Ballarat Residential Supply and Demand Assessment

Prepared for UDIA Victoria

Prepared by Ethos Urban, a Colliers Company.

August 2025 | 3240292

'Gura Bulga'

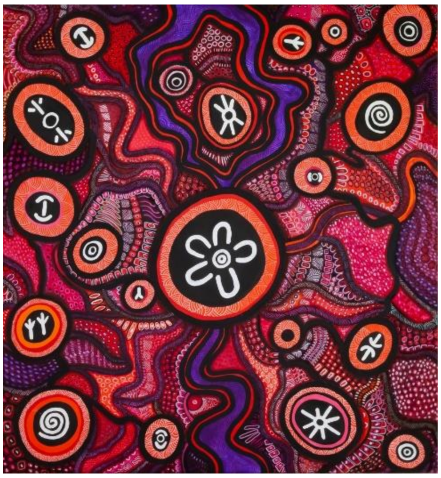
Liz Belanjee Cameron

'Gura Bulga' – translates to Warm Green Country. Representing New South Wales.

'Dagura Buumarri'

Liz Belanjee Cameron

'Dagura Buumarri' – translates to Cold Brown Country. Representing Victoria.



'Gadalung Djarri'

Liz Belanjee Cameron

'Gadalung Djarri' – translates to Hot Red Country. Representing Queensland.

Ethos Urban acknowledges the Traditional Custodians of Country throughout Australia and recognises their continuing connection to land, waters and culture.

We pay our respects to their Elders past, present and emerging.

In supporting the Uluru Statement from the Heart, we walk with Aboriginal and Torres Strait Islander people in a movement of the Australian people for a better future.

In March 2025, Ethos Urban took a major step toward future growth by partnering with leading professional services firm, Colliers. While our name evolves, our commitment to delivering high-quality solutions remains unchanged—now strengthened by broader access to property and advisory services and expertise.

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Local and Regional Context

2. The City of Ballarat is Victoria's second largest regional city, situated approximately 100km west of Melbourne's Central Business District.
3. In an Australian context, Ballarat can be described as a medium sized city that offers residents many of the benefits of a larger urban area. Residents enjoy proximity to social and cultural infrastructure, strong retail amenities, diverse employment opportunities, and well-regarded educational facilities including Federation University.
4. In the period since 2000, urban development in Ballarat has been largely focussed to the west and south-west of the city centre with the approval of the Ballarat West Growth Area Precinct Structure Plan (PSP) and the Alfredton West PSP. This has driven significant development in areas such as Alfredton West, Delacombe and Sebastopol.
5. The construction industry plays a significant role in Ballarat's economy, with land development and housing construction representing a significant share of economic activity and acting as primary drivers of growth within the sector.

Planning Context

6. Ballarat City Council (Council) has prepared the Ballarat Housing Strategy 2041 (BHS) and the Ballarat Growth Areas Framework Plan (BGAFP) in response to Ballarat's ongoing growth. Together, these intend to provide a framework for managing and accommodating population and housing growth for a minimum period of 15-years across the municipality. This is aligned with State policy requiring planning authorities to plan to accommodate projected population growth over at least a 15-year period and provide clear direction on locations where growth should occur.
7. The key strategic directions taken in the BHS can be summarised as follows:
   - Ballarat must ensure sufficient land is available to provide for an additional 29,000 dwellings to be constructed by 2041. This equates to an annual rate of 1,450 dwellings (based on the period 2021 to 2041).
   - Some 50% of future housing (+725 dwellings per annum) will be directed to established areas and urban renewal locations and 50% directed to growth areas.
8. The BHS also notes that:
   - Recent building permit data has seen a split of approximately 70% of residential development in growth areas, with the remaining 30% in established area locations.
   - This pattern is anticipated to continue in the short term. However, from 2031 onwards, the BHS views that infill will become the dominant form of development, of which approximately 68% of new infill development would be attached houses or flats/apartments.
9. Plan for Victoria was released in March 2025 and is now the guiding strategy for the development of housing. Most relevant to this assessment is Pillar 1: Housing for all Victorians. At the centre of this pillar is the objective to build 2.24 million homes across Victoria by 2051. The Statewide Housing Targets fall under this pillar, providing a new dwelling requirement between 2023 and 2051 for all Victorian municipalities (Housing Targets).
10. The City of Ballarat's Housing Target is a net increase of +46,900 dwellings between 2023 and 2051. This is equivalent to an average of approximately +1,675 dwellings per annum. Ballarat's greenfield sub-target is 40% of total new dwellings, equating to approximately 18,900 new dwellings, or +670 new dwellings per annum. This equates to an average requirement of +1,005 new established area dwellings in Ballarat each year.

Residential Demand

11. An analysis of Ballarat's residential market highlights that:
    - Ballarat has experienced strong population growth over the previous two decades, with an average growth rate of +1.7% per annum between 2001 and 2024.
    - Ballarat's population is projected to reach 145,250 residents by 2036, an increase of +25,970 persons on 2024 levels at 119,280 according to Victoria in Future 2023 population projections.
    - Ballarat averaged approximately 1,300 new residential building approvals per annum between 2018 and 2025 (year ending March), with detached dwellings accounting for approximately 91.1% of all new approvals.
    - Median vacant lot and house prices have increased strongly at an average of +8.4% and +9.3% per annum between 2016 and 2025.
12. A detailed analysis of residential building approvals across four distinct regions in Ballarat (Established Areas, Ballarat North and East – Outer, Ballarat South – Outer, and Ballarat West) between 2018 and 2024 (year ending December) reveals that:
    - The Ballarat West region accounted for approximately 69.2% of new approvals.
    - The Established Areas accounted for approximately 22.5% of new approvals.
    - New approvals in the North and East – Outer region have fallen significantly since 2021.
    - The South – Outer region represents a small segment of new dwellings in Ballarat.
13. Moving forward, the Housing Targets are expected to form the basis of Ballarat's demand requirement from a strategic planning perspective. Accordingly, Ballarat should plan to accommodate an additional +1,675 dwellings per annum. The BHS and Ballarat's Housing Target set sub-targets for housing that seek to direct 50% and 60% of future housing to established areas, respectively.
14. It is the conclusion of this report that **achieving the sub-targets within a reasonable planning timeframe is highly unlikely for the following reasons:**
    - Detached dwellings have accounted for approximately 91.1% of all new dwelling approvals since 2018.
    - Approximately 77.5% of all new dwellings approvals since 2018 have been outside of Ballarat's established areas, primarily in Lucas and the Ballarat West PSP area.
    - Ballarat's established areas have averaged approximately 90 new other dwellings per annum (semi-detached, units and apartments) since 2018, equating to 6.8% of annual approvals.
    - With the exception of the Geelong waterfront, no significant apartment market exists in regional Victoria.
    - Higher density forms of development, particularly apartments, have faced challenging market conditions for several years. The underlying issue relates to significant increases in the cost of construction and development and a reluctance from buyers to pay the new required selling price having regard for the selling price of existing dwelling stock.
    - For significant higher density forms of development to be commercially viable in Ballarat, either:
        - The cost of higher density development needs to significantly decrease (an unlikely outcome); or
        - The median house price in Ballarat needs to significantly increase, therefore making new apartments or other higher density product appear relatively more affordable (an undesirable outcome from a broader affordability perspective).
    - Key BHS background documents that set out the potential capacity for established area development noted that:
        - *'the capacity assessment does not consider the economic or technical feasibility for redevelopment, or the landowner willingness to redevelop'. (Tract, pg.6)*
        - *'developer-led infill redevelopment is likely to be either unviable or a marginal proposition in many parts of Ballarat at present, except in suburbs where higher sales prices can be achieved.' (Urban Enterprise, pg.35)*

15. The figure and table below provide a summary comparison of recent building approvals against policy directions as set out in the BHS and the Housing Targets.

Summary of Recent Residential Dwelling Approvals and Policy Targets

Category	Average Annual Dwellings	Growth Area Annual Average	Established Areas Annual Average
Recent Trends			
Buildings Approvals (2018 - 2024)*	+1,360	+920 (69.2%)	+410 (31.8%)
Building Approvals (2022 - 2024)*	+1,180	+860 (77.0%)	+260 (23.0%)
Policy Targets			
Ballarat Housing Strategy (2021 - 2041)	+1,450	+725 (50%)	+725 (50%)
Plan for Victoria – Housing Targets (2023 - 2051)	+1,675	+670 (40%)	+1,005 (60%)

*Growth area and established areas building approvals exclude residuals and total may not add up to total.

Growth Area building approvals are based on the defined Ballarat West region, with the balance of Ballarat defined as Established Areas. Note, this includes areas such as Miners Rest and Brownhill.

16. Having regard for the conclusions outlined above, three demand scenarios have been applied to test the adequacy of greenfield land supply in Ballarat based on the Housing Target of +1,675 additional dwellings per annum. These include:
    - **Scenario 1: +1,010 dwellings per annum.** Assumes 60% of new dwellings are located in growth areas.
    - **Scenario 2: +1,170 dwelling per annum.** Assumes 70% of new dwellings are located in growth areas.
    - **Scenario 3: +1,320 dwellings per annum**. Assumes 80% of new dwellings are located in growth areas.

Residential Supply

Residential Land Supply Framework

17. Residential land supply refers to the availability of land zoned for residential development. This assessment estimates the potential supply of actual and future residential lots capable of accommodating dwellings in Ballarat's greenfield residential market.

18. Key findings in relation to zoned residential supply are as follows:
    - The Ballarat West Area – Active (comprising vacant lots in established estates and readily available lots in active estates) has approximately 5,140 lots remaining. This comprises 2,630 single vacant lots and 2,510 lots in parcels where subdivision is yet to occur.
    - The balance of the Ballarat West Area could accommodate up to 5,200 additional lots in areas where subdivision is yet to occur. This includes:
        - 1,940 lots classified as short-term supply (0-5 years)

    - 1,790 lots classified as medium-term supply (5-10 years)
    - 1,470 lots classified as long-term supply (10+ years). It is important to note that a significant element of doubt exists concerning the delivery and timing of delivery of land classified as long-term supply in the Ballarat West Area. This is due in some cases to infrastructure servicing, but also as a result of significant fragmentation in some areas with a number of smaller lots containing dwellings of high value.
  - The Northern Growth Area (Core) has an indicative yield of 6,000 lots. It is expected that the initial estate stages may be available around the second half of 2028, with the first dwellings under construction in late 2028.

Adequacy of Supply

19. The supply and demand assessment undertaken in this report considers total greenfield supply to be adequate for a period of between 11.1 and 12.7 years based on demand scenarios 2 and 3, which are considered the more likely demand scenarios.

20. This simple supply and demand equation, however, is unlikely to represent a realistic outcome. For example, as short to medium term supply in the Ballarat West Area reaches an advanced stage of development, residual land areas will either be taken up or development may slow.

21. Similarly, supply in the Northern Growth Area (Core) is unlikely to be provided at a sufficient rate to fully offset the declining rate of supply in the Ballarat West Area. In short, supply, and particularly the rate of supply in new or emerging growth fronts, is unlikely to be provided to the market in a linear manner.

22. To demonstrate this, the potential take-up of land (expressed in terms of lot sales and dwelling construction) and the release of land to the market is modelled in two scenarios.

23. Under both models, **a greenfield lot deficit begins from 2029 and builds significantly thereafter.** The deficit would need to be met by land releases in Ballarat's Future Growth Areas, for which planning needs to commence as soon as possible.

Implications and Key Findings

24. Key implications and findings flowing from this report can be summarised as follows:
  - **Detached dwellings are the primary form of new housing in Ballarat.** Detached dwellings represent the dominant new dwelling type and typically provide around 91.1% of new dwelling approvals.
  - **The established area dwelling targets are unlikely to be met.** It is the conclusion of this report that any progress towards a 60% established area target will be marginal over a 15-year planning horizon. If new growth areas are held back from the market in an attempt to force an outcome in favour of the sub-targets, there is a high risk of the following outcomes:
    - Growth area supply will be exhausted sooner than anticipated resulting in a supply shortfall.
    - Upward pressure on land (and house) prices as a shortage of growth area stock emerges.
    - Price escalation would reduce the competitiveness of Ballarat's residential property market.
    - Slower rate of population and economic growth in Ballarat.
    - Reduced development activity and subsequent economic impacts.
  - **Planning for the Future Growth Areas should commence sooner rather than later.** The supply and demand assessment undertaken reflects a supply level that is adequate in the immediate short term but will require additional supply to be available to the market within a relatively short time frame. Two take-up models are presented in this report that provide plausible representations of future supply requirements. This concludes that supply from Future Growth Areas in Ballarat will be required from approximately 2029 to satisfy demand under both models.
  - **A significant period of time is required to bring future growth areas to market.** Completing precinct structure planning, detailed planning and engineering approvals for the Future Growth Areas is likely to take more than five years. Accordingly, it is the recommendation of this report that the Future Growth Areas are progressed through planning and towards development with some urgency.
  - **Major cities require an efficient and competitive supply pipeline.** In a major regional market such as Ballarat, an efficient residential land market ideally has several major growth fronts, and a number of major active estates. The benefit of residential estates with sufficient scale dispersed across multiple growth fronts is the ability to satisfy a significant component of annual demand through the release of, say, 50-100 lots per annum in major estates for 5-10 consecutive years.

Introduction

Background

Ballarat is Victoria's second largest regional city with a current population of more than 120,000 persons. Ballarat's proximity to Melbourne, relative housing and land affordability, desirable lifestyle attributes, and diverse employment opportunities continue to drive long-term population growth.

Ballarat City Council (Council) has developed the Ballarat Housing Strategy 2041 and the Ballarat Growth Areas Framework Plan in response to Ballarat's ongoing urban growth. Together, these planning documents intend to provide a framework for managing and accommodating population and housing growth for a minimum period of 15-years across the municipality.

Traditionally, greenfield development has been critical in supporting population growth in Ballarat. Over the past 15 years, the Alfredton West PSP (Lucas) and Ballarat West PSP areas have allowed for affordable land to be brought to market sustaining strong population growth and catering to a diverse range of households.

The Ballarat North PSP, which was rezoned to the Urban Growth Zone in 2022, is currently being prepared and is estimated to provide in the order of 6,000 dwellings upon completion. Together, with residual supply in Lucas and the Ballarat West PSP area, Council has determined that there is sufficient zoned land supply to accommodate at least 15-years of growth.

The Northern Growth Area (expanded), North-Western and Western Growth Areas are considered as long-term greenfield supply options which could provide up to 2,600, 9,600 and 17,200 dwellings, respectively. The timing of development for these growth areas is critical to ensure a competitive land supply market in Ballarat.

In this context, UDIA Victoria has engaged Ethos Urban to undertake an independent assessment of residential land supply and demand in Ballarat's greenfield markets.

Report Structure

This report contains the following chapters:

Chapter 1: Local and Regional Context

Chapter 2: Planning Context

Chapter 3: Residential Demand Assessment

Chapter 4: Residential Land Supply Assessment

Chapter 5: Implications and Key Findings

1.0 Local and Regional Context

This chapter provides an overview of Ballarat's locational context.

1.1 Regional Context

Ballarat is centrally located in western Victoria and functions as an important regional centre, providing a range of cultural, educational, entertainment and employment uses for the Central Highlands and broader Mallee and Wimmera regions (refer Figure 1).

In an Australian context, Ballarat can be described as a medium sized city that offers residents many of the benefits of a larger urban area without the disadvantages such as major traffic congestion. Residents enjoy proximity to social and cultural infrastructure, strong retail and business services, and well-regarded educational facilities including Federation University.

Ballarat's history is synonymous with the history of Victoria's 1850's gold rush. Like many gold rush towns, Ballarat literally emerged overnight. Unlike some gold rush towns, Ballarat survived the end of the gold rush and staked a claim as one of the most significant regional cities in the colonies.

At Federation in 1901, Ballarat was one of Australia's most important cities. Thereafter, it entered a period of relative decline in which saw it continue to increase in population but at a rate below many comparable regional cities.

From mid-1990's however, the city rebounded strongly and today it is a major growth centre. The city's buoyant growth over the past three decades has also seen the city expand beyond its traditional urban footprint. Beyond the Ballarat urban area itself, the city's growth has seen a number of nearby smaller townships – particularly those townships perceived to have 'lifestyle cache', such as Clunes, Creswick and Smythesdale, experiencing urban growth.

Residents also enjoy relative proximity to Melbourne while maintaining sufficient distance for the city to carve out its own distinct identity.

Ballarat has strong transport connectivity with four main highways intersecting the urban area, including the:

- **Western Highway,** the key road transport corridor between Melbourne and Ballarat (freeway standard). The Western Highway also provides direct connectivity towards Ararat, Stawell, Horsham and Adelaide.
- **Midland Highway,** providing regional road connections from Ballarat to Bendigo (north) and Geelong (south).
- **Glenelg Highway,** providing regional road connection from Ballarat to Hamilton and beyond.
- **Sunraysia Highway,** providing regional road connections to the broader Mallee and Wimmera region.

V/Line train services also connect Ballarat to Melbourne, Ararat and Maryborough. V/Line operate services between Ballarat and Melbourne approximately every 20-minutes during weekday peak hour commute times.

Overall, Ballarat's strong population growth can be attributed to its desirable lifestyle attributes, historic buildings and streetscapes, relative housing affordability, diverse employment opportunities and its proximity to Melbourne.

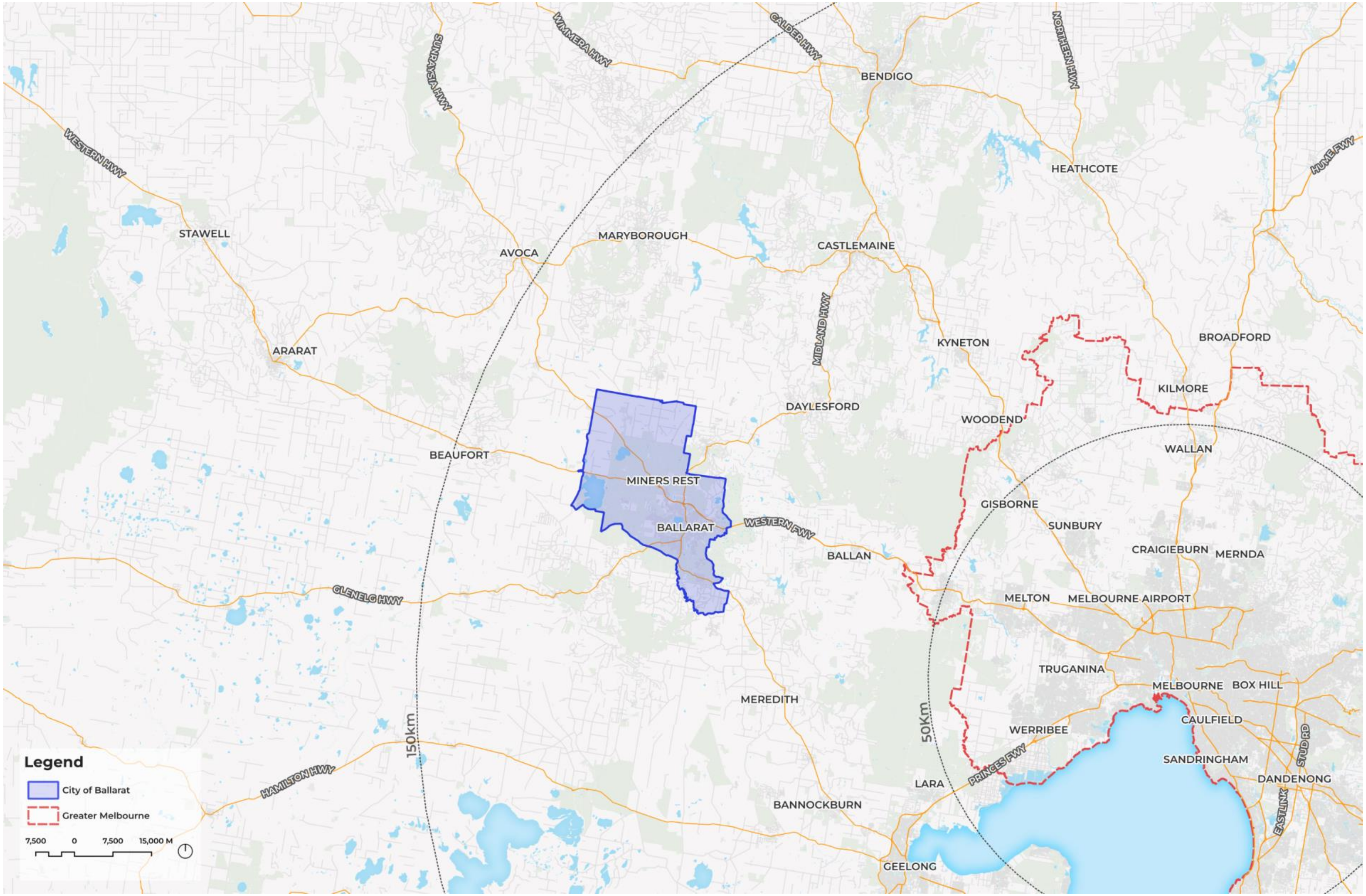

Figure 1 Regional Context

Source: Ethos Urban

1.2 Local Overview

Urban Development in Ballarat

Urban development in Ballarat began with the gold rush in 1851. The central city area soon had a significant population, with largely unplanned development occurring east of Grenville Street, while development to the west was more orderly and planned. Beyond the central city area, diggings at locations such as Sebastopol, Buninyong and Miners Rest saw other satellite townships emerge.

By Federation, Ballarat was a significant Australian city of some 40,000 persons.

In the post-World War Two period, suburban development saw Ballarat's current urban shape emerge, including development occurring to the south through the Mount Clear and Mount Helen areas towards Buninyong, as well as Wendouree and to Alfredton. Natural constraints limited the extent to which the city could grow to the east, while in the mid-1990s the Ballarat bypass created a natural boundary for significant northern development.

In the period since 2000, urban development has been largely focussed to the south-west of the city with the approval of the Ballarat West Growth Area Precinct Structure Plan (PSP) and the Alfredton West PSP. This saw significant development to the west and south-west of Ballarat at Alfredton West, Delacombe and Sebastopol.

At the same time, urban development occurred north of the Ballarat Bypass at Miners Rest and, more recently, at Brown Hill.

Within the established areas of Ballarat, some urban consolidation has occurred. This includes infill development in and around Canadian and Invermay Park (where development often took the form of detached housing) and a number of multi-unit and townhouse developments within established area suburbs, including in and around the city centre.

It is important to note that townhouse-style development has occurred both within the established area of Ballarat, and also in new residential estates. particularly in the Ballarat West Growth Area.

At the 2021 census, approximately 85.1% of Ballarat LGA's housing stock was detached in nature.

Ballarat's Construction Industry

The construction industry is an important part of Ballarat's economy. In particular, the land development and housing construction sectors represent a significant component of its economy and acts as a critical driver of the construction industry.

The construction industry:

- Is the second largest industry by value added, having contributed approximately $660 million, or 10.1% of total economic output in the year ending June 2024.
- Ranks as the third largest employer, having supported around 6,170 local jobs, or 9.8% of total jobs in the year ending June 2024.
- Is the largest sector by business count, with over 2,060 construction businesses registered as of December 2024 – representing one in five businesses in the municipality.

2.0 Planning Context

This chapter summarises key strategic policies relevant to Ballarat's housing market.

2.1 Ballarat Planning Scheme

Clause 2.03 – Strategic Directions

Clause 2.03 of the Ballarat Planning Scheme provides a series of Strategic Directions intended to guide the future direction of growth in Ballarat. These include:

2.03-1 Settlement (Urban Growth)

Ballarat's population is forecast to grow by 60 per cent by 2040. Council seeks to manage urban growth by encouraging a compact settlement and supporting a pattern of growth that reinforces the '10 Minute City'.

Most of the increased population will be accommodated by directing growth to the following places as shown on the Housing Framework plan at Clause 02.04:

- *Urban renewal areas - areas with potential for large scale redevelopment following further investigation such as the Selkirk Precinct, Creswick Road Precinct, Scott Parade Precinct, Delacombe Precinct, Ballarat Saleyards and Light Industrial Precinct and Wendouree Village.*
- *Convenience living areas - areas located within 200 metres of high frequency public transport.*
- *Areas with 400 metres of high frequency public transport.*
- *Ballarat West Growth Area - the primary greenfield development area for Ballarat.*
- *Ongoing change areas - existing residentially zoned areas that are valued for their suburban character and housing supply.*
- *Strategic investigation areas.*

2.03-6 Housing

The council supports a compact settlement that will maintain existing levels of access to destinations and services even when the city grows over time using the '10 Minute City' concept. The 10 Minute City concept supports the provision of housing that will give the ability for all residents of Ballarat to do more of their day to day shopping, accessing of services and business in local neighbourhood centres. It also promotes the improvement of walking and cycling connections in local neighbourhoods so residents and it easier to move around and reduce the need to use the car for short journeys. It will help guide growth and change in Ballarat so that in 2040, it is a place that has:

- *Compact city form.*
- *Complete and connected local neighbourhoods.*
- *Land uses and precincts supporting jobs, productivity and efficiency.*

The Council also seeks to provide a range of choices in housing design, location and density to meet diverse housing needs of the community by:

- *Encouraging a range of lot sizes and densities within new residential subdivisions.*
- *Supporting the provision of well-designed and managed social housing, crisis accommodation, rooming houses and aged care facilities.*

Clause 2.04 – Strategic Framework Plan

Clause 2.04 (Strategic Framework Plan) of the Ballarat Planning Scheme contains plans that are to be read in conjunction with the strategic directions set out in Clause 2.03.

A Housing Framework Plan (see **Figure 2**) provides direction in relation to:

- Urban Renewal Areas
- Growth Areas, which includes the Ballarat West and Alfredton West Precinct Structure Plan areas, and the Ballarat North Precinct Structure Plan area.
- Greenfield Investigation Areas, which includes the Ballarat North Western Growth Area and Ballarat Western Growth Area.

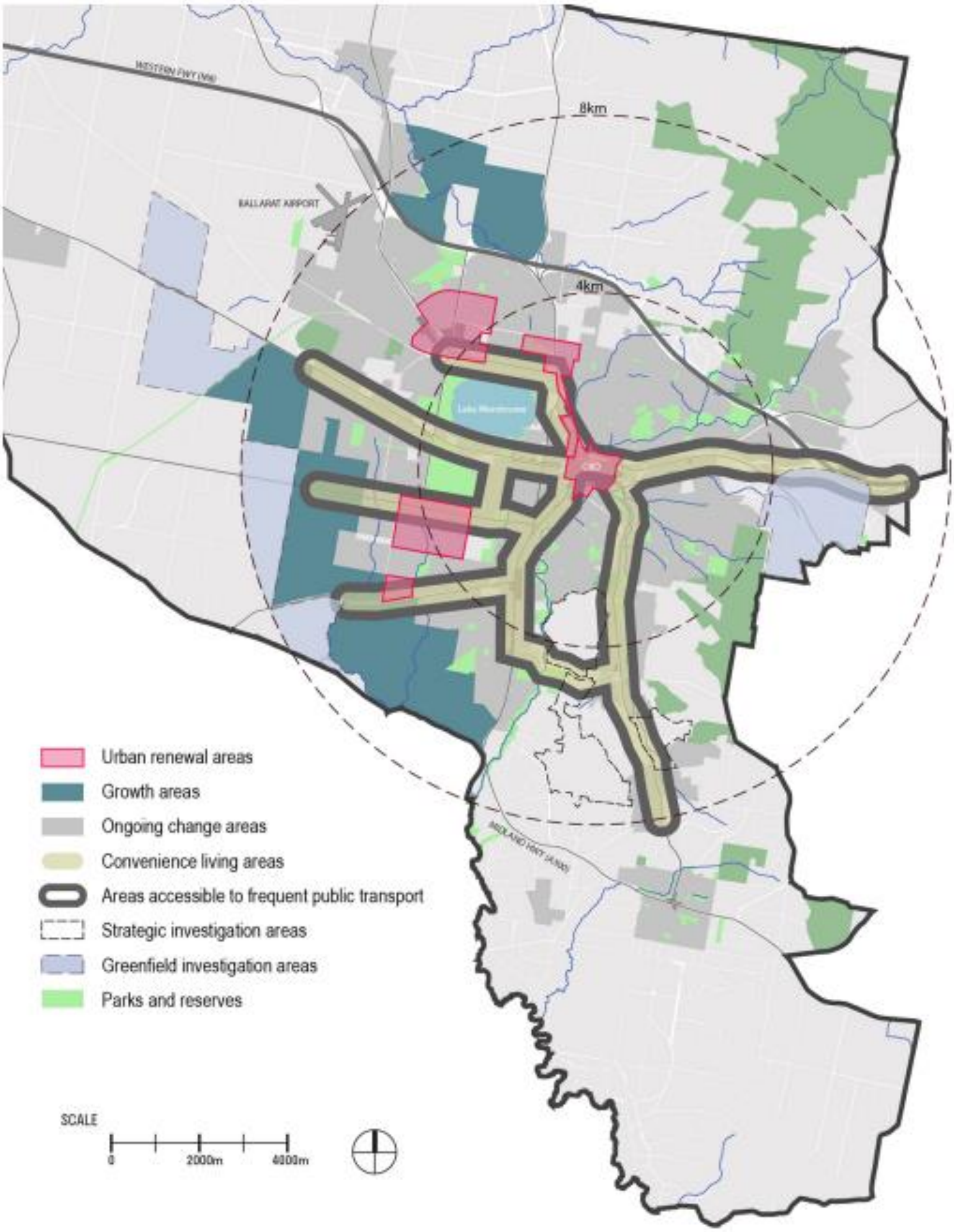

Figure 2 Housing Framework Plan

Source: Ballarat Planning Scheme

2.2 Ballarat Housing Strategy 2041

Background

The Ballarat Housing Strategy 2041 (BHS) provides the City of Ballarat with a framework for managing population and housing growth. The BHS notes that:

'As a planning authority, the City of Ballarat has a responsibility to plan to accommodate population growth for a minimum period of 15 years' (pg.8)

This is aligned with State policy requiring planning authorities to plan to accommodate projected population growth over at least a 15-year period and provide clear direction on locations where growth should occur.

The following explores the key themes of the BHS.

Housing Need and Location of Housing

The BHS adopts a growth scenario set out in the background 'Housing Needs Analysis' (HNA), dated June 2023. The HNA establishes that Council should plan for approximately 28,960 dwellings between 2021 and 2041, equating to **annual demand of +1,450 dwellings per annum**.

The HNA report considers several scenarios, one of which is the Ballarat Strategy 2040 adopted target of directing 50% of new dwellings to growth areas and 50% to established areas. This objective is to encourage a stronger compact urban form where higher densities are encouraged to be located around existing infrastructure and within activity centres. Under this target, some 50% (or +725 dwellings per annum) of future housing will be directed to established areas and urban renewal locations.

The BHS also notes that:

- Estimating where people will elect to live in the future and in what type of dwelling people choose to live is an imprecise science.
- Recent trends have seen a split of approximately 70% greenfield development and 30% established area development based on building permits data.
- Greenfield development is anticipated to continue in the short term, however states that from 2031 onwards established area development will become primary form of development.
- In relation to established area development, the BHS indicates that *'32% of new dwellings are projected to be separate houses, with the remaining 68% being attached houses or flats/apartments driven by demand for smaller more accessible dwellings.' (pg. 50)*

Greenfield Housing Supply – Zoned and Unzoned

Greenfield land supply currently zoned in the Urban Growth Zone includes the:

- Ballarat West PSP
- Alfredton West PSP
- Northern Growth Area (Core).

Future greenfield land supply (not currently zoned) includes:

- Northern Growth Area (Expanded)
- North-Western Growth Area
- Western Growth Area.

An estimate of existing greenfield zoned and unzoned supply is provided in the BHS as at July 2024. These estimates are summarised in **Table 1.**

Table 1 Zoned and Unzoned Greenfield Land Supply

Area	Capacity
Existing Greenfield Zoned Land Supply	
Ballarat West PSP	8,800
Alfredton West PSP	800
Northern Growth Area (Core)*	6,600*
Total Zoned	**16,200**
Unzoned Greenfield Land Supply	
Northern Growth Area (Expanded)	2,600
Western Growth Area	17,200
North-Western Growth Area	9,600
Total Unzoned	**29,400**
Total Zoned and Unzoned	**45,600**

Source: Ballarat City Council, Ballarat Housing Strategy 2041; Ethos Urban

*Recent estimates note that the Northern Growth area is expected to accommodate up to 6,000 dwellings. (https://www.ballarat.vic.gov.au/property/ballarat-growth-areas/ballarats-future-growth-areas)

Housing Supply – Established Areas and Urban Renewal Areas Land Supply

The BHS identifies that significant capacity exists for infill development in the established areas of Ballarat. An estimated yield of 39,893 dwellings is derived from:

- **Established areas land supply**, which is derived from the Municipal Housing Capacity Assessment (MHCA) dated May 2024. This assessment identified potential net increase of +31,250 dwellings in the established residential areas of Ballarat based on the potential uplift from Change Areas.
- **Six urban renewal areas**, which are identified in the BHS. Preliminary density estimates for these areas identify a potential net uplift of +8,643 dwellings, including:
  - 4,000 additional dwellings in the Ballarat CBD. As a reference, the Geelong CBD area, as defined by the Geelong ABS Suburb and Locality ABS boundary, had around 630 apartments at the 2021 Census – only a modest increase of +170 apartments over a ten-year period. Geelong is also considered the only regional city in Victoria with an established apartment market, which has largely developed along the foreshore where water views drive demand.

Infill Development Housing Capacity Discussion

The Municipal Housing Capacity Assessment (MHCA), undertaken by Tract Consultants (Tract), represents a theoretical modelling exercise as acknowledged by the report's authors. Tract note that the capacity assessment does not assess the likelihood of land actually being developed for housing. Tract quote:

- *'it is important to note that the capacity assessment does not consider the economic or technical feasibility for redevelopment, or the landowner willingness to redevelop. It provides a theoretical capacity to provide housing across Ballarat at a fixed point in time.' (pg.6)*

Further, an Urban Enterprise memo (July 2021), which forms an appendix to the MHCA, considers additional indicators of redevelopment feasibility in the General Residential Zone in Ballarat, focussing on townhouses as the most likely infill housing product. On the viability of townhouses, Urban Enterprise quote:

- *'developer-led infill redevelopment is likely to be either unviable or a marginal proposition in many parts of Ballarat at present, except in suburbs where higher sales prices can be achieved. Other infill opportunities will exist where an existing dwelling can be retained and new dwellings constructed on under-utilised land (generally backyards). These opportunities will be limited to certain properties with conducive layouts, locations and landownership.' (pg.35)*

2.3 Ballarat Growth Areas Framework Plan

The Ballarat Growth Area Framework Plan (BGAFP) for the proposed Western and North-Western Growth Areas identifies high-level infrastructure requirements and provides guidance on the sequence of future precinct structure planning.

The BGAFP seeks to address Ballarat's future long term greenfield growth. It is intended to be a blueprint for how the city should plan for the roll out of its growth areas, building on the key physical and infrastructure implications for an expanded urban area.

It notes that *'The future Western and North Western Growth areas represent an essential part of the City of Ballarat's long-term growth strategy.' (pg.5)*

Overview of the North-Western and Western Growth Areas

The Ballarat Growth Areas Framework Plan describes the two planned growth areas as follows:

Growth Area	Description
The North-Western Growth Area	The North-Western Growth Area encompasses an area of 698 hectares and is solely located within the suburb of Cardigan. The area is zoned Comprehensive Development Zone (CDZ1) but there is no active planning control to facilitate development.
Western Growth Area	The Western Growth encompasses an area of 1,035 hectares and includes land within Cardigan, Lucas, Smythes Creek and Bunkers Hill. The area is currently zoned Farming Zone (FZ).

Growth Area Staging

The BGAFP includes a Development Staging Plan outlining the preferred order and direction in which Precinct Structure Plan (PSP) preparation and development should occur. This document evaluates the North-Western Growth Area and Western Growth Area and suggests an indicative staging plan for both growth areas. It highlights that the Northern Growth Area – Expanded Area would proceed prior to North-Western and Western growth areas. Under recommended staging, the report notes:

- *'The Northern Growth Area is Council's priority growth area as documented through the Council resolution of February 2022. In the event that the Expanded Area of the Northern Growth Area is not included in the Northern PSP, this area should be investigated as the next growth front prior to the Western and North Western Growth Areas.' (pg.50)*

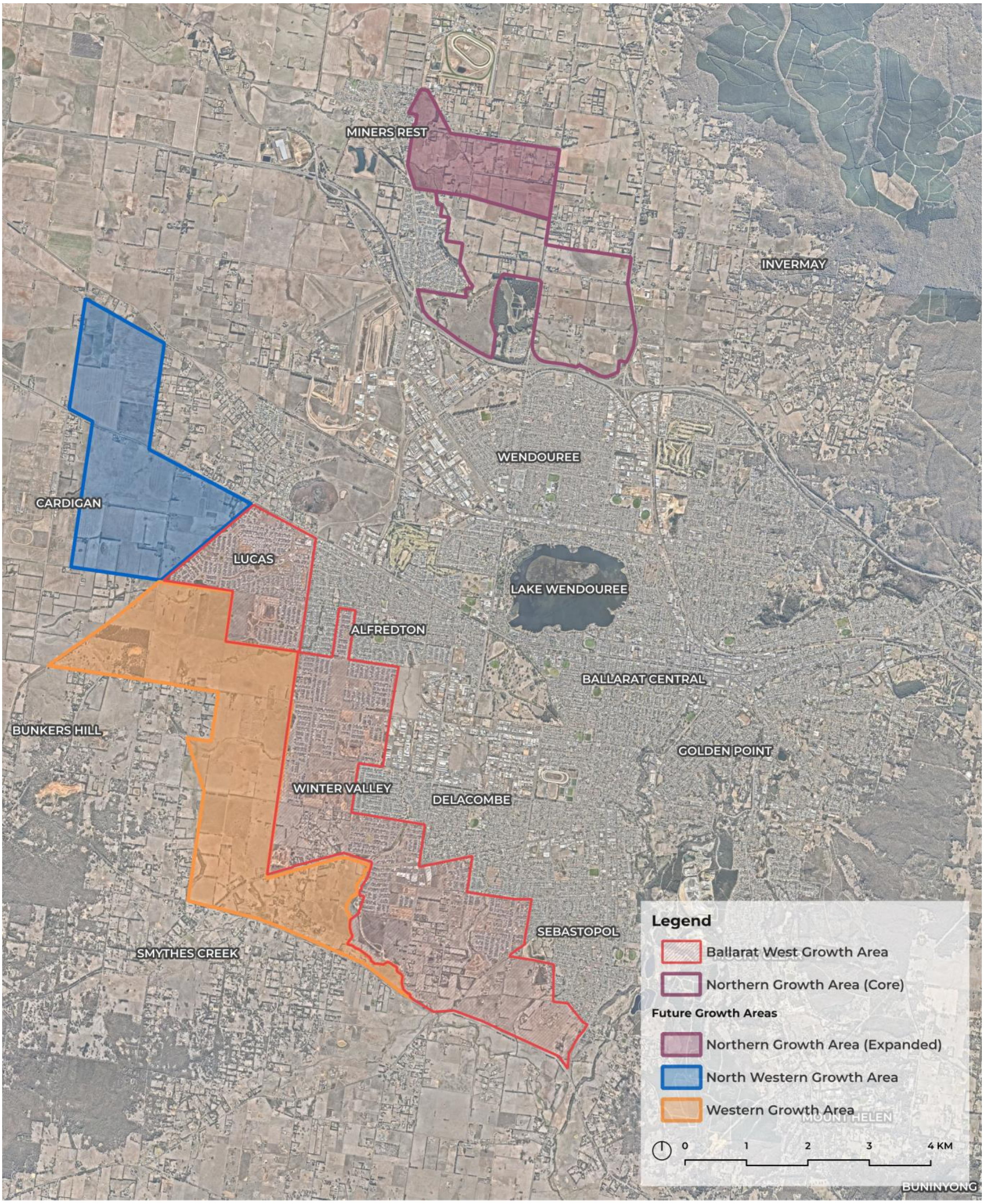

Figure 3 Ballarat Growth Areas

Source: Ethos Urban

2.4 Plan for Victoria

Plan for Victoria was released in March 2025, and is now the guiding strategy for the development of housing, transport infrastructure and employment land for Victoria (replacing Plan Melbourne: 2017 – 2050). Plan for Victoria connects many of the Government's planning initiatives, including the Activity Centre program and Local Government Housing Targets into an overarching strategic framework and action plan.

Plan for Victoria is built on five key pillars, including:

- Pillar 1: Housing for all Victorians
- Pillar 2: Accessible Jobs and Services
- Pillar 3: Great Places, Suburbs and Towns
- Pillar 4: Sustainable Environments
- Pillar 5: Self Determination and caring for Country

Most relevant to this assessment is **Pillar 1: Housing for all Victorians**. At the centre of this pillar is the objective to build 2.24 million homes across Victoria by 2051.

The Statewide Housing Targets fall under this pillar, providing a new dwelling requirement between 2023 and 2051 for all Victorian municipalities. It states that Council's and all other relevant responsible authorities *'must implement the local government area housing targets and all other relevant actions in all future decisions'*. The housing targets are proposed to be implemented via the Planning Policy Framework under Clause 11 (Settlement).

Plan for Victoria also include sub-targets for greenfield land for metropolitan Melbourne's growth area councils and the regional councils of Ballarat, Greater Bendigo and Greater Geelong.

The Housing Target for the City of Ballarat is a net increase of +46,900 dwellings between 2023 and 2051. This represents an average annual target of approximately **+1,675 dwellings per annum**. Ballarat's greenfield sub-target is 40% of total new dwellings, equating to approximately 18,900 new dwellings, or +670 new dwellings per annum. The balance, 1,005 dwellings per annum, are expected to be provided in Ballarat's established urban areas.

2.5 Implications

The BHS and the Housing Targets set clear expectations for how much and where new housing should be delivered. These policies place significant weight on the role of established area development in the provision of future housing.

The BHS targets a 50:50 split between established area and greenfield development. Achieving a 50:50 split relies on two key outcomes:

- That the potential supply yield from the approved growth areas is in the order of 16,200 lots and that this supply can be and will be brought to market in a timely manner.
- That established area supply represents a viable proposition for landowners and that this supply will be delivered to the market at a sufficient rate and affordable price to satisfy 50% of the housing market.

The Housing Target further elevates the role of development in established areas, setting a 60% established area target for Ballarat.

The extent to which a significant reweighting towards established area development is achievable is considered in section 3 of this report.

3.0 Residential Demand Assessment

This chapter considers future dwelling demand in Ballarat, and focusses on two key issues:

- Total future dwelling demand in Ballarat; and
- The extent to which a significantly higher proportion of housing can be accommodated in established areas can be achieved.

3.1 Study Areas

This assessment considers key housing demand indicators for the Ballarat Urban Area (Ballarat). This is defined by the ABS Significant Urban Area (SUA) for Ballarat. The Ballarat SUA extends to Miners Rest to the north, Brown Hill to the east, Buninyong to the south and Cardigan Village to the west. It does not include Learmonth, or areas such as Ascot, Burrumbeet and Bunkers Hill.

3.2 Ballarat Housing Market Overview

Recent Population Trends

Ballarat has experienced strong population growth over the previous two decades, with an average population growth rate of +1.7% per annum between 2001 and 2024. This compares to an average growth rate of +1.1% per annum across Regional Victoria (refer Figure 4).

Over this period, Ballarat's population increased by +38,510 persons to a total estimated resident population of 119,280 persons. This accounted for approximately 99.5% of total population growth within the City of Ballarat. Note, the City of Ballarat had an estimated resident population of 121,050 persons at June 2024.

Since the COVID-19 pandemic, Ballarat's population growth rate has exceeded the average of the past 23 years, with an average growth rate of +2.2% between 2021 and 2024. This equates to approximately +2,520 persons per annum.

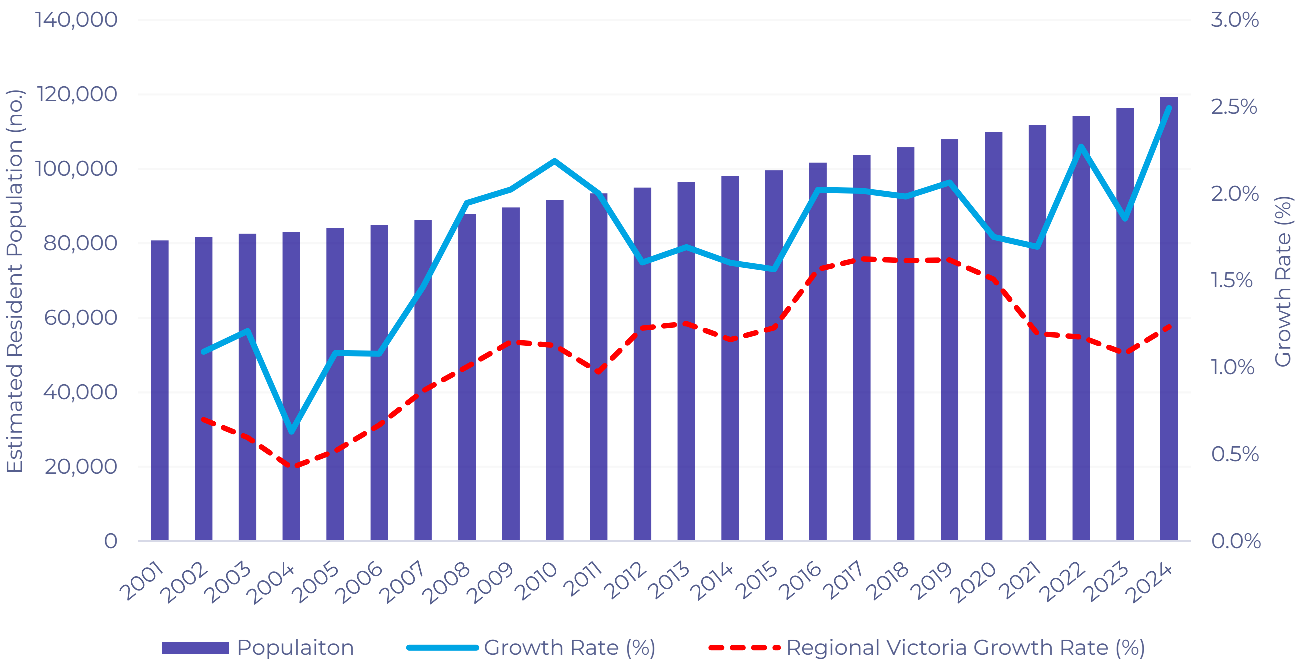

Figure 4 Ballarat Recent Population Trends, 2001 to 2024

Source: ABS, Regional Population; Ethos Urban

Note: Year ending June

VIF2023 Population and Dwelling Projections

Official State Government population projections – Victoria in Future 2023 – have been rebased to the most recent ABS estimated resident population (2024) to calculate future population growth. VIF2023 dwelling projections are not adjusted for the purpose of this assessment.

Key findings include:

- Ballarat's population is projected to reach 145,250 residents by 2036, an increase of +25,970 persons on 2024 levels (refer Table 2). This is equivalent to an annual growth rate of +1.7%.
- Ballarat requires an additional +14,030 dwellings to meet projected population growth between 2024 and 2036. This represents an average annual demand of +1,170 dwellings per annum.

Table 2 Ballarat Population and Dwelling Projections, 2024 to 2036

Category	2024	2026	2031	2036	Change 2024-2036
Population					
Population	119,280	124,090	134,840	145,250	+25,970
Annual Average Growth (no.)		+2,410	+2,150	+2,080	+2,160
Annual Average Growth (%)		+2.0%	+1.7%	+1.5%	+1.7%
Dwellings					
No. of Private Dwellings	53,520	56,170	62,180	67,550	+14,030
Annual Average Growth (no.)		+1,330	+1,200	+1,070	+1,170

Source: ABS Regional Population; Ethos Urban; Victoria in Future 2023

Figures Rounded

Note: Year ending June

Building Approvals

New dwelling approval data provides useful insights into the scale of dwelling demand, the cyclical nature of demand, and information about the different types of dwellings sought by the market and proposed by developers.

Ballarat averaged approximately 1,300 new residential building approvals per annum between 2018 and 2025, with detached dwellings, accounting for approximately 91.1% of all new approvals (Figure 5). The balance – classified as 'other' dwellings - includes semi-detached, units and apartment dwellings.

New residential building approvals accelerated over the COVID-19 period recording approximately 1,950 and 1,840 new approvals in 2021 and 2022, respectively. However, despite ongoing strong population growth, approval levels have significantly declined in the period since. In the year ending March 2025, only +660 new dwelling approvals were recorded.

This trend is explored in more detail using quarterly data (refer Figure 6), where Ballarat has recorded quarter-on-quarter declines since Q3-2023 and recorded a new low at +120 new dwellings approvals at Q1-2025.

Although this reflects a broader trend experienced across Victoria, including key regional centres such as Bendigo and Geelong, it is considered a significant fall, particularly with Ballarat recording strong population growth over the previous year.

Importantly, the cyclical nature of urban development means that when the market rebounds, the surge in demand requires supply settings to be sufficiently agile to address a significant upswing in demand.

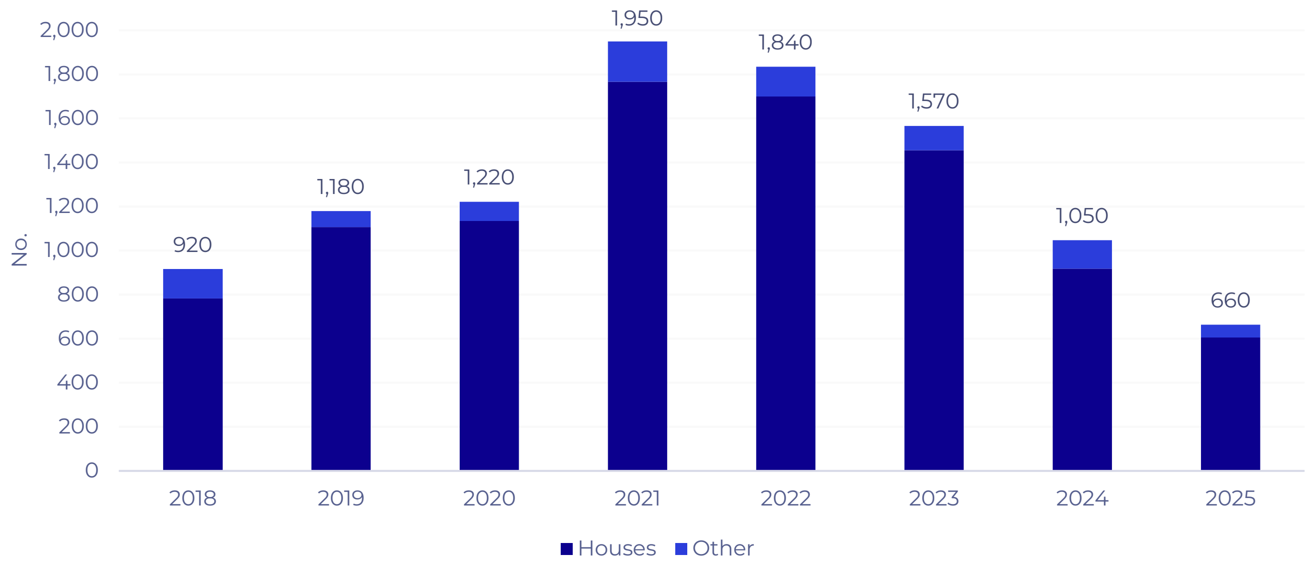

Figure 5 Ballarat Building Approvals, 2018 to 2025

Source: ABS Building Approvals; Ethos Urban

Figures Rounded

Note: Year ending March

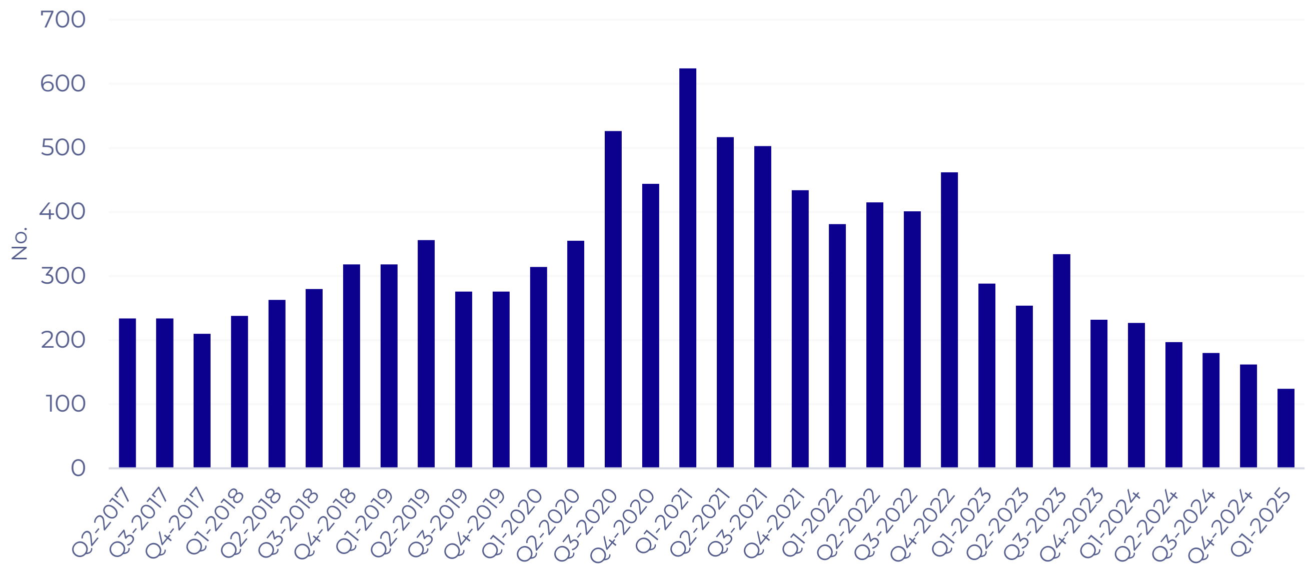

Figure 6 Ballarat Quarterly Total Building Approvals Trend

Source: ABS, Building Approvals; Ethos Urban

Vacant Lot Median Prices and Sales Trends

Vacant lot sales provide an indication of activity levels in the residential land market and a broad, indicative understanding of new dwelling demand in an area.

Key findings include:

- Ballarat's vacant residential lot sales represent an active market, averaging approximately 940 sales per annum between 2016 and 2025 (refer Figure 7).
- Vacant lot sales have varied across this period, experiencing three surges in demand in 2019 (1,530 sales), 2021 (1,760 sales) and 2022 (1,750 sales).
- However, since the peak over 2021 and 2022, vacant lot sales have fallen significantly, consistent with the overall residential market.
- Ballarat had a median vacant lot price of $280,000 in 2025 (refer Figure 8). Median prices have increased at +8.4% per annum between 2016 and 2025.
- Median lot prices have slightly declined since the peak ($305,000) in 2023.
- Ballarat had a median vacant lot price per m^2 of $572/m^2 in 2025 (refer Figure 9). This represents a more than doubling on 2016 levels at $256/m^2, equivalent to an average rate of +9.3% per annum.
- The median vacant lot price per m^2 has declined from its high of $685/m^2 in 2022.

When interpreting vacant lot sales data, it is important to note that:

- Not all sales are the first sale of a lot.
- Not all sales will lead to the immediate construction of a dwelling.
- Sales data is generally sourced from the State's Valuer-General's Office, which records sales at settlement. Settlement of new vacant residential lots can be up to 12 to 24 months after the sale date, once construction of the lot is completed and title has been released.

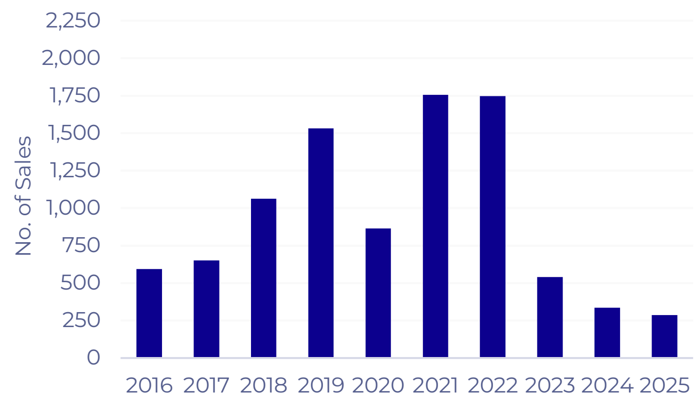

Figure 7 Vacant Land Sales

Source: Ethos Urban; Pricefinder

Note: Year ending March

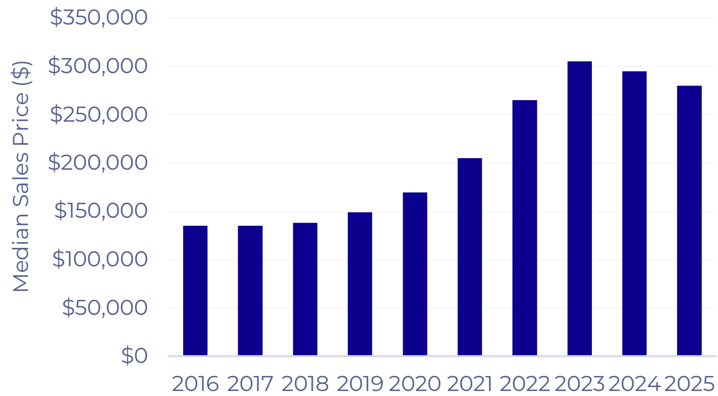

Figure 8 Median Vacant Land Price

Source: Ethos Urban; Pricefinder

Note: Year ending March

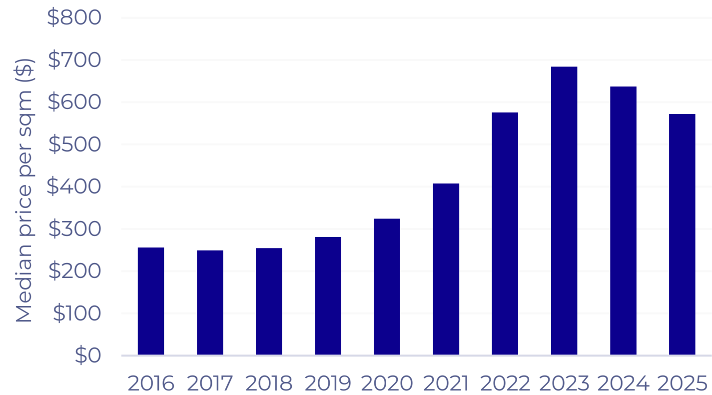

Figure 9 Vacant Land Median Price Per SQM

Source: Ethos Urban; Pricefinder

Note: Year ending March

Housing Median Prices and Sales Trends

Median house sales prices in Ballarat have increased significantly in the last ten years. Ballarat saw a median house sales price of $310,000 in the year ending March 2016 and has recently reached $530,000 in the year ending March 2025. This represents an average growth rate of +6.1% per annum.

Median house prices recorded a peak at $590,000 in 2023 and have since fallen.

Over the past 10 years, Ballarat recorded an average of 2,260 house sales per annum. The number of house sales has fluctuated during this period, recording a low of 1,840 sales in 2023 and a high of 2,610 in 2018.

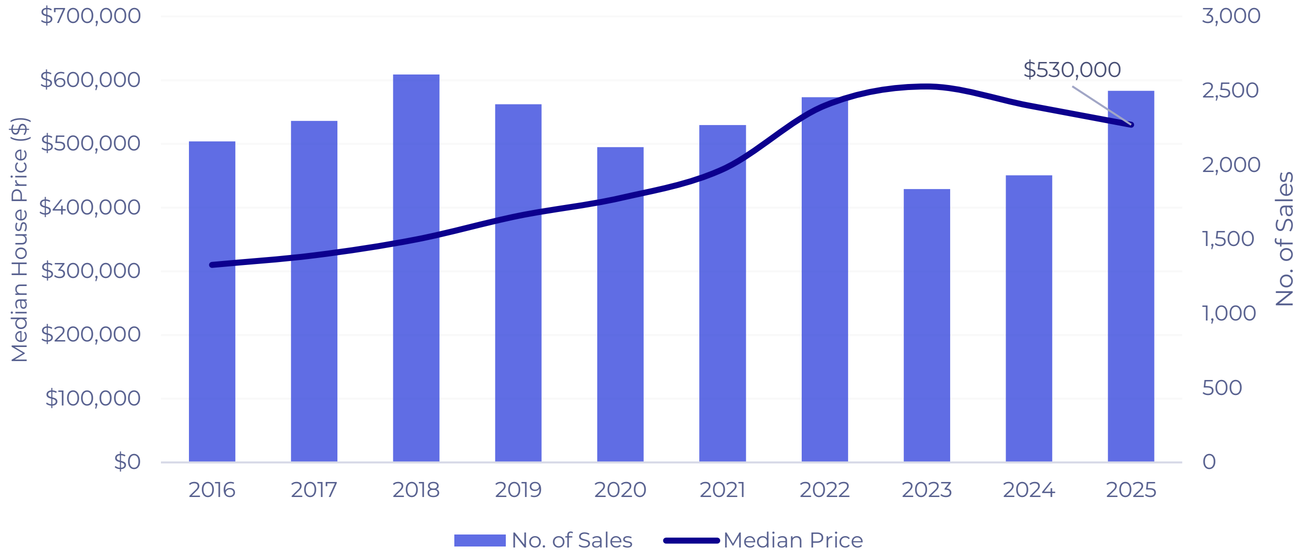

Figure 10 House Price Sales

Source: Ethos Urban; Pricefinder

Note: Year ending March

3.3 Proportion of Demand in Established vs Greenfield Areas

Study Areas

For the purposes of this assessment, Ballarat is split into four statistical sub-parts that help frame demand and future greenfield supply. These include:

- **Established Areas.** Represents Ballarat's established suburbs and where development is commonly referred to as 'infill'.
- **Ballarat North and East – Outer.** Incorporates land north of the Western Freeway, including Miners Rest, Brown Hill and what will be the Ballarat Northern growth Area. In this area, new dwellings are generally detached houses.
- **Ballarat South – Outer.** Incorporates Buninyong and surrounding rural area. In this area too, new dwellings are almost all detached houses.
- **Ballarat West.** Represents the existing Alfredton and Ballarat West PSPs, and what will be the Ballarat North Western and Western Growth Area.

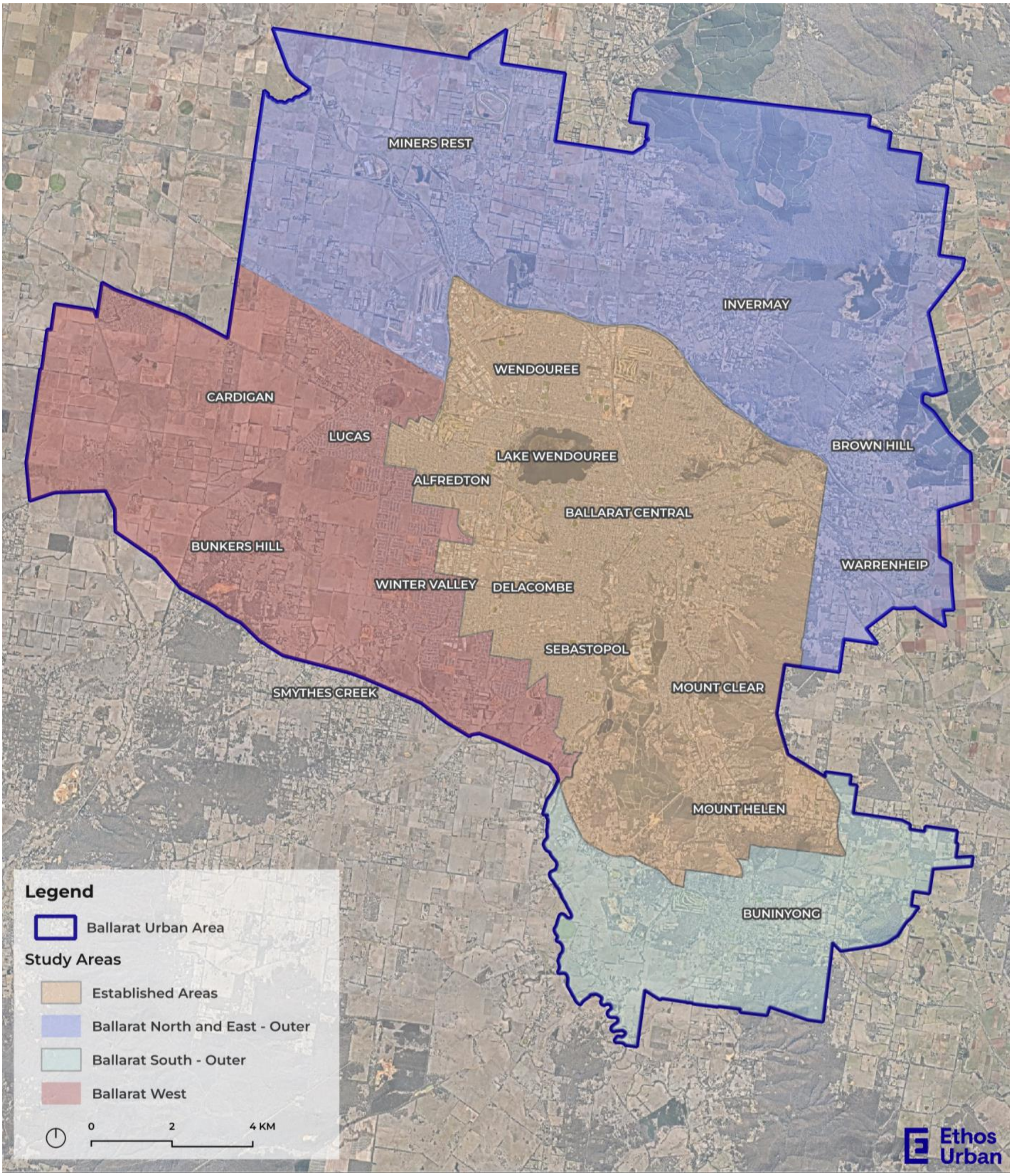

Figure 11 Ballarat Urban Area and Study Areas

Source: Ethos Urban

Key Findings

Residential dwelling approvals have been analysed by four distinct regions to provide insight into recent development trends across Ballarat's established suburbs and greenfield areas (refer Figure 12, Figure 13 and Table 3). Note, SA1-level dwelling approvals, used to estimate the defined regions, were available to December 2024 at the time of analysis.

Key findings include:

- New residential building approvals in the **Ballarat West** region averaged approximately +920 dwellings per annum between 2018 and 2024 (year ending December), supported by strong greenfield land availability in Lucas and the Ballarat West PSP area. The majority of new dwellings were houses (+900), with the balance being other dwelling types, being semi-detached dwellings or apartments.
- The **Ballarat West** region accounted for approximately 69.2% of all new residential building approvals between 2018 and 2024. This share increased to 77.0% between 2022 and 2024.
- Ballarat's **Established Areas** accounted for approximately 22.5% of all new residential building approvals between 2018 and 2024, averaging approximately +300 dwellings per annum. This number fell to an average of +180 dwellings (or 20.3% of total dwellings) per annum over 2023 and 2024.
- Other dwellings in Ballarat's **Established Areas** averaged +90 new dwellings, representing approximately 31.1% of all new dwellings within the defined region.
- New residential building approvals in the **Ballarat North and East – Outer** region have fallen significantly since 2021. New approvals averaged approximately +70 dwellings per annum between 2018 and 2021, before falling to an average of +10 dwellings per annum between 2022 and 2024. This sub-region includes Miners Rest and Brown Hill, where 99.4% of new approvals were for detached dwellings.
- The **Ballarat South – Outer** region represents a small segment of new dwellings. New residential dwelling approvals have averaged 15 new dwellings per annum since 2018.

Note, new residential buildings do not account for existing dwelling demolitions. That is, a new dwelling approval for a detached dwelling does not necessarily mean that one new dwelling is added to supply. Rather, it is simply a replacement of an existing dwelling.

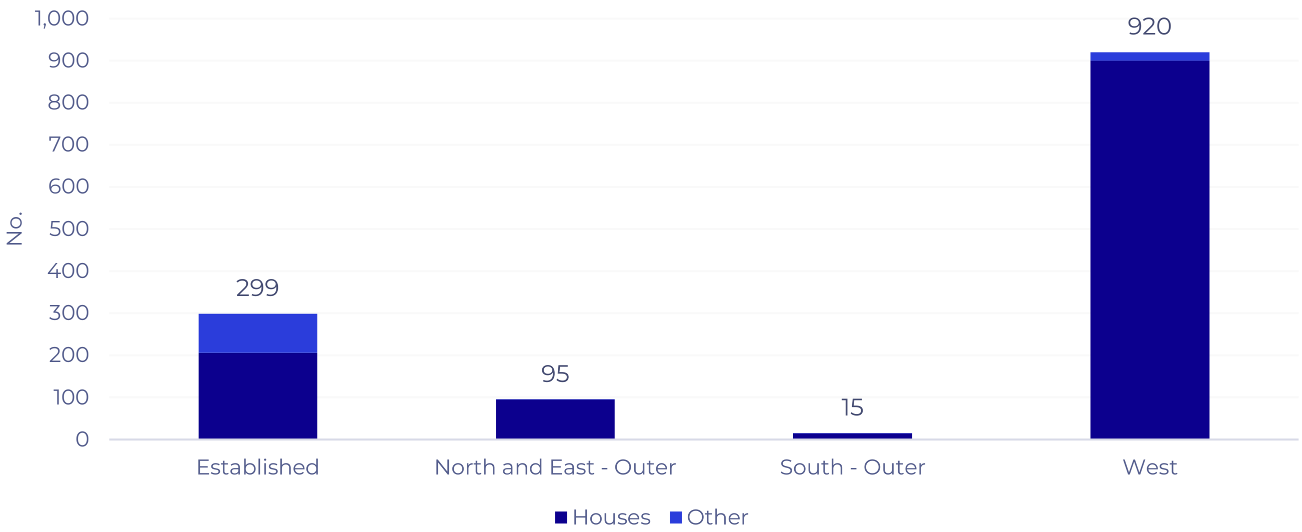

Figure 12 Average Annual New Building Approvals between 2018 to 2024

Source: ABS, Building Approvals; Ethos Urban

Note: Excludes Residuals

Note: Year ending December

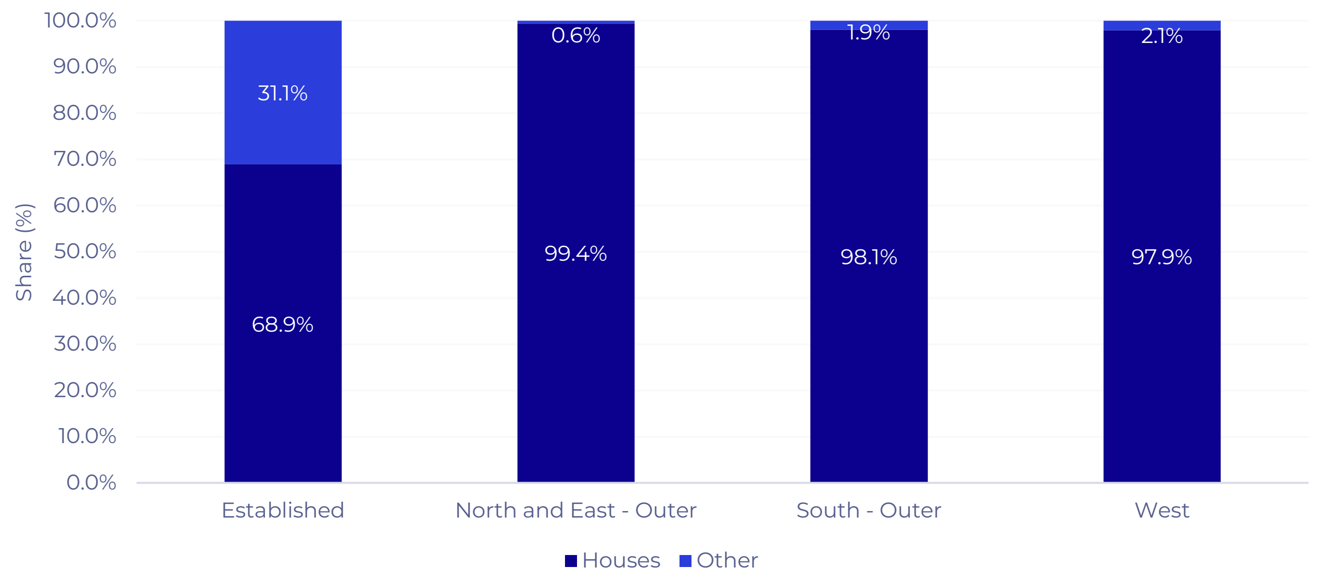

Figure 13 Share of Total Building Approvals by Study Area between 2018 to 2024

Source: ABS, Building Approvals; Ethos Urban

Note: Excludes Residuals

Note: Year ending December

Table 3 Total Residential Building Approvals, 2018 to 2024

Category	2018	2019	2020	2021	2022	2023	2024	Average (2018 to 2024)	Share*
House									
Established	249	243	230	324	164	124	107	206	16.9%
North and East - Outer	28	14	22	12	12	8	7	95	7.8%
South - Outer	126	156	136	142	61	18	24	15	1.2%
West	590	722	1,114	1,411	1,173	759	535	901	74.1%
Residuals	*11*	*18*	*9*	*22*	*107*	*81*	*11*	33	-
Other									
Established	88	61	107	155	109	88	42	93	82.3%
North and East - Outer	0	0	2	0	0	0	0	1	0.5%
South - Outer	0	4	0	0	0	0	0	0	0.3%
West	7	6	12	12	29	28	40	19	17.0%
Residuals	*0*	*2*	*7*	*0*	*4*	*2*	*0*	2	-
Total									
Established	337	304	337	479	273	212	149	299	22.5%
North and East - Outer	28	14	24	12	12	8	7	95	7.2%
South - Outer	126	160	136	142	61	18	24	15	1.1%
West	597	728	1,126	1,423	1,202	787	575	920	69.2%
Residuals	*11*	*20*	*16*	*22*	*111*	*83*	*11*	35	-

Source: ABS, Building Approvals; Ethos Urban

*Share of total dwelling approvals by region excludes count of residuals

Note: Year ending December

Note: Residuals refer to approvals where the address coder hasn't been able to assign an SA1 but has enough information for an SA2. There can be a number of reasons for this: poor address details on some provided approvals and new areas being developed (where the index is not yet up to date) being the most common reasons.

3.4 Demand Implications

Housing Demand Requirements

The City of Ballarat needs to plan for an average of approximately:

- +1,450 new dwellings per annum under the BHS housing growth scenario (between 2021 and 2041).
- +1,675 new dwellings per annum under the Housing Targets (between 2023 and 2051).

This report notes that the Housing Targets are proposed to be implemented via the Planning Policy Framework under Clause 11 (Settlement) becoming State Policy. Accordingly, Ballarat should plan to accommodate an additional +1,675 dwellings per annum.

It is noted that achieving the housing targets is further threatened when assessed against recent building activity. Since 2023, residential building approvals averaged approximately +1,090 dwellings per annum, with this number decreasing to 660 approvals in the latest year ending March 2025. The shortfall indicates a growing delivery gap that, if sustained, would require a higher delivery rate than the average of +1,675 dwellings per annum set out by the Housing Targets.

Are the Housing Sub-Targets Achievable?

Over the past several decades, Ballarat has relied on its new growth areas to accommodate the majority of urban growth. Detached housing represents the dominant dwelling type in Ballarat at around 91.1% of new dwelling approvals since 2018. Further, approximately 77.5% of all new dwellings approvals since 2018 have been outside Ballarat's established suburbs, primarily in Lucas and the Ballarat West PSP area.

It is also important to note that a significant proportion of new dwelling approvals in areas such as Brown Hill and Miners Rest are also for separate dwellings. In many cases, these dwelling approvals are located in relatively small residential estates that can be appropriately described as remnant greenfield in nature.

With planning policies now seeking to place greater emphasis on promoting urban consolidation in existing urban areas, it is reasonable to ask whether this is achievable in a Ballarat context. To restate planning objectives:

- The BHS seeks to achieve a 50:50 split of all future dwellings between Ballarat's growth areas and established suburbs.
- Plan for Victoria reinforces the direction of such an objective, setting an expectation that the City of Ballarat accommodates 60% of all new dwellings to 2051 within established areas and 40% in greenfield areas.

Although the pursuit of established area development may be a commendable objective, the real question is whether this is a realisable objective.

This report concludes that the objectives outlined in the BHS and Plan for Victoria, as they relate to Ballarat, will not be achievable in any reasonable planning timeframe for the following reasons:

- Ballarat's established areas have averaged approximately 90 new other dwellings (semi-detached, units and apartments) since 2018, comprising 6.8% of total dwelling approvals over the period.
- The Ballarat West Area has accounted for 69.2% of total new dwelling approvals over the same period.
- With the exception of the Geelong waterfront, no significant apartment market exists in regional Victoria.
- Higher density forms of development, particularly apartments, have faced challenging market conditions for several years. The underlying issue relates to significant increases in the cost of construction and development and a reluctance from buyers to pay the new required selling price having regard for the selling price of existing dwelling stock.
- For significant higher density forms of development to be commercially viable in Ballarat, either:
  - The cost of higher density development needs to significantly decrease (an unlikely outcome); or
  - The median house price in Ballarat needs to significantly increase, therefore making apartments or other higher density product appear relatively more affordable (an undesirable outcome from a broader affordability perspective).
- Key BHS background documents that set out the potential capacity for established area development noted that:
  - *'the capacity assessment does not consider the economic or technical feasibility for redevelopment, or the landowner willingness to redevelop'.* (Tract, pg.6)

– *'developer-led infill redevelopment is likely to be either unviable or a marginal proposition in many parts of Ballarat at present, except in suburbs where higher sales prices can be achieved.' (*Urban Enterprise, pg.35)

- The established area sub-target is therefore considered to be ambitious and, in all likelihood, unachievable.

Planning for future growth should consider a range of outcomes, including that the sub-targets may not be achieved. In summary, it is the conclusion of this report that growth areas will continue to play a primary role in accommodating Ballarat's housing needs over the next 15 years, and potentially longer.

Greenfield Land Demand Scenarios

Having regard for the conclusions outlined above, three demand scenarios have been applied to test the adequacy of greenfield land supply based on the Housing Target of +1,675 additional dwellings per annum:

- **Scenario 1: +1,010 dwellings per annum.** Assumes 60% of new dwellings are located in growth areas.
- **Scenario 2: +1,170 dwelling per annum.** Assumes 70% of new dwellings are located in growth areas.
- **Scenario 3: +1,320 dwellings per annum.** Assumes 80% of new dwellings are located in growth areas.

Although three scenarios are tested to determine the adequacy of greenfield land supply, it is considered likely that scenarios 2 or 3 represent a more realistic outcome over a 15-year planning timeframe.

4.0 Residential Land Supply Assessment

This chapter considers the availability of residential land supply in Ballarat, focussing on the greenfield residential market.

4.1 Methodology

Approach to Residential Supply Assessment

Residential land supply refers to the availability of land zoned for residential development. This analysis estimates the potential supply of actual and future residential lots capable of accommodating dwellings in Ballarat's greenfield residential market. These areas are identified in Table 4.

The assessment breaks supply into several categories that differentiate between short-term supply and future supply that, although zoned for residential development, may contain a degree of uncertainty in terms of the delivery of housing, or the timing of delivery. Supply categories are defined in Table 5.

Supply data is based on the latest available Nearmap aerial imagery at the time of this analysis dated 2 May 2025.

Table 4 Supply Area Classification

Region	Definition
Ballarat West Area – Active	Refers to established or active residential estates with land available for sale in the Alfredton and Ballarat West PSP Areas.
Ballarat West Area – Balance	Refers to zoned residential land yet to be developed, although it is noted that some properties may have an approved planning permit.
Northern Growth Area (Core)	Refers to all land identified in the Northern Growth Area (Core).

Source: Ethos Urban

Table 5 Supply Status and Timing Classification

Category	Definition	Timing
Ballarat West Area – Active		
Single Vacant Lot	An existing lot or a proposed lot (in active estates with dwelling construction underway) where no dwelling is evident or where no dwelling construction is evident from aerial analysis.	0-5 Years
Subdivision Yet to Occur	Refers to residential zoned land in active estates yet to be subdivided.	
Ballarat West Area – Balance		
Subdivision Yet to Occur: Short Term	Refers to residential zoned land where development is likely to commence within five years.	0-5 Years
Subdivision Yet to Occur: Medium Term	Refers to residential zoned land where development is likely to commence in five to ten years.	5-10 Years
Subdivision Yet to Occur: Long Term	Refers to residential zoned land where development is unlikely to commence within ten years. This is due in some cases to infrastructure servicing, but also as a result of significant fragmentation in some areas with a number of smaller lots containing dwellings of high value. In some cases, there is a considerable element of doubt relating to the timing of development of this land. In several cases some doubt exists as to whether any development may occur.	10+ Years

Source: Ethos Urban

Qualifications and Assumptions

The following assumptions and qualifications are relevant in terms of the supply assessment:

- The assessment of potential land supply establishes a theoretical land supply position. The theoretical nature of the assessment is emphasised. For example, landowner intentions concerning individual vacant lots are unknown, as are the intentions of some landowners of larger properties that could be further subdivided. In this regard, the calculated land supply position represents an optimistic assessment of supply.
- The assessment of potential yield is based on stakeholder input (UDIA members), and publicly available development plans. Where no direct knowledge of landowner intentions was available, assumptions relating to potential constraints were made and a calculation of the number of lots was made based on typical lot sizes in recent developments in the surrounding area.
- The supply assessment does not represent a capacity assessment in relation to potential infill development. No assessment of the long-term potential for higher density development in the established areas, including the CBD or Urban Renewal Areas has been undertaken.

4.2 Residential Land Supply Framework

Ballarat West Area

Key findings in relation to remaining zoned residential supply in the Ballarat West Area are as follows:

- The Ballarat West Area – Active has approximately 5,140 lots remaining, comprising:
  - 2,630 single vacant lots
  - 2,510 lots in parcels where subdivision is yet to occur.
- The balance of the Ballarat West Area could accommodate up to 5,200 additional lots in areas where subdivision is yet to occur. Development yield by indicative timing is estimated as follows:
  - 1,940 lots classified as short-term supply (0-5 years)
  - 1,790 lots classified as medium-term supply (5-10 years)
  - 1,470 lots classified as long-term supply (10+ years). It is important to note that a significant element of doubt exists concerning the delivery and timing of delivery of land classified as long-term supply in the Ballarat West Area. This is due in some cases to infrastructure servicing, but also as a result of significant fragmentation in some areas with a number of smaller lots containing dwellings of high value.

Overall, the Ballarat West Area has an estimated residual supply of up to 10,340 dwellings, of which, approximately 7,080 lots are estimated to be available for development within the next five years.

It should be noted that this does not indicate that 7,080 lots are constructed and readily available for the construction of a dwelling. Rather, it means that there is a reasonable expectation they can be provided to the market within a relatively short-term timeframe.

Refer Figure 14 for a visual overview of the Ballarat West Area supply.

Table 6 Ballarat West Area Zoned Supply

Classification	Short Term (0-5yrs)	Medium Term (5-10yrs)	Long Term (10+ yrs)	Total Supply
Ballarat West – Active				
Single Vacant Lots	2,630	-	-	2,630
Subdivision Yet to Occur	2,510	-	-	2,510
Total Active	5,140	-	-	5,140
Ballarat West Area - Balance				
Subdivision Yet to Occur	1,940	1,790	1,470	5,200
Ballarat West Total	**7,080**	**1,790**	**1,470**	**10,340**

Source: Ethos Urban

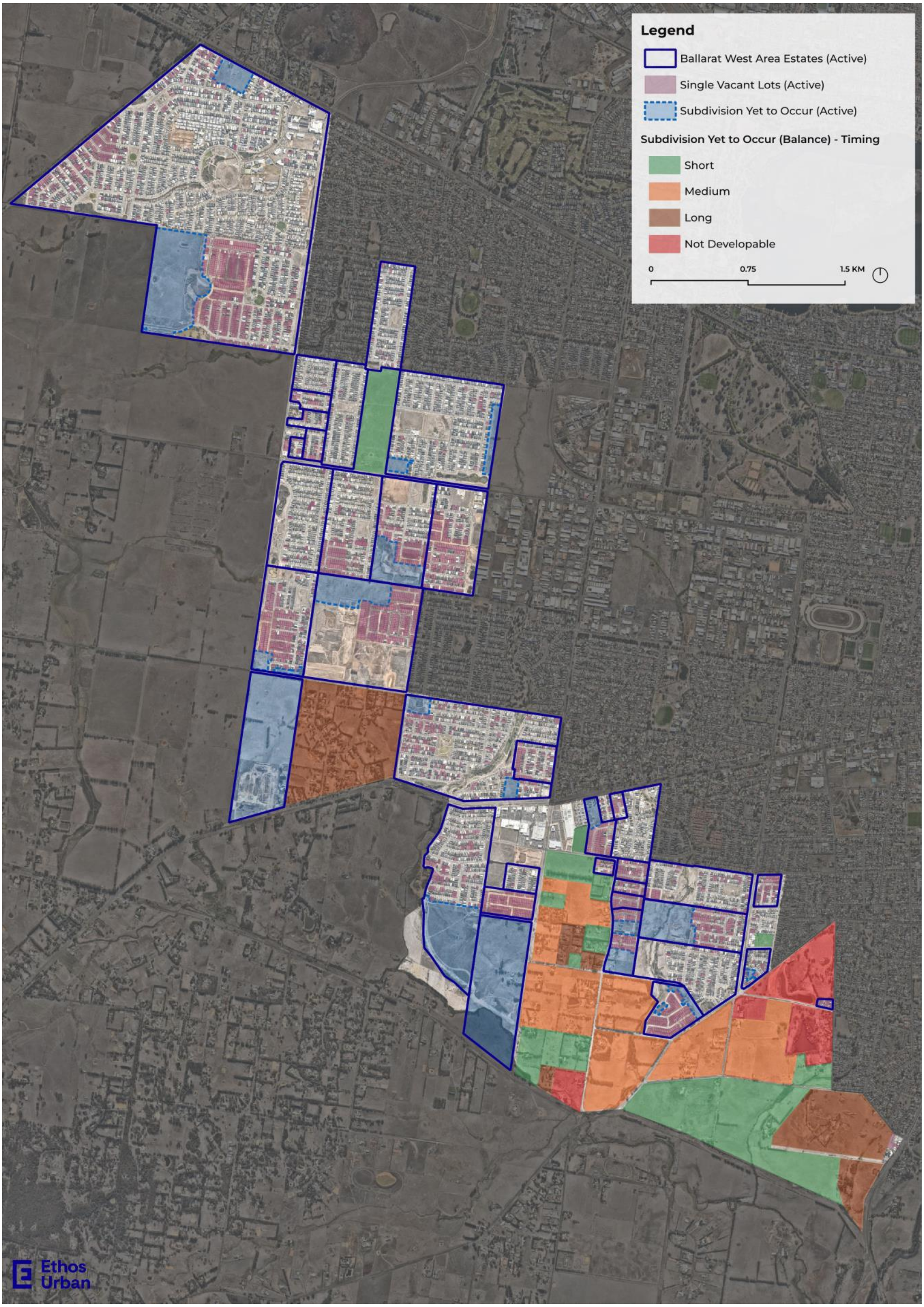

Figure 14 Ballarat West Area Supply (as at May 2025)

Source: Ethos Urban

Note: Areas identified as not developable are done so due to infrastructure or other constraints that are understood render these areas undevelopable within any reasonable planning timeframe.

Northern Growth Area (Core)

The Minister for Planning rezoned the area referred to as the Northern Growth Area (Core) to the Urban Growth Zone in 2022. A PSP is currently in preparation with an indicative yield of 6,000 lots.

It is expected that the initial estate stages may be available around the second half of 2028, with the first dwellings under construction in late 2028.

Although it is understood no significant constraints will limit the amount of supply likely to be put to the market in the Ballarat North Growth Area (Core), the scale of the growth area is likely to limit the number of delivered lots to approximately 500 per annum, when the growth area is in full development.

It is considered likely the Ballarat Northern Growth Area (Core) will take 10+ years from the commencement of land release to full build out.

Overall Greenfield Residential Supply

Ballarat has an estimated total zoned supply capacity of up to 16,340 lots (refer Table 7), comprising:

- Up to 10,340 lots in the Ballarat West Area
- Up to 6,000 lots in the Ballarat North Growth Area (core)

Table 7 Greenfield Supply Summary

Category	Total Supply
Ballarat West – Short Term	7,080
Ballarat West – Medium Term	1,790
Ballarat West – Long Term	1,470
Ballarat West Total	**10,340**
Northern Growth Area (Core)	**6,000**
Total Supply	**16,340**

Source: Ethos Urban

Note: Some doubt exists concerning the delivery and delivery timing of Ballarat West long term supply (1,470 lots).

4.3 Adequacy of Zoned Residential Land Supply

The adequacy of land supply is calculated by dividing total supply by forecast average annual demand. The result is expressed in terms of the years of supply.

Adequacy of Zoned Supply Under Demand Scenarios

The supply of zoned greenfield land capable of accommodating dwellings is first tested against the three demand scenarios as outlined in Section 3.4. It is again emphasised that demand scenarios 2 and 3 are considered the more realistic of the three scenarios.

Key findings are presented in Table 8 and are summarised as follows:

- Under **Scenario 1 (+1,010 dwellings per annum):**
  - The Ballarat West Area (short term) supply is adequate for approximately 7.0 years.
  - This extends to 8.8 years of supply when the Ballarat West Area (medium term) supply is added.
  - If supply in the Northern Growth Area is further added, total supply equates to 14.7 years.
  - Total greenfield land supply equates to 16.2 years if long term supply in the Ballarat West Area is considered realisable.
- Under **Scenario 2 (+1,170 dwellings per annum):**
  - The Ballarat West Area (short term) supply is adequate for approximately 6.1 years.
  - This extends to 7.6 years of supply when the Ballarat West Area (medium term) supply is added.
  - If supply in the Northern Growth Area is further added, total supply equates to 12.7 years.
  - Total greenfield land supply equates to 14.0 years if long term supply in the Ballarat West Area is considered realisable.

- Under **Scenario 3 (+1,340 dwellings per annum):**
  - The Ballarat West Area (short term) supply is adequate for approximately 5.3 years.
  - This extends to 6.6 years of supply when the Ballarat West Area (medium term) supply is added.
  - If supply in the Northern Growth Area is further added, total supply equates to 11.1 years.
  - Total greenfield land supply equates to 12.2 years if long term supply in the Ballarat West Area is considered realisable.

Table 8 Adequacy of Supply Summary

Category	Scenario 1	Scenario 2	Scenario 3
Ballarat West Area (Short Term)	7.0	6.1	5.3
Ballarat West Area (Short + Medium Term)	8.8	7.6	6.6
Ballarat West Area (Short + Medium) + NGA (Core)	14.7	12.7	11.1
Ballarat West Area (Short + Medium + Long) + NGA (Core)	16.2	14.0	12.2

Source: Ethos Urban

In reality, the simple supply equation outlined in Table 8 is unlikely to be realised.

For example, as short to medium term supply in the Ballarat West Area reaches an advanced state of development, residual land areas will either be taken up or development may slow.

Similarly, supply in the Northern Growth Area (Core) is unlikely to be provided at a sufficient rate to fully offset the declining rate of supply in the Ballarat West Area. In short, supply, and particularly the rate of supply in new or emerging growth fronts, is unlikely to be provided to the market in a linear manner.

To demonstrate this, the potential take-up of land (expressed in terms of lot sales and dwelling construction) and the release of land to the market is modelled in two scenarios.

The two models are:

- Take-Up Model 1: 80% Greenfield Model.
- Take-Up Model 2: Gradual Shift to Established Areas Model.

Take-Up Model 1: 80% Greenfield Model

In Take-Up Model 1, the following occurs:

- The proportion of new housing in Ballarat is delivered as 80% greenfield and 20% established area, broadly consistent with current settings. This assumption continues over the life of the model and requires a consistent 1,340 greenfield lots per annum.
- In the Ballarat West Area, short to medium term supply is delivered to the market in a timely manner, while long-term supply is available by 2035. Take-up of the long-term supply in the Ballarat West Area tapers off and is delivered to the market gradually over time as lifestyle properties are finally subdivided for housing.
- The Northern Growth Area (Core) supply (6,000 lots) is available to the market by 2028. Take-up accelerates to a peak of 500 lots per annum before this area too begins to taper from 2039. Again, it is assumed that final lot take-up will take some years.
- Under this model, a greenfield lot deficit begins from 2029 and builds significantly thereafter. The greenfield lot deficit would be met by land releases in the Future Growth Areas.
- The model is illustrated in Figure 15.

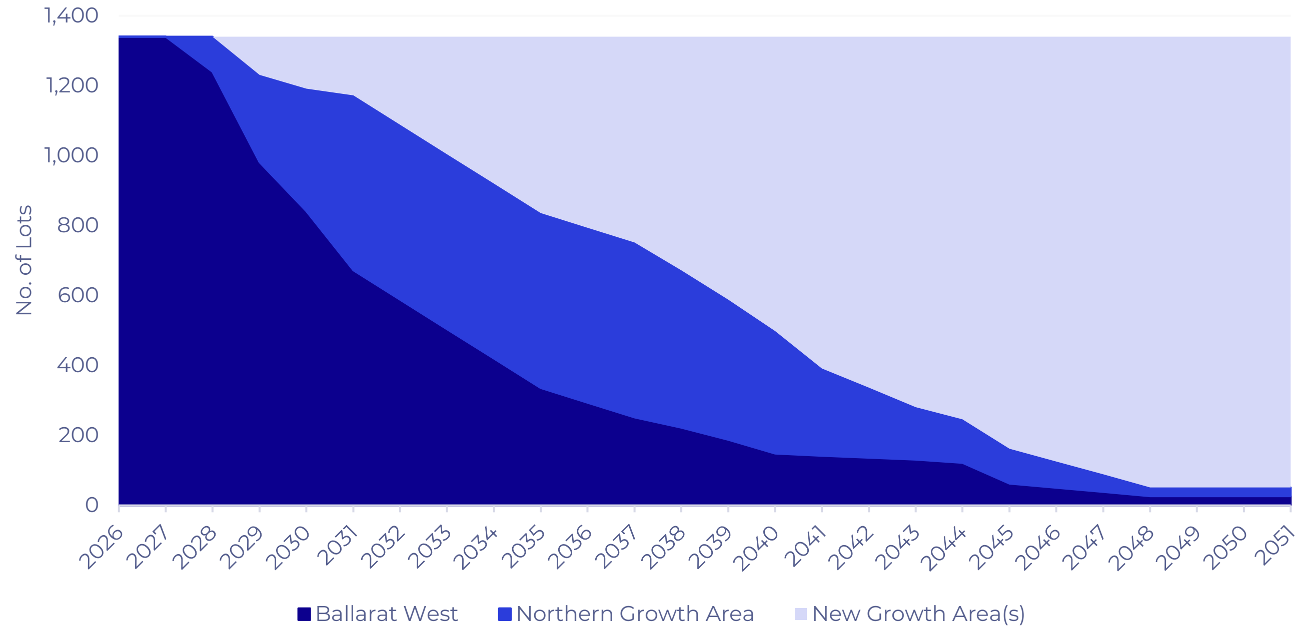

Figure 15 Take-Up Model 1: 80% Greenfield Model

Source: Ethos Urban

Take-Up Model 2: Gradual Shift to Established Areas Model

A similar trend occurs in Take-Up Model 2 (refer Figure 16), where the following occurs:

- The proportion of new housing in Ballarat begins with an 80% greenfield weighting and from 2031 reduces to 5% points every five years, reaching a 60% greenfield area and 40% established area weighting by 2047.
- In the Ballarat West Area, short to medium term supply is delivered to the market in a timely manner, while long-term supply is available by 2035. Take-up of the long-term supply in the Ballarat West Area tapers off and is delivered to the market gradually over time as lifestyle properties are finally subdivided for housing.
- The Northern Growth Area (Core) supply (6,000 lots) is available to the market by 2028. Take-up accelerates to a peak of 500 lots per annum before this area too begins to taper from 2039. Again, it is assumed that final lot take-up will take some years.
- Under this model, a greenfield lot deficit also begins from 2029 and builds significantly thereafter. The greenfield lot deficit would be met by land releases in the Future Growth Areas.

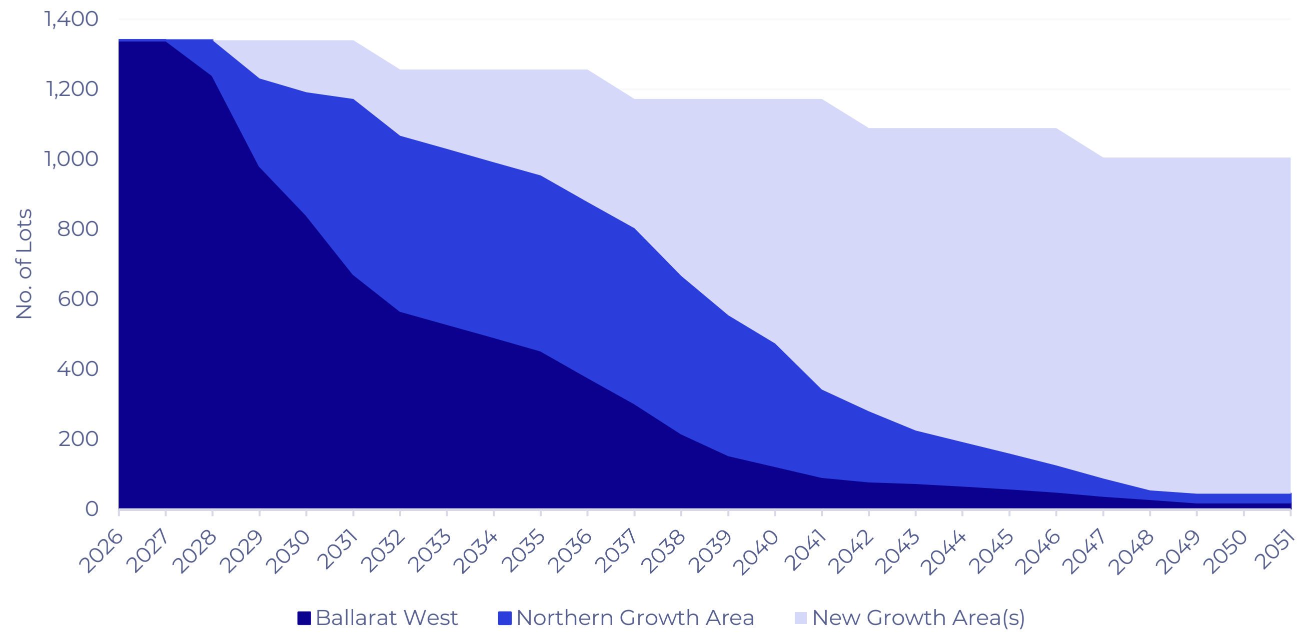

Figure 16 Take-Up Model 2: Gradual Shift to Established Areas Model

Source: Ethos Urban

5.0 Implications and Key Findings

5.1 Overview

Ballarat represents a significant residential market in a Victorian context. The population growth rate has averaged +1.7% per annum since 2001, a consistent and strong level of growth for a major regional city.

The delivery of housing in Ballarat over the previous decade has benefited from significant new greenfield housing developments in the Alfredton West and Ballarat West PSP areas. However, despite continued strong population growth, macro-economic factors, diminishing land availability and affordability challenges have seen new housing activity fall significantly over the previous two years.

5.2 Implications and Key Findings

Key implications and findings flowing from this report can be summarised as follows.

Detached dwellings are the primary form of new housing in Ballarat

Detached dwellings provide approximately 91% of new dwellings in Ballarat. Detached dwellings are accommodated in the Ballarat Urban Areas in two specific ways:

- In identified growth area locations
- In established areas, where undeveloped or underutilised land is subdivided. In these areas, subdivisions can be anywhere from 3-4 lots to several hundred.

In the detached housing market, residential estates of some scale are critically important due to their ability to provide volume to the market through major, or multiple stages, as demand requires. In this regard, larger estates act to moderate the impact of demand spikes by being more able to quickly increase the supply of land to the market.

The exact level of housing demand is difficult to determine

Several factors drive future population growth, and therefore dwelling demand. Factors that can influence demand trends include:

- The overall state of the economy
- The scale and focus of net overseas migration
- Changes and trends in net interstate and intrastate migration
- The extent to which a specific area represents a popular or emerging market
- The competitiveness of a residential market compared to alternative markets
- The availability of an adequate greenfield residential land supply or urban consolidation opportunities to satisfy the demand for housing.

The final point is critical. If a city, town, or a specific growth front is experiencing strong demand, that demand can only be satisfied provided an adequate supply pipeline is available to accommodate additional dwellings.

If sufficient supply is not available, significant upward pressure on prices is likely to occur and, in time, the city, town or growth front, may lose its competitiveness as the market seeks alternative locations.

Despite the uncertainty, it is essential that Council plans to facilitate supply based on the annual dwelling requirement under the Housing Targets. For Ballarat, this is +1,675 dwellings per annum.

The established area dwelling targets are unlikely to be met

Realising higher density forms of residential development in Ballarat is likely to face significant barriers due to heritage constraints, high construction costs, lack of buyer appetite at the required sales price, infrastructure constraints and financing issues. The same challenges are being faced across large parts of metropolitan Melbourne and in other regional cities.

For these reasons, infill strategies that seek to direct a high proportion of residential growth into established parts of regional cities have not been successful to date.

Over time it is possible, perhaps likely, that an increased proportion of Ballarat's growth will occur in established areas of the city, including the CBD, inner urban areas, and major urban renewal sites in the broader suburban area.

However, it is considered highly unlikely that the sub-targets outlined in the housing targets or similar aspirational targets outlined in the BHS will be achieved within a 15-year planning horizon. Rather, it is the conclusion of this report that any progress towards a 60% established area target will be marginal over this period.

It is also apparent from dwelling approvals data that a significant number of dwellings currently classified as infill are, in practice, detached houses. These are being constructed in areas such as Brown Hill and Miners Rest in relatively small estates that resemble greenfield development in all but name. When these opportunities are exhausted, it is likely a significant element of this demand will revert to greenfield estates elsewhere.

If new growth areas are held back from the market in an attempt to force an outcome in favour of the sub-targets, there is a high risk of the following outcomes:

- Growth area supply will be exhausted sooner than anticipated resulting in a shortfall in available land supply.
- Upward pressure on land (and house) prices as a shortage of growth area stock emerges.
- Price escalation reducing the competitiveness of Ballarat's residential property market compared to Greater Melbourne and other Victorian regional cities.
- Slower rate of population and economic growth in Ballarat.
- Job losses via significant supply chain impacts from reduced development activity.

Planning for the Future Growth Areas should commence sooner rather than later

The supply and demand assessment undertaken in this report considers greenfield supply to be adequate for a period of between 11.1 and 12.7 years based on demand scenarios 2 and 3. This reflects a supply level that is adequate in the immediate short term but will require additional supply to be available to the market within a relatively short time frame.

Importantly, the report notes that supply, which will be delivered over several growth fronts and reliant on a significant number of landowners and developers to deliver that supply, is rarely delivered in a linear fashion.

Accordingly, this report presents two scenarios that provide an overview of potential take-up and supply timeframes (Take-Up Model 1 and Take-Up Model 2). The models provide a representation of future supply requirements under what are regarded as plausible assumptions.

Under both models, supply from **Future Growth Areas will be required from approximately 2029 to satisfy demand.**

A significant period of time is required to bring future growth areas to market

Completing precinct structure planning, detailed planning and engineering approvals for the Future Growth Areas is likely to take more than five years.

Accordingly, it is the recommendation of this report that the Future Growth Areas are progressed through planning and towards development with some urgency.

Major cities require an efficient and competitive supply pipeline

In a major regional market such as Ballarat, an efficient residential land market ideally has several major growth fronts, and a number of major active estates. The benefit of residential estates with sufficient scale dispersed across multiple growth fronts is the ability to satisfy a significant component of annual demand through the release of, say, 50-100 lots per annum in major estates for 5-10 consecutive years.