently constructed and/or high value improvements, are too small to accommodate townhouse or apartment development, or have current non-residential uses that are unlikely to be redeveloped (such as schools, churches, infrastructure, caravan parks and so on). For sites not excluded, the potential capacity of the land was estimated based on existing Bass Coast planning policy relating to residential densities in established areas. Residential intensification is encouraged in some towns but not others and is particularly encouraged in areas proximate to activity centres in major towns. In the Cowes, San Remo, Inverloch and Wonthaggi Activity Centres, information on the proposed capacity or yield of particular strategic redevelopment sites was provided by Council to replace any 'modelled' development capacity. In cases where no further subdivision is likely, but a site is currently vacant, these sites were identified as 'single vacant lots'.

Source: Urban Enterprise, 2022.

It is noted that this assessment has been prepared while the State Government Distinctive Areas and Landscapes project is active. As noted earlier in this report, the draft Statement of Planning Policy prepared as part of the DAL project proposes changes to policy which could impact the locations and scale of residential development activity which could occur in parts of the municipality.

This assessment has had regard to the proposed DAL changes and Council advice where they are material in terms of the impact on capacity of broadhectare land, in particular:

- In Cape Paterson, Council has advised that the yield of Farming Zone land within the settlement boundary is likely to be reduced due to the proposed planning policy. An approximation of the likely revised yield is reflected in this assessment.
- In San Remo, the Draft Statement of Planning Policy recommends expansion of the town boundary to the east to enable further greenfield development outside the current town boundary. This has been noted in the greenfield assessment but not included in the supply metrics.
- In Newhaven and Grantville, adjustments to the extent of developable area in larger sites have been made to reflect Draft Statement of Planning Policy recommendations.

9. BROADHECTARE LAND SUPPLY

9.1. INTRODUCTION

This section provides an estimate of the capacity of broadhectare land supply in Bass Coast.

9.2. KEY POINTS

- The overall capacity of residential zoned land in Bass Coast townships suitable for occupation by new dwellings (broadhectare land and smaller vacant lots) is estimated at approximately 5,000 dwellings / lots.
- Broadhectare land in Bass Coast has the following estimated capacity:
 - Broadhectare land in the GRZ and CDZ has an estimated capacity of 2,959 lots.
 - Land yet to be zoned for residential but within a nominated settlement boundary has capacity to accommodate a further 4,234 lots, 80% of which is in the Wonthaggi North East PSP area.
 - Broadhectare sites in the LDRZ have capacity to accommodate a total of 175 additional lots.
 - Broadhectare sites in the TZ have capacity to accommodate 167 additional lots.
 - Broadhectare sites in the RLZ have capacity for 67 additional lots.
- There is limited broadhectare land development opportunity across much of Bass Coast, particularly on Phillip Island. As existing broadhectare land becomes exhausted within current and draft settlement boundaries, a greater amount of infill development, particularly on Phillip Island and in locations such as Inverloch will be required to ensure an adequate supply of dwellings is available to the current and projected population.
- Once the Wonthaggi North East PSP is completed, there will be few remaining “unzoned” potential broadhectare sites within settlement boundaries.
- There is a clear lack of lower density and rural broadhectare sites across the Shire which is likely to limit the diversity of housing products available to the market over the planning period without provision of further lower density opportunities.

9.3. URBAN BROADHECTARE LAND SUPPLY

Table 30 shows the number of residential lots that could be created in broadhectare sites in the General Residential Zone and Cape Paterson's CDZ, and in areas yet to be zoned for residential development within town settlement boundaries.

Maps showing the location and yield of each broadhectare site are provided in **Appendix B**.

In summary:

- Broadhectare land in the GRZ and CDZ has an estimated capacity of 2,959 lots.
- Land yet to be zoned for residential but within a nominated settlement boundary has capacity to accommodate a further 4,234 lots, the majority of which is in the Wonthaggi North East PSP area.
- Phillip Island has just 492 lots remaining in broadhectare sites, all of which are in Cowes. The lack of broadhectare sites remaining on Phillip Island indicates that infill development will be required to meet projected housing needs.
- The mainland currently has 2,467 lots capacity in broadhectare sites. Once the Wonthaggi North East Precinct Structure Plan is finalised (expected in 2023), this will increase substantially to over 5,800 lots.
- Waterline towns such as Corinella, Coronet Bay and Grantville have modest zoned broadhectare supply totalling a combined 470 lots.
- Other coastal mainland towns have a combined total of 785 lots, most of which (540 lots) is in Inverloch.

T30. URBAN BROADHECTARE LAND SUPPLY

Towns	Zoned			Unzoned		
	Number of Sites/areas	Total Yield	Total Area (ha)	Number of Sites/areas	Total Yield	Total Area (ha)
Phillip Island						
Cowes	6	492	28.171	1	40	23.069
Ventnor	0	0	0	2	58	12.936
Subtotal	6	492	28.171	3	98	36.005
Mainland						
Cape Paterson ¹	1	42	8.027	1	490	43.234
Corinella	1	36	3.324	0	0	0
Coronet Bay	1	176	7.245	0	0	0
Grantville	2	258	21.062	3	47	24.342
Inverloch	3	540	60.331	0	0	0
San Remo ²	3	174	18.438	0	0	0
Wonthaggi ³	1	1,241	141.0	2	3,599	48.333 ³
Subtotal	12	2,467	259.427	5	4,136	115.909
Total	18	2,959	287.598	8	4,234	151.914

Source: Bass Coast Shire Council data and Urban Enterprise, 2022.

Note 1: Cape Paterson 'unzoned' yield takes into account the expected impacts of the DAL once implemented as advised by Council (i.e., a reduced yield).

Note 2: The San Remo unzoned supply could increase by approximately 74 hectares (excluding Silverwater Resort) if the extension to the settlement boundary is completed as proposed by the Draft Statement of Planning Policy. Assuming 80% NDA and 10 lots per hectare, this area could potentially add in the order of 600 lots.

Note 3: Wonthaggi unzoned land includes the Wonthaggi North PSP area which is currently within the Farming Zone – yield estimated at 3,373 lots, land area not included in total. Wonthaggi zoned land includes residentially zoned parcels within the PSP area; yield excludes completed estates.

9.4. LOW DENSITY BROADHECTARE LAND SUPPLY

Table 31 shows the number of residential lots that could be created in broadhectare sites in the Low Density Residential Zone and the Township Zone across the municipality.

Maps showing the location and yield of each broadhectare site are provided in **Appendix B**.

In summary:

- Broadhectare sites in the LDRZ have capacity to accommodate a total of 175 additional lots.
- Broadhectare sites in the TZ have capacity to accommodate 167 additional lots.
- When compared with major urban areas, low density and township broadhectare land accounts for a small proportion of land supply.
- Almost all low density broadhectare land is located on the Bass Coast Mainland, with concentrations in Corinella, Coronet Bay and Wonthaggi.

T31. LOW DENSITY AND TOWNSHIP ZONE BROADHECTARE LAND SUPPLY

Towns	LDRZ			Township Zone		
	Number of Sites	Total Area (ha)	Total Capacity	Number of Sites	Total Area (ha)	Total Capacity
Phillip Island						
Sunderland Bay	1	1.424	6	0	0	0
<i>Subtotal</i>	1	1.424	6	0	0	0
Mainland						
Corinella	1	14.637	31	0	0	0
Coronet Bay	1	11.134	43	0	0	0
Dalyston	0	0	0	1	10.329	46
Grantville	1	4.039	12	0	0	0
Kilcunda	0	0	0	2	27.381	121
Wonthaggi	1	21.656	83	0	0	0
<i>Subtotal</i>	4	51.466	169	3	37.71	167
Total	5	52.89	175	3	37.71	167

Source: Bass Coast Shire Council data and Urban Enterprise, 2022.

9.5. RURAL LIVING ZONE BROADHECTARE LAND SUPPLY

There are two broadhectare sites in the Rural Living Zone in Bass Coast – both are within the Wattle Bank RLZ area near Wonthaggi. Maps are shown in **Appendix B**.

The total capacity of these sites is estimated at 67 lots as shown in Table 32. Other occupied sites within the Wattle Bank RLZ area have potential to be re-subdivided – this potential is assessed in the following section on infill capacity.

T32. RURAL BROADHECTARE LAND SUPPLY

Towns	Number of Sites	Total Area (ha)	Total Capacity
Phillip Island	0	0	0
Mainland			
Wattle Bank	2	151.8	67
<i>Subtotal</i>	2	151.8	67
Total	2	151.8	67

Source: Bass Coast Shire Council data and Urban Enterprise, 2022.

9.6. VACANT SINGLE LOTS

In addition to broadhectare sites, there is a substantial number of vacant house lots throughout Bass Coast townships which provide potential supply for additional dwellings.

Table 33 summarises the number of single vacant lots identified as at 2021. This includes lots that have recently been created in greenfield estates but yet to be occupied by a dwelling at that time, as well as dispersed single lots throughout established areas. The data excludes larger vacant lots (e.g. greater than 1,000sqm in the GRZ) which have potential to be developed for multiple dwellings – these are captured in the infill capacity assessment in section 10.

Observations are as follows:

- There are 2,023 vacant single lots across residential zones in the municipality, 1,700 (84%) of which are in the General Residential Zone. The majority of these lots are within recently developed subdivisions with lots that are yet to be classified in the property rates database as occupied as at 2021.
- There are 155 vacant single lots in the LDRZ and RLZ, and a further 183 lots in the Township Zone.
- Spatially, the most common locations of vacant single lots are San Remo, Inverloch and Cowes, primarily in recently developed subdivisions.

Although not all of these lots will be available for sale / dwelling construction during the planning period (some are likely to be held for investment purposes and/or future holiday home sites), it is noted that more than a third of the single vacant lots identified in Council's 2017/18 assessment of land supply have since been occupied by a dwelling³. This indicates that although not all single lots will be available, they do comprise an important part of the overall capacity of residential land in the Shire to accommodate dwelling growth. This will become increasingly important if permanent settlement boundaries are introduced as part of the DAL project.

³ Since 2017/18, 36% of the vacant single lots that were identified have since been occupied by a dwelling (based on aerial photography in 2021).

T33. SINGLE VACANT LOTS

Location	GRZ	TZ	LDRZ	RLZ	Total
Phillip Island					
Cape Woolamai	107	0	0	0	107
Cowes	397	18	9	0	424
Newhaven	30	0	0	0	30
Rhyll	22	0	0	0	22
Smiths Beach	23	0	0	0	23
Sunderland Bay	13	0	2	0	15
Sunset Strip	26	0	1	0	27
Surf Beach	50	0	0	0	50
Ventnor	58	0	5	0	63
Wimbledon Heights	23	0	0	0	23
Sub-total	749	18	17	0	784
Mainland					
Adams Estate	0	0	0	0	0
Archies Creek	0	0	0	0	0
Bass	0	5	3	0	8
Cape Paterson	41	0	0	0	41
Corinella	104	0	1	0	105
Coronet Bay	70	0	70	0	140
Dalyston	0	88	0	0	88
Grantville	51	0	5	0	56
Harmers Haven	0	3	5	0	8
Inverloch	247	0	8	7	262
Jam Jerrup	0	1	0	0	1
Kilcunda	9	67	0	0	76
Pioneer Bay	18	0	0	0	18
San Remo	336	0	12	0	348
Tenby Point	0	0	0	0	0
The Gurdies	0	1	0	4	5
Wattle Bank	0	0	0	17	17
Wonthaggi	60	0	4	2	66
Woolamai	0	0	0	0	0
Sub-total	936	165	108	30	1239
Total	1685	183	125	30	2023

Source: Urban Enterprise. Any vacant lots in the Residential Growth Zone, Mixed Use Zone and Commercial 1 Zone are not classified as 'single' vacant house lots – their development capacity is captured in the infill capacity assessment in section 10. *Restructure Overlay applies, therefore existing vacant lots excluded.

9.7. SUPPLY SUMMARY

Table 34 summarises the broadhectare and vacant single lot land supply by main location, including all land within townships (i.e. including GRZ, RGZ, TZ, CDZ, LDRZ, excluding RLZ). Table 35 summarises RLZ supply.

Key observations are:

- There is an estimated total capacity of existing zoned land to accommodate in the order of 4,952 new separate dwellings across the municipality in townships, plus a further 97 dwellings in the RLZ.
- 74% of all supply is located on the Bass Coast mainland, with 26% in Wonthaggi.
- Only 26% of the current supply is on Phillip Island, the majority of which is in Cowes.
- The RLZ has capacity to accommodate only 97 new dwellings on vacant lots and broadhectare sites, 87% of which is located in Wattle Bank.
- If vacant single lots are discounted, the remaining broadhectare land supply levels are currently estimated at approximately 3,000 dwellings.

T34. URBAN AND LOW DENSITY LAND SUPPLY SUMMARY

Location	Broadhectare capacity	Vacant single lots	Total	% of total
Cowes	492	424	916	18%
Other Phillip Island	0	360	360	7%
Phillip Island sub-total	492	784	1276	26%
Wonthaggi	1,241	64	1305	26%
Inverloch	540	255	795	16%
San Remo	174	348	522	11%
Waterline	470	329	799	16%
Other mainland	42	213	255	5%
Mainland sub-total	2,467	1,209	3,676	74%
Total	2,959	1,993	4,952	100%

Source: Urban Enterprise. Other Phillip Island includes all towns on Phillip Island except Cowes. Waterline includes: Grantville, Corinella, Coronet Bay, The Gurdies, Tenby Point, Jam Jerrup, Adams Estate and Bass. Other mainland includes Kilcunda, Dalyston, Cape Paterson, Harmers Haven. Note: Wonthaggi total includes land in the Wonthaggi North East PSP area.

T35. RURAL LIVING LAND SUPPLY SUMMARY

Location	Capacity of zoned land	% of total
Wattle Bank	84	87%
Other	13	13%
Total	97	100%

Source: Urban Enterprise. Includes all broadhectare and vacant single lots in the RLZ. Other includes Wonthaggi, Inverloch and The Gurdies.

10. INFILL CAPACITY

10.1. INTRODUCTION

This section provides a summary of the capacity of established areas of Bass Coast towns to accommodate infill development. This differs from (and is additional to) the broadhectare land supply assessment presented in the previous section in the following ways:

- Infill capacity requires the redevelopment of existing occupied sites in order to be realised. Therefore, infill development usually comprises a far lower proportion of overall additional dwellings and lots provided to the market.
- Infill capacity usually relates to the opportunity to deliver small dwellings, most commonly townhouses and units, and more recently in some parts of Bass Coast, apartments. The resulting housing products are usually only suitable for certain segments of the housing market, another reason for infill development generally being a considerably lower proportion of the overall additional dwelling supply than separate dwellings where separate dwellings and broadhectare alternatives are available.

In Bass Coast, infill development plays an important but limited role in supplying new dwellings in established areas, primarily through the re-subdivision of existing separate house lots (usually 700sqm – 1000sqm) into 2, 3 or 4 units / townhouses. In the future, infill development is likely to become more important as dwelling prices increase and broadhectare land reduces, especially if protected settlement boundaries are established as proposed by the draft Statement of Planning Policy prepared as part of the DAL project.

The data presented in this section should be interpreted alongside the important caveat that infill development capacity is relatively slow to deliver, is theoretical in that it relies on a very large number of willing and able landowners to develop, and results in housing products that will not meet all demand segments.

10.2. KEY POINTS

- Infill development capacity is estimated at approximately 12,000 additional dwellings in established areas, 40% of which is on Phillip Island and 60% on the Mainland.
- The locations with the greatest capacity are Cowes, Wonthaggi, Grantville, Inverloch and San Remo. Most other towns have low to moderate capacity for infill development.
- There is limited capacity for infill development in the RLZ, but relatively substantial capacity for re-subdivision in the LDRZ across several towns.
- 11% of infill capacity is within the 4 main activity centres of Cowes, Inverloch, San Remo and Wonthaggi., with the greatest supply in Cowes.
- In the activity centres of Inverloch and Wonthaggi (and to a lesser extent, San Remo), there are relatively few sites that are clearly suitable for higher density development, based on the site size profile and value of existing improvements. This is likely to reduce the contribution of these locations to the overall additional dwelling supply in coming years.

10.3. INFILL DEVELOPMENT CAPACITY

Table 36 shows the results of the infill development capacity assessment for all zones based on the assumptions and metrics detailed in **Appendix C**.

The assessment has regard to planning policy as relevant to residential intensification. Policy generally encourages higher densities in activity centres and areas nominated as 'Substantial Change Areas', while some towns and parts of towns are either discouraged for infill development or do not have specific policy guidance on preferred densities.

The assumptions adopted for this assessment are based on the average lot size most likely to be delivered by developers and supported by planning policy based on current property market and planning scheme circumstances. In general, this results in the modelling primarily focusing on the potential to deliver townhouse dwellings in areas supported for infill, with low-rise apartment products modelled in key activity centres and substantial change areas, including in the Commercial 1 Zone and Mixed Use Zone (with commercial uses assumed to occupy ground levels and residential above).

As noted earlier in this section, properties which are considered unlikely to be developed during the planning period for this study are excluded from the capacity assessment in order to provide the most realistic estimate possible of potential dwelling yield in established areas. In practice, not all of this yield will be realised, owing to a wide range of circumstances, especially the intentions of landowners to redevelop existing occupied sites.

Key observations are as follows:

- Infill development capacity is estimated at approximately 12,000 additional dwellings in established areas.
- 40% of infill capacity is on Phillip Island, with the majority (60%) on the Mainland.
- The locations with the greatest capacity are Cowes (3,535 dwellings), Wonthaggi (2,038), Grantville (1,268), Inverloch (1,238) and San Remo (1,162). Most other towns have low to moderate capacity for infill development.
- There is limited capacity for infill development in the RLZ (29 lots), but relatively substantial capacity for re-subdivision in the LDRZ across several towns (totalling capacity for 778 additional lots in the zone).

T36. INFILL CAPACITY RESULTS

Town	GRZ/RGZ	C1Z/MUZ	TZ	LDRZ	RLZ	Total
Phillip Island						
Cape Woolamai	158	7	0	0	0	165
Cowes	2697	666	42	130	0	3535
Newhaven	126	119	0	0	0	245
Rhyll	189	170	0	0	0	359
Smiths Beach	34	0	0	0	0	34
Sunderland Bay	12	0	0	8	0	20
Sunset Strip	41	0	0	16	0	57
Surf Beach	60	0	0	0	0	60
Ventnor	124	0	38	66	0	228
Wimbledon Heights	31	0	0	0	0	31
Phillip Island Sub-total	3472	962	80	220	0	4734
Mainland						
Adams Estate	0	0	0	0	0	0
Archies Creek	0	0	27	0	0	27
Bass	0	0	58	14	0	72
Cape Paterson	58	2	0	0	0	60
Corinella	286	28	0	52	0	366
Coronet Bay	72	7	0	81	0	160
Dalyston	0	0	247	0	0	247
Grantville	549	510	0	209	0	1268
Harmers Haven	0	0	47	23	0	70
Inverloch	1122	98	0	15	3	1238
Jam Jerrup	0	0	14	0	0	14
Kilcunda	57	0	216	0	0	273
Pioneer Bay	21	0	0	0	0	21
San Remo	951	152	0	59	0	1162
Tenby Point	94	0	0	0	0	94
The Gurdies	0	0	13	0	2	15
Wattle Bank	0	0	0	0	24	24
Wonthaggi	1108	825	0	105	0	2038
Mainland sub-total	4318	1622	622	558	29	7149
Total	7790	2584	702	778	29	11883

Source: Urban Enterprise. * Capacity excluded due to Restructure Overlay.

10.4. ACTIVITY CENTRE CAPACITY

Council has particularly supportive planning policy for higher density residential development in activity centres, however this type of development has been relatively limited to date (with some exceptions such as in San Remo and Cowes).

The capacity of the four main activity centres of Cowes, Inverloch, San Remo and Wonthaggi to accommodate dwellings based on the capacity modelling undertaken for this study is summarised in Table 37. This is based on the same assumptions adopted for the preceding infill assessment – that is, the capacity of activity centres is a sub-set of the capacity shown in section 10.3.

It is noted that this assessment is limited to those sites which meet the criteria for inclusion as ‘development sites’, and the theoretical capacity of the activity centres would be considerably higher if all sites were included. For example, sites with higher value improvements are excluded as these are considered less likely to be redeveloped.

T37. ACTIVITY CENTRE DWELLING CAPACITY

Activity Centre	Developable Sites Identified	Estimated Dwelling Capacity
Cowes	70	947
Inverloch	36	113
San Remo	23	157
Wonthaggi	52	112
Total	181	1,329

Source: Urban Enterprise.

The following observations are made regarding activity centre capacity overall:

- Activity centre boundaries are primarily aligned to the extent of commercial land use and activity within the towns. For residential development to be accommodated in these areas, multi-storey mixed use development of current commercial premises is generally required. Although there is policy support for this to occur, there are relatively limited strategic redevelopment sites in activity centres, such as vacant or underutilised sites which would be clear targets for developers.
- Some land surrounding activity centres is well suited to accommodate redevelopment based on the predominance of larger housing lots (such as in Cowes, Wonthaggi and San Remo) and several strategic sites such as caravan parks (Cowes) and industrial land (Wonthaggi).
- The capacity of properties currently used as tourist parks / caravan parks is particularly substantial – although these sites are not included in the capacity numbers because of the likelihood that they will continue as currently used, it is estimated that caravan parks across the key towns could accommodate more than 1,000 additional dwellings if they were redeveloped for residential use.

Analysis of each centre follows, including maps of each centre showing the location and potential dwelling yield of key sites, including strategic sites identified by council.

COWES

Figure 33 shows the sites which comprise the development capacity in the Cowes Activity Centre. The following observations are made regarding the capacity of the centre to accommodate higher density development:

- The Activity Centre has the greatest estimated capacity for housing of all activity centres in Bass Coast.
- The Cowes Activity Centre covers a larger spatial area than other centres (more than 30 hectares, compared with 9 hectares in Inverloch and 26 hectares in Wonthaggi).
- Policy support for 3, 4 and 5 storey apartment and mixed use developments in sub-precincts of the activity centre provides clear guidance on the types and sizes of developments which will be supported.
- Many of the larger sites in the Activity Centre are used for major retail and tourist accommodation purposes.
- Caravan parks within and adjacent to the Activity Centre could accommodate substantial housing if redeveloped.

F33. COWES ACTIVITY CENTRE HOUSING CAPACITY



Source: Urban Enterprise. Note: only sites with a yield of 5 or more are shown.

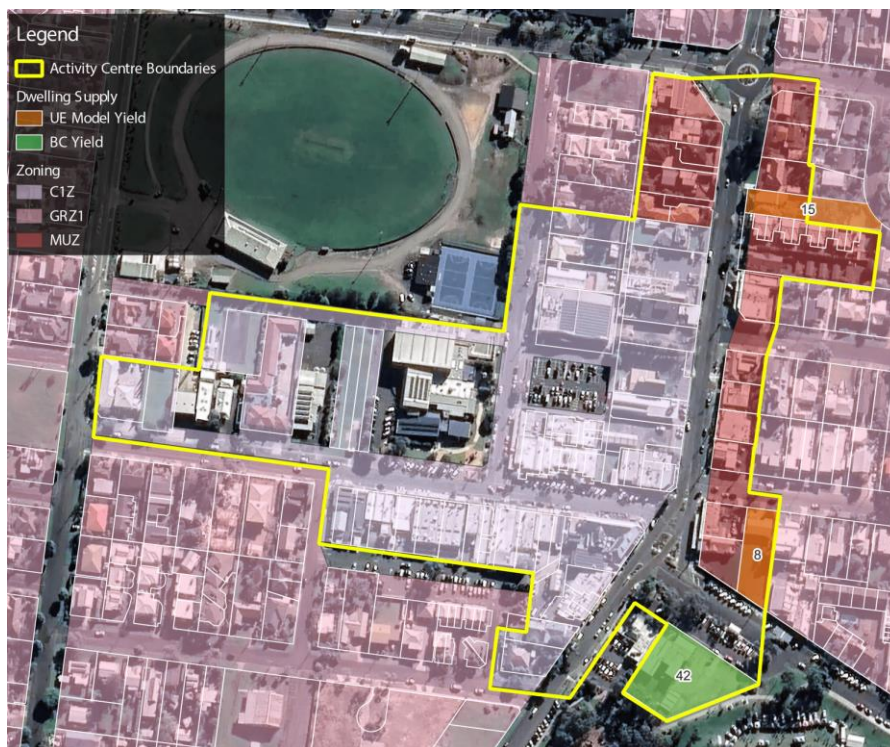
BC Yield = current strategic site with an anticipated yield provided by Council based on application / pre-application.

INVERLOCH

Figure 34 shows the sites which comprise the development capacity in the Inverloch Activity Centre. The following observations are made regarding the capacity of the centre to accommodate higher density development:

- The activity centre has very low capacity modelled due to the relative lack of larger sites in the activity centre and the prominence of higher value commercial land uses throughout much of the centre.
- The extent of the Commercial 1 Zone in Inverloch is relatively limited at approximately 3 hectares. Most land is occupied by low-rise commercial buildings and visitor accommodation.
- Delivery of new higher density housing will generally require redevelopment of sites that are currently well occupied and utilised for commercial purposes.

F34. INVERLOCH ACTIVITY CENTRE HOUSING CAPACITY



Source: Urban Enterprise. Note: only sites with a yield of 5 or more are shown.

BC Yield = current strategic site with an anticipated yield provided by Council based on application / pre-application.

SAN REMO

Figure 35 shows the sites which comprise the development capacity in the San Remo Activity Centre. The following observations are made regarding the capacity of the centre to accommodate higher density development:

- Some key sites remain as development opportunities, however the extent of the activity centre is relatively limited and several key sites have already been redeveloped for mixed use and commercial purposes.
- As the population of San Remo continues to grow, the activity centre will need to perform an increasing range and scale of commercial functions which is likely to result in relatively strong competition from different land uses for development opportunities in the centre.
- Strategic planning should consider ways to accommodate increases in retail, commercial and housing uses in the centre over time, which may require review of the necessary extent of the centre and built form controls to ensure that demand can be met for housing as well as core activity centre uses.

F35. SAN REMO ACTIVITY CENTRE HOUSING CAPACITY



Source: Urban Enterprise. Note: only sites with a yield of 5 or more are shown.

BC Yield = current strategic site with an anticipated yield provided by Council based on application / pre-application.

WONTHAGGI

Figure 36 shows the sites which comprise the development capacity in the Wonthaggi Activity Centre. The following observations are made regarding the capacity of the centre to accommodate higher density development:

- The activity centre boundary is relatively 'tight' to the commercial core, resulting in few sites included in the boundary that are of low improvement value or not used for commercial purposes.
- The activity centre currently contains several large format 'restricted retail' businesses, such as Harvey Norman, Bunnings and several independent bulky goods stores which occupy larger sites in the centre. If any of these businesses were to relocate to new restricted retail locations – for example, in the Wonthaggi North East PSP area – the remaining sites would be strategic opportunities for mixed use development which could accommodate housing at upper levels (if feasible). This has also been recognised in the Wonthaggi Activity Centre Plan.

F36. WONTHAGGI ACTIVITY CENTRE HOUSING CAPACITY



Source: Urban Enterprise. Note: only sites with a yield of 5 or more are shown. Land in north east of the activity centre is in the Industrial 1 Zone. BC Yield = current strategic site with an anticipated yield provided by Council based on application / pre-application.

11. ADEQUACY OF SUPPLY

11.1. INTRODUCTION

This section of the report assesses the balance of residential land demand and supply across the municipality and for key locations and market segments.

11.2. KEY POINTS

- In aggregate, current land supply could accommodate demand for approximately 8 – 11 years if the locations and housing types were well matched to demand, however there is substantial variation in the land supply available by location across the municipality relative to demand.
- Once the Wonthaggi North East PSP is finalised, Wonthaggi is estimated to have in excess of 38 years of land supply, while some parts of the municipality such as Cowes, Phillip Island overall and Inverloch are likely to have less than 10 years of supply available.
- Once the Wonthaggi North East PSP is approved, the market segment seeking regional centre housing will be well catered for if this new land can be efficiently and cost effectively brought to the market by developers. It is important that a variety of housing types are delivered in Wonthaggi.
- The holiday home market is likely to see declining availability of opportunities to construct new dwellings in coastal locations given the relatively low supply in popular locations such as Inverloch and Cowes. This is likely to manifest in strong competition for existing dwellings (and associated price growth) and some transfer of demand to smaller towns in Bass Coast and adjacent coastal locations.
- The market for low density and rural living housing and property is relatively poorly supplied. Without further opportunities for new dwellings in the LDRZ and RLZ, this market will have relatively few options remaining.
- Infill development can assist in increasing the diversity of housing available within the municipality, especially in terms of tenure and size. Infill will have an increasingly important role to play in housing supply over the planning period, however this type of development is relatively slow, will only meet the needs of certain market segments and can create other challenges to do with infrastructure and character which need to be managed.

11.3. SEPARATE DWELLINGS

The housing demand analysis shown earlier in this report found that:

- At the municipal level, the number of additional dwellings required over the 15 year period from 2021 to 2036 is projected to range from 534 to 656 per annum.
- Approximately 60-70% of new dwellings are projected to be required in Mainland areas, while 30%-40% are expected to be required on Phillip Island.
- The Wonthaggi urban area is expected to accommodate approximately 20% of additional housing based on recent activity.
- Based on development activity, demand for new dwellings in rural areas can be expected to comprise between 5% and 10% of new dwellings.
- Infill development has been particularly low as a proportion of overall development activity but is expected to increase over time due to demographic changes and increasing separate house prices.

The supply analysis identified that there is a zoned supply of approximately 5,000 lots available for separate dwellings across the municipality, with 25% in Phillip Island and 26% in Wonthaggi.

In aggregate, the current land supply could accommodate demand for approximately 8 – 11 years if the locations and housing types were well matched to demand. The analysis which follows this table identifies that there are several issues in terms of the alignment of supply and demand.

It is relevant to note that this level of supply includes single vacant lots, many of which have been recently sold and some of which will not be made available to the market. Therefore, this represents a theoretical maximum level of available land supply for separate houses.

T38. AGGREGATE DEMAND AND SUPPLY COMPARISON

Separate dwelling supply	Separate Dwelling Demand Rate ¹	Years supply
5,049	480-590	8.6 – 10.5

Source: Urban Enterprise. Note 1. Set at 90% of overall dwelling needs to account for a nominal infill development proportion of 10%. See footnote for details.

The above is based on a simplified 'aggregate' housing demand and supply comparison prepared at the municipal level. In practice, market segments and local demand drivers are complex. This is especially relevant in Bass Coast Shire, where the housing market of the major urban centre of Wonthaggi is distinct from the markets in the many coastal townships.

Although planning policy requires land supply to be "considered on a municipal basis", the various sub-markets and towns in Bass Coast require an approach to housing policy which provides opportunity across all market segments to achieve other policy objectives associated with housing choice and diversity, housing affordability and economic development, and to ensure that the property market can operate freely without land supply restrictions and associated negative outcomes.

Table 39 shows a comparison of demand and supply metrics for major locations and market segments for separate dwellings. The demand rates shown are based on a continuation of the proportion of dwelling approvals that occurred over the past 5 years (2017 – 2021) in each location and an allowance for 10% of the total dwelling requirement to be met through infill development.⁴

⁴ For example, 69% of new dwellings approved on Phillip Island from 2017 to 2021 were in Cowes. The demand rate for Cowes is therefore set at 69% of the projected dwelling requirement for Phillip Island over the planning period (195 dwellings per annum under both the VIF and dwelling approvals scenarios), minus 10% for infill (i.e., $217 \times 90\% = 195 \times 69\% = 135$ dwellings per annum).

The allowance for 10% of housing demand to be met through medium density development takes into consideration the historical development activity where only 3% of all dwellings approved were medium density types while allowing for an increase in this housing type over the planning period in response to changing demographics (including the strong projected increase in 1 and 2 person households) and the findings of consultation with development industry representatives that medium density housing is expected to perform a more substantial housing role in the short to medium term in Bass Coast.

The key findings are:

- There is a substantial variation in the land supply available by location across the municipality relative to demand. For example, remaining land supply in Phillip Island is estimated at less than 7 years, while Wonthaggi and San Remo have a greater level of supply likely to exceed 11 years.
- Once the Wonthaggi North East PSP is finalised, Wonthaggi is estimated to have at least 38 years of land supply, while many coastal areas such as Cowes, Phillip Island overall and Inverloch will have less than 9 years of supply available.

T39. COMPARISON OF DEMAND AND SUPPLY FOR KEY LOCATIONS

Location	Capacity of Zoned Residential Land	Separate Dwelling Demand Rate		Years Supply	
		Low	High	Low demand	High demand
Cowes	916	135	135	6.8	6.8
Other Phillip Island	360	61	61	5.9	5.9
Phillip Island sub-total	1,276	195	195	6.5	6.5
Wonthaggi	1,305	85	119	15.3	11.0
Inverloch	795	68	95	11.6	8.4
San Remo	522	31	43	16.7	12.0
Waterline	799	57	79	14.0	10.1
Other mainland	352	43	59	8.3	5.9
Mainland sub-total	3,773	284	395	13.3	9.5
<i>Mainland sub-total excluding Wonthaggi</i>	<i>2468</i>	<i>199</i>	<i>277</i>	<i>12.4</i>	<i>8.9</i>
Total	5,049	480	590	10.5	8.6

Source: Urban Enterprise.

11.4. CONSIDERATIONS FOR MARKET SEGMENTS

The following market segment considerations are noted:

- Once the Wonthaggi North East PSP is approved, the market segment seeking regional centre housing will be well catered for if this new land can be efficiently and cost effectively brought to the market by developers. It is important, however, that a variety of housing types are delivered in Wonthaggi to meet demand, including medium density housing (in both established and growth areas) and rental dwellings.
- The holiday home market is likely to see declining availability of opportunities to construct new dwellings in coastal locations given the relatively low supply in popular locations such as Inverloch and Cowes. This is likely to manifest in strong competition for existing dwellings (and associated price growth) and some transfer of demand to smaller towns in Bass Coast and adjacent coastal locations.
- The market for low density and rural living housing and property is relatively poorly supplied. Without further additions to the existing zoned land in the LDRZ and RLZ, this market will have relatively few options remaining. Infill development could assist in providing new options to the market; however, this type of intensification can sometimes erode the values sought by this market segment in the first place (rural setting, larger lots, etc).

ROLE OF INFILL DEVELOPMENT

As demonstrated in the infill capacity analysis, there is substantial capacity and opportunity for infill development across many towns in the municipality. As broadhectare land becomes more scarce in many towns, it is likely that medium density demand and development will increase to some extent due to higher overall dwelling prices and fewer separate dwelling alternatives.

Infill development can assist in increasing the diversity of housing available within the municipality, especially in terms of tenure (medium density dwelling types are more likely to be rented than separate dwellings) and size (often suitable for smaller households and downsizers).

It is important to note, however, that:

- Infill development will only meet the needs of certain market segments and will not meet the core market for housing in Bass Coast which has traditionally sought (and been supplied with) separate dwellings.
- Medium density development is often suitable for short term accommodation and holiday rentals, which although providing important economic benefits can limit the availability of housing to permanent rentals.
- Consultation with infrastructure authorities, development industry representatives and council officers undertaken for this study identified that infill development brings new challenges compared with greenfield development, such as infrastructure upgrades required, often slower and more complex development approvals and delivery, and amenity and character changes.

PART D. ISSUES

12. HOUSING ISSUES

12.1. INTRODUCTION

This section identifies housing issues based on the preceding analysis which can inform the preparation of future planning studies for housing.

12.2. DEMAND ISSUES

The housing stock is largely homogenous and a greater diversity of dwelling types is needed

The housing stock in Bass Coast is homogenous and mostly comprised of separate houses. Household type projections are for strong growth in single person and couple households, requiring consideration of ways to diversify the housing stock, particularly in established areas proximate to existing services and amenity in larger settlements (e.g., Wonthaggi, Cowes etc).

Supporting smaller, and higher density housing types (i.e., units, town homes, aged care) in strategic infill locations may encourage existing single and couple households to downsize. This could also free-up larger, separate houses for family households.

Growing demand, interest and prevalence in owner occupiers

Bass Coast's housing market is attracting a greater share of owner-occupier purchasers and interest; a trend that has accelerated since the start of COVID-19 pandemic. Bass Coast's commutability and lifestyle attributes are highly favourable to the Victorian housing market. This has led to a highly active and strong performing market underpinned by high net internal migration and delivering record house price growth.

Different owner-occupier segments are active across Bass Coast's settlements, including:

- **Retirees and semi-retirees** – a mix of locals and intrastate migrants. This market is predominantly seeking housing in Bass Coast's coastal settlements, with access to amenity.
- **Lifestyle second and third home buyers** – primarily originating from outside of the Shire, and within 100km travel distance from Bass Coast. This market is seeking lifestyle housing/lot product with ease of access to transport routes for commutability.
- **First and second homebuilder market** – primarily local families and couples, this market is seeking more affordable housing/lot products proximate to places of work, amenity, infrastructure and services (e.g., schools, health care etc).

According to agents, the holiday home market has been secondary to owner-occupiers since the beginning of the COVID-19 pandemic.

Housing affordability has declined substantially

A key issue identified across all of Bass Coast's settlements is the strong house price and rent growth that has been recorded. Bass Coast is now the most expensive peri-urban municipality in Victoria, and the median house price is comparable to that of Greater Geelong.

Housing affordability has eroded considerably on the back of unprecedented price growth in 2020 and 2021. Whilst prices have steadied in the first half of 2022, house prices remain high relative to other peri-urban areas.

With wages growth remaining relatively subdued, housing affordability and the cost of housing can be expected to be an ongoing issue in the municipality. Some considerations to address this issue in the Housing Strategy are as follows:

- Ensure there is an adequate and rolling supply of practical residential land supply and 'market ready' housing stock to meet housing needs.
- Encourage a diversity of housing typologies and densities at different price points to meet a range of housing preferences and income ranges.
- Support a higher provision of rental stock in the municipality to ensure there is balance in the rental market, and demand for rental tenure can be adequately met.

Rental availability is very limited

The rental market in Bass Coast is highly competitive and is facing upward pressure on price. The number of active bonds has recorded negligible growth alongside increasing demand, which has manifested into 7% rent growth per annum.

Agents suggested that the rental market is currently not well served in Bass Coast, with an overall shortfall of rental properties that are available for permanent tenants / residents. Rising rents have caused some renters to leave Bass Coast, and seek more attainable rental properties elsewhere, a trend which could contribute to challenges for local businesses retaining and attracting labour.

The strong house price growth in Bass Coast re-affirms the importance and need for adequate and affordable rental stock. This is particularly relevant during a period where inflationary pressures are being felt elsewhere in the economy, including goods and services such as food, transport and utilities.

Residential development is heavily weighted toward separate housing

Historically in Bass Coast, residential development has been heavily weighted towards separate houses. This is likely to have been most strongly influenced by the availability of land suitable for standard density development and the preferences of most core market segments (including families, couples, retirees and pre-retirees, sea-changers and holiday home owners) for larger dwellings in lower density residential settings which align with the coastal, regional and rural context of the municipality.

Higher density dwelling typologies such as apartments, units and townhouses will need to play an important role in Bass Coast in the future in order to:

- Diversify the current housing stock profile and provide a viable option for downsizers; a market that is currently not well catered for. This could also free-up larger dwellings currently occupied by lone and couple households.
- Provide more affordable housing options for lower income households, including the first home buyer and rental market;
- Help accommodate future growth through more efficient use of land (i.e. intensification), particularly in settlements where vacant zoned land stocks are constrained and demand is high (such as Cowes).

The importance and role of higher density housing will increase if the Draft Statement of Planning Policy ultimately introduces protected settlement boundaries which limit the availability of new greenfield land in the municipality.

Any consideration of residential intensification should have regard to potential impacts on the environment, amenity and infrastructure and is cognisant of the fact that higher density dwellings will only meet a proportion of overall dwelling demand.

A substantial proportion of the housing stock is used by visitors, not permanent residents

More than a third of the current housing stock is estimated to be used by visitors as holiday homes and holiday rentals. This brings into question the need to apply controls or limits to the number of holiday rentals so that housing can be prioritised for residents, especially permanent rentals.

12.3. SUPPLY ISSUES

Accommodating increasing overall demand levels

Over recent years, the overall rate of dwelling demand has increased, resulting in a reduction in the number of years over which zoned land is likely to be able to accommodate demand. Given demand has increased in Phillip Island as well as Mainland areas, new opportunities for housing will need to be provided in locations with characteristics suited to the needs of a range of different markets.

Alignment of Locations of Supply and Demand

There is substantial variation in the land supply levels available by location across the municipality relative to demand. Popular coastal locations are now experiencing particularly low land supply levels which will place upward pressure on price and reduce opportunities for new households and visitors to be accommodated.

Completion of the Wonthaggi North East PSP is critical to ensuring ongoing availability of land for housing in the regional centre and should be accompanied by a clear plan to increase housing diversity across the town.

New locations for housing growth will be needed in coastal towns where suitable, highlighting the need for currently 'unzoned' land within settlement boundaries (or proposed by the DAL process to be included) in places such as San Remo and Cape Paterson to be facilitated for development in the short term.

Infill development is also likely to increase over the planning period, especially in locations with declining supply for separate housing. This should be facilitated wherever possible and suitable given benefits for housing diversity and tenure.

Lack of lower density and rural living opportunities

The market for low density and rural living housing and property is relatively poorly supplied. Without further additions to the existing zoned land in the LDRZ and RLZ, this market will have relatively few options remaining. Opportunities to facilitate appropriate re-subdivision of existing LDRZ and RLZ areas should be investigated, along with ensuring that new broadhectare areas are encouraged to provide lower density housing options if these can be accommodated alongside other suitable housing products.

Infill

Local planning policy regarding infill development is inconsistent and sometimes conflicting. Different policy and zoning approaches are applied for different towns. Given the increasingly important role of infill development, planning should ensure that infill policies are consistent and transparent to enable efficient delivery of medium density housing in suitable locations to meet demand.

Initial consultation undertaken for this study revealed that most infrastructure authorities and agencies foresee challenges in servicing any increase in the scale and intensity of infill development over the planning period. Agencies noted that infill development is usually more complex to service and can be difficult to arrange equitable funding agreements for. In many locations, water and wastewater systems will need major upgrades, drainage schemes for established areas will be needed, and local roads will need a comprehensive program of improvements and upgrades. Any increase in costs to developers arising from the above challenges could influence the viability of development, a consideration that will need careful attention as infill plans progress.

Activity Centre Housing

Activity centres are the focus of policy support for higher density housing; however this will generally require redevelopment of existing commercial premises for mixed use development given that the boundaries of activity centres (with the exception of Cowes) primarily include commercial areas only. There is also a relatively low number of clear strategic redevelopment sites within activity centres (again, with the exception of Cowes) which is likely to limit the overall contribution of these locations to overall dwelling supply in the short to medium term.

Increasing overall house and unit prices are expected to improve the viability of apartment developments in activity centres over the planning period and apartments can meet the needs of a range of market segments including permanent rental households, holiday rentals, downsizers and lifestyle buyers. In Wonthaggi, market depth for apartments is considerably less given the absence of lifestyle and holiday markets.

Balancing housing supply for use by both residents and visitors

As noted earlier in this report, Bass Coast's housing accommodate both permanent residents and visitors in almost equal measures. Although permanent occupancy is increasing, competition for housing from both of these markets is expected to continue throughout the planning period and cause challenges for certain parts of the community, especially those seeking permanent rentals who are often 'crowded out' due to price growth driven by strong competition from visitors. This circumstance is likely to increase current economic challenges associated with low labour force availability for key sectors such as hospitality, retail and services.

Approaches to Managing Short Term Rental Properties

The issue of housing being used for visitor accommodation and displacing permanent residents requiring rental housing has increasingly influenced a range of cities and towns across the world since the advent of the sharing economy, especially AirBnB.

To control the number and proportion of dwellings used for short stay rental purposes, a range of approaches have been implemented by Australian local governments. These approaches include:

- Requiring owners to register with Council and / or receive permission to use property for short stay rentals;
- Increased Council Rates for property owners using housing for short stay rentals;
- Prevention of additional (i.e., new) homes being utilised for short stay rental purposes; and
- Caps on the number of days / nights a dwelling can be utilised for short stay rentals.

In NSW, local Councils can elect to implement a cap on the number of days a property can be utilised as a short stay rental, with Byron Shire Council recently receiving permission from the NSW Government to implement a 90 day cap on short stay rentals. This means that 'unhosted' properties⁵ can only be utilised as a short term rental for 90 days a year. In other areas of NSW this cap is 180 days.

Brisbane City Council recently approved a 50% increase in rates for dwellings utilised for short stay accommodation more than 60 days a year. Elsewhere in Queensland, Noosa Shire Council will require short stay rentals be registered with Council later this year. A \$950 registration fee paid to Council will be required.

In Tasmania, the City of Hobart recently passed a motion to prevent the issuing of any new permits for whole house short stay development in residential areas.

Broome Shire Council in Western Australia also recently approved changes to their planning scheme to require landowners to seek planning permission from Council to utilise their property for short stay rental / accommodation purposes. It is noted for these changes to be implemented, approval is required from the WA Planning Minister.

Mornington Peninsula Shire Council requires a registration fee for dwellings utilised for short stay accommodation.

Initiatives are summarised in Table 40. It is noted that several other approaches have been considered by local Councils in Australia but are yet to be implemented, such as:

- Charging commercial rates;
- Providing rate concessions for owners who rent their properties on a long term basis; and
- Banning commercial holiday homes in particular residential zones.

⁵ 'Unhosted' refers to properties where the host or landowner leasing the property does not live on site.

T40. APPROACHES TO MANAGING SHORT STAY RENTALS

LGA	Approach	Short Stay Accommodation / Rental Policies
Mornington Peninsula	Registration / Planning Permission	\$300 registration fee for dwellings being utilised as short stay accommodation
NSW	Cap	Cap of 180 days a year in Greater Sydney and nominated regional NSW LGAs for 'non hosted' STRA. LGAs can opt into implementing a cap.
		Cap of 90 days for short term rentals approved in Byron Bay
Brisbane	Rates	50% increase in rates for dwellings utilised for short stay accommodation for more than 60 days a year.
Noosa	Registration / Planning Permission	Annual registration required. \$950 registration fee to be implemented.
Broome	Registration / Planning Permission	Airbnb owners(unhosted) to be required to register with Council*. Means owners will be required to seek permission in residential zones.
City of Hobart	Prevention	Motion passed to prevent any new permits for whole house short stay development in residential areas.

Source: Urban Enterprise, 2022, based on desktop research. *Requires approval from WA Planning Minister.

Carefully responding to the issue of housing being used as visitor accommodation will be particularly important for Bass Coast given the importance of tourism to the local economy as well as the need to accommodate a growing permanent resident population in a suitable diversity of housing tenures, sizes and locations.

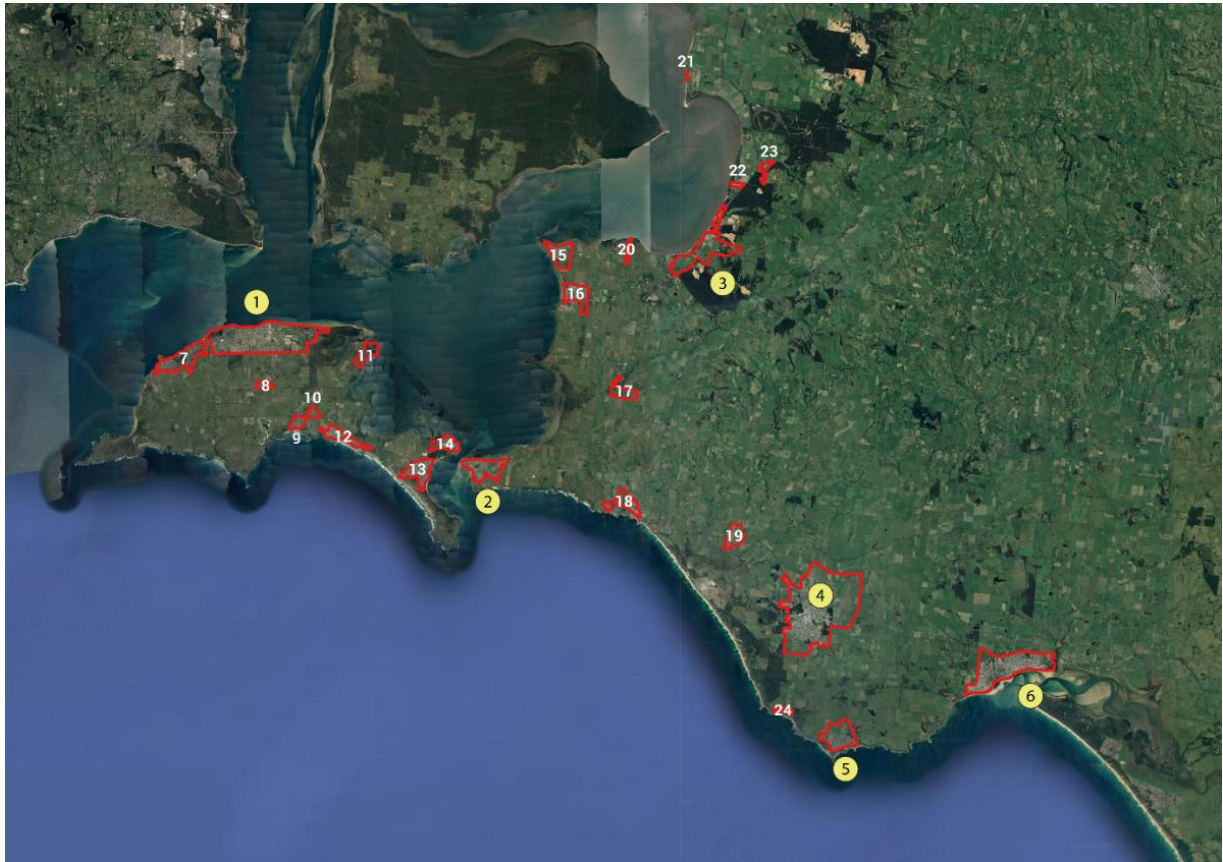
The main risk identified in this report of not addressing this issue is the displacement of those requiring permanent rental housing in Bass Coast due to ongoing rental price growth and the lack of increase in overall permanent rental stock in the municipality. This issue requires a multi-faceted approach and cannot be solved by targeting short stay rental housing alone.

Further evidence and assessment are required to determine the right approach for Bass Coast to manage the number of short stay rental properties / holiday homes within the Shire, commencing with clear data on the number, location and characteristics of properties used for short stay rental purposes. Once this information is available, an assessment of potential responses can be considered as part of strategic planning. Any associated economic, social and environmental costs and benefits should be considered as part of the options assessment.

APPENDICES

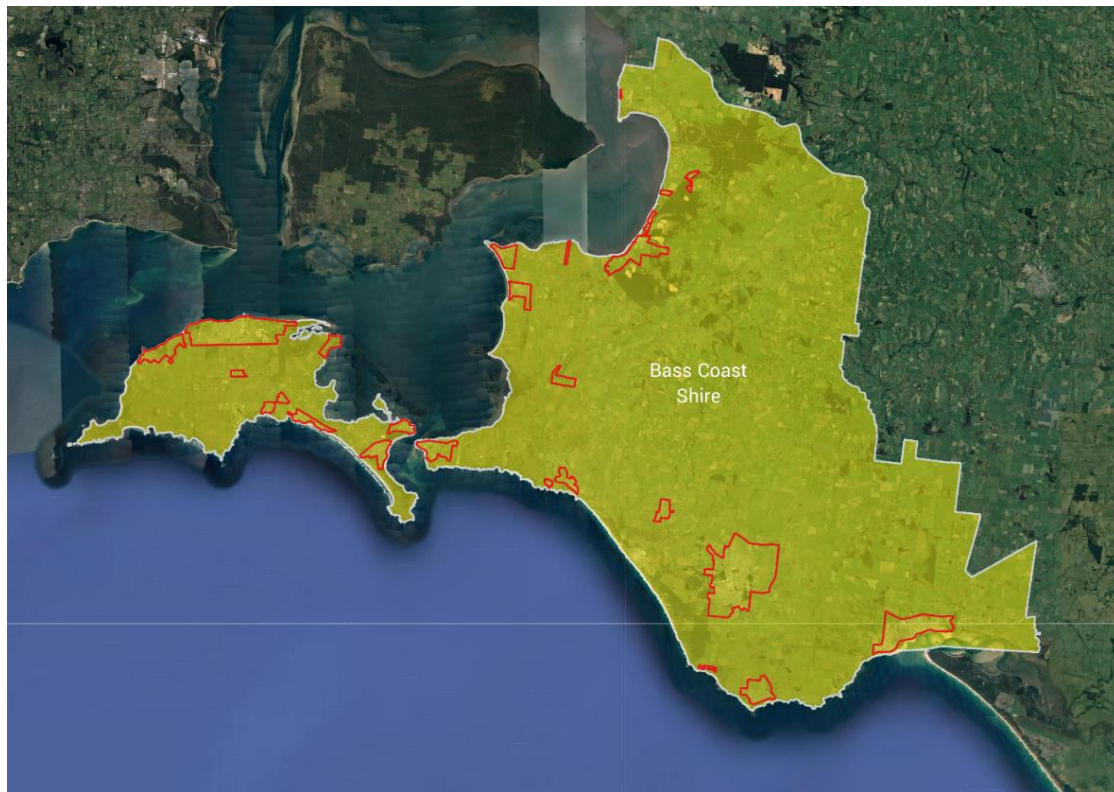
APPENDIX A STATISTICAL AREA BOUNDARIES

SETTLEMENTS (COUNCIL BOUNDARIES)

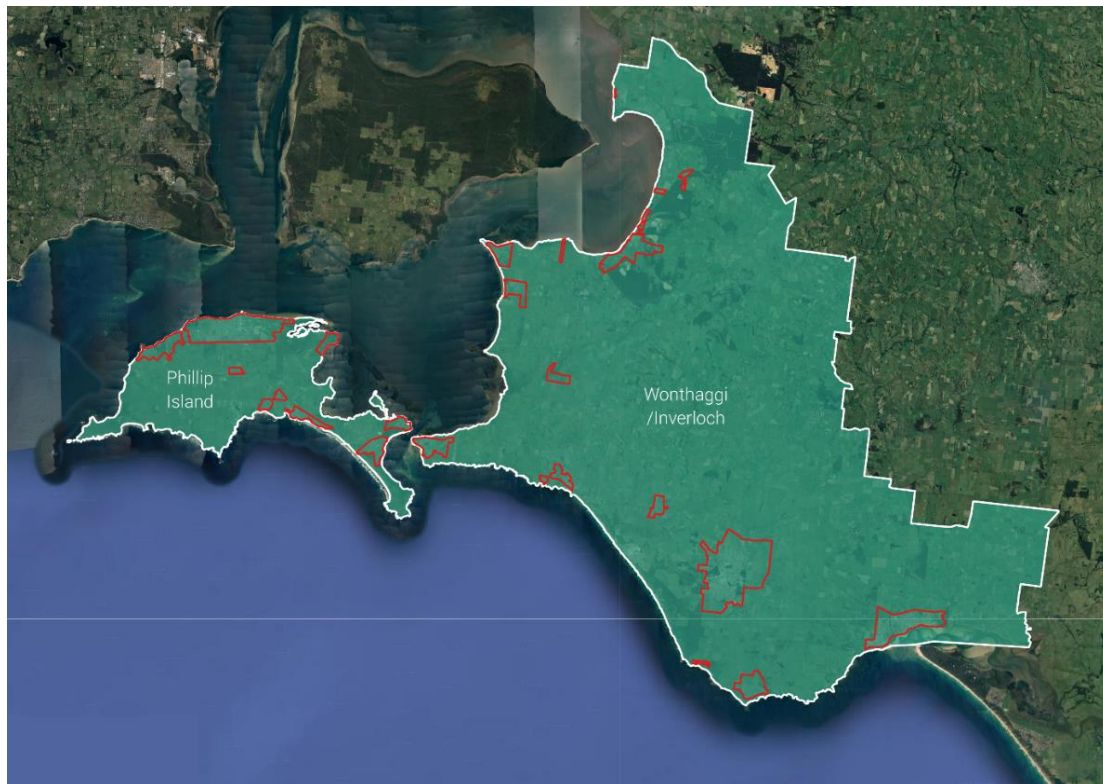


Major Town		Other Townships	
No.	Town Name	No.	Township Name
1	Cowes	5	Cape Paterson
2	San Remo	7	Ventnor
3	Grantville	8	Wimbledon Heights
4	Wonthaggi	9	Sunderland Bay
6	Inverloch	10	Sunset Strip
		11	Rhyll
		12	Surf Beach
		13	Cape Woolamai
		14	New Haven
		15	Corinella
		16	Coronet Bay
		17	Bass
		18	Kilcunda
		19	Dalyston
		20	Tenby Point
		21	Jam Jerrup
		22	Pioneer Bay
		23	The Gurdies
		24	Harmers Haven

LGA BOUNDARY



SA2 BOUNDARIES



VIFSA BOUNDARIES

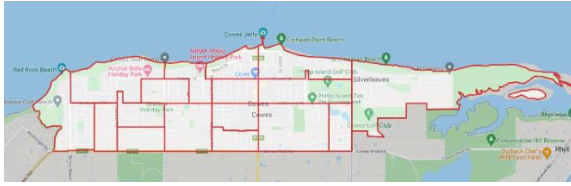


UCL BOUNDARIES



TOWN SA1 BOUNDARIES

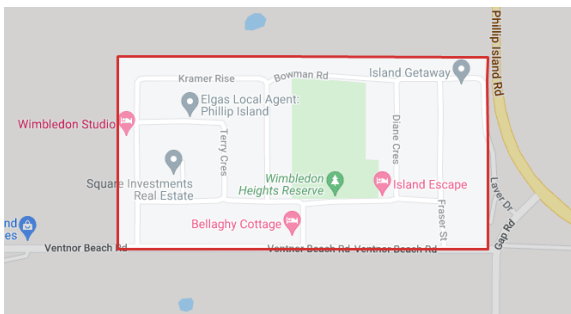
Cowes and Silverleaves



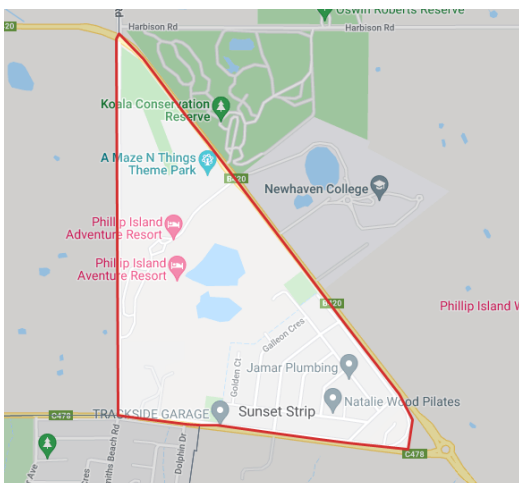
Ventnor



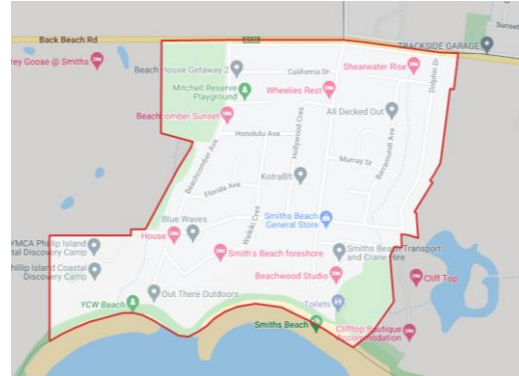
Wimbledon Heights



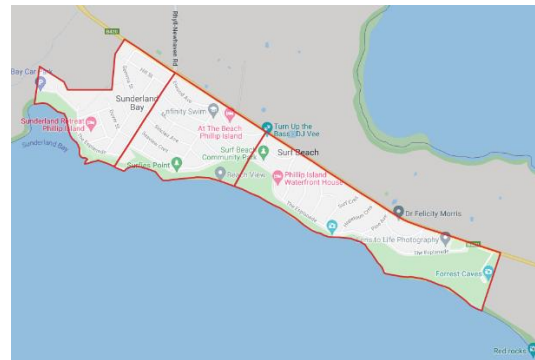
Sunset Strip



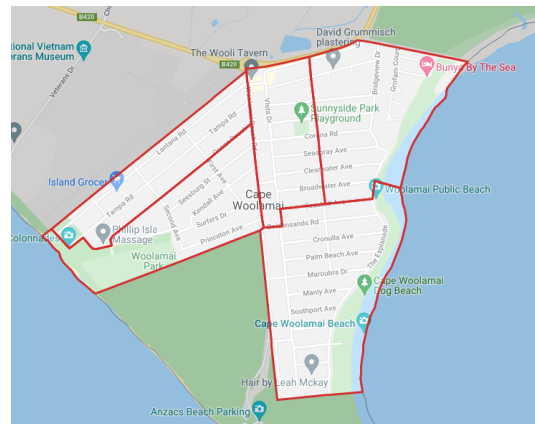
Smiths Beach



Surf Beach and Sunderland Bay



Cape Woolamai



[illegible][illegible]

Kilcunda



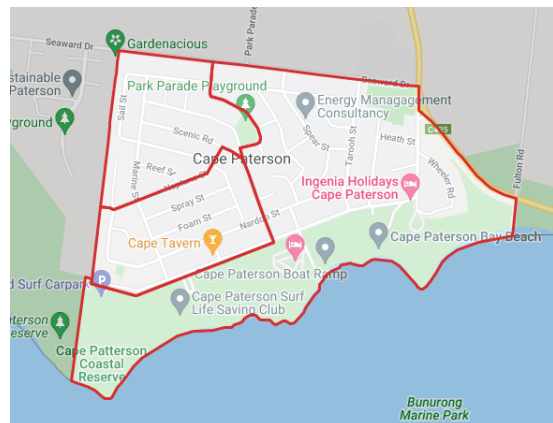
Dalyston



Wonthaggi



Cape Paterson



Inverloch



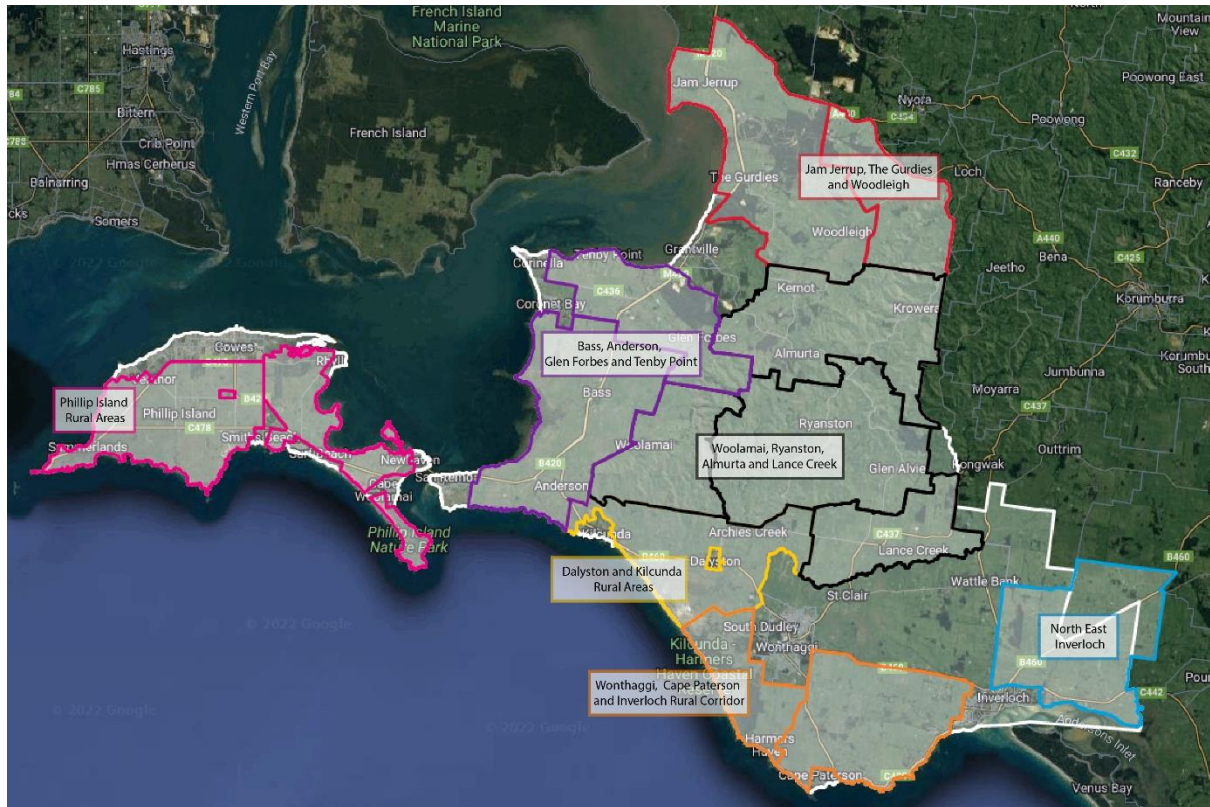
RURAL AREAS SA1 BOUNDARIES

Dwelling approval data published by ABS for each SA1 in the municipality was categorised as either one of the towns (shown in the above maps) or one of several 'rural' areas shown in the Rural Areas map below.

Due to data area boundaries, some minor towns / hamlets are included in the 'rural' definition such as Jam Jerrup and Tenby Point. Areas located in towns identified on the previous 3 pages (pp. 96 to 98) are not rural areas and have therefore been excluded from the Rural Areas map.

Separate analysis has been prepared for any land that is zoned for rural residential purposes, such as the Rural Living Zone areas in Wattle Bank.

Rural Areas



Rural areas identified in the map above include:

- North East Inverloch;
- Wonthaggi, Cape Paterson and Inverloch rural corridor;
- Woolamai, Ryanston, Almurta and Lance Creek;
- Dalyston and Kilcunda rural areas;
- Bass, Anderson, Glen Forbes and Tenby Point;
- Jam Jerrup, The Gurdies and Woodleigh; and
- Phillip Island rural areas.

APPENDIX B BROADHECTARE LAND SUPPLY ASSESSMENT DETAILS

METHOD

Broadhectare sites were identified through the following process:

- Sites identified as vacant and over the size threshold for broadhectare land in each zone were categorised as potential broadhectare land.
- This list of sites was subsequently assessed by Urban Enterprise and Council staff to identify any necessary additions, deletions or refinements to ensure that all properties with substantial greenfield development capacity were clearly defined.

The capacity of broadhectare sites to accommodate dwellings was estimated by reference to the following:

- Where an approved or proposed Development Plan or subdivision applies to a site or areas, the expected dwelling yield of those plans was adopted based on information supplied by Council.
- Where no plans are in place or proposed, the likely yield of the site was approximated by Urban Enterprise, taking into account any known encumbrances (such as flooding, steep terrain or areas within land use buffers), standard deductions for local roads and open space and an average lot size which reflects recent development approvals in broadhectare areas in Bass Coast.

Assumptions and metrics used to estimate the capacity of sites identified as broadhectare are summarised in Table 41 and Table 42.

T41. BROADHECTARE CAPACITY ASSUMPTIONS

Zone	Location	Minimum land area threshold for broadhectare categorisation (ha)	Deduction for local roads and open space	Average lot size (sqm)
GRZ	All	0.5	30%	600
TZ	All	0.5	30%	600
LDRZ	On sewer	1.0	30%	2,000
	Off sewer	1.0	30%	4,000
	LDRZ1	1.0	30%	20,000

Source: Urban Enterprise.

Note 1: for all sites, any approved development plan or subdivision plan yield replaces the modelled yield.

Note 2: For all sites with known encumbrances such as flooding or buffer areas, the area of the encumbrance was deducted prior to deducting 30% for local roads and open space.

Note 3: Average lot sizes for the GRZ and TZ are based on the typical lot sizes created in recent subdivisions for in those zones (based on a review of case study developments provided by Council and analysed by Urban Enterprise). Average lot sizes for the LDRZ are based on the minimum lot size specified in the zone and associated schedules of the Bass Coast Planning Scheme.

T42. BROADHECTARE ASSUMPTIONS – RURAL LIVING ZONE

No	Assumption
1	<p>If more than 5 additional lots can be created through subdivision based on the minimum lot size of 20,000sqm as specified in the planning scheme, RLZ sites are identified as 'Broadhectare'.</p> <p>Other sites with lesser potential yield are considered as part of the infill capacity assessment.</p>

Source: Urban Enterprise.

Where a site was identified as vacant (based on the property database) and the site size was generally of a size suitable for a single house (maximum 1,000sqm GRZ, 2,000sqm TZ; 5,000sqm LDRZ and 40,000sqm RLZ), these properties were counted as 'single vacant lots' for the purposes of estimating the further relatively unencumbered capacity of residential land in Bass Coast to accommodate new separate dwellings.

RESULTS

Table 43 shows a list of sites identified as broadhectare sites and the adopted capacity / yield estimate.

T43. LIST OF BROADHECTARE SITES

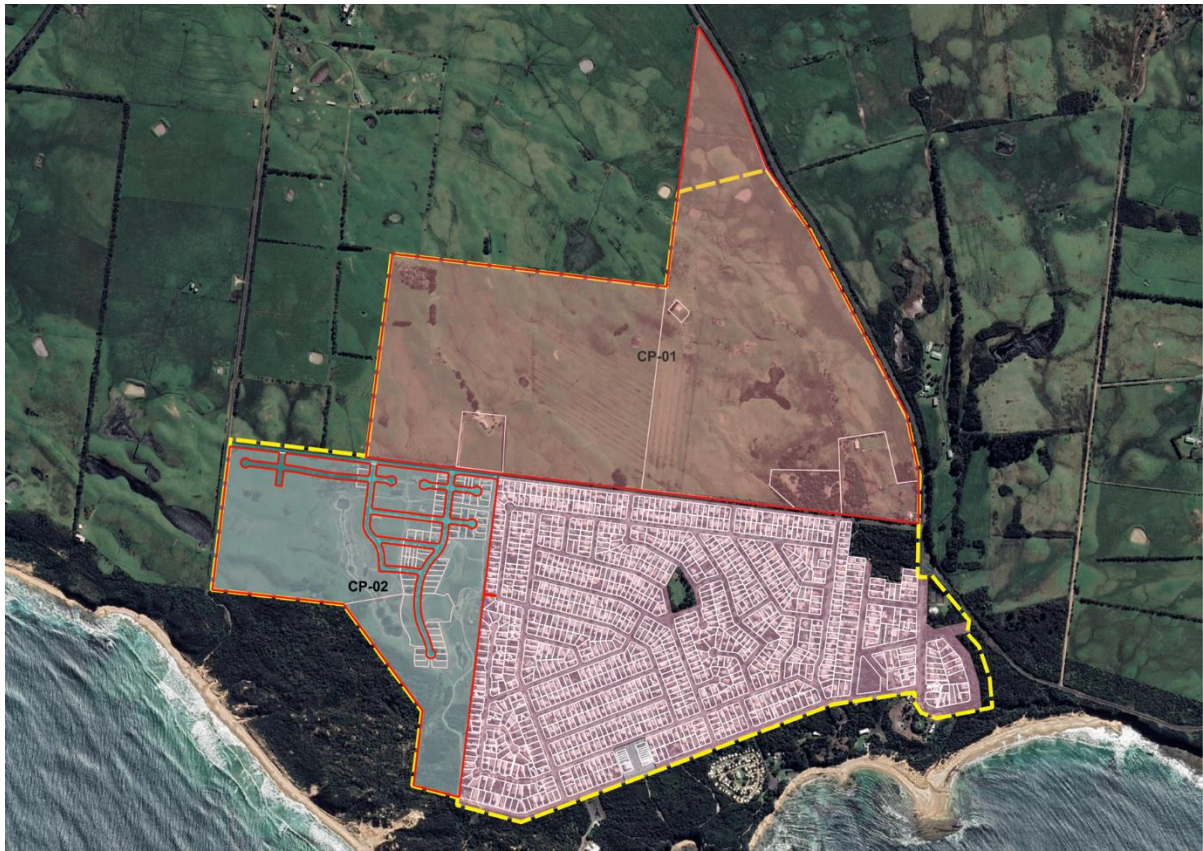
Town	Site Id	Zone	Yield	Capacity Source
Cape Paterson	CP-01	FZ	490	Modelled
Cape Paterson	CP-02	CDZ1	42	Council - permit
Corinella	CA-01	GRZ1	36	Council - permit
Corinella	CA-02	LDRZ	31	Council - permit
Coronet Bay	CB-01	GRZ1	176	Council - permit
Coronet Bay	CB-02	LDRZ	43	Council - permit
Cowes	CS-01	FZ	40	Modelled
Cowes	CS-02	GRZ1	54	Modelled
Cowes	CS-03	GRZ1	281	Council – development proposal (independent living)
Cowes	CS-04	GRZ1	41	Modelled
Cowes	CS-05	GRZ1	16	Council – development proposal
Cowes	CS-06	GRZ1	30	Council – expected outcome following planning process.
Cowes	CS-07	GRZ1	70	Council - permit
Dalyston	DA-01	TZ	46	Council - permit
Grantville	GR-01	LDRZ	12	Modelled
Grantville	GR-02	FZ	18	Modelled, including buffer area reduction
Grantville	GR-03	FZ	13	Modelled
Grantville	GR-04	GRZ1	91	Modelled
Grantville	GR-05	GRZ1	167	Council – preliminary plan
Grantville	GR-06	FZ	16	Modelled
Inverloch	IN-01	GRZ1	282	Council – proposed development
Inverloch	IN-02	GRZ1	192	Modelled
Inverloch	IN-03	GRZ1	66	Council - permit
Kilcunda	KA-01	TZ*	23	Council – restructure overlay maximum.
Kilcunda	KA-02	TZ/GRZ	98	Council – development proposal.
San Remo	SR-01	GRZ1	84	Council - permit
San Remo	SR-02	GRZ1	55	Council – permit
San Remo	SR-03	GRZ1	35	Council – development proposal
Sunderland Bay	SB-01	LDRZ	6	Council - permit
Ventnor	VR-01	FZ	22	Modelled
Ventnor	VR-02	FZ	36	Modelled
Wonthaggi	WT-01	LDRZ	83	Council - permit
Wonthaggi	WT-02	FZ	226	Modelled
Wonthaggi	WT-03	GRZ**	1,241 zoned 3,373 unzoned	PSP
Wattle Bank	WB-01	RLZ	58	Council - permit
Wattle Bank	WB-02	RLZ	9	Modelled

Source: Urban Enterprise, 2022.

*Combination of TZ and RLZ. **PSP area has a total expected yield of approximately 5,000 lots. Existing lots in completed estates excluded; yield of remaining undeveloped land area estimated by applying PSP land budget metrics of 80% NDA and 11 dwellings per hectare on average.

MAPS

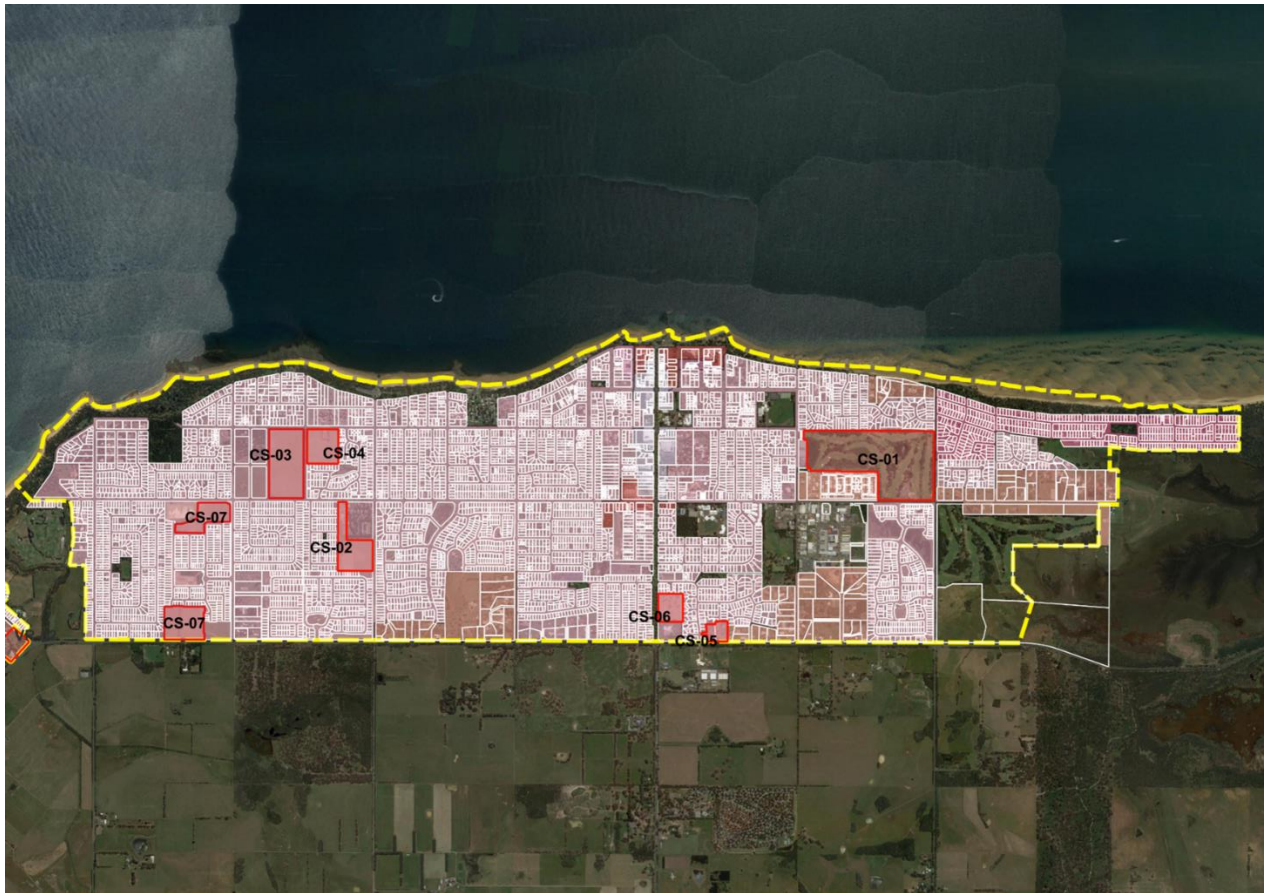
F37. CAPE PATERSON BROADHECTARE LOCATIONS



F38. CORINELLA AND CORONET BAY BROADHECTARE LOCATIONS



F39. COWES BROADHECTARE LOCATIONS



F40. VENTNOR BROADHECTARE LOCATIONS



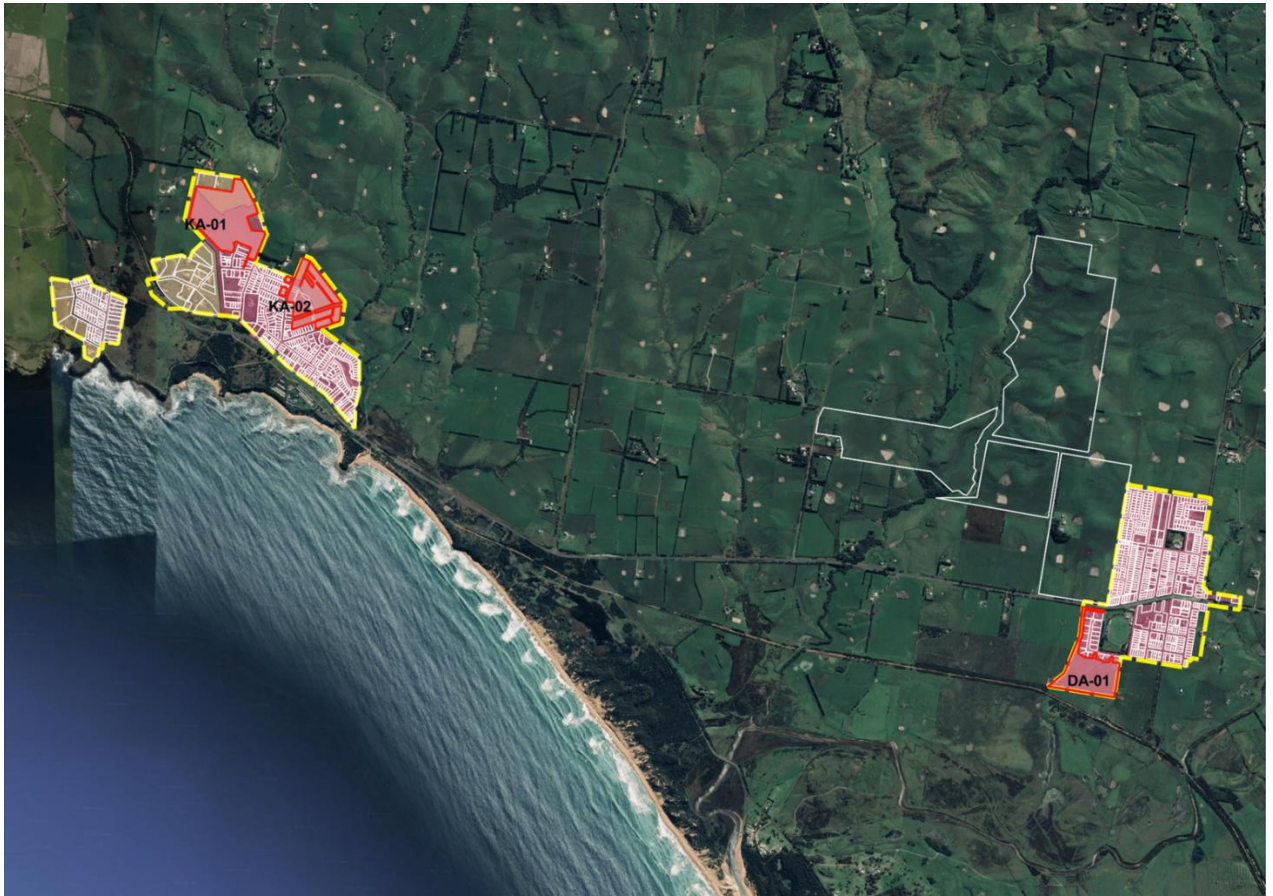
F41. GRANTVILLE BROADHECTARE LOCATIONS



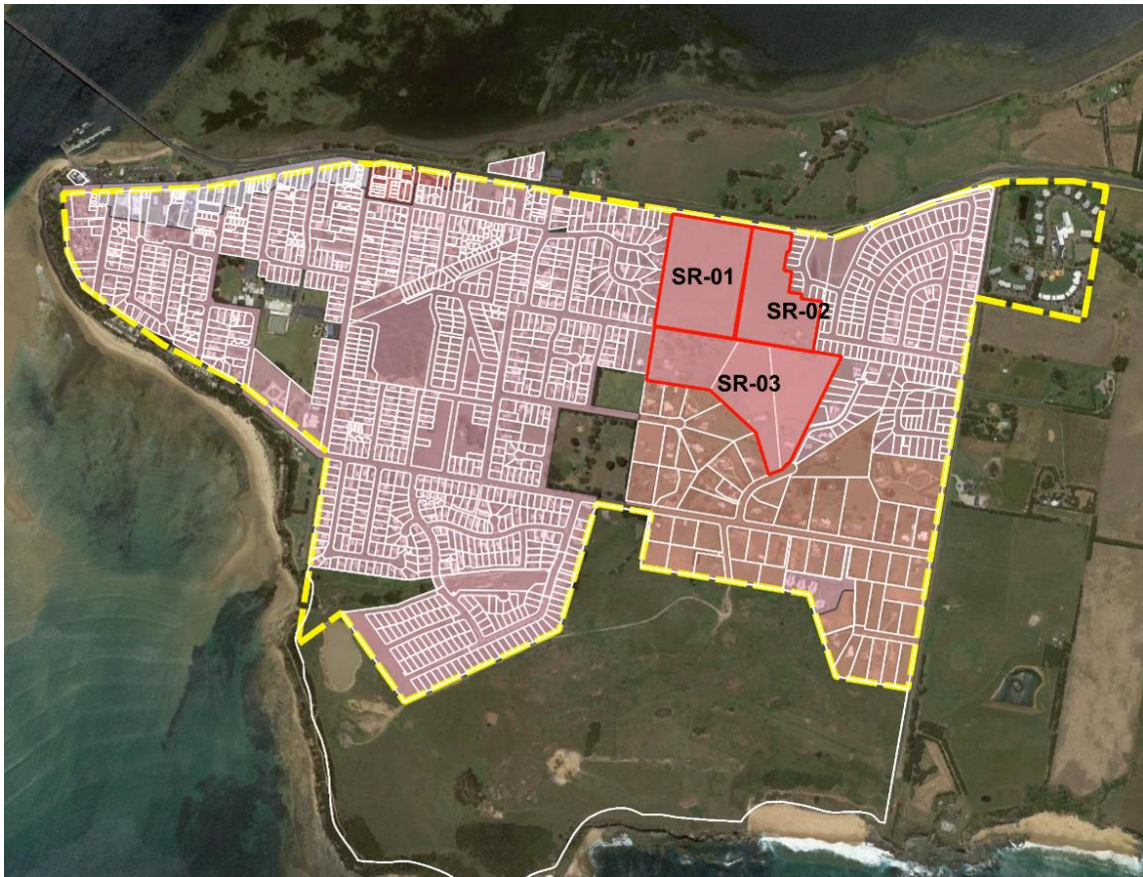
F42. INVERLOCH BROADHECTARE LOCATIONS



F43. KILCUNDA & DALYSTON BROADHECTARE LOCATIONS



F44. SAN REMO BROADHECTARE LOCATIONS



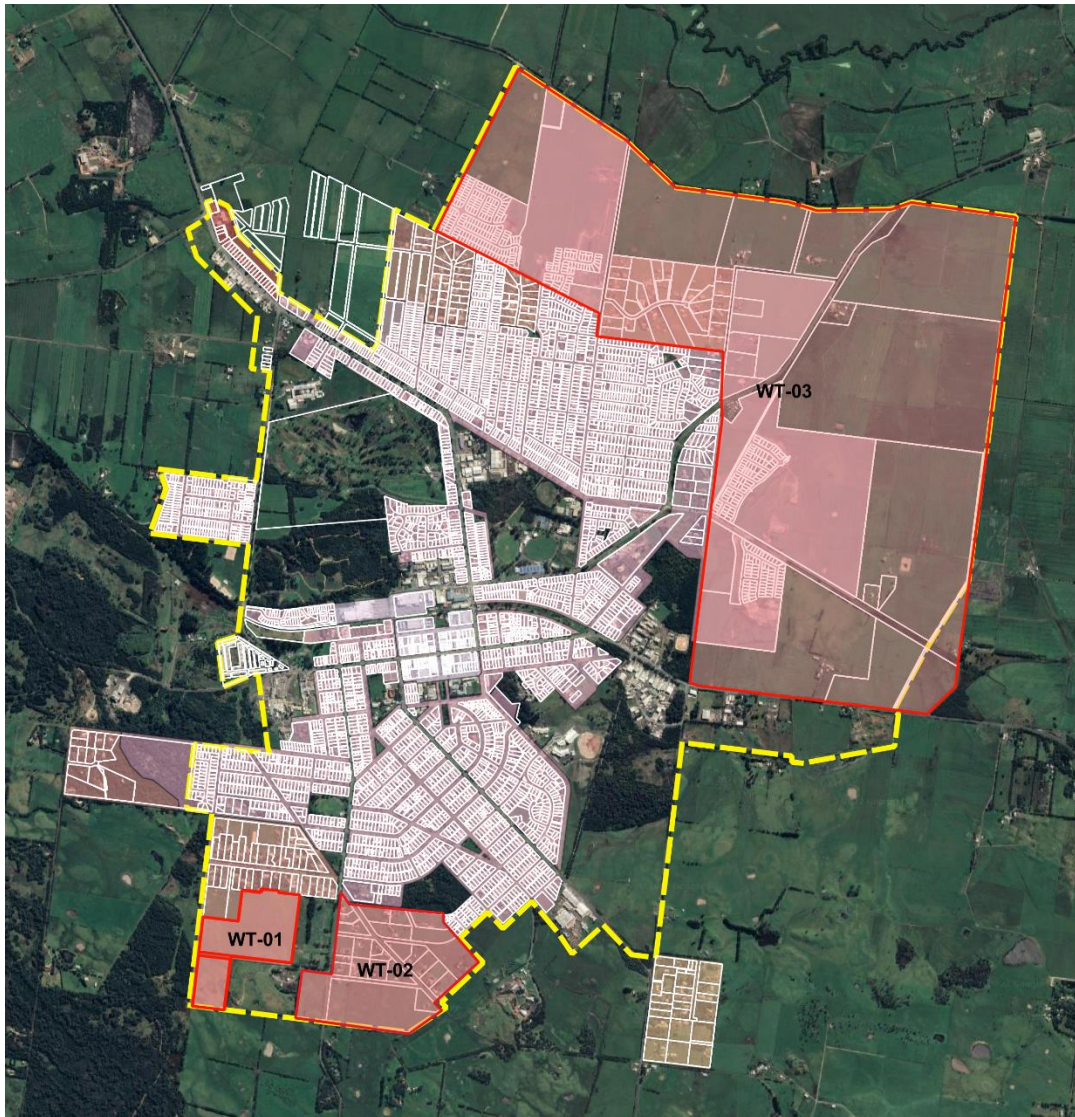
F45. SUNDERLAND BAY BROADHECTARE LOCATIONS



F46. WATTLE BANK BROADHECTARE LOCATIONS



F47. WONTHAGGI BROADHECTARE LOCATIONS



APPENDIX C INFILL CAPACITY ASSESSMENT DETAILS

OVERVIEW OF METHOD

For sites not identified as broadhectare, the potential for infill development was assessed through the following process:

- A series of exclusions were first applied to remove from consideration sites that are considered unlikely to be redeveloped in the planning period for this study. Exclusions apply where sites have recently constructed and/or high value improvements, are too small to accommodate townhouse or apartment development, or have current non-residential uses that are unlikely to be redeveloped (such as schools, churches, infrastructure, caravan parks and so on).
- For sites not excluded, the potential capacity of the land was estimated based on existing Bass Coast planning policy relating to residential densities in established areas. Residential intensification is encouraged in some towns but not others and is particularly encouraged in areas proximate to activity centres in major towns.
- In the Cowes, San Remo, Inverloch and Wonthaggi Activity Centres, information on the proposed capacity or yield of particular strategic redevelopment sites was provided by Council to replace any 'modelled' development capacity.
- In cases where no further subdivision is likely, but a site is currently vacant, these sites were identified as 'single vacant lots'.

The following tables detail the assumptions used to estimate the development capacity of land in established areas of Bass Coast townships.

EXCLUSIONS

Table 44 summarises the exclusions that are applied to remove from consideration sites that are considered unlikely to be developed over the planning period. Although some of these sites may ultimately be developed, these sites have characteristics that usually mean that development is less likely or viable, so including the capacity of the sites would likely overestimate the housing opportunities in established areas.

T44. EXCLUSIONS

No	Characteristic	Exclusion	Details
1	Year Built	Buildings constructed since January 2000	Sites with recently constructed buildings less likely to be redeveloped in the short-medium term.
2	High Value Improvements	CIV:SV Ratio > 3 (higher density and mixed use locations) CIV:SV ratio > 1.5 (all other zones and areas)	Redevelopment of occupied properties with high value improvements relative to site value are less likely to be short term development propositions. Development generally focuses on sites with lower value improvements to maximise return/viability.
3	Small lots	Lots less than 300sqm	Small lots are unlikely to be further

No	Characteristic	Exclusion	Details
			subdivided or developed.
4	Existing land uses	<ul style="list-style-type: none"> • Strata-titled and common property • Aged care and retirement living • Townhouses and units • Public infrastructure (e.g., telecommunications, electricity, drainage, open space) • Education and public health and community facilities • Emergency services • Religious and other gathering buildings 	Certain property types and land uses have characteristics or existing uses that generally prevent or strongly reduce the likelihood of redevelopment. These properties have been excluded.

Source: Urban Enterprise.

PLANNING POLICY ON RESIDENTIAL INTENSIFICATION

The Bass Coast Planning Scheme includes a range of policies regarding the level of residential change supported in towns and within specific local areas. The main relevant policies are as follows:

- **Clause 02.03** identifies that Council seeks to “support increased housing densities close to commercial centres and community facilities” but does not further define these areas.
- **Clause 11.01** includes Strategic Framework Plans for most towns, some of which provide specific direction on residential densities encouraged within those towns;
- **Clause 15.01** includes a range of neighbourhood character and design policies which influence decisions on densities in certain areas; and
- **Clause 16.01** provides general policy guidance on locations and towns where increased housing densities are to be encouraged or discouraged. It also provides specific policy guidance for the towns of Inverloch, San Remo, Newhaven, Cowes and Silverleaves, Ventnor and Rhyll.

The above policies often overlap and sometimes conflict. The policy direction regarding residential intensification has been distilled by Urban Enterprise into a matrix (Table 45) of locations where increased residential density is and is not encouraged, and if it is encouraged, then the type of development that is encouraged.

T45. SUMMARY OF POLICY FOR RESIDENTIAL INTENSIFICATION

Town	Encourage increased densities ¹	Discourage increased Housing Densities	Localised policy
Wonthaggi	X		Strategic Framework Plan (Clause 11)
Cowes	X		Strategic Framework Plan (Clause 11)
San Remo	X		Strategic Framework Plan (Clause 11)
Inverloch	X		Strategic Framework Plan (Clause 11) Residential Character Areas Plan (Clause 15, 16)
Grantville	X		Strategic Framework Plan (Clause 11)
Cape Paterson		X	Strategic Framework Plan (Clause 11)
Dalyston		X	Strategic Framework Plan (Clause 11)
Kilcunda		X	Strategic Framework Plan (Clause 11)
Bass		X	Strategic Framework Plan (Clause 11)
Corinella		X	Strategic Framework Plan (Clause 11)
Coronet Bay		X	Strategic Framework Plan (Clause 11)
Newhaven		X	Strategic Framework Plan (Clause 11) Support residential development of higher densities (Clause 16)
Ventnor		X	Strategic Framework Plan (Clause 11)
Rhyll		X	Encourage a mix of densities (Clause 16)
Tenby Point		X	Strategic Framework Plan (Clause 11)
Jam Jerrup		X	Strategic Framework Plan (Clause 11)
Pioneer Bay		X	Strategic Framework Plan (Clause 11)
Adams Estate		X	-

Town	Encourage increased densities ¹	Discourage increased Housing Densities	Localised policy
Harmers Haven		X	Strategic Framework Plan (Clause 11)
The Gurdies		X	Strategic Framework Plan (Clause 11)
South Dudley		X	-
Mabilia Estate, Kilcunda		X	-
Silverleaves		X	Strategic Framework Plan (Clause 11)
Sunset Strip		X	Strategic Framework Plan (Clause 11)
Wimbledon Heights		X	Strategic Framework Plan (Clause 11)
Smiths Beach		X	Strategic Framework Plan (Clause 11)
Sunderland Bay		X	Strategic Framework Plan (Clause 11)
Surf Beach		X	Strategic Framework Plan (Clause 11)
Cape Woolamai		X	Strategic Framework Plan (Clause 11)

Source: Urban Enterprise based on Bass Coast Planning Scheme.

1. Clause 16 includes this policy to encourage increased housing densities "in areas that are either close to activity centres, community facilities and services or nominated in structure plans or design frameworks."

Clause 16 includes specific policy regarding the lot sizes that are encouraged in certain areas based on proximity to "main commercial activity centres or commercial facilities". These lot sizes are shown in Table 46.

Consultation with council indicated that the policy weight of the nominated lot sizes is limited due to inconsistencies with the balance of the planning scheme (i.e., the zones generally allow smaller lot sizes and higher density outcomes). The lot sizes assumed in these areas are therefore lower than those nominated in Clause 16.

T46. CLAUSE 16 LOT SIZE POLICY

Distance from activity centre	0-200m	0-400m	400-800m	800m+
Lot size (sqm)	Increasing housing densities	300	450	600

Source: Bass Coast Planning Scheme.

DEVELOPMENT TYPOLOGIES, DENSITIES AND LOT SIZES

Given the complex and often conflicting policy on residential intensification, a development typology has been allocated to each town and sub-area based on policy where the policy is sufficiently explicit to determine this.

Typologies include the following:

- **Low rise apartments** – this typology is encouraged in certain higher growth and change areas, such as within the substantial change areas in Cowes and the Inverloch Activity Centre. Three storey apartment buildings are assumed as the typology in these areas if lot sizes are large enough to accommodate an apartment development, unless DDO controls permit greater building heights (such as in Cowes DDO11 where 4 and 5 storey buildings are permitted in specific sub-precincts of the Cowes Activity Centre).
- **Mixed Use low rise multi-level development** – Three storey mixed use development (commercial ground floor with residential above) is assumed to be the default housing typology in the Commercial 1 Zone and Mixed Use Zone based on policy support for residential above commercial uses in most town centres.
- **Townhouse** – Based on recent development activity across most towns in Bass Coast experiencing infill development, townhouses / units are the most common residential intensification outcome and are assumed to continue to be the default infill development typology in most areas where increased densities are encouraged. For example, in the 'Medium Density Housing residential character area', a townhouse typology is applied.
- **Small lot detached housing** – Some areas in Inverloch are nominated in policy as locations where some infill development is possible but dwelling intensification should reflect the detached character of housing. In these cases, smaller lot detached dwellings are assumed for the purposes of estimating capacity.
- **Detached Dwellings** – Assumed to be the default housing typology in towns where increased housing density is discouraged by Clause 16.

For each development typology, a typical density is applied to estimate housing capacity as shown in Table 47.

T47. DENSITY AND LOT SIZE ASSUMPTIONS

Typology	Density (dw/ha)	Equivalent lot size (sqm)	Minimum lot threshold (sqm)
Apartment – 3 storeys	130	77	1,000
Apartment – 4 storeys	200	50	1,000
Apartment – 5 storeys	270	37	1,000
Mixed Use – 3 storeys	80	125	1,000
Mixed use – 4 storeys	150	67	1,000
Mixed use – 5 storeys	210	48	1,000
Townhouse	50	200	500
Small lot detached	-	450	-
Detached	-	500	-

Source: Urban Enterprise. Apartment density based on Urban Development Program projects with the relevant number of storeys. Mixed Use density based on apartment densities minus one level (i.e., ground level non-residential use). Townhouse density based on Urban Development Program projects (average density 72 dw/ha) and a review of common projects completed in Bass Coast towns (commonly 40 dw/ha with common property and stand alone dwellings). 50dw/ha adopted.

In order to apply the policy intention of Clause 16 (and other parts of the planning scheme) whereby the closer sites are to the activity centres of Cowes, Wonthaggi, San Remo, Grantville and Inverloch, the greater the residential density that will be supported, a sliding scale of lot sizes has been applied as shown in Table 48. Lot sizes have been determined based on a sample of recent subdivisions that have been approved in these towns.

These sizes only apply if no other specific guidance on densities and typologies is adopted through other assumptions previously described. For example, in Cowes, the overriding assumption driving modelled density is the policy regarding Substantial Change, Incremental Change and Minimal Change areas.

T48. SLIDING SCALE OF HOUSING DENSITY IN AREAS SUPPORTED FOR INFILL DEVELOPMENT

Distance from activity centre	0-200m	0-400m	400-800m	800m+
Clause 16 policy lot size (sqm)	"Increasing housing densities"	300	450	600
Adopted lot size (sqm)	200	200	300	500

Source: Urban Enterprise.

The following local exceptions apply:

- Inverloch Restricted Environmental Residential (Character 3) – 600sqm based on existing lot size profile.

OTHER ASSUMPTIONS AND INPUTS

- A list of strategic redevelopment sites in the Cowes, San Remo, Inverloch and Wonthaggi Activity Centres was provided by Council – the yield of these sites was adopted in place of any modelled capacity.

