2021 Census Review

Banyule Housing Strategy: Technical Report

Prepared for
Banyule City Council

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Executive Summary

Banyule Population Trends

- At 2021 Banyule's Estimated Resident Population (ERP) was 127,376.
- Up until the Covid pandemic Banyule's was experiencing ongoing population growth adding approximately 920 new residents per year between 2004 and 2019 (+0.7% per annum). At 2019, the municipality's population was 130,500 residents. The COVID pandemic saw the municipality's population fall by 3,100 persons (−2.4%) to 2021.

Figure 1: Estimated Resident Population Banyule, as at June
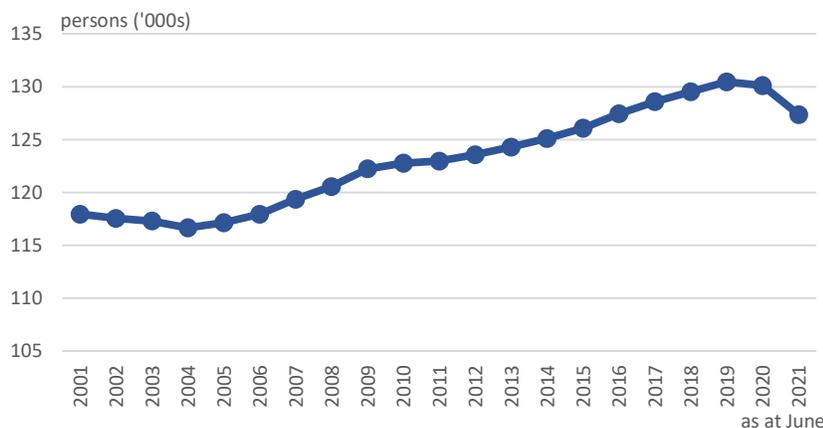
Source: Australian Bureau of Statistics

- The municipality's community is made up of high proportions of adults aged 45 years and above which includes significant proportions of 60+ year olds. Compared with its municipal neighbours, younger adults and children are less prevalent in Banyule.
- In the past two years Banyule experienced a drop in its share of 20-34 year olds, which could be due to the loss of international students through the 2020 to 2021 COVID isolation periods given Banyule's proximity to LaTrobe University.
- The greatest COVID related population loss in 2020-2021 occurred in Bundoora-East SA2 (-3.5%) followed by Heidelberg West (-3.1%). Both regions have significant overseas student and overseas born population.

Figure 2: Estimated Resident Population by age [share of population], selected regions, 2021
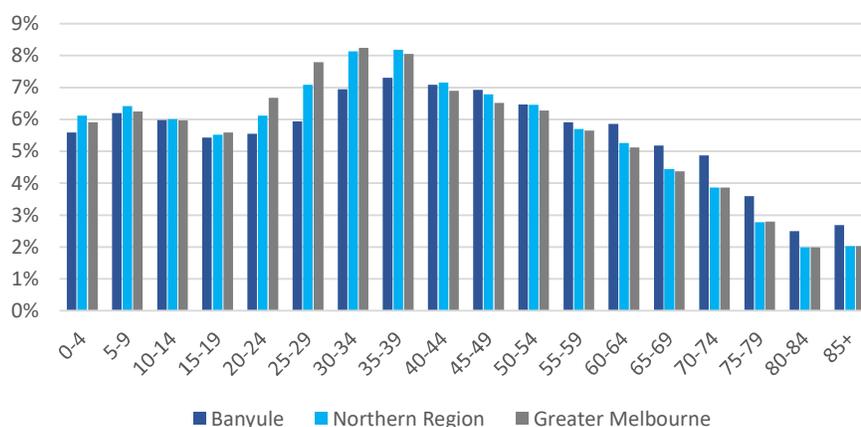
Source: Australian Bureau of Statistics Census of Population and Housing

- The majority of the municipality's households are smaller households. Couple without children and lone person households make up over 50% of the municipality's households. Smaller households have also shown the greatest growth in Banyule over 2016-2021period.
- The prevalence of different household types differs by location. In general, family with children households are more prevalent in the municipality's north (Greensborough, Watsonia, Bundoora) while smaller households (lone persons and couples without children households) are more prevalent in the municipality's centre and south where medium and high density housing is more available.

Figure 3: Household type (share of households), 2021, selected regions
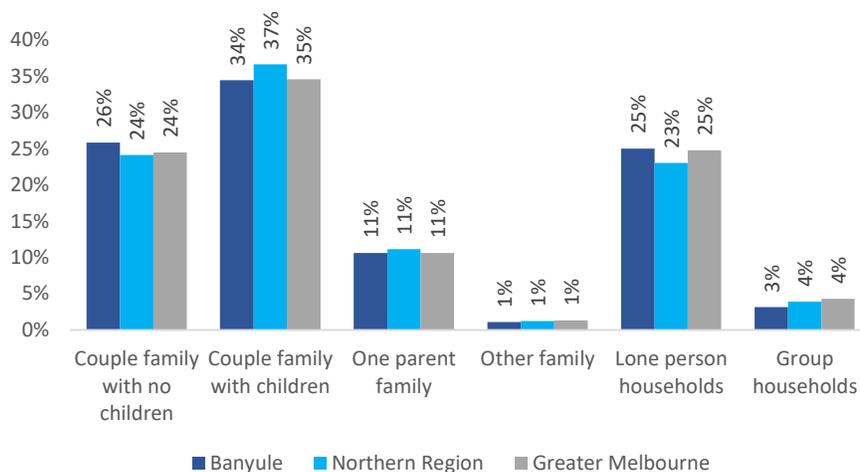
Source: Australian Bureau of Statistics Census of Population and Housing

Housing and Population Growth

- In 2021 there were 47,600 occupied private dwellings in the municipality the vast majority of which were separate houses (76%).[1]
- For the 2016 to 2021, the municipality recorded 4,497 dwelling completions and 1,404 demolitions implying a net addition of approximately 3,093 dwellings. The vast majority of net additional housing growth is attributable to the addition of townhouses and apartments primarily in the municipality's centre and south regions.[2]

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[1] This does not include visitor accommodation and non-private accommodation including nursing homes, hotels, communal accommodation.
[2] It is assumed that the vast majority of demolitions involve the demolition of detached houses.

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Figure 4: Banyule Dwelling Completions, 2016-2021
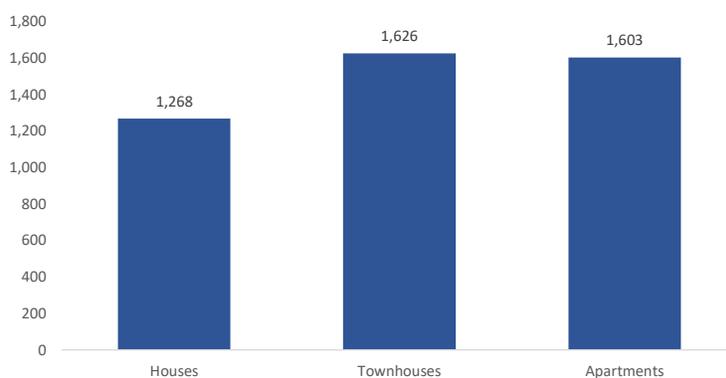
Source: Australian Bureau of Statistics Census, Building Approvals

■ The municipality's south and central areas have been the primary focus for both population and housing growth. Each of the Heidelberg-Rosanna, Ivanhoe and Heidelberg West SA2's lead the municipality in dwelling and population growth which is expected to continue with ongoing apartment development projected for these areas.

Figure 5: Dwelling completions, 2016- 2021, Banyule SA2s
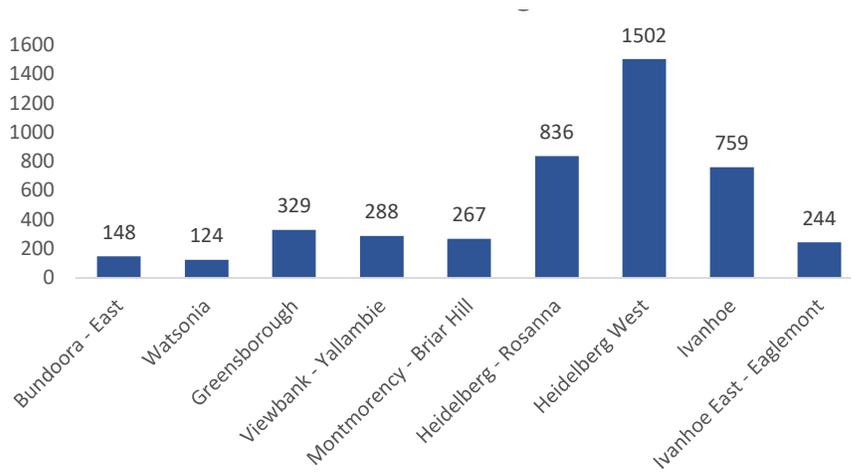
Source: Australian Bureau of Statistics, Building Approvals

■ Each of Heidelberg – Rosanna, Ivanhoe and Heidelberg West SA2s include significant areas supported by land use zoning for residential change which has supported both population and housing growth. In contrast, both Greensborough and Montmorency – Briar Hill SA2's include significant areas subject to land use zoning that limits residential change which has resulted in minimal residential and population change.

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Table 1: Population by SA2

SA2	Population 2011	Population 2019	Population 2021	Growth 2011-2021	% of Banyule total (2021)
Bundoora - East	9,888	10,365	9,925	37	7.8%
Watsonia	9,320	9,494	9,303	-17	7.3%
Greensborough	20,987	21,455	20,997	10	16.5%
Viewbank - Yallambie	18,775	19,225	18,891	116	14.8%
Montmorency - Briar Hill	16,165	16,940	16,658	493	13.1%
Heidelberg - Rosanna	14,215	16,481	16,202	1,987	12.7%
Heidelberg West	13,984	15,527	15,038	1,054	11.8%
Ivanhoe	11,608	12,853	12,561	953	9.9%
Ivanhoe East - Eaglemont	8,041	8,138	7,801	-240	6.1%
Banyule	**122,983**	**130,478**	**127,376**	**4,393**	**100.0%**

- The ongoing addition of apartments and townhouses is helping to diversify Banyule's dwelling stock and, in turn, the community's housing options. Ivanhoe and Heidelberg Rosanna SA2's are now the most diverse housing areas in the municipality with over 40% of their dwelling stock incorporating either medium or high density dwellings.

Figure 6: Dwelling type [share of total dwellings], 2021, Banyule SA2s
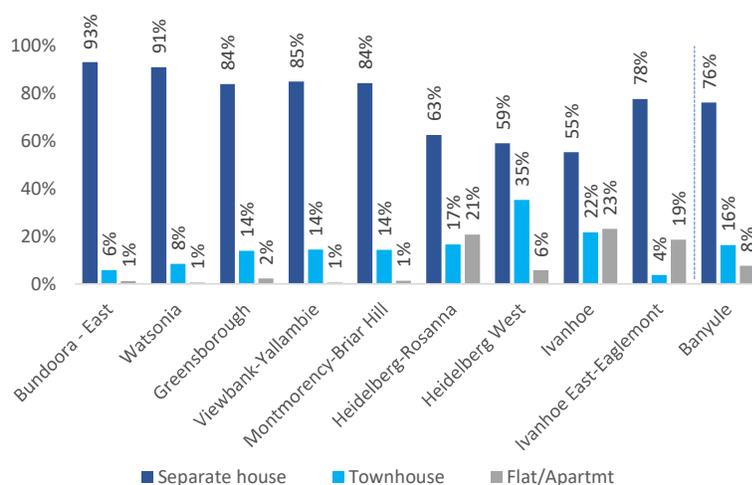
Source: Australian Bureau of Statistics Census of Population and Housing

- There are high numbers of households within the community that fully own their dwelling. 42% of households that live in a separate dwelling own their home without a mortgage which is above the Melbourne average of 38% households. Full home ownership has nonetheless been in long term decline. Relatively high numbers of the municipality's apartment residents also fully own their dwelling indicating a strong owner occupier market for high density dwellings in the municipality. High rates of full ownership are likely to reflect the municipality's older age profile.

Activity Centres

- In a relatively short period of time, Heidelberg Activity Centre has emerged as the municipality's leading high density housing area. At 2021 apartments accounted for 75% of the Centre's occupied dwellings with townhouses/units comprising 13% of the stock. Apartments account for 41% of dwellings in Ivanhoe Activity Centre. In comparison, the Greensborough Activity Centre largely remains a suburban low density area with detached dwellings the Centre's predominant built form.

Figure 7: Share of occupied dwelling stock by dwelling type, 2021, Banyule Activity Centres
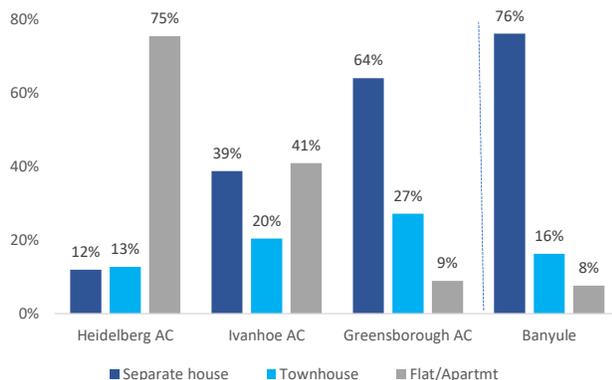
Source: Australian Bureau of Statistics Census of Population and Housing

- While there has been significant new apartment supply in Heidelberg and Ivanhoe activity centres, population growth has not been commensurate. Potentially, the Covid period resulted in young adults leaving the municipality's centres.
- The Heidelberg and Ivanhoe Activity Centres include high proportions of young adults (25-44 year old age cohorts). Ivanhoe Activity Centre also has high proportions of 55-64 year olds, suggesting the success of this centre in attracting a 'downsizer' demographic. The Ivanhoe Activity Centre also includes a high proportion of three bedroom apartments which is, likewise, indicative of downsizing.

Figure 8: Population distribution by age range (share of population), Activity Centres, 2021
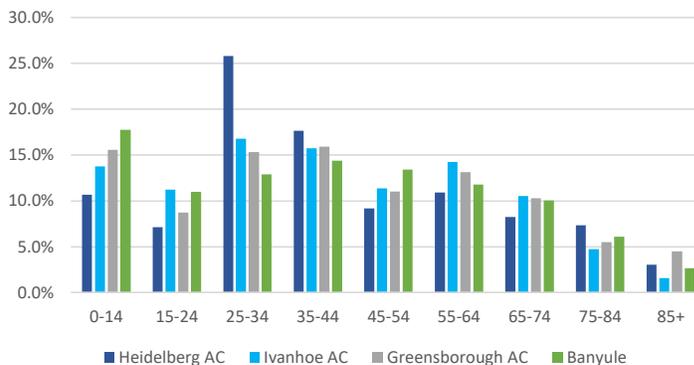
Source: Australian Bureau of Statistics Census of Population and Housing

- Smaller lone person and couple without children households make up the vast majority (approximately 77%) of households living in the municipality's activity centres.

Incomes and Housing Affordability

- Banyule is one of Melbourne's more affluent areas, with a median gross household income of $2,027 per week at the 2021 Census which was 6.6% above the Greater Melbourne median of $1,901 per week.
- The Banyule median house price in the June quarter of 2022 was $1.057 million, 8% above the Greater Melbourne median house price of $975,000. The Banyule median unit price of $725,000 is 16% higher than the Greater Melbourne median of $625,000.
- Median unit rents in Banyule are largely in line with that of Greater Melbourne for one, two and three bedroom units. Rents for separate houses, however, command a premium. The highest rents in Banyule are being achieved at the southern end of the municipality in Ivanhoe-Ivanhoe East. The most affordable rents are to the north in Bundoora-Greensborough-Hurstbridge. Rental growth for both houses and units in Banyule has largely outperformed that of Greater Melbourne over the past five years.
- There are no dwellings affordable to purchase by very low income earners, nor for a single adult on a low income. Options for couples without children and families on low incomes are also extremely limited, as are options for single adults and couples without children on a moderate income. For a family with children on a moderate income, there are a number of two bedroom options for purchase, but limited options for three or more bedroom dwellings.

Table 2: Percentage of sales in Banyule in FY2022 that meet affordable purchase price thresholds by household types

Household Type	Min Bedrooms	% of affordable sales in FY2022		
		Very Low Income	Low Income	Moderate Income
Single Adult	1 bedroom	0%	0%	2%
Couple no kids	1 bedroom	0%	2%	9%
	2+ bedrooms	0%	1%	7%
Family	2+ bedrooms	0%	5%	32%
	3+ bedrooms	0%	1%	17%

Source: PriceFinder, Charter Keck Cramer

- Affordable rental options for very low income households of any type are practically non-existent with some availability for couples without children on low incomes and single adults on moderate incomes. There is improved availability of affordable two and three bedroom rental dwellings for families on low incomes, with ready availability of affordable options for families on moderate incomes.

Table 3: Percentage of advertised rents in Banyule in FY2022 that meet affordable rental thresholds by household types

Household Type	Min Bedrooms	% of affordable rents in FY2022		
		Very Low Income	Low Income	Moderate Income
Single Adult	1 bedroom	0%	0%	19%
Couple no kids	1 bedroom	0%	19%	82%
	2+ bedrooms	0%	12%	80%
Family	2+ bedrooms	2%	73%	98%
	3+ bedrooms	0%	56%	97%

Source: PriceFinder, Charter Keck Cramer

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1. Banyule's New Housing Strategy

A housing strategy is a critical land use planning instrument that directs future housing change by specifying preferred built form outcomes, housing diversity aspirations and ultimately the housing options faced by new and existing households.

Since the adoption of Banyule's current housing strategy in 2009 the municipality has experienced significant change including the emergence of a robust apartment market, ongoing median house and unit price growth and the implementation of new statutory planning instruments including the reformed residential zones.

As discussed in *Council's Housing & Neighbourhood Character Preliminary Discussion Paper 2022*, it is now time for Council to embark on the development of a new housing strategy guided by the housing aspirations of Council's adopted Community Vision 2041 (October 2021) which emphasises the need to meet the housing needs of the existing and emerging community. The vision also includes a desire to provide more diverse, affordable and sustainable housing to 'meet the mixed needs of our diverse community' while enhancing local character.

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2. Demographic and Dwelling Profile – Banyule LGA

2.1. Key Points

- At 2021 Banyule's Estimated Resident Population (ERP) was 127,376. Banyule's population grew strongly from 116,700 persons in 2004 to 130,500 persons in 2019 (+0.7% per annum), before the impacts of the COVID pandemic saw population fall by 3,100 (−2.4%) to 2021.
- The majority of the municipality's population is concentrated in middle age cohorts of between 30 to 54 years old. Relative to neighbouring municipalities and Greater Melbourne, Banyule has a greater percentage of its population aged 45 years and above.
- The municipality's population is aging, reflected by the increase in population in all 60+ year old age cohorts over the 2016-2021 period. Between 2016 and 2021, Banyule experienced a loss in its share of 20-29 year olds, which could be due to the loss of international students through the COVID pandemic given Banyule's proximity to LaTrobe University.
- Couple families with children households are the most populous household type in Banyule (34% of the municipality's households). Smaller households (couples without children and lone persons households) account for just over 50% of the municipality's households, slightly above that of the Northern Melbourne region and Greater Melbourne. The municipality's number and proportion of smaller households are also growing.
- The municipality's dwelling stock is diversifying particularly as a result of townhouse and apartment development in the municipality's centre and southern regions.
- There are high numbers of households within the community that fully own their dwelling. 42% of households that live in a separate dwelling own their home without a mortgage, which is above the Melbourne average of 38% households. Full home ownership is nonetheless in long term decline. Relatively high numbers of the municipality's apartment residents likewise fully own their dwelling indicating a strong owner occupier market for high density dwellings in the municipality. High rates of full ownership are likely to reflect the municipality's older age profile.

2.2. Population

2.2.1. Estimated Resident Population

At 2021 Banyule's Estimated Resident Population (ERP) was 127,376.

Prior to the Covid period Banyule's population was adding, on average, approximately 920 new residents each year. Growing from 116,700 persons in 2004 to 130,500 persons in 2019, representing average growth of 0.7% per annum.

The COVID pandemic in 2020 resulted in a decline in the municipality's population. Overseas students returned to their home country while social distancing measures and increased working from home allowed many locals to move out of established and more dense urban areas to more affordable larger homes in suburbs further out or in regional areas. Banyule's population fell marginally to 130,100 in 2019/20, before a more pronounced fall of 2,745 (or 2.1%) through 2020/21.

Figure 9: Estimated Resident Population Banyule, as at June[3]
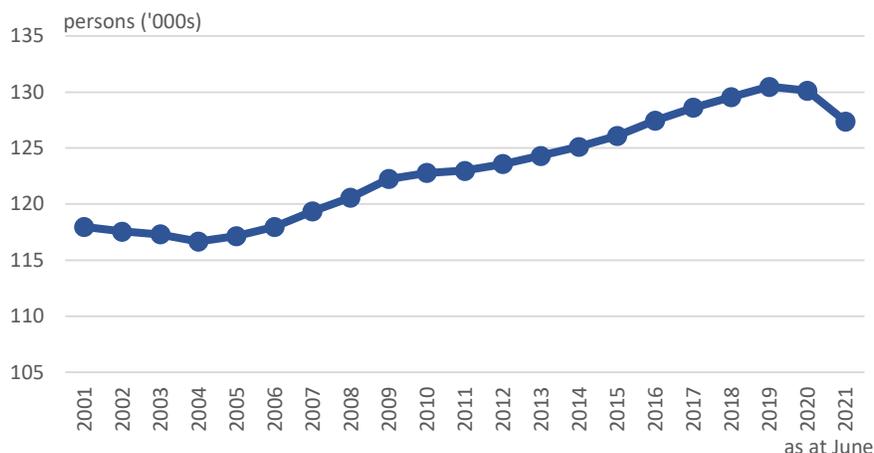
Source: Australian Bureau of Statistics

As can be seen below, the COVID period resulted in population decline throughout Melbourne's northern region with the exception of Whittlesea which continued to grow albeit at a more subdued growth rate. Whittlesea incorporates the region's only greenfield growth areas. In 2021, there were 573,000 people living in Melbourne's north representing a 17.1% increase from 2011. Banyule represents 22% of the region's population.

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[3] For the purposes of this analysis Melbourne's northern region encompasses the municipalities of Darebin, Nillumbik, Whittlesea, and Banyule.

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Figure 10: Average annual population growth [%] over selected time periods, Northern Region LGAs
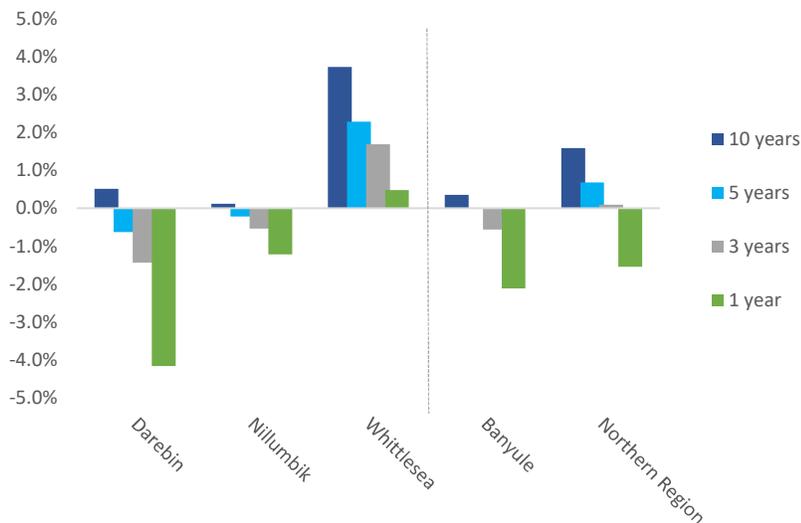
Source: Australian Bureau of Statistics

2.2.2. Population by Age[4]

The municipality includes a large of residents aged between 30 to 54 years old.

Figure 11: Population by age (persons), Banyule, 2021
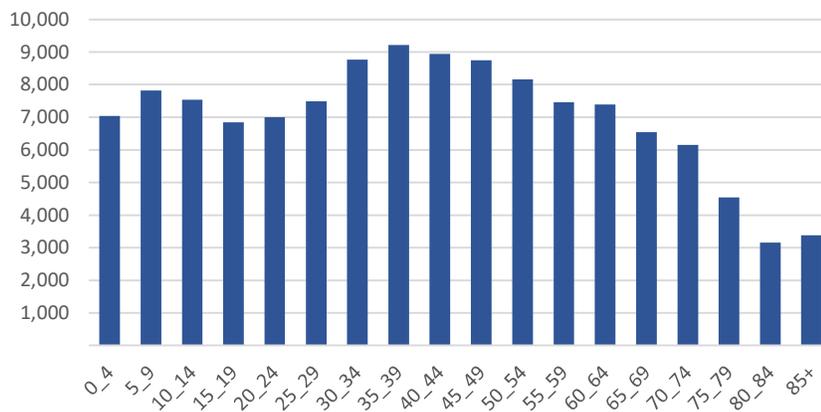
Source: Australian Bureau of Statistics Census of Population and Housing

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[4] Note that the ABS has not yet released ERP population by age. The data in this section is based on the count on Census night and not the Estimated Resident Population.

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Banyule's population is generally older than neighbouring municipalities (with the exception of Nillumbik LGA). As can be seen below, Banyule has a greater percentage of its population in each of the five year age cohorts above 45 years old and significantly greater proportions of 60+ year olds. Additionally, the municipality has a lower prevalence of younger adults and children.

Figure 12: Estimated Resident Population by age (share of population), selected regions, 2021
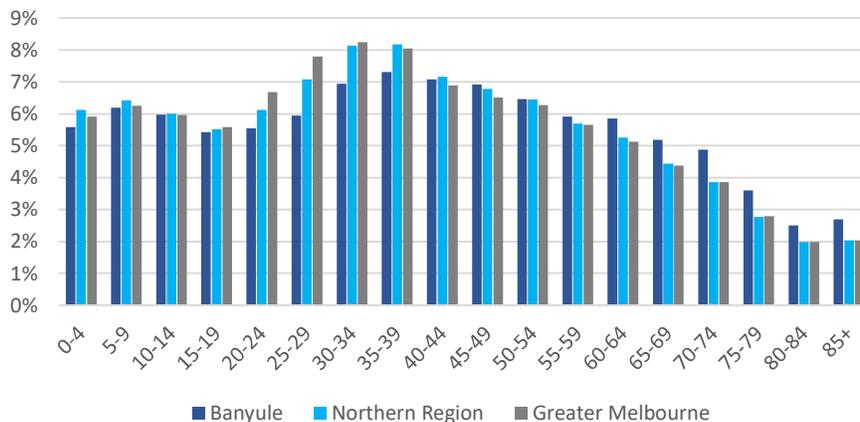
Source: Australian Bureau of Statistics Census of Population and Housing

The municipality's population is aging both by the ongoing aging of its existing residents and through the migration of younger cohorts from the municipality. Between 2016 and 2021, Banyule lost population in the 0-4 year old, 20-29 year old and 55 to 59 year old age cohorts. The loss of 0-4 year olds and 20-29 year olds may suggest an exodus of young families once they have children, while the loss of 20-29 year olds may also reflect the loss of international students through the COVID pandemic given Banyule's proximity to LaTrobe University.

Figure 13: Change in population by age, 2016-2021, Banyule
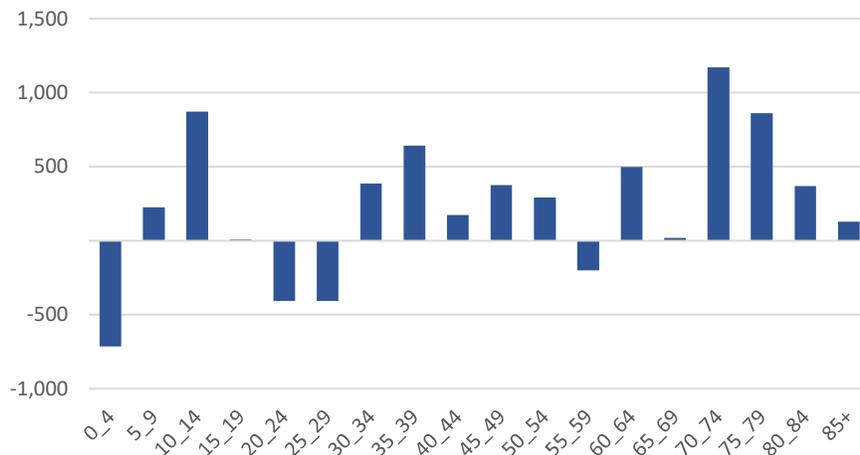
Source: Australian Bureau of Statistics Census of Population and Housing

The ageing of the municipality's population is reflected in an increase in the percentage of residents in each of the 50+ year old age cohorts with the biggest increase in share taking place for those aged 60 years old and over.

Figure 14: Population distribution by age range (share of population), 2016 and 2021, Banyule

■ Banyule 2021   ■ Banyule 2016
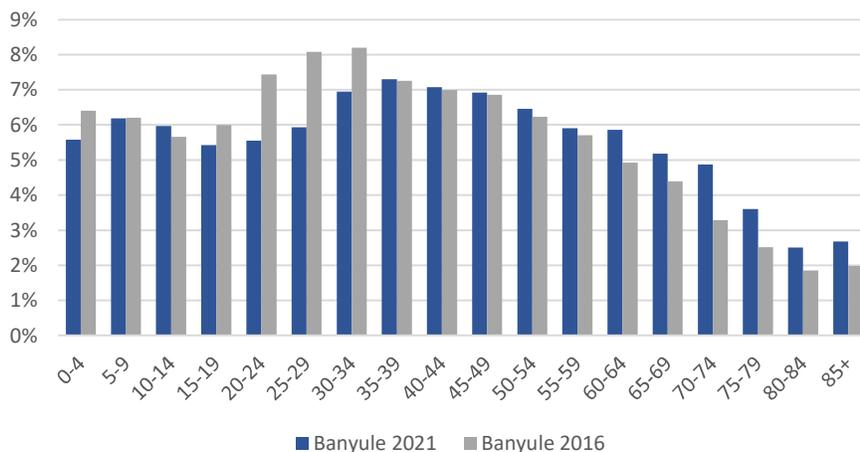
Source: Australian Bureau of Statistics Census of Population and Housing

The ABS is yet to publish data on population migration. To provide an indication of population migration (overseas and internal) over 2016 to 2021, Charter has taken 2016 population and moved each five-year age cohort forward by five years (births over 2016-2021 were placed into the 0-4 year old age cohort). Outside of births and deaths that occurred in the intervening period, the difference in population reflects net migration into and out of Banyule.

This implied migration analysis indicates that the greatest net migration into Banyule has come from the 30-44 year old age cohorts. The net inflow of 30-44 year olds have not been accompanied by large inflows of under 15 year olds, suggesting that these individuals may be singles and couples without children some of whom may be in pre-family formation stage of life.

The analysis also indicates a large net outflow of population in all 50 year old and over age cohorts. The reason for this outflow is unclear but may be motivated by, at least for some households, opportunities to capitalise on Banyule's house price growth by selling an existing dwelling in Banyule and moving to a more affordable housing market.

Figure 15: Implied migration by age, 2016-2021, Banyule
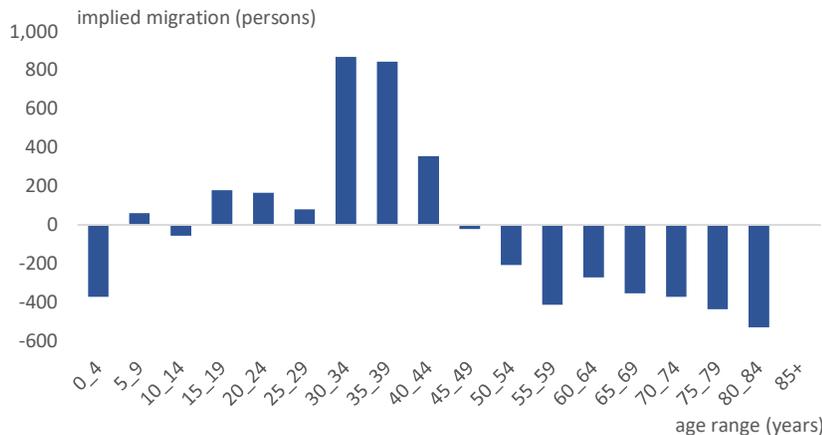
Source: Australian Bureau of Statistics Census of Population and Housing, Charter Keck Cramer

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2.3. Households

2.3.1. Household profile

Couple families with children households represent the most populous household type in Banyule. In 2021 there were approximately 16,400 couple with children households in the municipality representing 34.4% of the municipality's 47,400 households. Smaller households (couple without children and lone persons households) account for just over 50% of the municipality's households.

Figure 16: Household type (number of households), 2021, Banyule
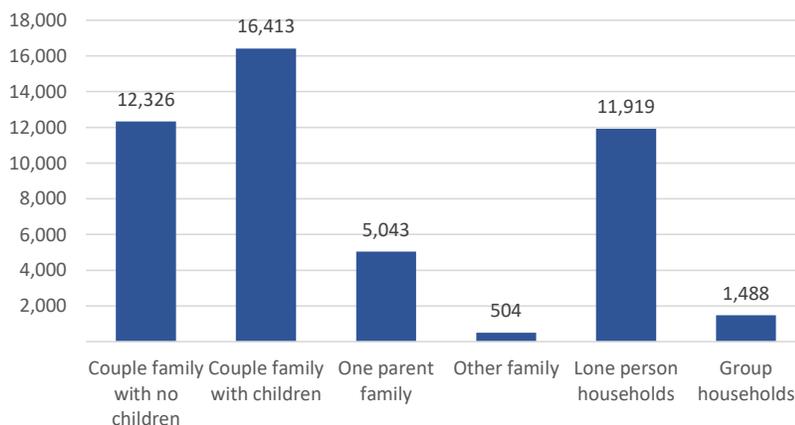
Source: Australian Bureau of Statistics Census of Population and Housing

When compared against the region and Greater Melbourne, Banyule has a slightly higher share of smaller households and a slightly lower share of households with children. The broader Northern Region has a slightly higher share of households with children, which is likely to reflect the influence of growth areas in Whittlesea LGA.

Figure 17: Household type (share of households), 2021, selected regions
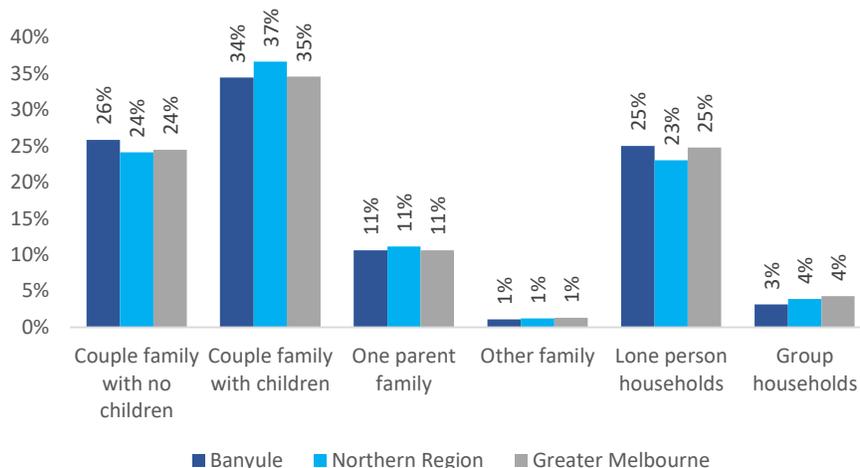
Source: Australian Bureau of Statistics Census of Population and Housing

2.3.2. Household growth

Banyule's number and share of smaller households is growing. This is likely to be a result of two factors: firstly, Banyule's older and ageing demographic, and secondly, the composition of new housing supply which included significant numbers of new apartments.

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Figure 18: Change in Banyule households, 2016-2021
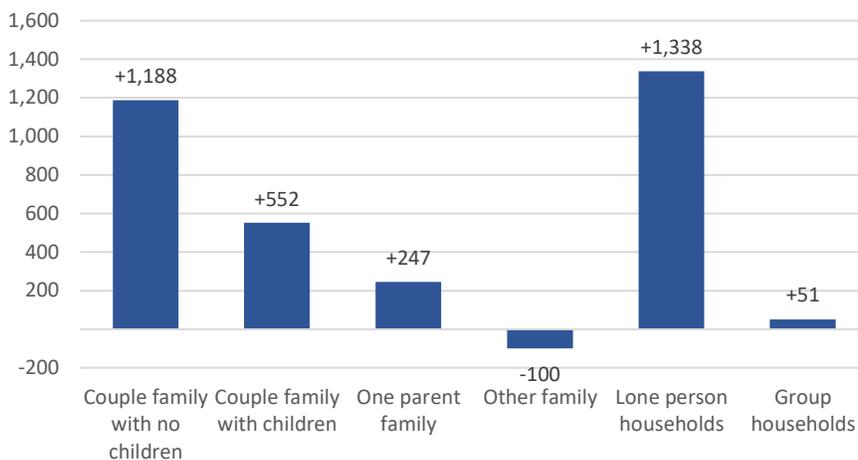
Source: Australian Bureau of Statistics Census of Population and Housing

2.4. Dwellings

2.4.1. Dwelling profile

Banyule's housing stock is dominated by separate detached dwellings. In 2021, detached dwellings accounted for just over 36,000 dwellings of the municipality's 47,600 occupied dwellings. In 2021, there were also 7,750 occupied units/townhouses and 3,600 occupied flats/apartments.

Figure 19: Number of dwellings by type, 2021
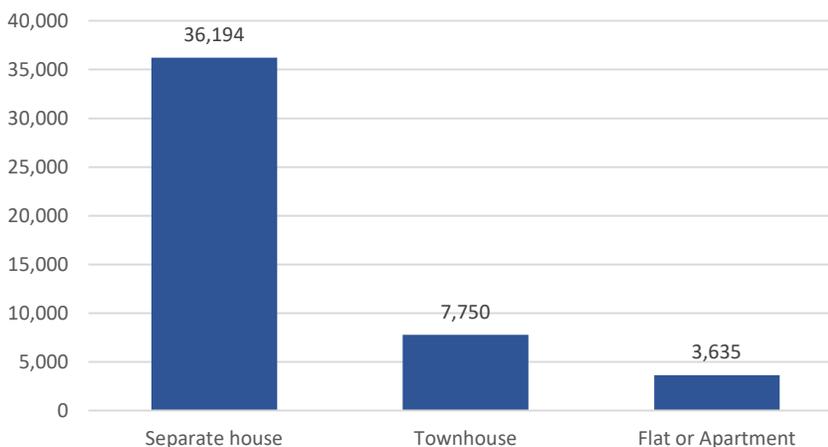
Source: Australian Bureau of Statistics Census of Population and Housing

Banyule's dwelling profile is very similar to that of the broader Northern Region, with just over three quarters of the occupied stock being detached houses. When compared to Greater Melbourne Banyule's housing stock incorporates a lower proportion of higher density dwellings.

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Figure 20: Percentage of dwellings by dwelling type, occupied private dwellings, 2021, selected regions
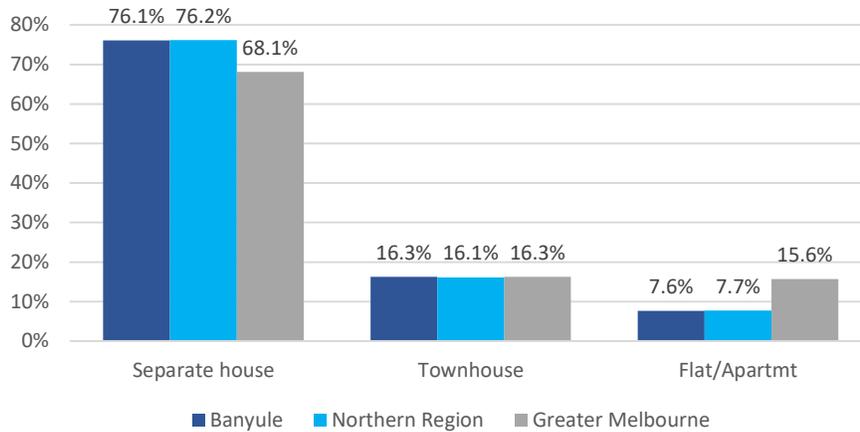
Source: Australian Bureau of Statistics Census of Population and Housing

2.4.2. New dwelling completions

Banyule's housing stock is growing. For the 2016 to 2021, there were 4,497 dwelling completions (see table below) and 1,404 demolitions which implies a net addition of approximately 3,093 dwellings. Higher and medium density housing stock is expanding with the completion of an additional 1,626 townhouses and 1,603 apartments. Assuming most of the demolitions were detached houses, this implies that the net increase in detached house stock was minimal.

Figure 21: Growth in Banyule occupied private dwellings, 2016-2021
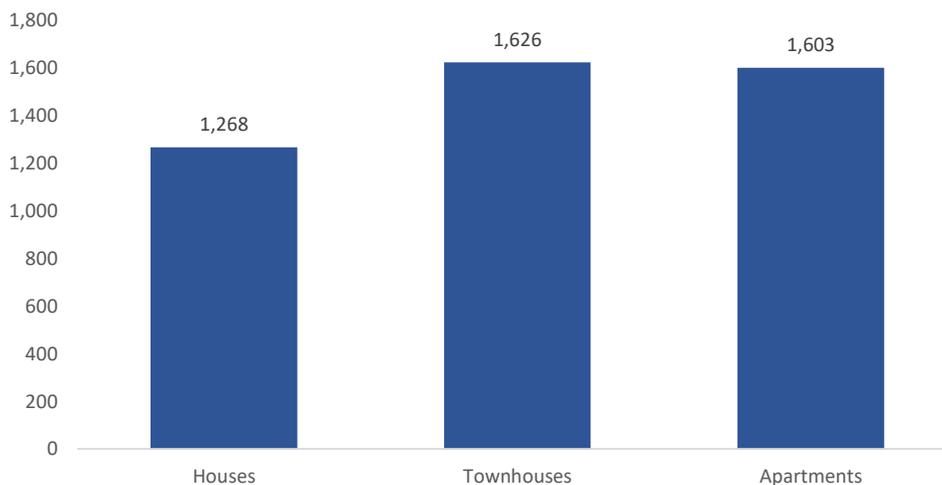
Source: Australian Bureau of Statistics Census of Population and Housing

2.4.3. Future apartment outlook

Based on mooted and marketed projects the municipality is likely to experience ongoing apartment supply with significant and potentially record completions in the 2024/25 period. Apartment supply in the immediate future is likely to be more subdued than the years prior to 2022 which averaged over 165 apartment additions per annum.

Figure 22: Apartment Completions and Projected Supply
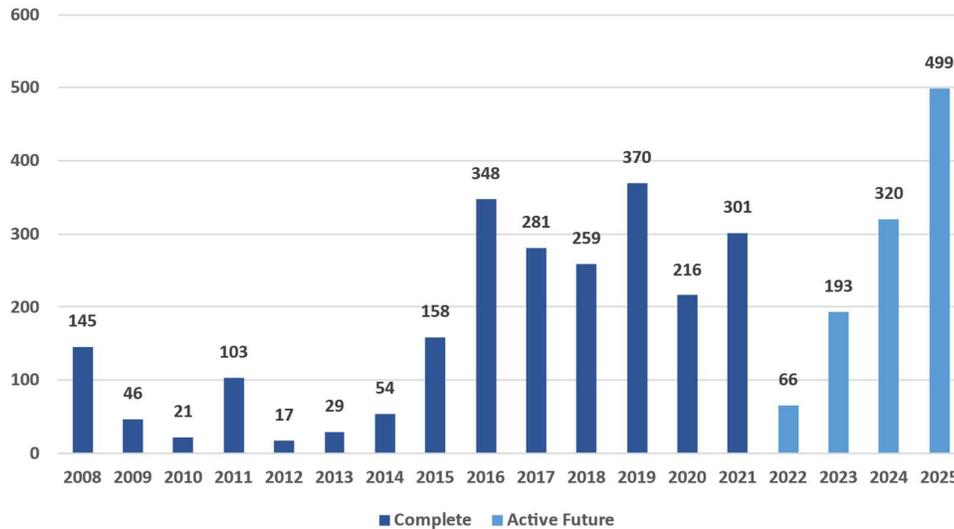
2.4.4. Dwelling tenure

The municipality includes a large number of households that fully own their dwelling which is likely to reflect Banyule's older age profile. When compared with the region and Greater Melbourne the region has a corresponding lower percentage of households with a mortgage and privately rented. Banyule has a slightly higher percentage of dwellings that are social or affordable rental.

Figure 23: Composition of dwellings [% of stock] by tenure, 2021, selected regions
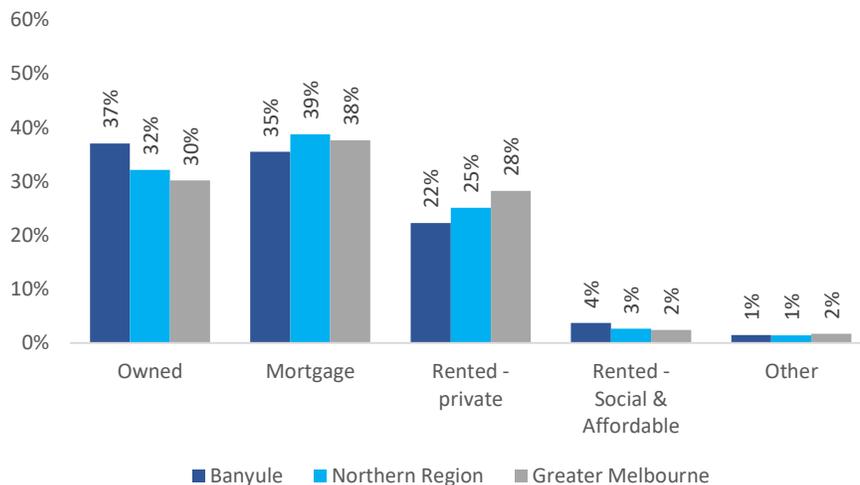
Source: Australian Bureau of Statistics Census of Population and Housing

Full ownership is highly prevalent in the municipality's detached housing stock with 42% of detached housing owned without a mortgage. This is significantly higher than the Northern Region (37%) and Greater Melbourne (35%).

As is evident in the chart below, there is also a higher prevalence of full ownership of apartments which is likely to reflect the influence of empty nester/downsizer households. There is a corresponding lower percentage of privately rented apartments compared to Northern Region and Greater Melbourne.

Figure 24: Composition of dwellings [% of stock] by dwelling type by tenure, 2021, selected regions
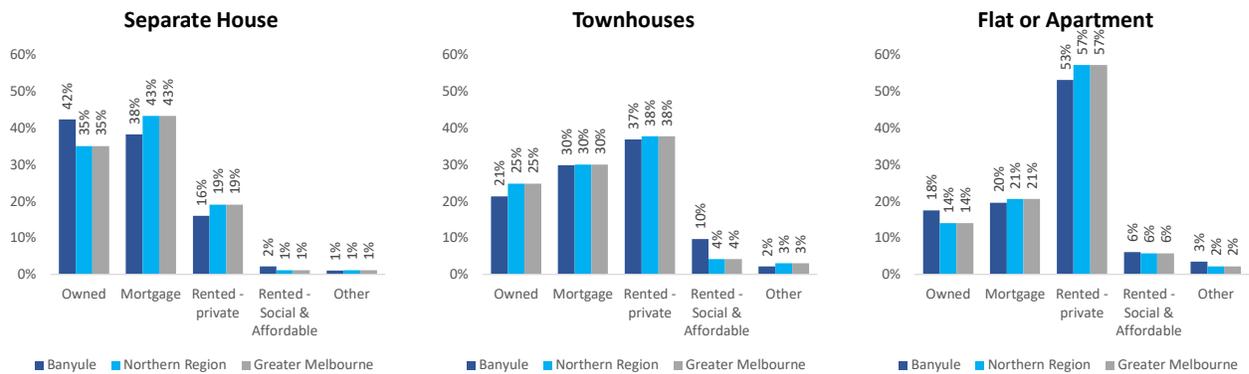
Source: Australian Bureau of Statistics Census of Population and Housing

The number and proportion of owner-occupied apartments (fully owned and owned with a mortgage) is growing. As can be seen below, over the 2016 to 2021 period, the prevalence of owner-occupied apartments grew from 32% of apartments in 2016 to 38% of apartments in 2021. Notably, this occurred during a period of significant apartment growth indicating a strong owner occupier apartment market. In contrast, the prevalence of private rental apartments decreased in this time, as did social and affordable rental apartments, many of which may have been demolished as part of a State Government renewal program.

Figure 25: Change in tenure [% of stock] by dwelling type, 2016-2021, Banyule
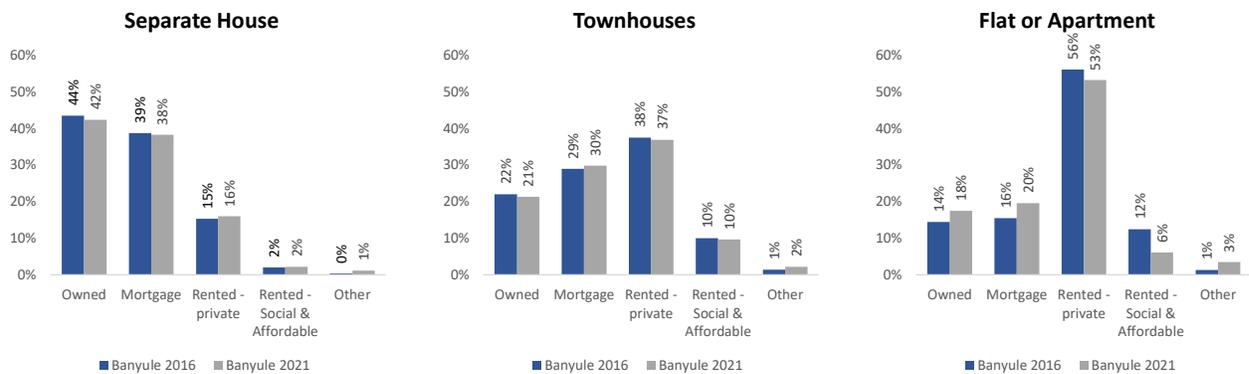
Source: Australian Bureau of Statistics Census of Population and Housing

2.4.5. Dwelling Size/Bedrooms

Despite significant recent growth in medium and high density dwellings, the diversity of Banyule's housing stock is generally more limited when compared to the region and Greater Melbourne.

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Figure 26: Composition of dwellings [% of stock] by number of bedrooms, 2021, selected regions
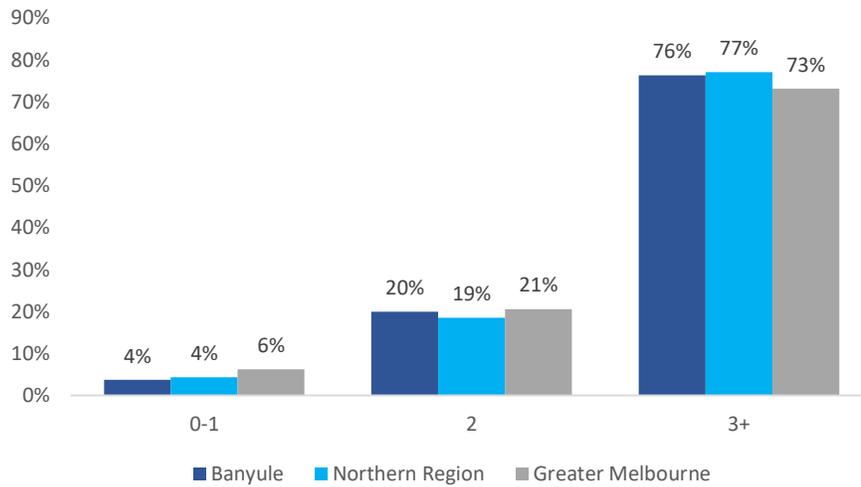
Source: Australian Bureau of Statistics Census of Population and Housing

The majority of the municipality's separate houses incorporate 3 bedrooms while the municipality's townhouses are equally distributed between two and three (or more) bedroom dwellings. When compared against the region and Greater Melbourne, Banyule's apartment stock incorporates a higher proportion of larger apartments with higher proportions of two and three (or more) bedroom apartments in the local housing stock. This is likely to reflect the prevalence of owner occupiers in the local apartment market.

Figure 27: Composition of dwellings [% of stock] by number of bedrooms by dwelling type, 2021, selected regions
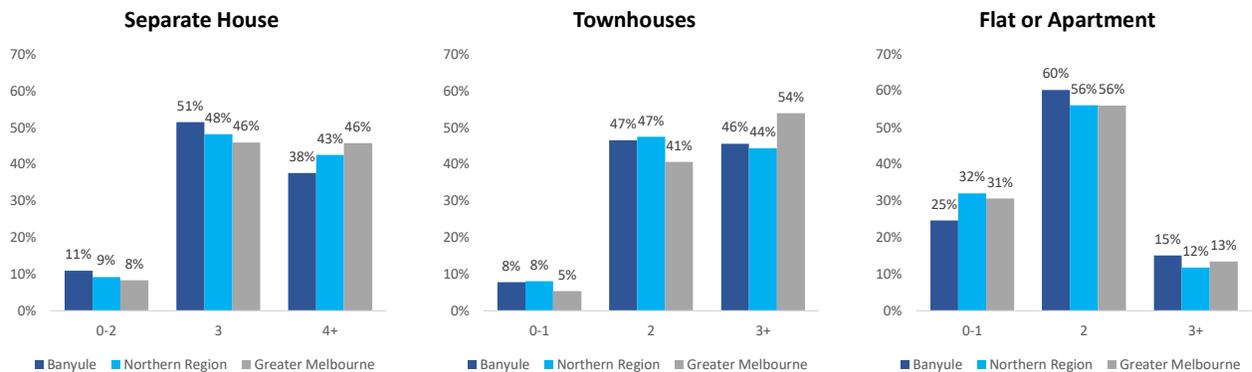
Source: Australian Bureau of Statistics Census of Population and Housing

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2.4.6. Dwelling Occupiers

Occupier comparison

High numbers of smaller households (couples without children and lone persons) occupy the municipality's single detached dwellings. Approximately, 45% of the municipality's detached dwellings are occupied by couples without children and lone persons which exceeds both the metropolitan (41%) and region (41%) comparators.

Figure 28: Household type (share in houses), 2021, selected regions
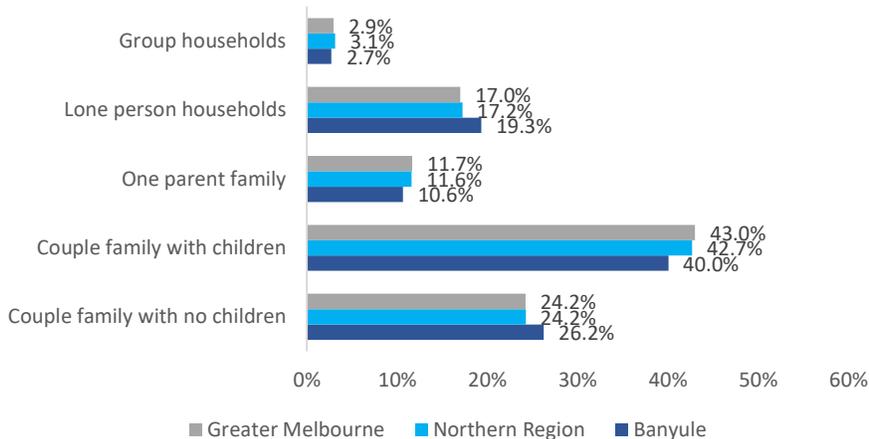
Source: Australian Bureau of Statistics Census of Population and Housing

The number of smaller households occupying single detached dwellings is also growing which reflects the older and aging nature of the municipality.

Figure 29: Change in household type (share in houses), 2016 and 2021, selected regions
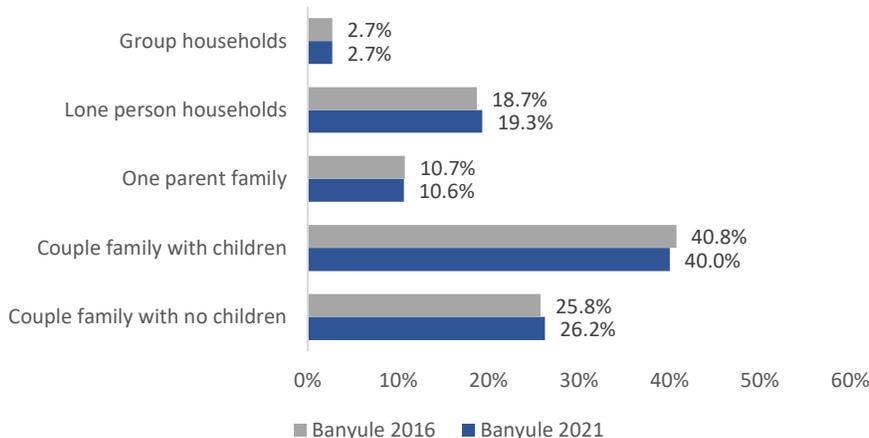
Source: Australian Bureau of Statistics Census of Population and Housing

As can be seen below, high numbers and proportions of lone person households occupy the municipality's townhouses. When compared to the region and Greater Melbourne, a lower proportion of households with children occupy the municipality's townhouses.

Figure 30: Household type (share in townhouses), 2021, selected regions
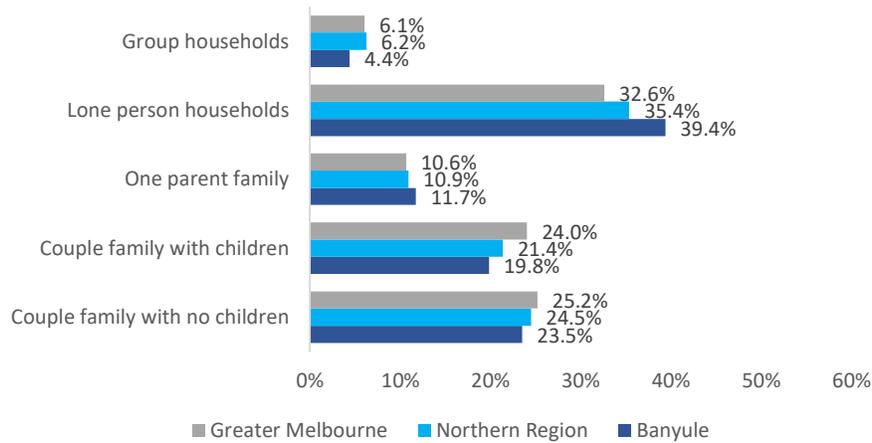
Source: Australian Bureau of Statistics Census of Population and Housing

There has been little change in household composition of townhouse occupiers in Banyule between 2016 and 2021, with the only noticeable increase occurring in the share of couples without children.

Figure 31: Change in household type (share in townhouses), 2016 and 2021, selected regions
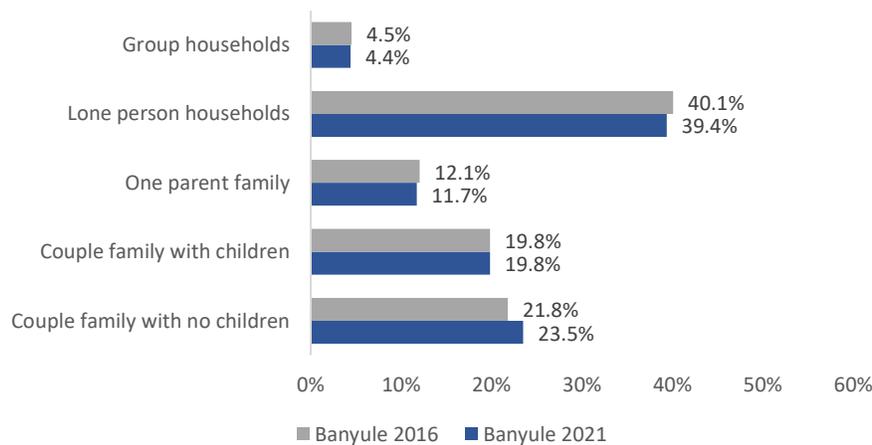
Source: Australian Bureau of Statistics Census of Population and Housing

Near on 77% of apartment households are either couple without children or lone person households.

Figure 32: Household type [share in apartments], 2021, selected regions
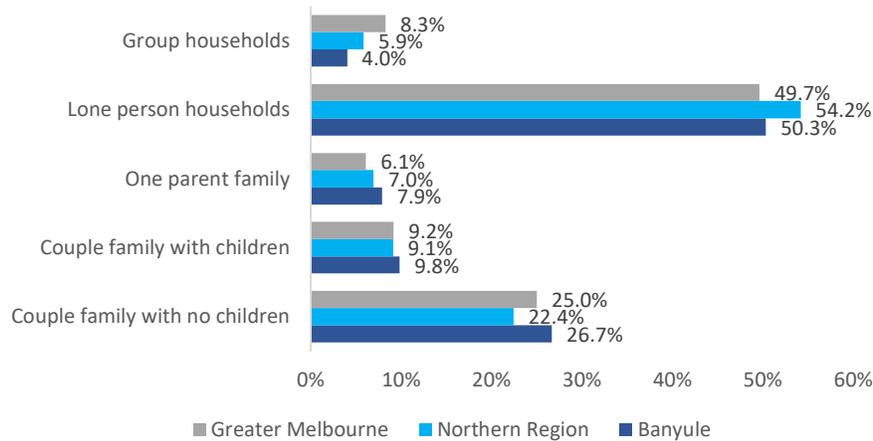
Source: Australian Bureau of Statistics Census of Population and Housing

The significant rise in apartment stock in Banyule between 2016 and 2021 was accompanied by an increase in the proportion of couples without children and lone person households living in apartments. While as a proportion the number of households with children in apartments declined the overall number changed from 356 to 361.

Figure 33: Change in household type [share in apartments], 2016 and 2021, selected regions
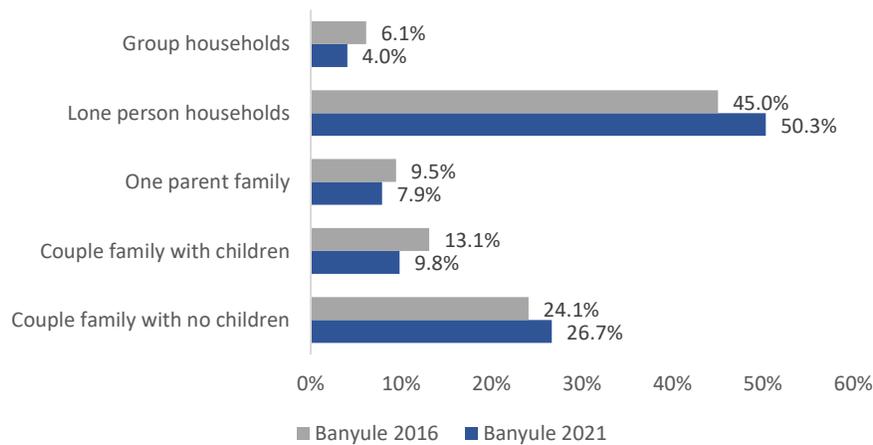
Source: Australian Bureau of Statistics Census of Population and Housing

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Couple with no children households and lone person households are the fastest growing households in the municipality. As such, there has been significant growth in this household type in all forms of dwellings. Notably, there has been significant growth in smaller households living in apartments, which may represent a significant downsizer trend in the municipality.

Table 4: Net increase of households by dwelling type 2016 to 2021

Household Type	Apartment	Townhouse	Separate house
Couple family with no children	302	304	600
Couple family with children	-5	155	404
One parent family	25	69	135
Lone person households	582	260	530
Group households	-23	27	43

Source: Australian Bureau of Statistics Census of Population and Housing

3. Demographic and Dwelling Profile – Banyule SA2s

3.1. Key Points

- A comparison of population across Banyule SA2s shows the greatest population in Greensborough (21,000), followed by Viewbank-Yallambie (18,900), Montmorency-Briar Hill (16,650) and Heidelberg- (16,200). Ivanhoe East-Eaglemont has the lowest population (7,800).

- The south of Banyule has to date been the primary focus for the municipality's population and housing growth. For the pre-Covid 2004 to 2019 period, each of the Heidelberg-Rosanna, Ivanhoe and Heidelberg West exceeded Banyule's average growth rate of 0.7% per annum. Bundoora-East SA2 similarly exceeded the municipality's average annual growth rate. These areas were subject to the most substantial new housing development which reflects the prevalence of land identified for high and incremental change in these areas.

- The greatest post COVID population loss in 2020-2021 occurred in Bundoora-East SA2 (-3.5%) followed by Heidelberg West (-3.1%). Both regions have significant overseas student and overseas born population, which is likely to have contributed to rapid declines in population. Nevertheless, the three SA2s with the highest population growth over 2004-2019 (Heidelberg-Rosanna, Heidelberg West and Ivanhoe) still have more population in 2021 than 10 years earlier despite Covid impacts.

- In general, family with children households are more prevalent in the municipality's north while smaller households (lone persons and couples without children households) are more prevalent in the municipality's centre and south.

- Separate houses make up the majority of dwellings across Banyule. The SA2s with the highest percentage of separate houses are to the north of Banyule LGA, ranging up to 93% of the occupied stock in Bundoora-East. Townhouses are most prevalent in Heidelberg West (35% of the occupied dwelling stock, followed by Ivanhoe (22%). Ivanhoe contains the highest percentage of apartments (23%) followed by Heidelberg-Rosanna (21%), and Ivanhoe East-Eaglemont (19%).

- Of the 4,497 new dwellings completed in Banyule between July 2016 and June 2021, one third (1,502) were completed in Heidelberg West SA2. Between them, the top three SA2s (Heidelberg West, Heidelberg-Rosanna and Ivanhoe) recorded 3,097 new dwelling completions, or 69% of the Banyule total. The Watsonia and Bundoora-East SA2s recorded the least number of new additions.

- Housing supply is expanding within both the Heidelberg and Ivanhoe Major Activity Centres particularly in the form of apartment development. Greensborough Major Activity Centre is yet to see significant housing growth.

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3.2. SA2 Regions

Banyule LGA is made up of 9 Statistical Area Level 2 (SA2) regions as defined by the Australian Bureau of Statistics (see map below).

The size of Banyule LGA means that there is a diversity of dwellings and population across each of the component SA2s, which are highlighted in this section. See Appendix 1 for a breakdown of the proportion of land in each change area for individual SA2's.

Figure 34: Banyule SA2 regions
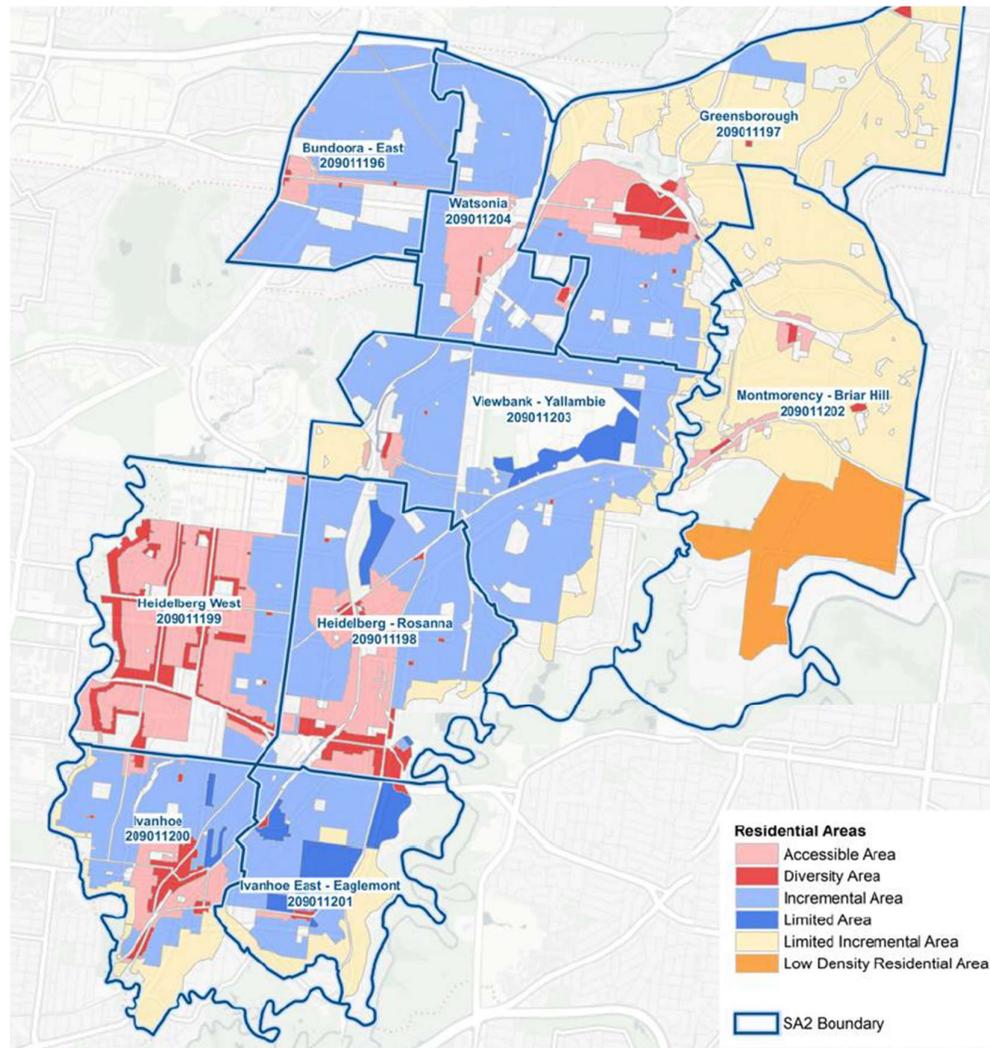
3.3. Population

### 3.3.1. Estimated Resident Population

A comparison of population across the Banyule SA2s shows the greatest population in Greensborough (21,000), followed by Viewbank-Yallambie (18,900), Montmorency-Briar Hill (16,650) and Heidelberg-Rosanna (16,200). Ivanhoe East-Eaglemont has the lowest population (7,800) and lost significant population over the Covid period.

Table 5: Estimated Resident Population, Banyule SA2s, 2021

SA2	Population 2011	Population 2019	Population 2021	Growth 2011-2021	% of Banyule total (2021)
Bundoora - East	9,888	10,365	9,925	37	7.8%
Watsonia	9,320	9,494	9,303	-17	7.3%
Greensborough	20,987	21,455	20,997	10	16.5%
Viewbank - Yallambie	18,775	19,225	18,891	116	14.8%
Montmorency - Briar Hill	16,165	16,940	16,658	493	13.1%
Heidelberg - Rosanna	14,215	16,481	16,202	1,987	12.7%
Heidelberg West	13,984	15,527	15,038	1,054	11.8%
Ivanhoe	11,608	12,853	12,561	953	9.9%
Ivanhoe East - Eaglemont	8,041	8,138	7,801	-240	6.1%
Banyule	**122,983**	**130,478**	**127,376**	**4,393**	**100.0%**

Source: Australian Bureau of Statistics Regional Population

The municipality's south has to date been the primary focus for the municipality's population and housing growth. For the pre-Covid 2004 to 2019 period, each of the Heidelberg-Rosanna, Ivanhoe and Heidelberg West exceeded Banyule's average growth rate of 0.7% per annum. Bundoora-East SA2 similarly exceeded the municipality's average annual growth rate. As will be seen shortly, these are areas that were subject to the most substantial new housing development which reflects the prevalence of land identified for high and incremental change in these areas.

The municipality's largest SA2's by population are Greensborough and Viewbank-Yallambie are fundamentally not growing in population. As such, the municipality's population grows in its south and centre the population epicentre of the municipality will continue to also move southward, particularly if population growth rebounds in the municipality's activity centres.

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Figure 35: Average annual population growth by Banyule SA2s, 2004 to 2019
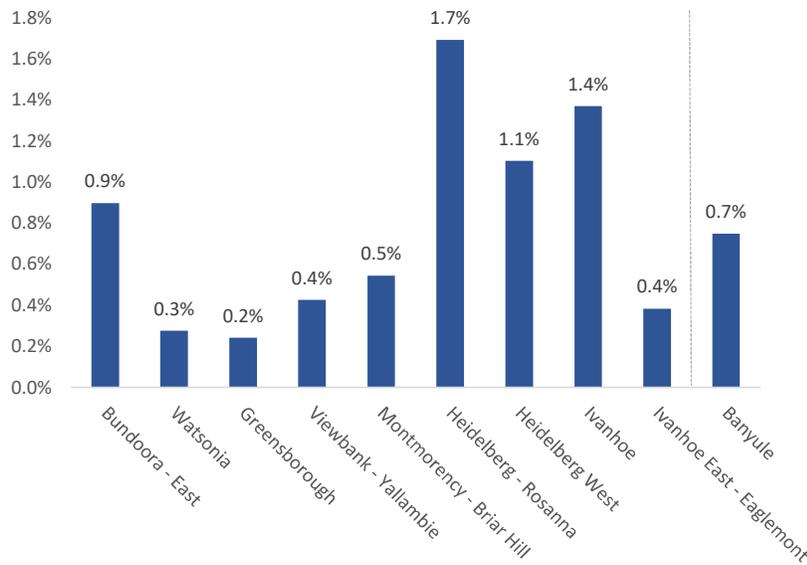
Source: Australian Bureau of Statistics Regional Population

The COVID pandemic saw a decline in population across the municipality. The largest impact occurred in Bundoora-East SA2, where ERP fell by 3.5% which is likely to reflect the loss of international students given its proximity to LaTrobe University. Heidelberg West, similarly, experienced a significant decline in its growth rate.

Notably, the SA2s that experienced lower population gains over 2004-2019 also experienced lower population losses in 2021. While the three SA2s with the highest population growth over 2004-2019 (Heidelberg-Rosanna, Heidelberg West and Ivanhoe) experienced the greatest population loss. While each of these SA2's have experienced population declines resulting from Covid impacts they still have far more population than 10 years earlier. Overall, population change has been more dynamic in the municipality's south and centre as compared to the municipality's north which has seen less fluctuation.

Figure 36: Average annual population growth by Banyule SA2s, selected periods to 2021
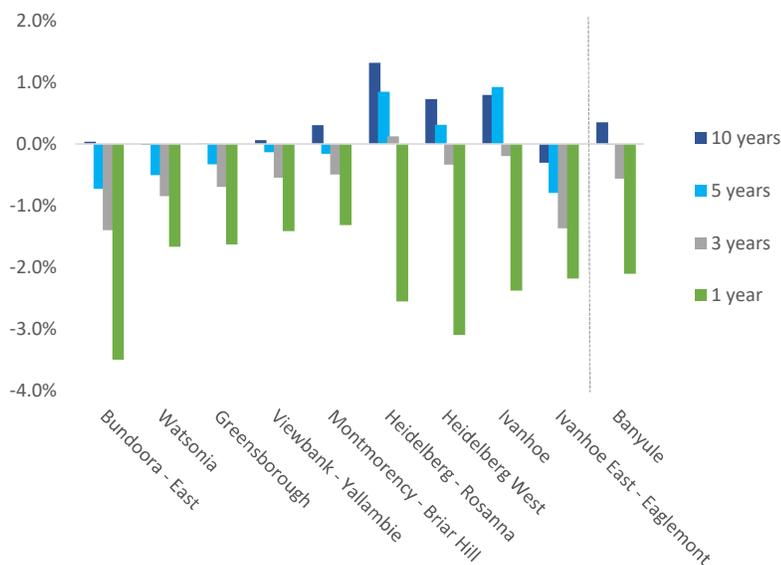
Source: Australian Bureau of Statistics Regional Population

3.3.2. Age Profile

The municipality's age structure differs by location:

- **North**: There is a higher prevalence of children and teenagers in the municipality's northern SA2's of Watsonia, Greensborough, Viewbank-Yallambie, and Montmorency-Briar Hill. At the other end of the age spectrum, these areas also include high proportions of 75+ age cohorts.
- **Central**: The central area of Heidelberg- Rosanna and Heidelberg West includes high proportions of young adults and middle-aged residents. Heidelberg West SA2, for instance, contains a significantly higher percentage of 25-34 year olds (20.9%) than any other Banyule SA2.
- **South**: There is a noticeably higher percentage of 55-64 and 65-74 year olds in Ivanhoe East-Eaglemont. There are also significant numbers of children and middle-aged residents in Ivanhoe SA2.

Table 6: Share of population by age range, 2021, Banyule SA2s

	Share of population in age range								
	0-14	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+
Bundoora - East	16.4%	13.0%	13.9%	12.4%	13.5%	10.6%	9.7%	7.7%	2.7%
Watsonia	18.5%	9.9%	14.1%	15.3%	12.9%	11.1%	9.5%	6.4%	2.2%
Greensborough	18.4%	10.3%	10.6%	14.8%	13.4%	12.2%	11.5%	6.2%	2.5%
Viewbank-Yallambie	19.4%	11.2%	10.8%	14.6%	14.0%	10.6%	9.6%	6.8%	3.0%
Montmorency-Briar Hill	19.1%	9.7%	10.1%	14.4%	14.2%	12.1%	11.6%	6.7%	2.1%
Heidelberg-Rosanna	18.0%	9.7%	13.6%	15.7%	13.0%	10.8%	8.6%	6.4%	4.2%
Heidelberg West	16.4%	11.4%	20.9%	15.2%	11.6%	11.6%	7.6%	3.5%	1.7%
Ivanhoe	15.4%	12.0%	13.6%	14.1%	13.5%	13.0%	10.3%	5.3%	2.9%
Ivanhoe East-Eaglemont	15.6%	13.8%	9.0%	10.6%	14.5%	15.4%	12.2%	6.3%	2.6%
Banyule	**17.7%**	**11.0%**	**12.9%**	**14.4%**	**13.4%**	**11.8%**	**10.1%**	**6.1%**	**2.7%**

Source: Australian Bureau of Statistics Census of Population and Housing

The Greensborough SA2 as the municipality's largest SA2 by population contains high numbers of residents in each of the age cohorts.

Table 7: Population by age range, 2021, Banyule SA2s

	Total Population in 2021									
	0-14	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+	Total
Bundoora - East	1612	1282	1372	1219	1330	1046	954	754	270	9839
Watsonia	1709	921	1310	1412	1194	1028	884	597	204	9259
Greensborough	3835	2148	2207	3074	2796	2526	2396	1284	524	20790
Viewbank-Yallambie	3633	2092	2019	2728	2619	1982	1794	1261	552	18680
Montmorency-Briar Hill	3158	1601	1668	2372	2344	2001	1915	1114	351	16524
Heidelberg-Rosanna	2893	1550	2181	2517	2090	1725	1384	1023	668	16031
Heidelberg West	2424	1695	3096	2257	1712	1724	1132	513	255	14808
Ivanhoe	1922	1497	1705	1762	1692	1622	1287	667	360	12514
Ivanhoe East-Eaglemont	1214	1068	702	820	1129	1195	945	488	205	7766

Source: Australian Bureau of Statistics Census of Population and Housing

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3.1. Households

Family with children households are more prevalent in the municipality's north while smaller households are more prevalent in the municipality's centre and south as follows:

- Greensborough and Viewbank-Yallambie incorporate high shares of couple families with children households. While, in contrast, the share of couple families with children in Heidelberg West is significantly lower than the municipal average.
- Heidelberg West has the highest proportion of lone person households with Heidelberg-Rosanna and Ivanhoe also having noticeably larger shares of this household type.

Figure 37: Household type [share of total households], 2021, Banyule SA2s

Source: Australian Bureau of Statistics Census of Population and Housing

Figure 38: Concentration of households [share of total households in SA2], 2021, Banyule SA2s

Couple families without children

Lone person households
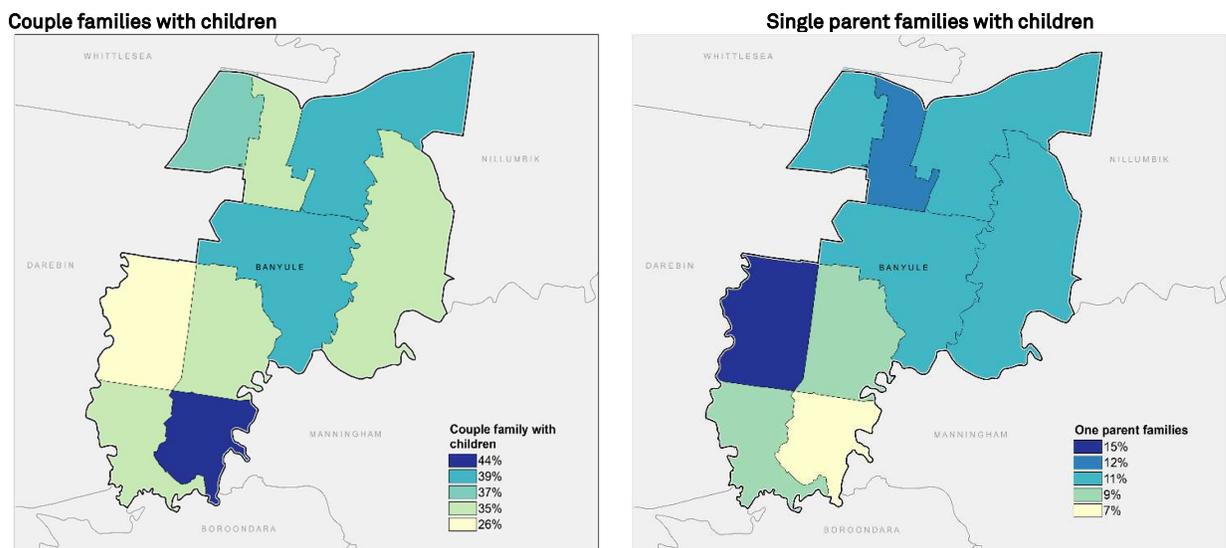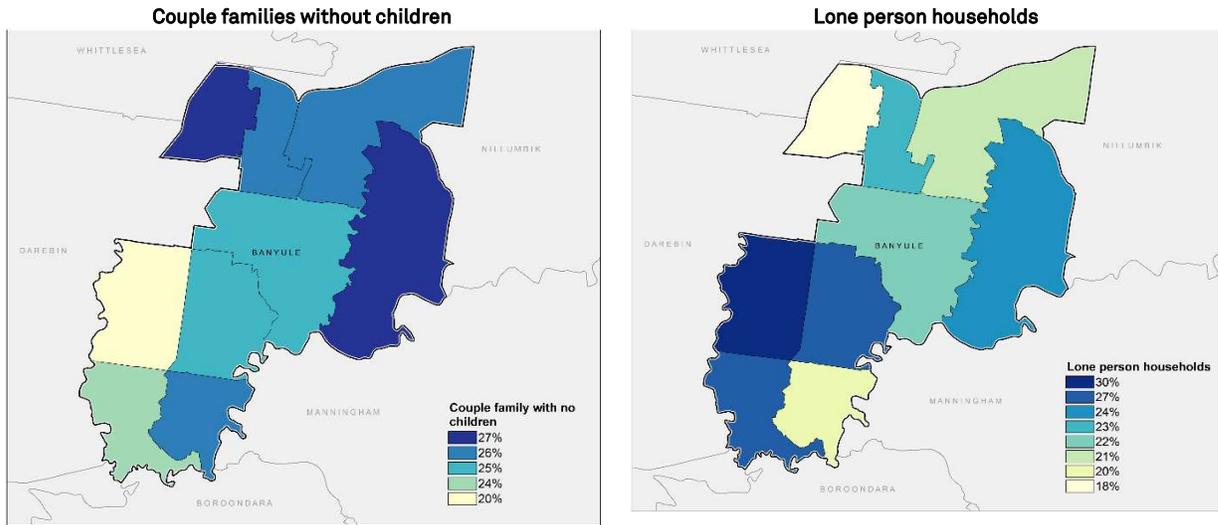
Source: Australian Bureau of Statistics Census of Population and Housing

3.2. Dwellings

3.2.1. Dwelling composition

The composition of dwellings across the municipality mirrors household structure with separate houses the dominant housing type in the municipality's north and higher proportions of smaller dwellings supporting the prevalence of smaller households in the municipality's centre and south.

In general, the centre and south provide more diverse housing options than the municipality's north.

Figure 39: Dwelling type [share of total dwellings], 2021, Banyule SA2s
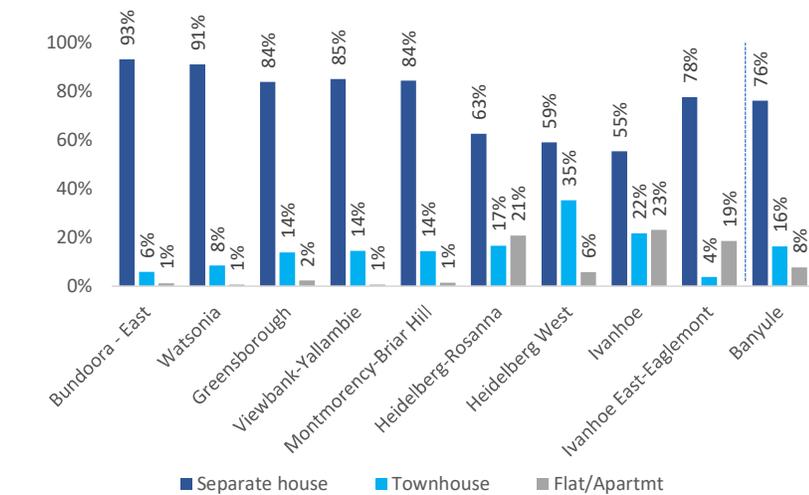
Source: Australian Bureau of Statistics Census of Population and Housing

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Figure 40: Concentration of dwellings (share of total occupied dwellings in SA2), 2021, Banyule SA2s
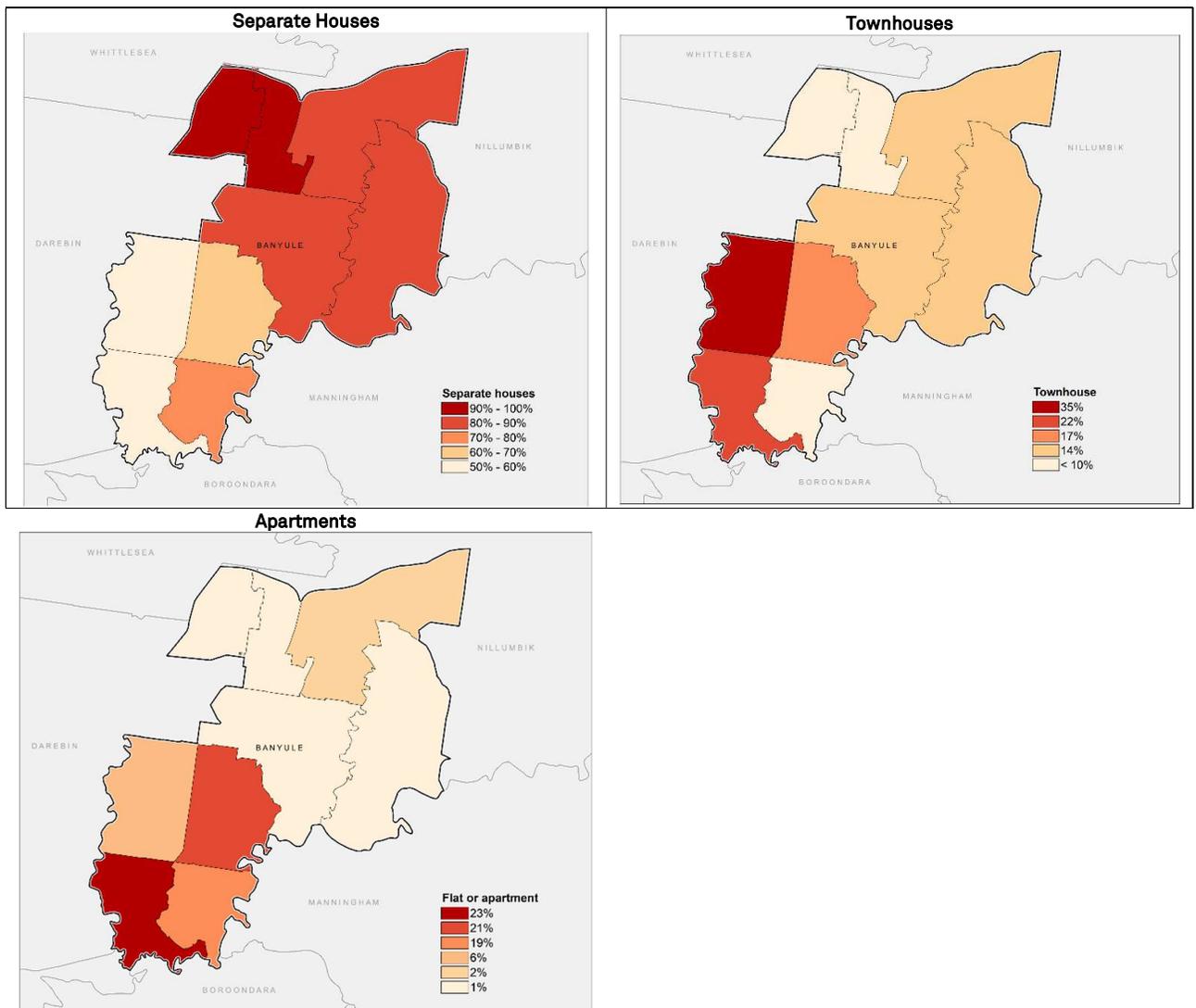
Source: Australian Bureau of Statistics Census of Population and Housing

3.2.2. Dwelling additions

The Australian Bureau of Statistics tracks dwelling completions at the SA2 level. In total, 4,497 new dwellings were completed in Banyule between July 2016 and June 2021, with one third (1,502) completed in Heidelberg West SA2. Between them, the top three SA2s (Heidelberg West, Heidelberg-Rosanna and Ivanhoe) recorded 3,097 new dwelling completions, or 69% of the total completions in Banyule for this period. Completion data does not account for knock down and rebuild development and therefore should not be understood as net additions. The least number of completions took place in Watsonia and Bundoora-East SA2s.

Figure 41: Dwelling completions, 2016- 2021, Banyule SA2s
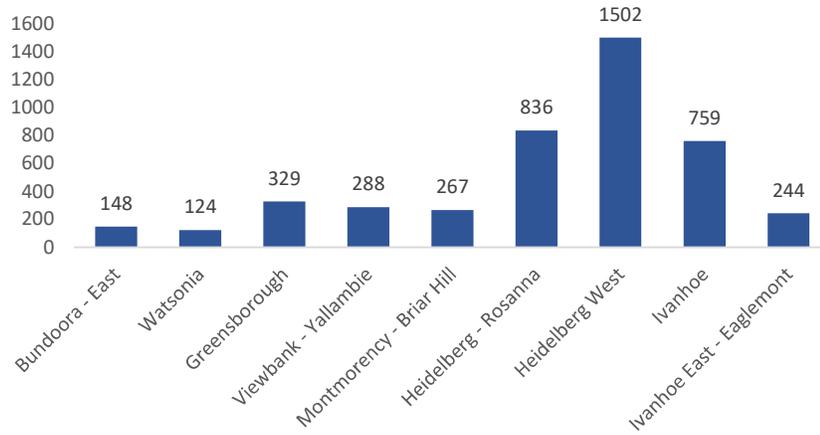
Source: Australian Bureau of Statistics

Heidelberg West recorded completions for all forms of dwellings including significant numbers of townhouses and to a lesser extent apartments. Some of these dwellings may have resulted from State Government's renewal of social housing stock – notably Heidelberg West also recorded significant numbers of demolitions which is likely to have entailed the demolition of aged public housing stock.

Heidelberg-Rosanna and Ivanhoe recorded the highest level of new apartment completions which were primarily concentrated within Activity Centres. Despite containing a major Activity Centre, Greensborough SA2 recorded only 17 new apartment completions.

Figure 42: Dwelling completions by type of dwelling, 2016- 2021, Banyule SA2s
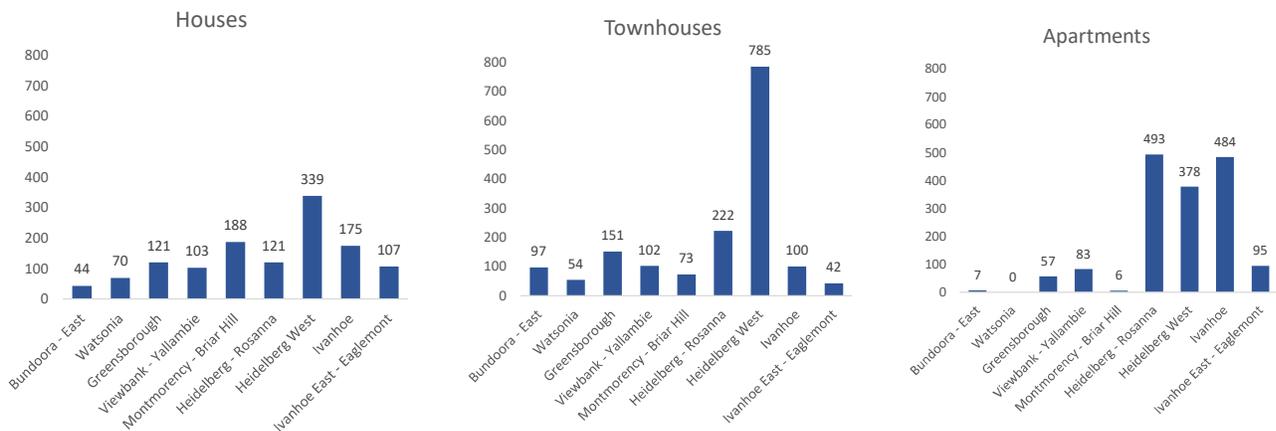
Source: Australian Bureau of Statistics

As discussed, Heidelberg West has seen significant demolition activity.

Figure 43: Dwelling demolitions permitted, number of dwellings, 2016- 2021, Banyule SA2s
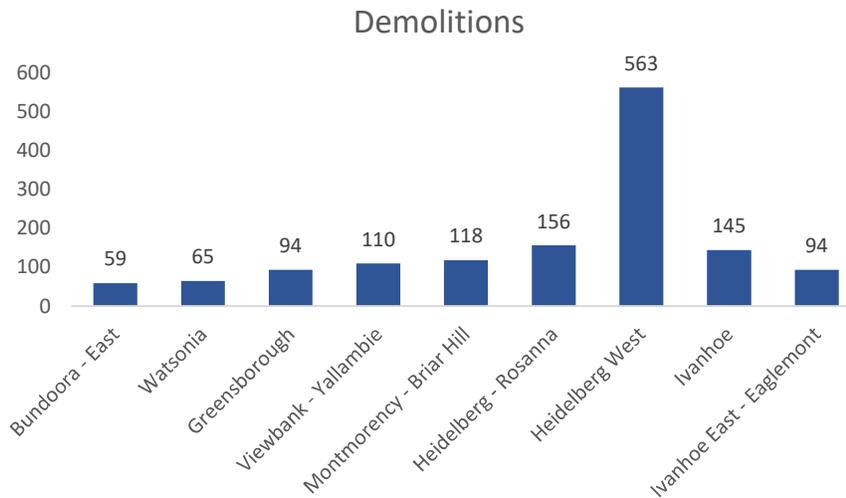
Demolitions

Source: Australian Bureau of Statistics, Building Approvals

When demolitions are accounted for the net housing stock being added in Heidelberg West SA2 declines but still represents a substantial increase of near on 188 dwellings per annum for the 2016 to 2021 period. Both of the Heidelberg-Rosanna and Ivanhoe SA2s added more than 120 dwellings per annum for the same period demonstrating the impetus for housing growth and change in the municipality's southern and central region. In contrast in the municipality's north, Greensborough SA2 added just under 50 dwellings per annum for the 2016 to 2021 period while the net increase in Watsonia and Bundoora-East SA2s was minimal.

Figure 44: Net increase in dwellings, 2016- 2021, Banyule SA2s

Net increase
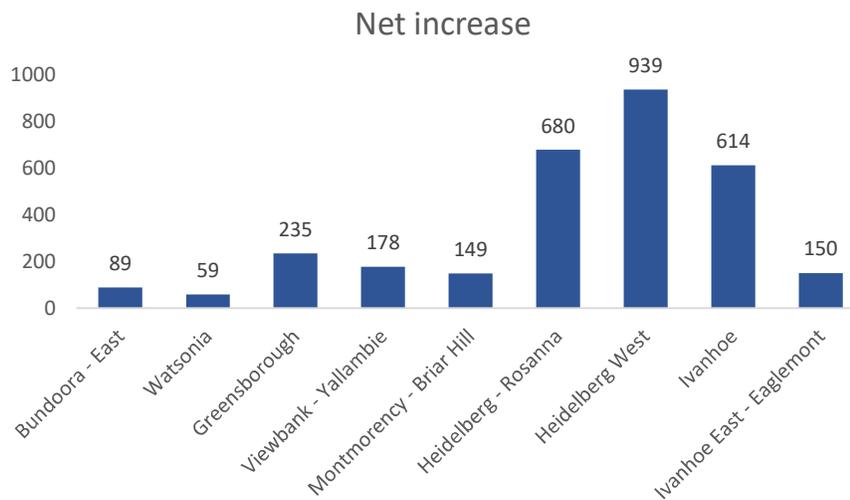
Source: Australian Bureau of Statistics, Building Approvals, Charter Keck Cramer

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In general, the overall scale of housing change accords with Council's change areas. Specifically, areas with greater land identified for change (accessible and diverse change areas) have experienced significantly more change than areas associated with limited change settings. See Appendix 1 for information on the distribution of change areas within the municipality.

Figure 45: Increase in dwellings (net of demolitions), 2016- 2021, Banyule SA2s
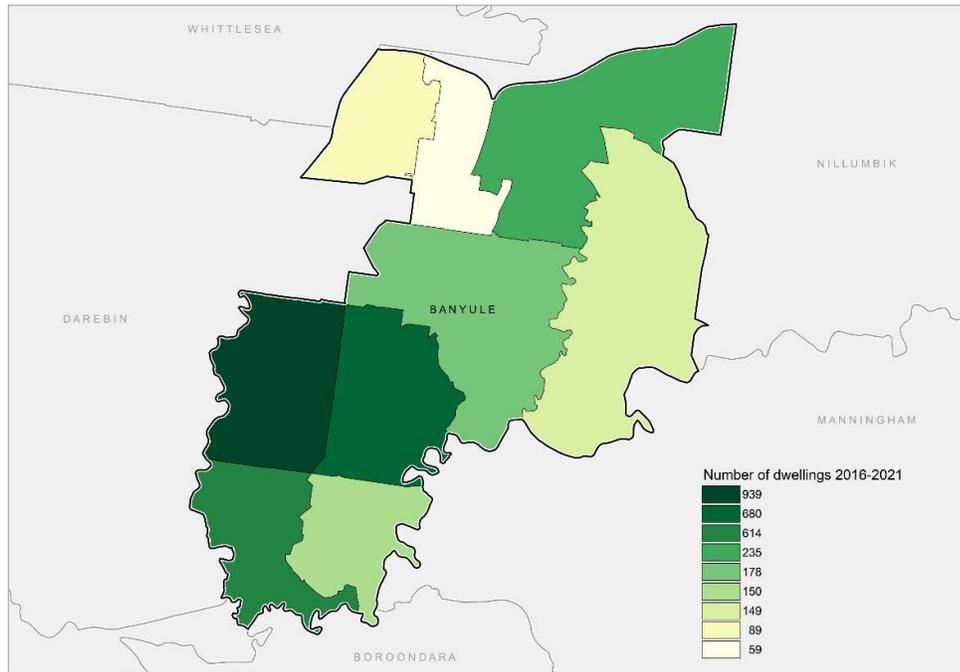
Source: Australian Bureau of Statistics, Charter Keck Cramer

4. Demographic and Dwelling Profile – Banyule Activity Centres

4.1. Key Points

- Heidelberg Activity Centre has emerged as the municipality's leading housing diversity area. At 2021 apartments accounted for 75% of the Centre's occupied dwellings with townhouses/units comprising 13% of the dwelling stock. Apartments account for 41% of dwellings in Ivanhoe Activity Centre. In comparison, the Greensborough Activity Centre largely remains a suburban low density area with detached dwellings remaining the Centre's predominant built form.

- Apartments represent the dominant form of new dwellings being added within the centres. While there has been significant new apartment supply in Heidelberg and Ivanhoe activity centres, population growth has not been commensurate with supply. It is likely that the Covid period resulted in young adults leaving the municipality's activity centres.

- Heidelberg and Ivanhoe Activity Centres are home to significant numbers of 25-44 year old age cohorts. Ivanhoe Activity Centre also has significant numbers of 55-64 year olds, suggesting that the centre has successfully attracted 'downsizers'. The Ivanhoe Activity Centre also includes a high proportion of three bedroom apartments which is, likewise, indicative of downsizing.

- Lone person households are the most prevalent household type in each of the Heidelberg, Ivanhoe and Greensborough Activity Centre.

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4.2. Activity Centre Regions

This section provides a demographic and dwelling profile of the three Activity Centres within Banyule LGA. These are Heidelberg Activity Centre, Ivanhoe Activity Centre and Greensborough Activity Centre.

Charter Keck Cramer has based its analysis for the Activity Centres based on a 'best fit' of Statistical Area Level 1 (SA1) regions as defined by the Australian Bureau of Statistics.

Figure 46: Banyule Activity Centres, 'best fit' SA1 regions
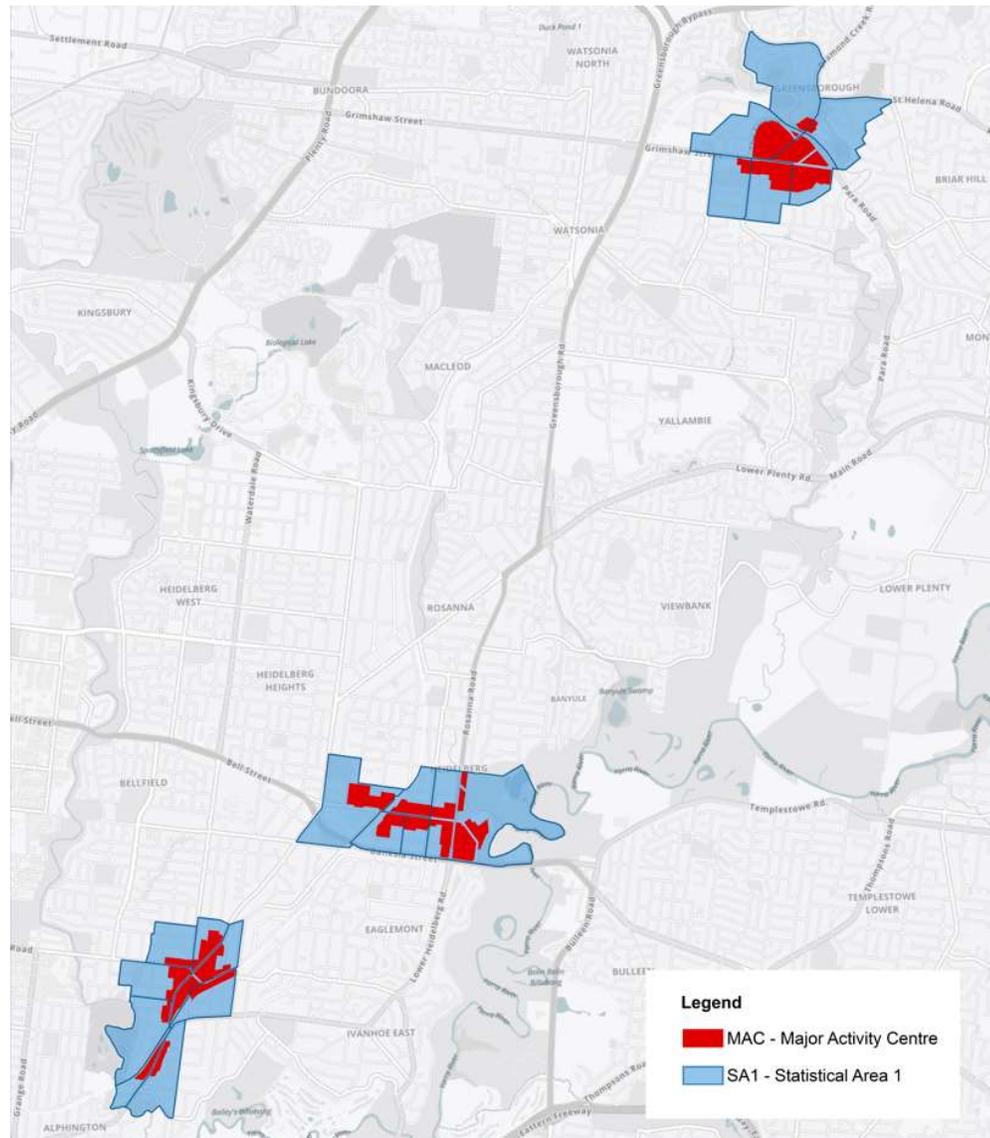
4.3. Dwellings

In a relatively short space of time, Heidelberg Activity Centre has emerged as the municipality's leading housing diversity area. At 2021 apartments accounted for 75% of the Centre's occupied dwellings with townhouses/units comprising 13% of the stock. Apartments also account for the most significant share of dwellings in Ivanhoe Activity Centre at 41% of its housing stock.

In comparison, the Greensborough Activity Centre largely remains a suburban low density area with detached dwellings the Centre's predominant built form.

Figure 47: Share of occupied dwelling stock by dwelling type, 2021, Banyule Activity Centres
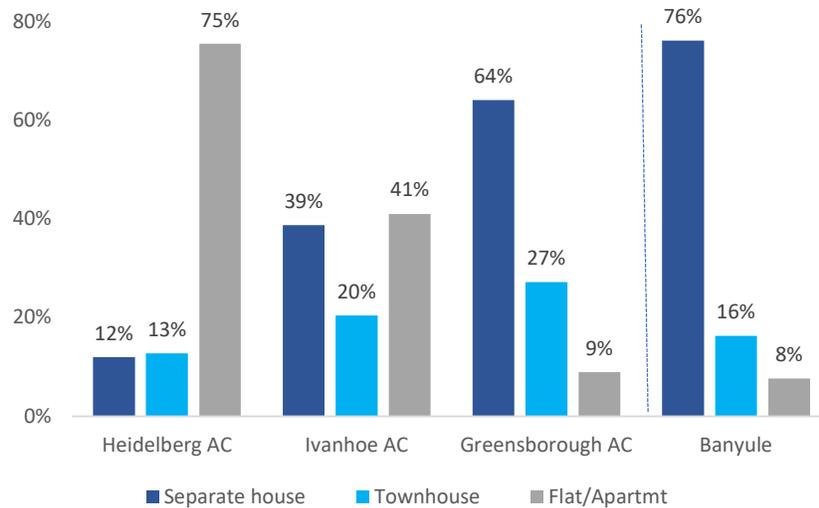
Source: Australian Bureau of Statistics Census of Population and Housing

Each of the Heidelberg Activity Centre and Ivanhoe Activity Centre are rapidly growing their housing stock, adding 419 and 219 occupied dwellings over the 2016 to 2021 period. For the same period, Ivanhoe experienced a net loss of detached housing most likely as part of the development of new medium and higher density housing.

Figure 48: Change in occupied dwelling stock by dwelling type, 2016-2021, Banyule Activity Centres
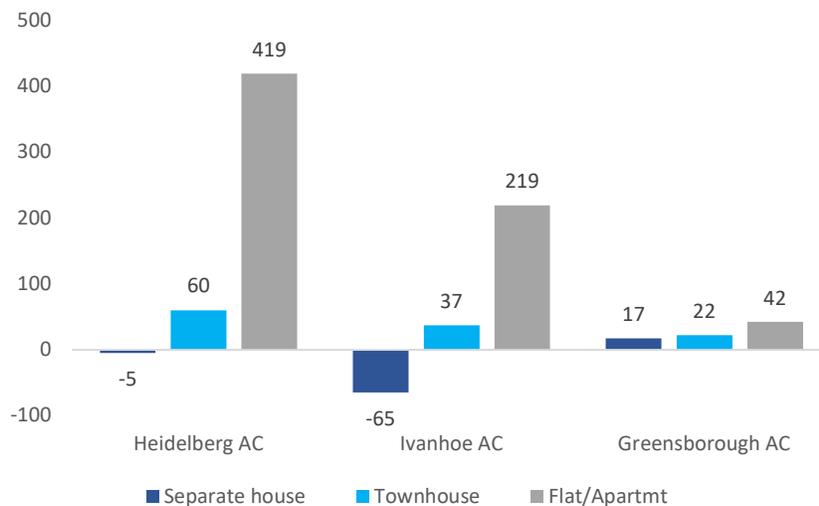
Source: Australian Bureau of Statistics Census of Population and Housing

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There are differences in bedroom structure between the centres. Specifically, the Ivanhoe Activity Centre tends to have higher numbers of 3+ bedroom dwelling stock, which is indicative of the Centre's potential role as a downsizer location. In contrast, Heidelberg Activity Centre has a higher share of one bedroom apartments and lower share of three or more bed apartments, which may reflect the role of the Centre in supporting the housing needs of young adults.

Figure 49: Number of bedrooms, Share of occupied dwelling stock by dwelling type, 2021, Banyule Activity Centres
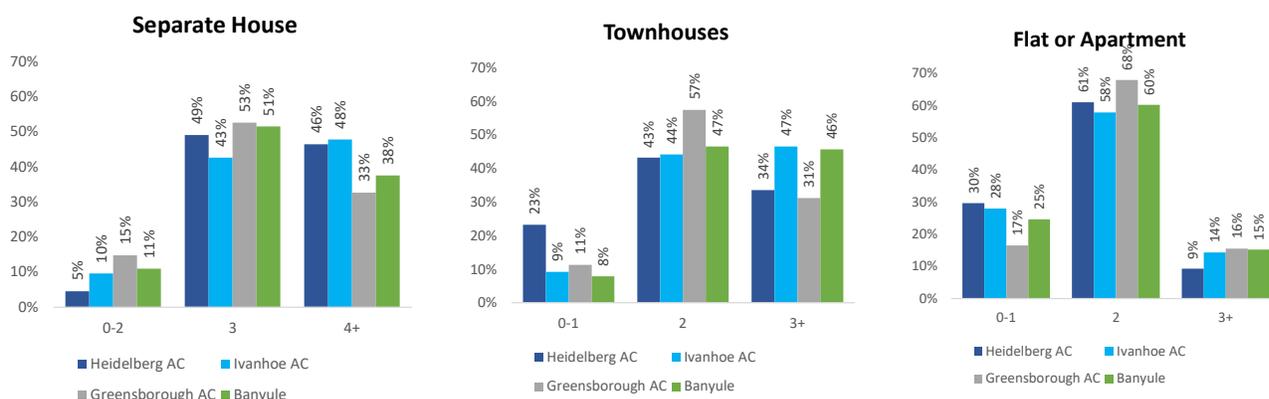
Source: Australian Bureau of Statistics Census of Population and Housing

4.4. Population

4.4.1. Population Count[5]

COVID appears to have adversely impacted growth within the municipality's Activity Centres. Heidelberg Activity Centre's population increased by 18% between 2016 and 2021, compared to 2% growth in Ivanhoe Activity Centre and zero growth in Greensborough Activity Centre. Potentially, the Covid period resulted in young adults leaving the municipality's centres which requires further investigation.

Table 8: Population count, Activity Centre Precincts, 2021

Precinct	2016	2021	Change
Heidelberg AC	2,375	2,792	417
Ivanhoe AC	3,466	3,529	63
Greensborough AC	2,729	2,736	7

Source: Australian Bureau of Statistics Census of Population and Housing

4.4.2. Age Profile

There are notable characteristics/differences in the age profile of each of the Activity Centres within Banyule:

- Heidelberg Activity Centre has a significantly higher concentrations of 25-34 year olds (and slightly higher share of 35-44 year olds) than Banyule LGA. This is likely to reflect the Centre's proximity to the Austin Health precinct and the role of the Centre in providing housing for the hospital's younger adult staff – according to the 2016 Census of Employment high numbers of health professionals live in the Centre.

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[5] The Australian Bureau of Statistics only provides estimated resident population at the SA2 level. Consequently, the population and age profile in this section is based on the Census count on Census night in 2021.

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- Ivanhoe Activity Centre supports a significant number of 25-44 year olds, as well as 55-64 year olds, highlighting both a younger adult demographic as well as potentially a 'downsizer' demographic.
- Greensborough Activity Centre's demography largely mirrors that of Banyule albeit with slightly lower proportions of children living in the Centre.

Figure 50: Population distribution by age range [share of population], Activity Centres, 2021
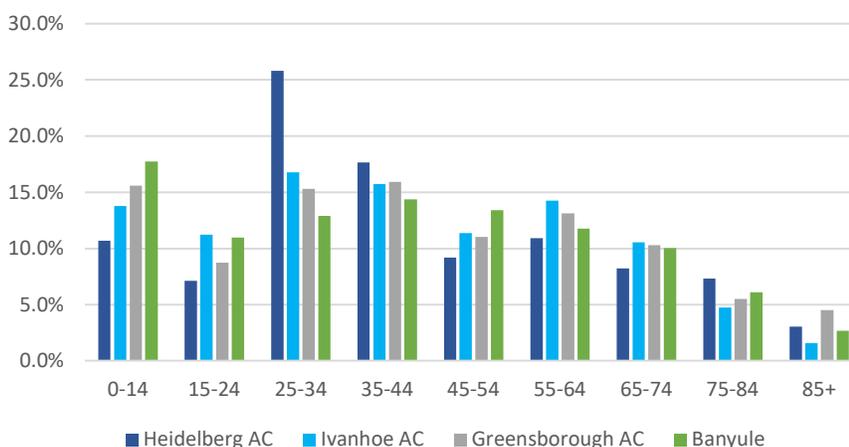
Source: Australian Bureau of Statistics Census of Population and Housing

4.5. Households

Activity Centre precincts support high numbers of lone and couple without children households and lower numbers of family with children households. Specifically:

- Both the Heidelberg and Ivanhoe Activity Centres support significant numbers of lone person households. Similarly, the proportion of lone person households concentrated in these centres significantly exceeds that of Banyule LGA.
- Families with children have little presence in Heidelberg Activity Centre making up just 14% of households. Greensborough includes a high share of family households, however, the precinct includes significant numbers of detached houses. Notably, the percentage of families with children in Ivanhoe Activity Centre is similar to Greensborough, despite Ivanhoe having a lower share of separate houses.

Table 9: Count of Households Activity Centre Precincts, 2021

Household	Heidelberg AC	Ivanhoe AC	Greensborough AC
Couple family with no children	384	415	312
Couple family with children	189	415	325
One parent family	109	105	125
Other family	18	24	10
Lone person households	591	514	363
Group households	65	48	33

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5. Housing Affordability and Housing Stress

5.1. Key Points

- Banyule is one of Melbourne's more affluent areas, with a median gross household income of $2,027 per week at the 2021 Census, 6.6% above the Greater Melbourne median of $1,901 per week.

- The Banyule median house price in June quarter 2022 was $1.057 million, 8% above the Greater Melbourne median house price of $975,000. The Banyule median unit price of $725,000 is 16% higher than the Greater Melbourne median of $625,000.

- Over the past five years median house price growth in Banyule was below that of Greater Melbourne, but significantly stronger in the past year (13.7% vs 9.6%) Median unit prices grew over the past year to June 2022 by 5% and 5.9% per annum over the past three years, exceeding that of Greater Melbourne.

- Median unit rents in Banyule are largely in line with that of Greater Melbourne for one, two and three bedroom units. Rents for separate houses, however, command a premium.

- The highest rents in Banyule are being achieved at the southern end of the municipality in Ivanhoe-Ivanhoe East. The most affordable rents are to the north in Bundoora-Greensborough-Hurstbridge. Rental growth for both houses and units in Banyule has largely outperformed that of Greater Melbourne over the past five years.

- There are no dwellings affordable to purchase by very low income earners, nor for a single adult on a low income. Options for couples without children and families on low incomes are also extremely limited, as are options for single adults and couples without children on a moderate income. For a family with children on a moderate income, there are a number of two bedroom options, but limited availability of three or more bedroom dwellings.

- Affordable rental options for very low income households of any type are practically non-existent with some availability for couples without children on low incomes and single adults on moderate incomes. Rental affordability improves for families on low incomes seeking two and three bedroom dwellings, with ready availability of affordable options for families on moderate incomes.

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5.2. Income

The municipality is one of Melbourne's more affluent areas.

The median gross household income in Banyule at the 2021 Census was $2,027 per week which was 6.6% above the Greater Melbourne median of $1,901 per week. Moreover, gross household income growth has also been stronger than the metropolitan average, rising by 4.0% per annum in Banyule between 2006 and 2021 compared with 3.8% per annum growth across Greater Melbourne.

Figure 51: Median gross household income growth, Banyule LGA and Greater Melbourne
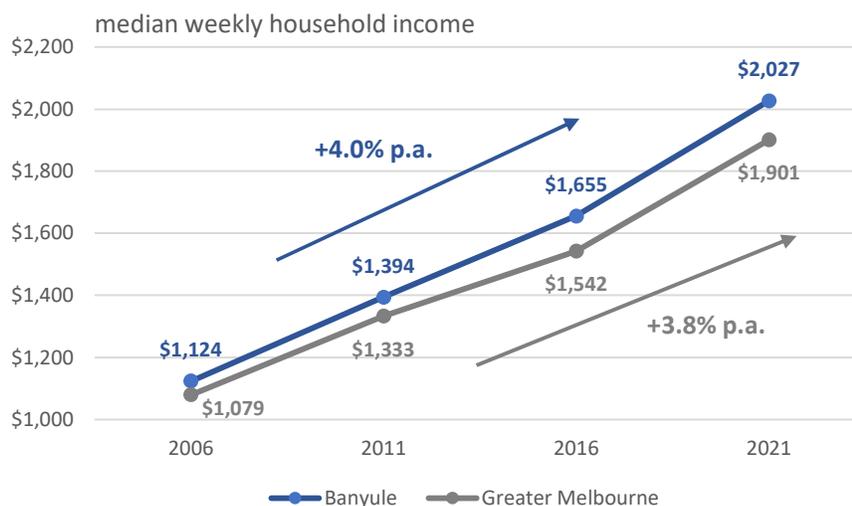
Source: Australian Bureau of Statistics Census of Population and Housing

Housing affordability within this report is measured with respect to the very low, low and moderate income thresholds prescribed by the Department of Environment, Land, Water and Planning. The thresholds for 2021 have been used to provide consistency with the timing of Census data and are detailed below with reference to different household types.

Figure 52: Income thresholds for affordable housing in 2021

Household type	Very low income range (annual)	Low income range (annual)	Moderate income range (annual)
Single Adult	up to $26,200	$26,201 to $41,920	$41,921 to $62,860
Couple, no dependent	up to $39,290	$39,291 to $62,870	$62,871 to $94,300
Family (with one or two parents) and dependent children	up to $55,000	$55,001 to $88,020	$88,021 to $132,030

Source: Department of Environment, Land, Water and Planning

Income data from the 2021 Census is currently only provided for couple without children households and family households with children. The standard tables currently combine lone persons with group households as 'non-family households'. The breakdown will be available at a future date when the Australian Bureau of Statistics publishes the Census data within its TableBuilder platform. Broadly speaking, there is little difference in the distribution of households on very low, low and moderate incomes between Banyule and Greater Melbourne.

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As can be seen below, the profile of very low, low and moderate income couple with no children households, is similar to that of Greater Melbourne, with a roughly even split of households in the very low, low and moderate income ranges. Within the municipality, approximately 55% of couple with no children households earn above the moderate income threshold.

There are a slightly lower percentages of very low income family with dependent children households relative to Greater Melbourne (27% vs 30%) and correspondingly a higher percentage of households earning above the moderate income threshold (32% vs 29%). The relationship of these income groups to house prices and rents is discussed as follows.

Figure 53: Percentage of households within income thresholds for affordable housing by household type, 2021
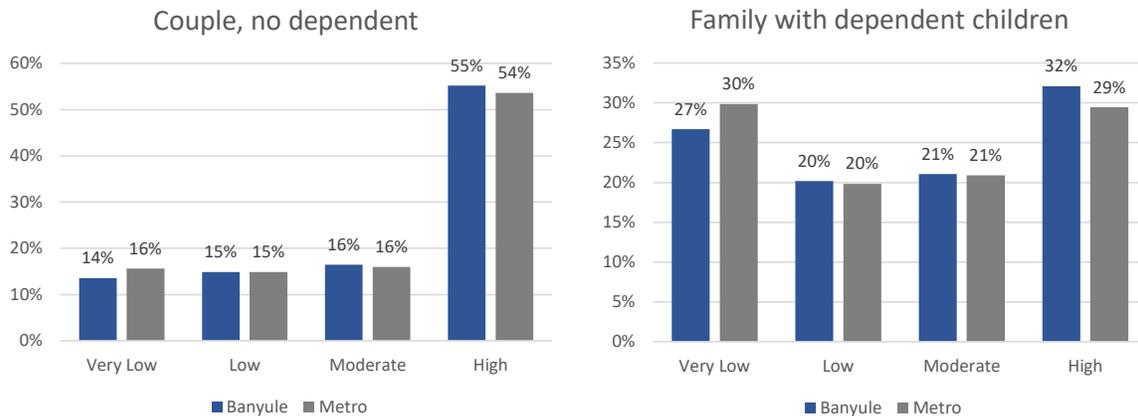
Source: ABS Census of population and Housing, Department of Environment, Land, Water and Planning

5.3. House Prices

The Banyule median house price in June quarter 2022 was $1.057 million this is 8% above the Greater Melbourne median house price of $975,000.

House prices in Banyule show less diversity than across Greater Melbourne. The lower quartile, or 25th percentile, in Banyule was $875,000 in June quarter 2022, or 17% below the median suggesting limited opportunities for households seeking to purchase housing below the median house price. In comparison the lower quartile house price for Greater Melbourne was $780,000, or 20% below the Greater Melbourne median house price.

A similar trend is evident in unit prices. The Banyule median unit price of $725,000 is 16% higher than the Greater Melbourne median of $625,000. However, the gap between the median and the lower quartile ($618,000 or −15%) in Banyule is narrower than that for Greater Melbourne ($485,000 or −22%).

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Figure 54: Median house and unit prices, June quarter 2022, Banyule LGA and Greater Melbourne
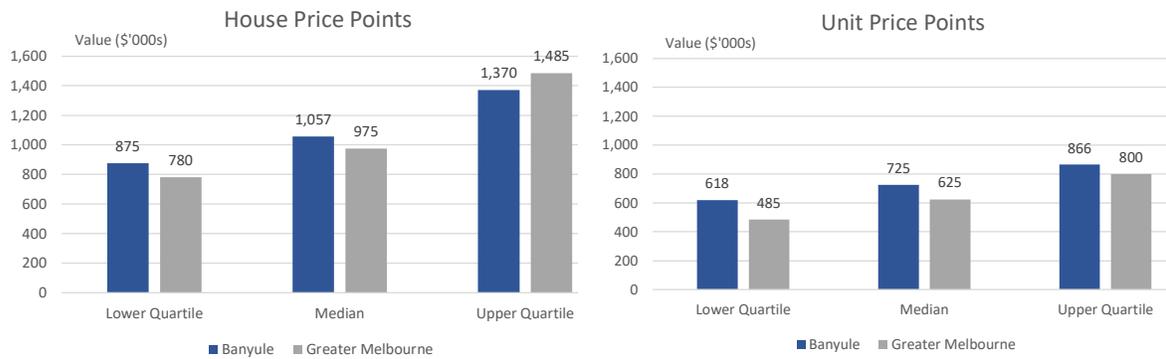
Source: PriceFinder

In the year to June 2022 Banyule saw a significant increase in its median house price which grew by over 13.7% which was well above metropolitan median growth of 9.6%. Notably, over the past five years house price growth in Banyule was below that of Greater Melbourne.

Median unit prices are also growing. Prices grew over the past year to June 2022 by 5% and 5.9% over the past three years. This again exceeded median growth in Greater Melbourne.

Figure 55: Median house and unit price growth, to June 2022, Banyule LGA and Greater Melbourne
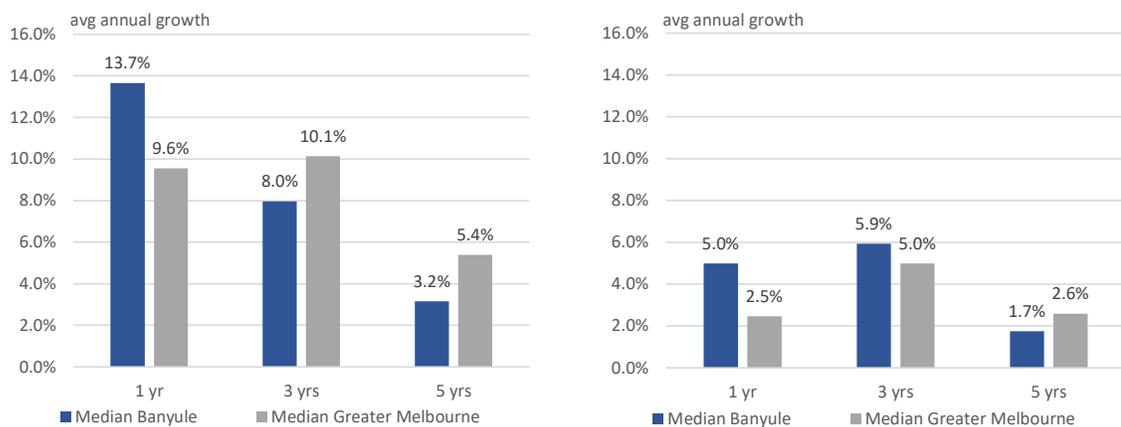
Source: PriceFinder

5.4. Rents

Median unit rents in Banyule are largely in line with that of Greater Melbourne for one, two and three bedroom units, ranging from $335 per week for one bedroom units to $490 per week for three bedroom units.

Meanwhile, rents for separate houses in Banyule command a premium. Although the median two bedroom house rent in Banyule is below that of Greater Melbourne, the median for three bedroom houses ($470 per week) is 9% above the Greater Melbourne median and the median four bedroom house rent is $600 per week, or 28% above the Greater Melbourne median.

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Figure 56: Median weekly rents by property type, March quarter 2022, Banyule LGA and Greater Melbourne
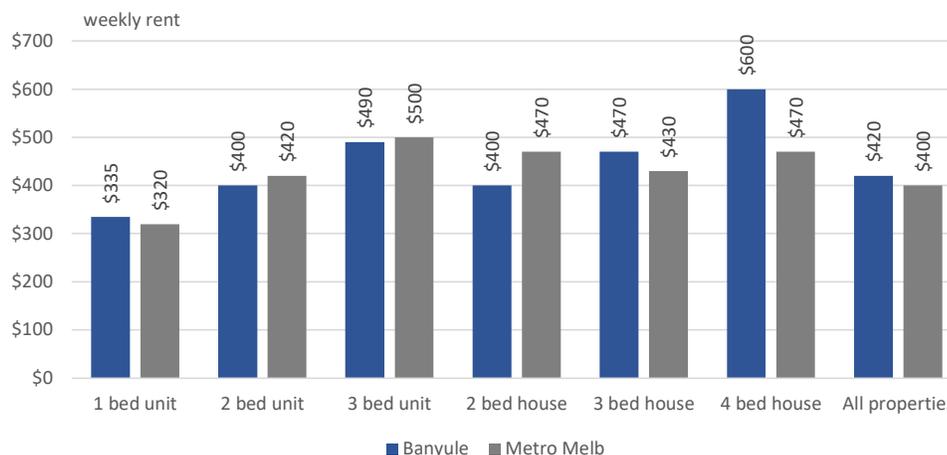
Source: Department of Families Fairness and Housing Victoria

The highest rents in Banyule are being achieved at the southern end of the municipality in Ivanhoe-Ivanhoe East. However, median house rents in Eltham-Research-Montmorency are typically higher than in those in Heidelberg and Heidelberg West despite being further north. The most affordable rents are in Bundoora-Greensborough-Hurstbridge.

Figure 57: Median weekly rents by property type, March quarter 2022, selected regions, Banyule LGA and Greater Melbourne

Suburbs	1 br Unit	2 br Unit	3 br Unit	2 br house	3 br house	4 br house
Bundoora-Greensborough-Hurstbridge	300	360	450	390	430	460
Eltham-Research-Montmorency	305	400	500	425	520	650
Heidelberg-Heidelberg West	335	400	490	380	460	620
Ivanhoe-Ivanhoe East	348	420	565	505	585	780
Banyule	**335**	**400**	**490**	**400**	**470**	**600**
Metro Melbourne	**320**	**420**	**500**	**470**	**430**	**470**

Source: Department of Families Fairness and Housing Victoria

Rental growth in Banyule has in general outperformed that of Greater Melbourne over the past five years. In particular, three and four bedroom house rent growth has significantly outpaced that of Greater Melbourne over the past five years.

Unit rental growth in Banyule has also been stronger than that of Greater Melbourne. While one and two bedroom unit rents in Greater Melbourne have recorded periods of decline over the past five years, rental growth for one and two bedroom units in Banyule have been consistently positive.

Figure 58: Median house and unit price growth, to March quarter 2022, Banyule LGA and Greater Melbourne

Houses
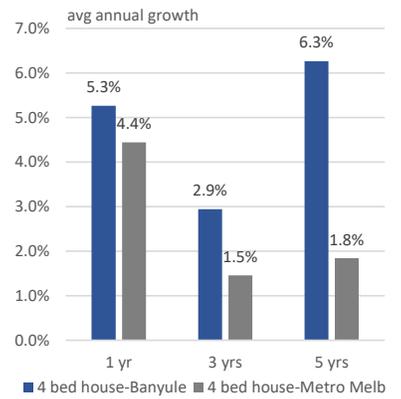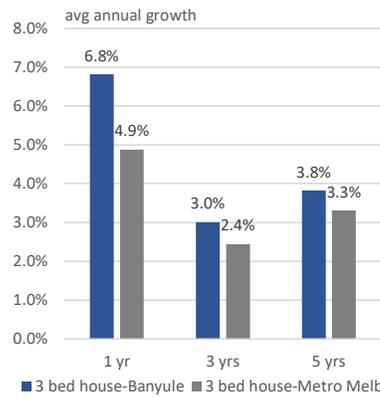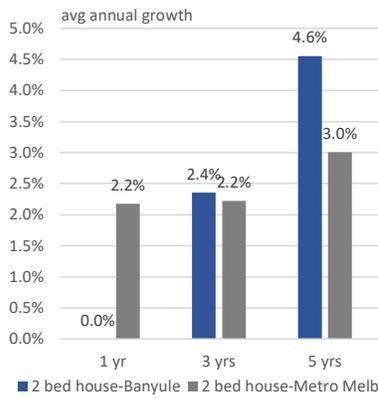
Units

Source: Department of Families Fairness and Housing Victoria

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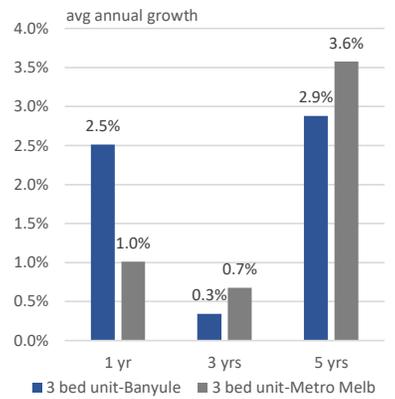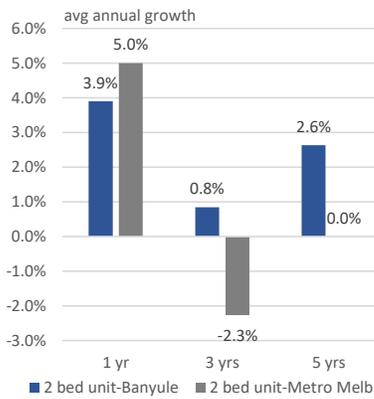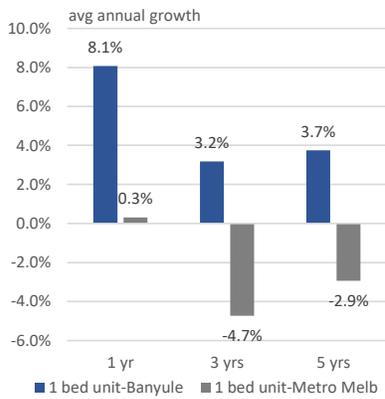
5.5. Affordability[6]

5.5.1. Ownership

The chart below highlights home purchase price thresholds for different household income groups. The analysis assumes State government defined 2021 affordable housing income thresholds for very low, low and moderate incomes (as per figure 52). The home purchase price thresholds assume the purchasing household has a 20% deposit and spends a maximum 30% of gross income on a mortgage repayments at a 4.25% variable borrowing rate.[7]

Based on this methodology, purchase price thresholds range from $166,433 for a single adult on a very low income to $838,708 for a family on a moderate income. As a result, the highest purchase threshold for a family earning a moderate income still remains below that of the lower quartile median separate house price in Banyule which is $875,000.

Figure 59: Maximum borrowing capacity for affordable income thresholds of household types*

Source: PriceFinder, Charter Keck Cramer
* assumes state government income thresholds at 2021, a maximum of 30% of income spent on mortgage repayments with a 20% deposit and a 30 year loan at 4.25% variable rate

An analysis of FY2022 detached housing sales that fall within the purchase price thresholds for different household types is detailed below. The analysis compares a household's assumed borrowing threshold against sales to determine the overall proportion of sales that are affordable to households on very low, low and moderate incomes.

Overall, there is limited choice for very low and low income households within the private market for purchase within Banyule. In undertaking this analysis, Charter has assumed that a couple without children may live in either a one bedroom dwelling or

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[6] Households in housing stress cannot be measured using the current 2021 Census data that has been published. Current data releases comprise standard tables and an analysis of housing stress requires cross tabulation of household structure, incomes and mortgage repayments/rent. This can be undertaken once the Census data is published in the TableBuilder platform, which is designed to undertake bespoke cross tabulation of Census data.
[7] The 4.25% interest rate also doesn't allow for any serviceability buffers that a lender might impose in the advent of interest rates rising.

two bedroom dwelling. It is also assumed that a family with children may consider a two bedroom or three bedroom dwelling (but not a one bedroom dwelling).

Based on these assumptions, there are no dwellings affordable to very low income earners for purchase, nor for a single adult on a low income. Options for couples without children and families on low incomes are also extremely limited, with less than 5% of sales being affordable for these households.

The situation improves slightly for moderate income earners. Some 2% of dwellings are affordable for single adults on a moderate income and 7%-9% are affordable for couples without children. For a family with children on a moderate income, some 32% of dwellings are affordable if they choose to live in a dwelling with two bedrooms, but only 17% of dwellings of three bedrooms or more are affordable.

Figure 60: Percentage of sales in Banyule in FY2022 that meet affordable purchase price thresholds by household types

		% of affordable sales in FY2022		
Household Type	Min Bedrooms	Very Low Income	Low Income	Moderate Income
Single Adult	1 bedroom	0%	0%	2%
Couple no kids	1 bedroom	0%	2%	9%
	2+ bedrooms	0%	1%	7%
Family	2+ bedrooms	0%	5%	32%
	3+ bedrooms	0%	1%	17%

Source: PriceFinder, Charter Keck Cramer

Note, based on the above methodology a household needs to earn $166,000 per annum to afford the local median detached house price at 2022 and $114,000 per annum and to afford the local median unit price at 2022.

5.5.2. Renting

The chart below highlights rental thresholds for different household types based on state government affordable housing income thresholds for very low, low and moderate incomes. The rental thresholds assume the household spends a maximum of 30% of gross income on rent.

The rental thresholds range from $151 per week for a single adult on a very low income to $760 per week for a family on a moderate income.

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Figure 61: Housing rental thresholds* by affordable income thresholds of household types

Source: PriceFinder, Charter Keck Cramer
* assumes a maximum of 30% of gross income is spent on rent

An analysis of rents in FY2022 that fall within the rental thresholds for different household types and affordable income thresholds shows that options for affordable rental are limited in Banyule for very low income earners. Charter has assumed that a couple without children may live in either a one bedroom dwelling or two bedroom dwelling. Charter assumes that families with children require either a two or three bedroom dwelling.

On this basis, the only affordable rents for very low income earners are if a family opts for a two bedroom unit, and even then, only 2% of rentals are considered affordable. Options for single adults on low incomes are also practically non-existent.

Options are also limited for couples without children on low incomes – some 19% of lettings are affordable if they opt for a one bedroom dwelling or 12% are affordable for a two bedroom dwelling. Prospects are improved for families on low incomes, with 73% of at least two bedroom lettings being affordable and 56% of at least three bedroom lettings being affordable.

Single adults on moderate incomes still have relatively limited options, with only 19% of lettings considered affordable, while couples without children and families with children on moderate incomes have a wide variety of options with around 80% and 98% of lettings falling below their affordable rental thresholds.

Charter notes that there are a high number of 'bedrooms' being offered for rent in Banyule for under $200 per week. The majority of these are around LaTrobe University and are typically aimed at providing affordable options for students – both overseas and local. Some of these have been advertised as registered boarding houses, although it is likely that many of these dwellings do not meeting the necessary regulatory requirements to be registered boarding houses.

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Figure 62: Percentage of advertised rents in Banyule in FY2022 that meet affordable rental thresholds by household types[8]

Household Type	Min Bedrooms	% of affordable rents in FY2022		
		Very Low Income	Low Income	Moderate Income
Single Adult	1 bedroom	0%	0%	19%
Couple no kids	1 bedroom	0%	19%	82%
	2+ bedrooms	0%	12%	80%
Family	2+ bedrooms	2%	73%	98%
	3+ bedrooms	0%	56%	97%

Source: PriceFinder, Charter Keck Cramer

The Department of Families Fairness and Housing Victoria also provides its own measure of rental affordability. The measure assumes that the household is receiving Centrelink benefits and rental assistance and assumes that an affordable rent is where the rent for a suitable dwelling type/size for that household is less than 30% of the corresponding Centrelink benefit received (net of rental assistance).

When these incomes are considered households in Banyule on Centrelink benefits have minimal options. The most favourable outcome being for a couple on Jobseeker with four children looking for a four bedroom dwelling. Nevertheless, only 14% of lettings in Banyule were affordable for this household type in the year to March 2022.

Figure 63: Affordable rental availability for households on Centrelink benefits and receiving rent assistance, Banyule

Household type	Assumed property size	Weekly income (net of Rent Assistance)	Affordable weekly rent	Year to March 2022		
				Affordable Lettings	Total Lettings	Affordable proportion
Singles on Jobseeker	1 bedroom	315	170	15	608	2%
Single Parent with 1 child	2 bedroom	618	270	16	1,658	1%
Couple on Jobseeker with 2 children	3 bedroom	883	350	72	1,527	5%
Couple on Jobseeker with 4 chldren	4+ bedroom	1,105	430	57	409	14%

Source: Department of Families Fairness and Housing Victoria

[8] Banyule includes substantive Public Housing in Heidelberg West. This analysis focuses on the private rental market and does not consider public rental options.

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6. Appendix 1

Proportion of land by change area for individual SA2's.

Table 10: Proportion of Land by change area

SA2	Area of SA2 (HA)	Residential Area (HA)	Incremental Area (%)	Accessible Area (%)	Diversity Area (%)	Limited Incremental Area	Limited Area	Low Density Residential Area (%)
Bundoora - East	407	322	72%	6%	1%	0%	0%	0%
Greensborough	1009	795	19%	7%	3%	49%	0%	0%
Heidelberg - Rosanna	637	482	46%	18%	6%	3%	3%	0%
Heidelberg West	669	425	16%	33%	14%	0%	0%	0%
Ivanhoe	505	368	40%	10%	5%	15%	2%	0%
Ivanhoe East - Eaglemont	428	316	38%	1%	1%	19%	15%	0%
Montmorency - Briar Hill	1202	755	0%	2%	0%	44%	0%	17%
Viewbank - Yallambie	1023	581	43%	1%	0%	8%	4%	0%
Watsonia	378	306	61%	19%	1%	0%	0%	0%

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