

Media Release

The Hon Daniel Andrews MP
Premier



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AUSTRALIA'S BIGGEST EVER URBAN RENEWAL PROJECT

The Andrews Labor Government will launch Australia's biggest ever urban renewal project: retiring and redeveloping all of Melbourne's 44 ageing high-rise public housing estates to provide the thriving communities and modern homes Victorians deserve.

Melbourne's high-rise public housing towers were constructed after World War II, between the 1950s and 1970s, designed to minimise costs and built to significantly outdated design standards. They're reaching the end of their useful lives, and no longer fit for modern living – particularly for young families and Victorians with disability.

Constructed at a time that pre-dates current building codes, the towers no longer meet the minimum standards Victorians expect – including many of Victoria's Better Apartment Design Standards.

The towers fail against noise, sustainability, waste and recycling, bedroom area dimensions, room depth, ventilation, private open space, accessibility and minimum amenity standards.

If Homes Victoria undertook only critical capital repairs and maintenance to the 44 towers, it'd cost an estimated \$2.3 billion over the next 20 years – roughly \$55 million per tower.

But even then, their design means many homes would never be able to meet contemporary codes, nationwide energy rating schemes or accessibility needs for a significant number of households.

Starting with two towers in Flemington, one in North Melbourne and the two old Carlton red brick public housing towers, we'll bring forward a program of works to progressively retire each tower and redevelop each site.

Across Flemington and North Melbourne, we'll replace 503 outdated dwellings with 1,800 new homes. In Carlton, we'll replace 196 uninhabitable dwellings with 231 homes – an increase of 18 per cent.

Not only will the redevelopment mean households will move into a new home that meets every modern building standard – it'll boost the overall number of social homes across these sites by at least 10 per cent, while also boosting the number of affordable and market homes across the sites.

As of June 2023, there are around 55,800 new applicants who have expressed interest in social housing in Victoria. Another 9,373 people already living in social housing have applied for a transfer to a new property.

There are currently around 10,000 people living across the 44 towers. Once we've redeveloped them, we anticipate around 30,000 people will live across these sites.

Homes Victoria has already launched the start of comprehensive community engagement with residents, having visited every household across the towers last week.

Community consultation will now continue to ramp up, with every resident across the towers now visited, and Homes Victoria staff to remain onsite at the towers for any and all support their communities need. Every tenant living across the 44 towers will be guaranteed a home while the redevelopment rolls out.

This is about rebuilding our end-of-life towers that don't meet today's standards, and about building more homes for people on our waiting list. Social homes that are rebuilt as part of the redevelopment will be built on public land.

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On top of launching Australia's biggest ever urban renewal project, *Victoria's Housing Statement* also brings together a package of further initiatives to boost social housing across the state.

We'll build up to 769 new social housing homes over the next five years with funding from the Commonwealth Government's Social Housing Accelerator – including low density developments on Homes Victoria owned land and medium and high density developments on Victorian Government owned land.

We'll invest \$1 billion in the Affordable Housing Investment Partnership (AHIP) program, providing low interest loans and government guarantees to finance social and affordable housing for Victorians that need it most – including projects that provide affordable housing for essential and key workers.

The new AHIP expands on the previous Building Financial Capacity of Housing Agencies (BFCHA) initiative, bringing the total funding available up to \$2.1 billion. This is the first time that government low interest loans and government guarantees are available in Victoria for affordable housing as well as social housing.

In July, we announced a new \$1 billion Regional Housing Fund to deliver more than 1300 new social and affordable homes across regional Victoria – on top of the \$1.25 billion we're already investing in our regions through the Big Housing Build.

As part of *Victoria's Housing Statement*, we'll kick off detailed due diligence, feasibility and design work on the following projects:

- Colac: at least 50 new public housing dwellings on vacant crown land on Pound Road
- Wodonga: at least 50 new public housing dwellings on Homes Victoria land, replacing 17 outdated dwellings close to Wodonga Hospital
- Shepparton, Seymour and Rochester: approximately 70 new social housing dwellings with a mix of public and community housing, to provide homes for people affected by the 2022 floods.

We'll explore opportunities to buy pre-sale off-the-plan apartments in medium and high density developments to boost Victoria's social housing stock, consulting further industry on opportunities to buy at scale through spot purchasing. And we'll buy directly from project proponents, making sure we don't reduce stock in the market.

When a development project is finished, there are often a small number of units that don't end up being sold or leased. This means there could be as many as several thousand apartments left empty right now that could make a home for someone.

Industry feedback suggests there may be opportunities for long-term headleases of these leftover apartments at social housing rental rates to support families who need social and affordable housing.

We'll call for expressions of interest to test market appetite to add some of these apartments to our supply of affordable housing and help reduce the waiting list.

Our \$5.3 billion Big Housing Build is delivering more than 12,000 social and affordable homes across metropolitan and regional Victoria. Some 7,600 homes are underway, and 3,000 households have either moved in or are getting ready to move in.

The Big Housing Build makes up roughly 7 per cent of the residential construction pipeline in Victoria. As of May 2023, more than \$1 billion has been invested across regional Victoria alone, and more than 28,000 jobs have been generated from development work that has been completed or is underway.

On top of the Big Housing Build, we're also building 4,000 new, energy efficient and cheaper to run social homes, through programs like the Public Housing Renewal Program.

Quote attributable to Premier Daniel Andrews

"This is Australia's biggest ever urban renewal project – and it'll boost social housing by at least 10 per cent across these 44 sites. It's a massive agenda to reimagine these spaces and rebuild them into the modern, accessible, comfortable homes Victorians expect – and deserve."

Quote attributable to Minister for Housing Colin Brooks

“Victoria already has the biggest social and affordable housing agenda of all Australian states and territories. But when it comes to the dignity and security of a home for every Victorian, there’s always more to do – and we’re getting on with it.”