



What is the problem?

People in different life stages have different housing needs. For individuals seeking smaller footprint housing, there are a number of barriers to entry including a lack of existing suitable supply and 'planning barriers' which limit the construction of new housing supply. Secondary dwellings are currently subject to the same controls as multi-unit developments (including low-mid rise apartments) which creates significant costs and more importantly uncertainty.

These barriers result in a situation where 'it's all too hard' or, at the other extreme, maximisation of development envelopes and yields in response to controls intended for more intense development. The outcome is a lack of affordable smaller homes, making it more difficult for Victorians to age in place, dwell temporarily while transitioning to a different life stage, or live near and care for the ones they love.



How will a secondary dwelling code address the problem?

Secondary dwellings provide a housing option to assist ordinary Victorians. This is best explained through the following case studies:

Case Study 1:

An older couple looking to downsize build a secondary dwelling to allow their child's family to move into the family home.



- The new provisions increase the certainty for the couple, thereby saving them time and money, as well as reducing the resource burden on councils.
- The couple will not have to buy a new property, thereby avoiding additional stamp duty costs.
- The secondary dwelling can be designed specifically for the couple's housing needs, ensuring that it remains accessible as they age.
- The couple can remain in the neighbourhood that they know and feel comfortable and socially supported in.
- A larger, underutilised dwelling is made available for a growing family, thereby making more efficient use of existing stock.

Case Study 2:

A family construct a secondary dwelling in their backyard for their recently divorced mother.



- Older, single women are one of the fastest growing homeless demographics and are more likely to have insufficient superannuation, qualifications, and employment opportunities.
- A secondary dwelling can create a lower cost housing solution for older family members that lack the capital to buy a property outright.
- They also enable older family members to more easily assist in caring for grandchildren, reducing the cost of childcare for young parents.
- This arrangement will reduce the risk of social isolation for the older family member, while maintaining their sense of privacy and independence.



**Case Study 3:
Parents build a secondary dwelling for their adult child while saving for a house deposit.**



- With rates of home ownership among young people having fallen dramatically in the last decade, for many young people being able to live with their family at a reduced rent is the only way to save a deposit to purchase their own home.
- The adult child is afforded an independent living solution which avoids higher housing costs while saving towards a first home deposit. Once their young adult child is ready to move out, the parents are left with an asset that they can then lease to other tenants or one day move into themselves.

**Case Study 4:
A middle-aged couple approaching retirement build a secondary dwelling to rent out. A young couple unable to find a suitable rental property rent it.**



- The secondary dwelling adds to affordable rental housing stock for a young couple, allowing them to find a home after struggling to break into a highly competitive rental market.
- By building a secondary dwelling, the middle-aged couple are able to create a new source of income to support themselves into their retirement.
- The middle-aged couple takes pride in their secondary dwelling and form a new friendship with the younger couple.



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