

A photograph of a man and a woman embracing in front of a modern house with large windows and a wooden facade. The man is wearing a patterned shirt and the woman is wearing a white top and a light-colored skirt. The scene is set outdoors with greenery in the foreground.

**ADVERTISED
PLAN**

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79 – 81 Victoria Parade, Collingwood

Land Supply and Housing Needs Analysis

April 2026

Prepared for Stockland

Acknowledgement of Country



Urbis acknowledges the Traditional Custodians of the lands we operate on.

We recognise that First Nations sovereignty was never ceded and respect First Nations peoples continuing connection to these lands, waterways and ecosystems for over 60,000 years.

We pay our respects to First Nations Elders, past and present.

The river is the symbol of the Dreaming and the journey of life. The circles and lines represent people meeting and connections across time and space. When we are working in different places, we can still be connected and work towards the same goal.

Urbis is committed to incorporating our respect for First Nations cultures, peoples and storytelling in our work across the Country. We are proud to have partnered with Darug Nation artist, **Hayley Pigram**, and to profile her artwork – **Sacred River Dreaming**.

Executive Summary

Stockland are proposing a mixed-use development at 79 – 81 Victoria Parade, Collingwood comprising 478 apartments. The project will integrate residential and retail uses across the site.

This report demonstrates the need to unlock additional housing capacity within the City of Yarra to meet State Government dwelling targets and avoid constraining future population growth. Inner-urban locations such as Collingwood are expected to play a central role in accommodating this growth, given their access to services, transport and employment.



City of Yarra Housing Target

+44,000

New dwellings by 2051



Subject Site contribution by 2030

+478

79 – 81 Victoria Parade,
Collingwood

In summary, the proposed development:

- Responds to a **clear shortage of deliverable housing capacity** in Collingwood beyond the end of the decade.
- Enables a **substantial volume of housing in the short-term** on a well-located site.
- Increases the supply of **apartments**, the most accessible and affordable housing typology in the local market.
- Supports housing diversity and responds to **changing household needs**.
- Strengthens local economic activity by introducing residents who support nearby businesses and services.
- Achieves housing outcomes **without undermining employment objectives**, which are being met within surrounding commercial precincts.

Overall, the proposal represents an **efficient and strategic land use outcome** that aligns with State and local housing objectives.

Appropriate zoning and building heights are essential to enable feasible delivery and translate housing policy into a practical, deliverable outcome.



1 Housing Need – Affordable housing contribution

With a residential development cost of \$297 million, the proposed development’s affordable housing contribution is \$8.9 million, and this could support community housing providers in delivering approximately 28 social housing dwellings.

The DFP approval pathway requires an affordable housing contribution and provides some options for this contribution, these include:

- Sale of dwellings equivalent to 10% of the residential yield, at a discount of 30% to a Registered Housing Agency for operation of social and/or affordable housing.
- A cash contribution equivalent to 3% of the project’s development cost. (residential component only).
- An alternative percentage of dwellings or alternative discount rates, where the total value is equivalent to the 3% contribution in option 2.

The 79–81 Victoria Parade development will provide the cash contribution equivalent to 3% of the residential development cost, which is estimated at \$8.9 million.

This is broadly equivalent to 28 social housing dwellings, based on the average grant funding per dwelling delivered by the Social Housing Growth Fund; \$740 million for 2,300 new social housing dwellings, or approximately \$314,600 per dwelling (Homes Victoria, 2022).

Affordable housing contribution

	Affordable housing contribution
Project estimated residential development cost	\$297 million
DFP contribution requirement	3%
Total contribution	\$8.9 million

Source: Stockland; Urbis

1 Housing Need – City of Yarra

The proposed development represents a timely and material contribution to meeting the City of Yarra’s housing needs. Under State Government settings, the City of Yarra is required to accommodate approximately 44,000 additional dwellings between 2023 and 2051, equating to almost 1,600 dwellings per year across the period.

Although noting the range of factors impacting residential development delivery, over the past three years, the City of Yarra has approved an average of approximately 850 dwellings per year. Even allowing for some lag between approval and completion, this rate of approval is materially below what would be required if delivery were to be annualised across the target period. This indicates that, without an uplift in housing approvals, the municipality is likely to fall short of its long-term housing target.

With delivery anticipated from around 2030, the proposal would deliver approximately 478 dwellings, equivalent to around one quarter of a year’s municipal housing requirement. In this context, the project makes a meaningful contribution toward closing the gap between current delivery rates and the City of Yarra’s long-term housing target.

Victorian government housing targets



City of Yarra Annualised Housing Target
+1,600 p.a.

New dwellings 2023 to 2051

City of Yarra approvals



Average dwellings approved over the last 3-years
~850 p.a.

City of Yarra

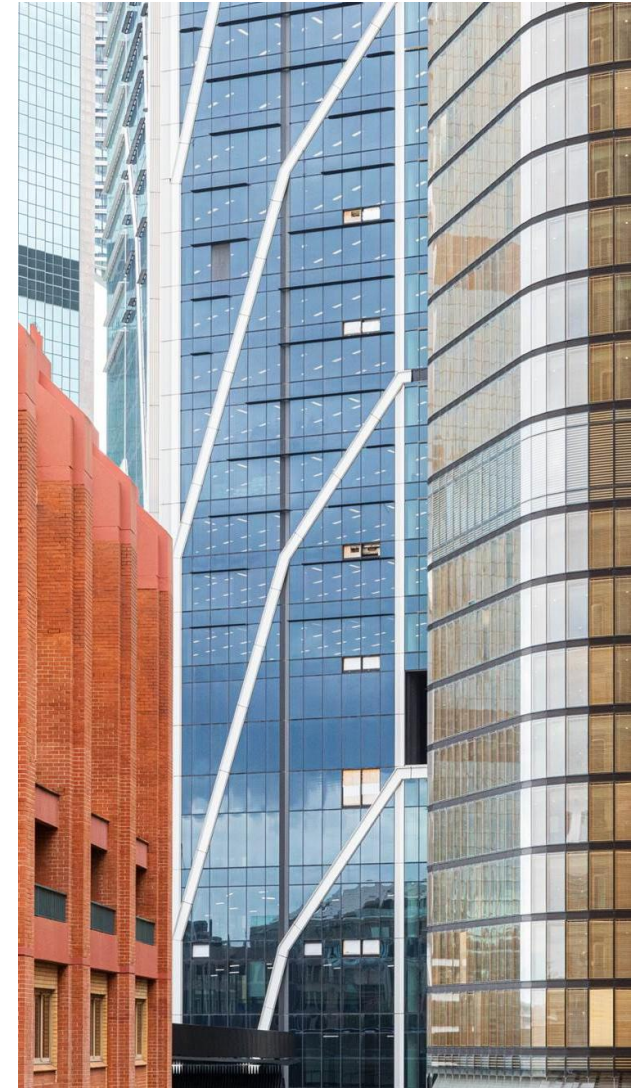
Development opportunity



Subject site contribution by 2030
+478

79 – 81 Victoria Parade, Collingwood

Source: DoT, ABS, Stockland.



2 Housing Need – Collingwood

Delivery of almost 500 dwellings on the site by around 2030, reflects a substantial contribution to the projected dwelling growth in Collingwood and will help to address significant supply gap.

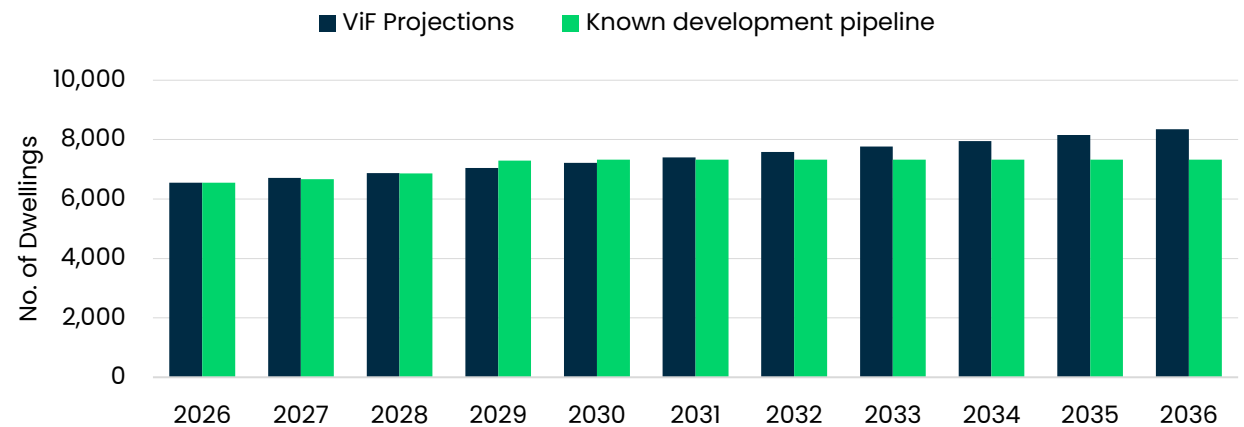
Collingwood plays an important role in accommodating projected residential growth due to its proximity to services, employment and public transport.

VIF 2023 projects growth in Collingwood’s dwelling stock from just over 6,500 dwellings today to more than 8,300 dwellings by the mid-2030s. This implies an expectation of **almost 2,000 additional dwellings** over the period to support projected population growth in the suburb.

Review of the identified development pipeline indicates that potential supply is limited and largely expected to be delivered by around 2029. Beyond this point, few identified proposals are in the pipeline.

Without further development applications coming forward, dwelling delivery in Collingwood is likely to fall short of State projections to 2036. This reflects a gap in identified proposals rather than an exhaustion of development capacity.

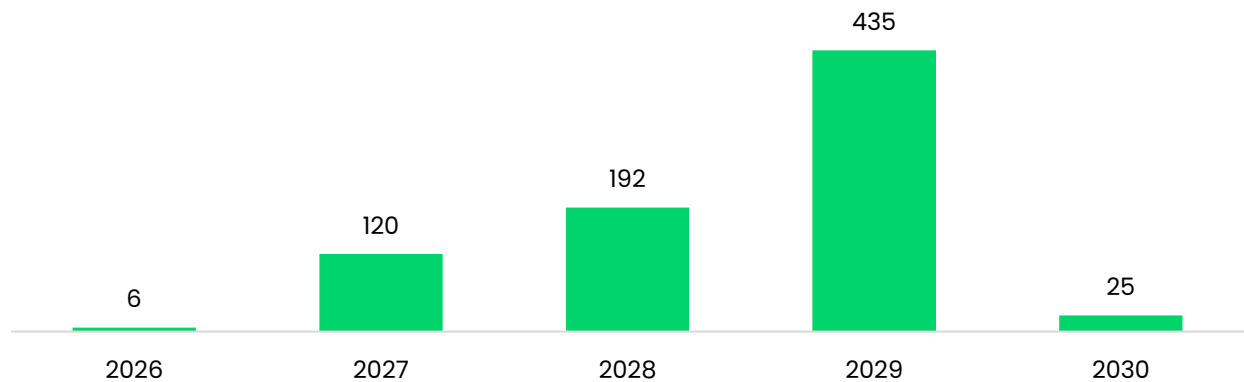
Victoria in future dwelling projections vs known supply pipeline – Collingwood



Source: Victoria in Future 2023, Cordell.

Note: Known supply is based on projects currently in the development pipeline.

Identified dwellings in the supply pipeline – Collingwood



Source: Cordell.

3 Housing Affordability

By delivering a substantial number of apartments, the proposal responds directly to local affordability pressures, with this housing typology remaining among the more accessible options in the Collingwood market.

The development will:

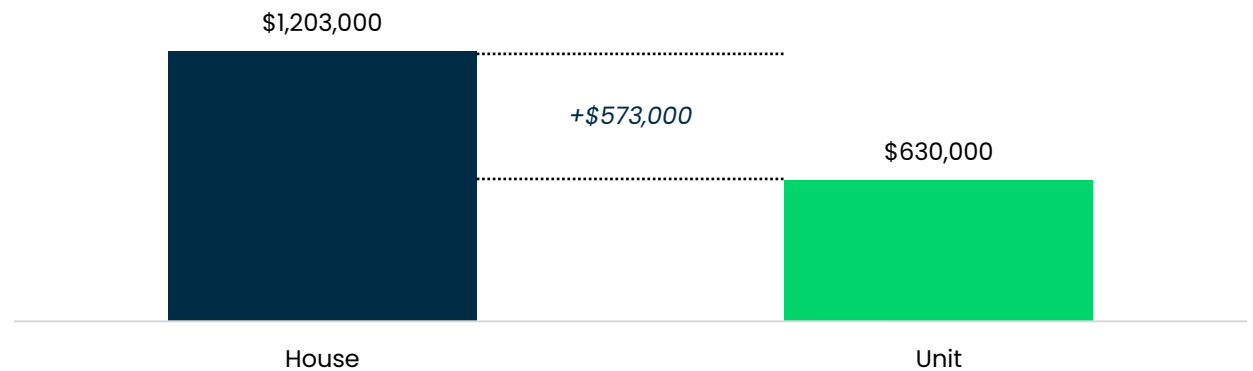
- Improve access to more affordable housing for buyers and renters.
- Help ease pressure on the local rental market by increasing supply.
- Support a broader range of households to live in Collingwood, consistent with State housing objectives.

Housing affordability pressures in Collingwood are significant, driven by high purchase prices, rising rents and extremely limited rental availability.

Currently, units (including apartments) represent the most accessible housing option in the local market, with median unit prices around \$630,000, approximately \$573,000 lower than median house prices.

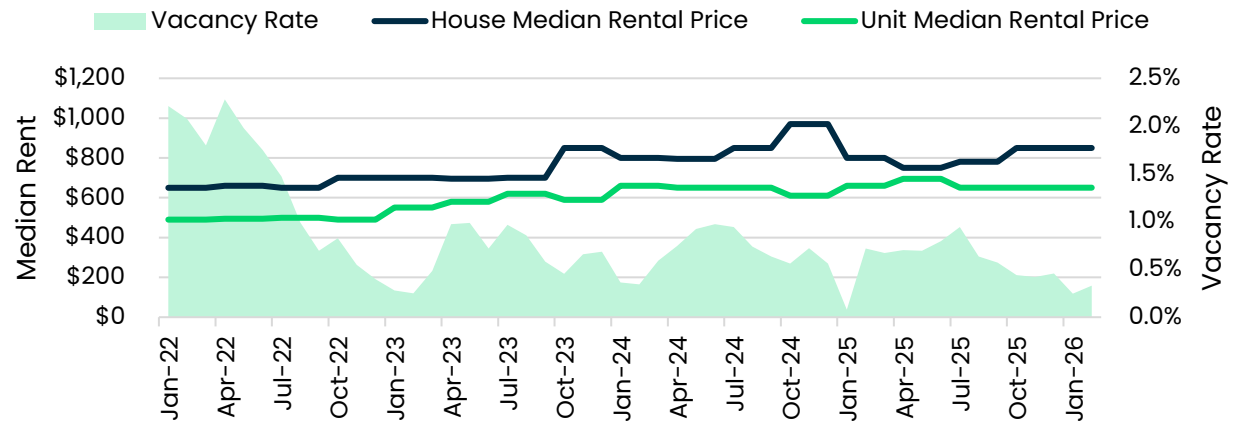
Rental affordability follows the same trend, with median unit rents around \$200 per week lower than houses. This is occurring in a highly constrained rental market, with vacancy rates below 0.5%, down from approximately 2% in January 2022.

Median house vs unit sale price in Collingwood - 2025



Source: Pricerfinder.

House vs unit median rents & total vacancy rates in Collingwood



Source: Pricerfinder, SQM.

4 Housing Diversity





The development’s dwelling mix aligns closely with both the existing household profile in Collingwood and projected changes in household composition.

The proposal includes a slightly higher proportion of 1- and 2-bedroom dwellings, responding to expected growth in lone person and couple households, while continuing to provide a range of dwelling sizes to support housing diversity. Around 14 per cent of dwellings are three-bedroom units, which sits within the range delivered by recent apartment developments in the area and contributes to the supply of family-suitable housing in a higher-density context.

Projected changes in household composition indicate a shift toward smaller household sizes in Collingwood. Between 2021 and 2036, lone person households are expected to increase by around five percentage points, with more modest growth in couple households with and without children. This is offset by a decline in other household types (including group households), pointing to a likely increase in demand for smaller and medium-sized dwellings.





In this context, the development represents an appropriate and forward-looking response to Collingwood’s future housing diversity needs.

Bedroom types in Collingwood – existing vs development

	Existing Dwellings (2021)	79 – 81 Victoria Parade, Collingwood Dwellings
 1 Bed	29.5%	32.8%
 2 Bed	50.7%	53.1%
 3 Bed	17.4%	13.6%
 4+ Bed	2.4%	0.5%

Source: ABS, Stockland.

Household types in Collingwood – existing vs forecast

	Existing Dwellings (2021)	Forecast Dwellings (2036)
 Lone Person Household	43%	48% (+5% pts)
 Couple Family without Children	29%	31% (+2% pts)
 Couple Family with Children	9%	11% (+2% pts)
 Other Household	19%	10% (-9% pts)

Source: VIF 2023, ABS.

5 Competitive fringe commercial market

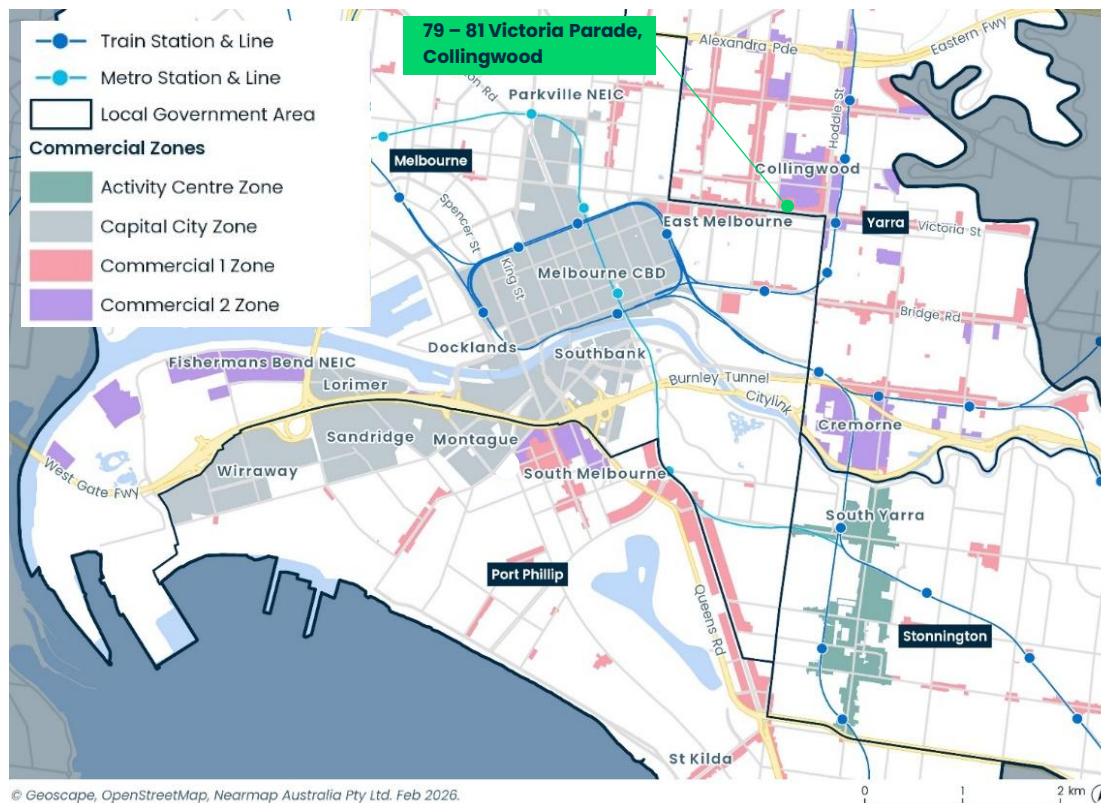
Rejuvenation of the site with a predominantly residential development as proposed, directly responds to the housing shortage identified previously and reflects current inner-city office market conditions; where demand is being pulled into the CBD by high vacancy and in turn incentives (benefits offered to tenants) along with its superior amenity, access, and scale offering.

Office demand is increasingly concentrated in Melbourne's CBD where there is some 5.5 million sq.m of office space and where competitive rents and elevated incentives continue to draw tenants away from Fringe locations such as Collingwood. Despite proximity to the city, fringe areas see structurally weaker demand due to the CBD's advantages in amenity, access and scale.

Even for tenants choosing a fringe location, there are several options (e.g. Fishermans Bend, Cremorne, South Yarra, St Kilda Road, South Melbourne), meaning not all precincts are attracting interest as office locations. Pockets of resilience can be found in some Fringe precincts where amenity and access is stronger, such as Cremorne.

More broadly, elevated vacancy and incentives across both the CBD and Fringe markets indicate ongoing softness in office demand. In this context, the subject site has limited long-term potential as a standalone commercial location and its retention for office use is not critical to broader employment objectives given the vast capacity in other areas, including the C2Z areas of Collingwood nearby.

Designated employment zones & key precincts in inner Melbourne



Office market vacancy & incentives

Market	Vacancy	Incentives
Melbourne CBD	18%	38%
Melbourne's Fringe	24%	34%

Source: Cushman and Wakefield Melbourne CBD Office MarketBeat Q3 2025; Cushman and Wakefield Melbourne CBD Fringe Office MarketBeat Q3 2025.

Note: Incentives are benefits offered to tenants either in the form of rent-free periods, cash contributions for fit-outs or rent discounts, expressed as a percentage of the gross rent.

6 Supporting Employment Precincts

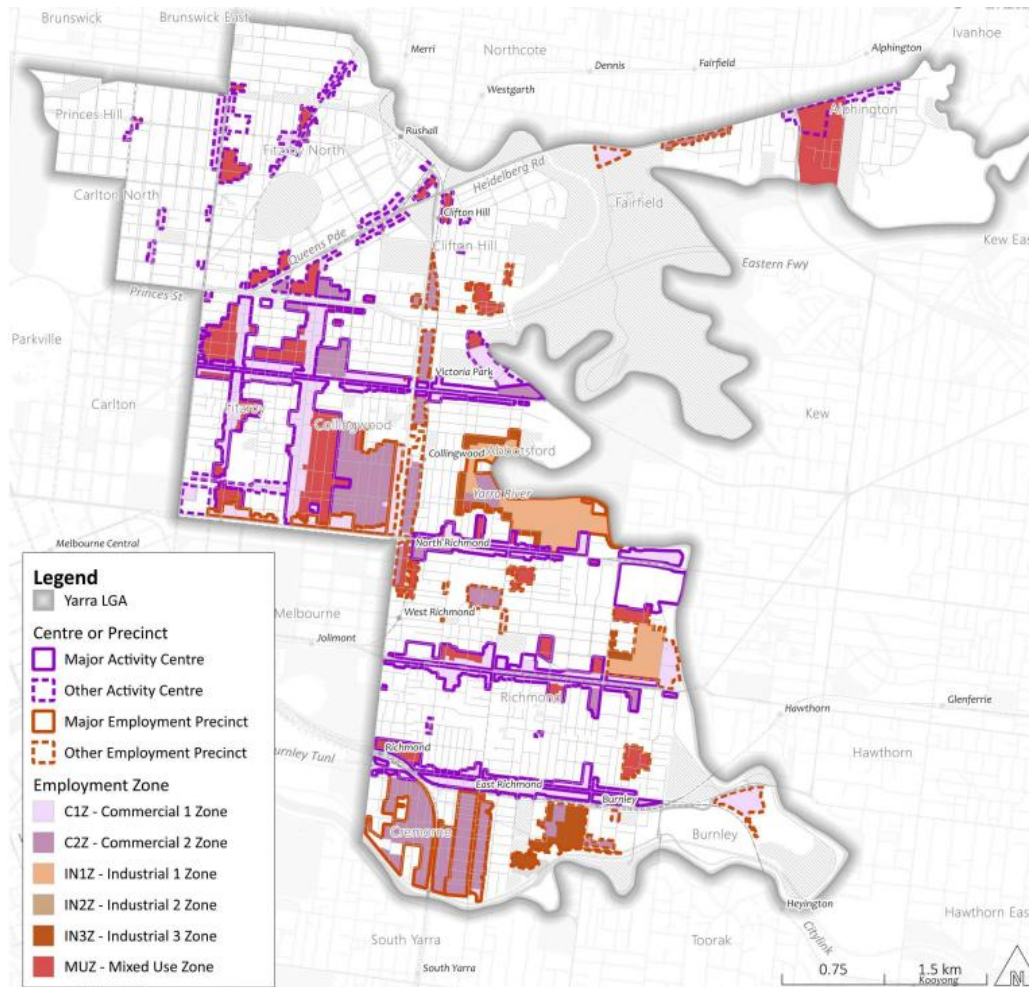
Collingwood and Cremorne contain extensive areas of Commercial 2 zoned land and designated Enterprise Precincts that are specifically intended to, and are more appropriate for, accommodating employment-focused development. These locations provide capacity for ongoing commercial growth without displacing opportunities for housing in well-located inner-urban areas.

By concentrating commercial development toward these employment precincts ultimately strengthens the clustering of office space and enhances the appeal of these employment areas.

The introduction of residential development on the subject site, complemented by commercial and retail uses at ground and lower levels, can also support the nearby employment precinct in Collingwood. It will increase local activity, support surrounding businesses and services, and enhance amenity for residents and workers.

In this way, the proposal supports employment growth both directly and indirectly, by reinforcing employment precincts as the primary focus for office development and by adding population and amenity that strengthen the functioning of nearby commercial areas.

Employment zones and activity centre boundaries



Source: Yarra City Council C2Z and Industrial Land Capacity Analysis 2025

7 Residential Development Feasibility & Benefits

A residential-led, mixed-use redevelopment is the most effective and realistic outcome for the site. It responds to the need for housing, aligns with the Commercial 1 Zone and reflects current conditions in the inner-city office market.

The site is currently occupied by an ageing office building that is unlikely to attract reinvestment for employment-only use. Office demand is increasingly being met within established employment precincts, supported by extensive Commercial 2 zoned land in Collingwood and Cremorne that is better suited to office-focused development.

Without redevelopment, the site is likely to remain underutilised. By contrast, a residential-led outcome provides a clear opportunity to unlock the site's potential and deliver much-needed housing in a location with great access to transport, services and jobs.

The proposal will also introduce active retail and commercial uses at ground and lower levels, supporting local businesses, enhancing street-level activity and improving amenity for both residents and nearby workers.

Overall, the proposal delivers a practical and policy-aligned renewal of a prominent inner-urban site, supporting housing delivery while reinforcing nearby precincts as the primary focus for employment growth.

Benefits of the proposed residential development



Provides a key housing type that's needed in the LGA

The development will satisfy projected housing needs and support the City of Yarra's continued growth.



Unlocks additional \$18 million retail spend per year*

This project will support existing businesses, encourage new retail activity and contribute employment.



Residents activate the precinct and surrounds

Residents will bring daily activity to the precinct, energising surrounding streets and directly supporting nearby commercial uses.



Active lower-level uses enhance street life and amenity

Proposed retail and commercial spaces at ground and lower levels will activate a portion of the street, providing services and convenience for residents, workers and visitors while strengthening pedestrian activity and overall amenity.



Supports social inclusion and diversity

The development offers diverse housing options and inclusive, accessible spaces that support everyday community connection.

**Source: CommBank iQ Spending Insights.*

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Consultant	Georgiana Babatsikos
Project code	P0059816
Report number	Final

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