

26 July 2023

The Hon Jacinta Allan MP
Deputy Premier
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Dear Minister Allan,

Subject: Delivery of Housing at 2 Osborne Street, Flora Hill

The City has been working closely with Development Victoria over recent months on the planning for the Bendigo Athletes' Village. The City has provided feedback towards elements of the proposal and maintains support for the project and the long-term legacy that this will deliver.

Although the Commonwealth Games has been cancelled and there is no longer the need for an Athlete's Village, the delivery of housing on this site presents the potential for a lasting benefit for our community.

Housing affordability has become more of a challenge in Greater Bendigo in recent years. House and rental prices are outpacing income growth, and this is making it more difficult for residents to afford housing in the private market. The median house price is now \$565,000, an increase of 39 per cent over the last five years, with unit prices similarly growing by 35 per cent to \$410,000. Over the same period median rental prices in Greater Bendigo increased by around \$400 per month. For those least able to afford housing there are now over 3,300 applicants on the social housing wait list in Bendigo.

The needs of our community are changing, and there is a need for an intervention to support the market to meet the demand. The City has developed an *Affordable Housing Action* plan which demonstrates demand for one and two bedroom dwellings and an undersupply in the market for this type of housing. Between the 2016 and 2021 census, we have seen an increase in over 3,500 one and two person households. Over this same period, an additional 3,500 homes with four or more bedrooms were built and only 560 one and two bedroom homes were built.

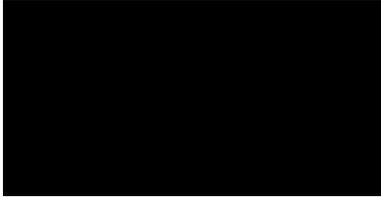
The Flora Hill site that was chosen for the development of the Village is ideally zoned for medium and higher density development. There have also been significant investment and collaboration to inform the early work to deliver housing on this site.

The masterplan is well progressed and is set to deliver at least 220 dwellings, most of these were one and two bedrooms. As these homes are smaller in size and on smaller blocks, they would provide affordable homes. In addition, Development Victoria have other innovative models such as 'rent to own' which could provide additional options and benefit.

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City officers would welcome further discussions on how to deliver on this important project. Should you want to discuss any of the issues identified above in further detail please feel free to contact me.

Yours sincerely



Andrew Cooney
Acting Chief Executive Officer