

Housing



Mornington
Peninsula Shire

What we are asking

- Investment in affordable and social housing to address more than 2600 waitlist applications.
- Release Port of Hastings surplus land to include new social and affordable housing.
- Identify and release Crown land and buildings to be repurposed and developed.
- Government incentives to attract community housing associations out of Melbourne
- Establish targets by local government area so supply of social housing addresses need.
- Short Term Rental Accommodation Levy revenue raised on the Peninsula, is reinvested into local social housing stock.



KEY POINTS

- Urgent investment in social and affordable housing
- 35 per cent of residents are in rental stress
- Only 3.5 per cent of rental properties are affordable to those on a low income
- Just 2.4 per cent of houses sold are affordable to those on a low income
- Support for key worker accommodation to secure local jobs

What makes this unique

There are pockets of significant disadvantage across the Peninsula:

- Our median household income is lower than Greater Melbourne's average.
- There is a substantially higher proportion of older people and those with a disability.
- A third of Peninsula residents experience rental stress.
- 36 per cent of our residents are disengaged with work or education.

The cost of owning or renting a home on the Mornington Peninsula is rising fast and more expensive than Melbourne.

Our community can't access regional-based initiatives. The unique rural and urban mix of our municipality does not fit the existing Victorian government metropolitan classification, therefore we miss out on Regional Housing and Key Worker Accommodation funding, regardless of our need.

With a comparatively small rental market within a high amenity coastal area, we are a national hot spot for short term rental accommodation (STRA), with over 5,000 properties. Balancing our tourism economy with the housing needs of our communities and workers is challenging, at a time of unprecedented affordability pressures.

Our key economic sectors in health, tourism and hospitality are struggling to attract workers, due to a lack of affordable accommodation locally.

The interplay between our municipality's mix of regional and metropolitan areas, population growth, socio-economic factors and the importance of our tourism economy, has resulted in complex housing challenges and significantly reduced the availability of affordable homes.

Why this is important

Rising rents and property values means a growing number of residents who are experiencing housing insecurity are at risk of becoming homeless, including the elderly, women and children. Low-income residents are being forced out of the region – away from their families and support networks.

The high cost of land, coupled with low-density planning controls make the Peninsula less attractive for housing agencies to undertake developments.

Incentives to address this challenge could include the release of government owned land for the development of social and affordable housing, and access to funding streams for Councils with high, unmet needs.

Despite the growing need, provision of social housing on the Mornington Peninsula has been virtually stagnant since 1991.

The benefits – supporting evidence and strategies

Our community faces significant social and economic challenges:

- 35.3 per cent of residents are in rental stress, higher than Greater Melbourne average of 26.8 per cent.
- Median weekly household income is \$1,276, less than Greater Melbourne's \$1,542.
- The median rent for a house on the Peninsula is \$50 higher per week than Greater Melbourne.
- Only 1.4 per cent of local households are social housing – lower than Greater Melbourne 2.3 per cent
- Just 2.4 per cent of local houses sold and 3.5 per cent of rentals are affordable to low-income households.

The University of Sydney report (July 2025) Short Term Rentals in Australia's Coastal Regions: Recent Impacts & Policy Responses, confirmed short term rental platforms have reinforced and extended the longstanding role of residential homes as tourist accommodation, and identify their impacts on rental availability, rental costs, and house prices.



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The report highlighted the Mornington Peninsula as having the second highest number of STRA listings across eleven municipalities studied and has experienced the second greatest increase in STRA listings since 2019

Following the introduction of the 7.5 per cent short stay levy in Victoria, the Shire will not benefit from social housing provision despite being more impacted by STRA, with funds directed to regional areas only.

To address housing affordability concerns, the report recommends that state governments should:

- invest in social, affordable and crisis housing in regional and outer metropolitan areas, which requires more funding than existing taxes and levies;
- increased funding should be distributed to communities impacted by the short-term rental market.

Victoria's Housing Statement target proposes 24,000 new local houses on the Peninsula. During consultation for our Triple A Housing Plan 2020-2030, our community called for:

- Council to make a larger contribution to housing and lead projects that provide targeted support for identified groups
- More certainty, opportunity and a fast-track approval processes for developers wishing to build affordable housing, including small houses and second dwellings.

Our Triple A Housing Plan calls for the delivery of Council land for a housing project every three years (or a financial contribution, subject to budget process).

In response to this consultation, we are leveraging Council-owned land parcels to encourage social and affordable housing providers to partner with us. However, without federal and Victorian government funding, this is unlikely to be delivered.

Alignment to Council Plan 2025-2029

Strategic Objective 2.1: A safe, accessible, inclusive, and healthy community.