

10.6 NOTICE OF MOTION NO. 25/005 - OFFICER RESPONSE: DWELLING CONSTRUCTION PIPELINE IN GLEN EIRA

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Attachments: Nil

EXECUTIVE SUMMARY

This report arises from a Notice of Motion at the Ordinary Council Meeting on 16 October 2025, requesting Council officers prepare a report that compares the number of dwellings approved under permits to the number of dwellings that are actually constructed. The report provides a comparison between the numbers last reported in 2021 to those across the following four year period.

The report demonstrates that there have been reductions in the number of applications being lodged with Council, reduction to the dwelling yield, whilst those permits being acted upon has also reduced. For example, in 2024, 518 dwellings were approved yet only 55 have been constructed. The report also notes that Council's approval of applications for new dwellings has increased to 99% in 2024.

RECOMMENDATION

That Council notes the report.

BACKGROUND

At the Ordinary Council Meeting on 16 October 2025, Council resolved that officers:

1. Prepare a report on dwelling construction in Glen Eira. The report should include, but not be limited to, information on the following:
 - a. An update to the data supplied to Council at the Ordinary Council meeting held on 12 October 2021 regarding "New Dwelling Comparison".
 - b. Data spanning a four-year period, incorporating planning and building statistics for single dwellings, dual occupancy dwellings and multi-dwelling developments.
 - c. Officer commentary on dwelling application trends over the past four years, including observations on changes in development patterns, contributing factors, and relevant insights drawn from professional experience.

To provide context, the following are the numbers reported in 2021:

Single dwellings

Year	Planning permits issued	Number of approved dwellings	Number of permits acted on	Number of new dwellings constructed
2017	28	28	17	17
2018	36	36	27	27
2019	24	24	18	18

2020	35	35	6	6
Total	123	123	68	68

Dual occupancy dwellings

Year	Planning permits issued	Number of approved dwellings	Number of permits acted on	Number of new dwellings constructed
2017	315	630	222	444
2018	290	580	144	288
2019	180	360	81	162
2020	146	292	13	26
Total	931	1862	460	920

Multi-unit dwellings

Year	Planning permits issued	Number of approved dwellings	Number of permits acted on	Number of new dwellings constructed
2017	79	965*	35	377
2018	59	508*	16	144
2019	48	320	5	53
2020	34	384	0	0
Total	220	2177	56	574

**Permit information was not available in electronic format and therefore some of the total approved dwelling numbers are unable to be verified.*

ISSUES AND DISCUSSION

This report presents the total number of new dwellings approved under a planning permit with the number of new dwellings built and is broken down into single dwellings, dual occupancy dwellings and multi-dwelling developments. It covers the period of 2021-2024.

The data sets that have been used include a list of planning permits issued and the list of new rateable properties over the four years. There is no report that provides a correlation of these two data sets.

The methodology in reviewing the data included a manual comparison of the two different data sets. It has sought to, as best as possible, link a new dwelling built to its respective planning permit. It excludes dwellings constructed where a planning permit is not required (including as of right construction where authorised under a development plan approval).

The following, as best possible, compares the number of new dwellings approved under planning permits to the number of new dwellings that are actually constructed.

It is noted that some of the developments authorised by permits may have commenced but are not yet complete and therefore has not provided a new rateable dwelling. Similarly, a number of the permits are still valid and have not yet been acted upon.

Single dwellings

Year	Planning	Number of	Number of	Number of	Percentage
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	permits issued	approved dwellings	permits acted on	new dwellings constructed	
2021	32	32	20	20	62.5%
2022	31	31	18	18	58.0%
2023	10	10	8	8	80.0%
2024	26	26	2	2	7.6%
Total	99	99	48	48	48.5%

Dual occupancy dwellings

Year	Planning permits issued	Number of approved dwellings	Number of permits acted on	Number of new dwellings constructed	Percentage
2021	186	372	135	270	72.5%
2022	223	446	130	260	58.3%
2023	144	288	65	130	45.1%
2024	175	350	18	36	10.3%
Total	728	1456	348	696	47.8%

Multi-unit dwellings

Year	Planning permits issued	Number of approved dwellings	Number of permits acted on	Number of new dwellings constructed	Percentage
2021	43	301	18	82	27.2%
2022	34	208*	9	42	20.2%
2023	22	413	3	9	2.2%
2024	23	142	2	17	12.0%
Total	122	1064	32	150	14.1%

*Includes permit issued for 10-16 Selwyn Street, Elsternwick (Woolworths) that approved 135 new dwellings. This permit has effectively been superseded by the new permit issued by the Minister for Planning in 2025 that allows a similar development with 148 new dwellings.

As set out above, there has been an overall reduction in the number of planning permits issued, dwellings approved, and dwellings constructed across all dwelling types from the 2021 report.

For single dwelling proposals, the reduction is approximately 20% of permits issued.

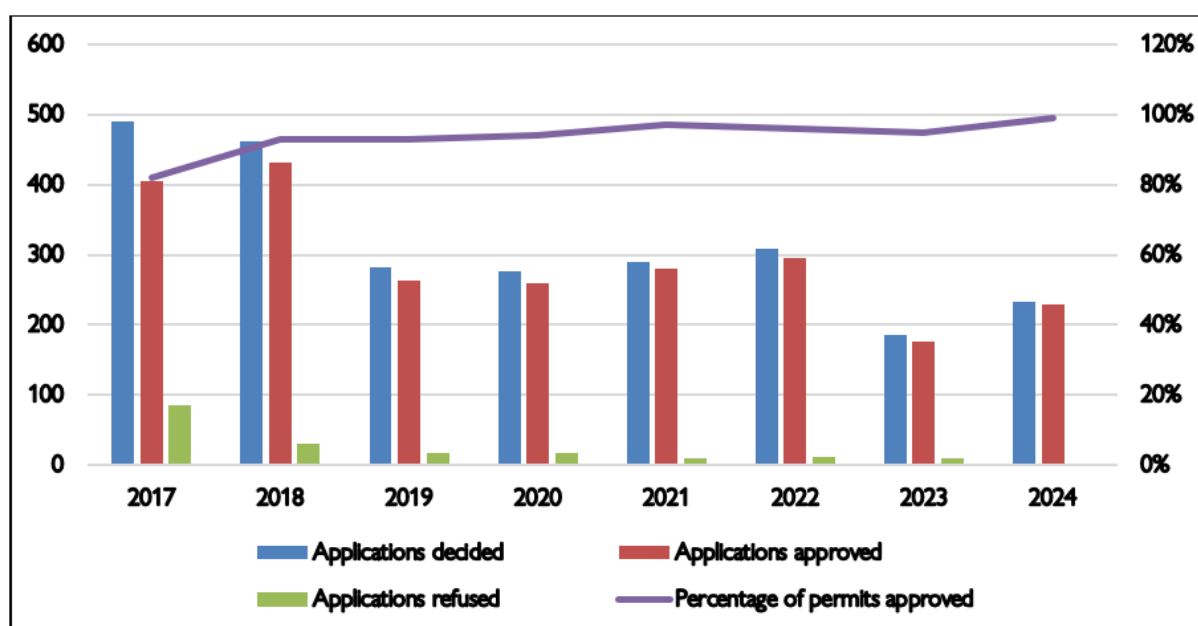
For dual occupancy proposals, the reduction is approximately 22% of permits issued.

For multi-unit proposals, the reduction is approximately 45% of permits issued, 52% of dwellings approved. The percentages do not account for the duplication of planning permits such as 10-16 Selwyn Street, Elsternwick (Woolworths), which contributed approximately 12% of new dwellings for the four year period.

For context, the following table presents the trend of applications for planning permits for new dwellings lodged, approved and refused by Council over the assessment periods:

Year	Applications decided	Applications approved	Applications refused	Percentage of permits approved
2017	491	406	85	82%
2018	462	431	31	93%
2019	282	264	18	93%
2020	277	260	17	94%
2021	289	280	9	97%
2022	308	296	12	96%
2023	186	176	10	95%
2024	233	230	3	99%

The following graph demonstrates the trend in applications by decision and the percentage of applications approved.



Whilst the trend over the last four years has been for a reduced number of permits issued and dwellings approved, this is entirely due to the number of applications being lodged with Council being substantially lower than the previous reporting period, noting that the percentage of applications approved by Council over the last four years is higher than compared to the previous reporting period.

Some of the factors that may have led to the reduced application and dwelling numbers over the last four years could be attributed to the COVID-19 pandemic and the associated rise in construction costs, and the planning reforms program being rolled out by the State Government as part of the response to the Victorian Housing Statement.

A review of the estimated cost of works disclosed by applicants for a dual occupancy development in 2020 was on average \$907,116. This has increased to \$1,080,395 in 2024, or by 16% over four years, or approximately 4% each year.

The most significant change in dwelling approvals is associated with multi-unit applications. The data demonstrates that over the last four years, there has been a significant reduction in the number of these applications being submitted to Council, whilst the dwelling yield has also substantially reduced. Officers have noted this, including numerous examples of people

applying for low density dual occupancy applications on land that already had a planning permit issued for more intensive developments. Some of these examples are as follows, noting there are others:

- 6-8 Bevis Street, Bentleigh East – Planning Permit approved in 2022 for a three storey building with 19 apartments. A new Planning Permit issued in 2024 for a dual occupancy development.
- 202-212 Hawthorn Road, Caulfield North – Planning Permit approved in 2020 for a three storey building with 19 apartments. A new Planning Permit issued in 2025 for a dual occupancy development.
- 33 Rothschild Street, Glen Huntly – Planning Permit approved for four dwellings in 2022. A new Planning Permit issued in 2025 for a dual occupancy development.
- 1 Foster Street, Elsternwick – Planning Permit approved for six dwellings in 2020. A new Planning Permit issued in 2023 for one dwelling.

Importantly, as part of the planning reforms that have sought to codify and fast track residential development assessments, the State Government has removed the ability for Council's or the Victorian Civil and Administrative Tribunal (VCAT) to consider the purpose or decision guidelines of the zone, the Municipal Planning Strategy or Planning Policy Framework. This means that for applications that seek to reduce dwelling yield as set out above, neither Council nor VCAT has any provisions available to refuse such applications. This is particularly significant where applicants are proposing low density developments in higher density zones, such as dual occupancy development in land now located in the Housing Choice and Transport Zone where developments of up to six storeys are envisaged. This is likely to have an impact on housing supply in Glen Eira into the future.

Under Clause 16.01-1S (Housing supply) of the Glen Eira Planning Scheme, the State Government has set Glen Eira a housing target of an additional 63,500 dwellings by 2051. This equates to approximately 2540 per year. Over the four year period that this report has assessed, Glen Eira has approved a total of 2619 dwellings, noting this number includes sites that have multiple planning permits as discussed in this report, so the real figure is lower.

CLIMATE EMERGENCY RESPONSE STRATEGY IMPLICATIONS

There are no implications to note from this report.

FINANCIAL, RESOURCE AND ASSET MANAGEMENT IMPLICATIONS

There are no financial, resource or asset management implications associated with this report.

POLICY AND LEGISLATIVE IMPLICATIONS

There are no implications to note from this report.

LINK TO COUNCIL PLAN

Strategic Direction 2: Diverse, welcoming and accessible places
We have diversified housing options while maintaining local neighbourhood character

OFFICER DECLARATION OF CONFLICT OF INTEREST

No officers involved in the preparation of this report have any general or material conflict of interest in this matter.

CONCLUSION

This report presents as best as possible the number of new dwellings approved under permits to the number of new dwellings that are actually constructed based on planning permits issued between 2021 and 2024.