

Media Release

Hon Jacinta Allan MP
Premier



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A PLANNING SYSTEM THAT SAYS YES IN MY BACKYARD – LITERALLY

The Allan Labor Government is opening doors for young Victorian families who want to get into a home of their own, by making it easier for property owners to subdivide and build a second house in a typical suburban backyard.

Premier Jacinta Allan, Minister for Planning Sonya Kilkeny and Minister for Housing and Building Harriet Shing today announced the next step in Victoria's move to become the townhouse capital: 10-day subdivisions to boost the supply of homes fit for young families.

New streamlined planning rules will come into effect in October to fast-track approvals for people who want to build a second home on their block, or subdivide their block and sell off the land – reducing wait times for the process from more than 60 days to just 10 business days.

The fast-tracked VicSmart process will apply to Victorians who want to build a second home, replace an existing house with two new ones, or subdivide their block and sell part of it.

On average, it will save applicants more than \$2,400 in fees, cut around two months in time – and dial down the stress and uncertainty property owners face when they undertake a process like this on their own.

Key criteria must be met to achieve the fast approval. Proposals will still need to meet siting, privacy and design standards. Important protections – like heritage and environmental overlays – also still apply, so new homes fit well into existing neighbourhoods.

Victorians will be able to access this new pathway to build a second home or subdivide their block from mid-October.

The Premier previously said at the Melbourne Press Club: *"I can't think of too many losers when it comes to townhouses and I believe the community is ready to see more of them. Everyone has evolved on this. But the planning rules haven't. It's still too hard in this state to subdivide your property and build a townhouse."*

With this change, Victoria's old planning rules catch up with the views of reasonable Victorians. We'll have a system that says yes in my backyard – literally.

It will add to housing supply, it will make subdividing easier, faster and cheaper, and it will help drive a homebuilding boom in the suburbs in a way that's sensitive to every street.

It's another way the Government is streamlining Victoria's planning system to boost housing supply and build more homes where people want to live – in the suburbs close to transport, schools, services, jobs and family.

It builds on the Labor Government's reform to allow small second homes – like granny flats – to be built without a planning permit. Since it was introduced in December 2023, more than 500 small second homes have been approved, unlocking more than \$140 million in investment.

Quotes attributable to Premier Jacinta Allan

"I want to get millennials into homes – and so many people in their 30s are looking at new townhouses and homes on subdivided blocks that have a couple of bedrooms and space for the kids to run around. It works for them."

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“Every time a new home is approved faster, a door opens for young people to live where they want – near the things they need and the people they love.”

Quote attributable to Minister for Planning Sonya Kilkenny

“These changes will boost housing supply in a way that’s sensitive to every street, whether you’re building a second home for your children or selling off your backyard to help someone else buy theirs.”

“For many people, the biggest housing opportunity is right behind them – in their own backyard. That’s an opportunity for someone else, too – a young family, a first home buyer or a downsizer.”

Quote attributable to Minister for Housing and Building Harriet Shing

“By making it quicker to subdivide and build, we’re unlocking thousands of new projects that will boost construction, create jobs and deliver more homes in the suburbs where people want to live.”