

Skennars Heads

Small Lot Analysis and Justification

April 2017



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Executive Summary

- i. MacroPlan Dimasi has been commissioned by Intrapac Property Pty Ltd to provide an economic assessment to inform the development of Lots 1, 2 and 50 The Coast Road, Skennars Head (the subject site).
- ii. Specifically, this economic assessment is tasked with determining forecast demand conditions for small lot and multi-unit residential planned throughout the development area.
- iii. As outlined in the report, fundamental changes in the demand for housing are being driven by changing demographics, declining affordability and lifestyle trends, and are increasing the demand for greater diversity in housing types. This demand is currently being amplified by a lack of supply of affordable housing.
- iv. Specifically, a combination of factors relevant to Ballina, will drive demand and future need for a range of smaller dwellings and seniors living options, these include:
 - Fast population ageing;
 - Significant reduction in the average household size;
 - Increase prevalence of couples only and lone households; and
 - An under-delivery of multi-unit appropriate product in the last 5 years.
- v. To effectively meet and accommodate the housing needs of the future Ballina resident profile, it is important that appropriate housing is planned for and delivered. In this regard, the economic assessment of demand

undertaken within this report indicates that approximately 35% of all future growth needs to be delivered as multi-unit product.

- vi. This ensures that the diversity of housing planned is well suited to accommodate the housing needs and preferences of the expected community profile, as well as allowing for efficient planning of affordable housing product. This theme is consistent with the goals of the current State Planning policy.
- vii. Whilst over the long-term delivery of multi-unit product within Ballina has largely met the required levels of underlying demand, analysis of latest dwelling approval data indicates that delivery of medium and high density product is lagging the more popular detached dwelling format.
- viii. In this regard, the continued provision of alternate housing forms is required to meet demand and to ensure that specific market segments are not ignored and that negative community impacts are avoided.
- ix. In addition to the delivery of homes that meet the needs of changing communities, providing increased density in the right location provides for the following key benefits:
 - Encourages walkability and reduced car usage;
 - Supports resident amenity and delivery of community infrastructure in terms of public spaces;
 - Underpins the commercial viability and success of local/neighbourhood nodes. This is particularly relevant to Skennars Head, which has a key weakness noted in the Ballina LGMS of lacking commercial facilities to provide day to day convenience items.
 - Reduces marginal cost of infrastructure for Government. Increasing densities in new areas means that the cost of each unit per metre of infrastructure is less than for low density developments;

- Including a balance of low, medium and high density options in a neighbourhood accommodates a wider range of lifestyles and incomes, including product for both owner-occupiers and renters.
 - Provides for a variety of price points in terms of both purchase price and rents, where the cost of units is typically significantly below the premium for larger detached dwellings;
 - Concentrating development means less sprawl onto farmland and ecologically significant areas. Land consumption per person is decreased, while increasing transportation options improves air quality
- x. Ultimately, increased densification across the Ballina LGA is the key to responding to population growth, economic changes, new lifestyle preferences, and the sustainability imperatives outlined in current Regional Planning.
- xi. Regarding the Skennars Head subject site, which is itself a key urban growth area for Ballina and includes its own designated retail site, the analysis clearly supports the delivery of greater dwelling diversity than that which is currently proposed, including products such as homes for small lots (say 200sq.m – 300sq.m), terraces, townhouses and cottage apartments. We note that across Ballina the median residential lot size is 760sq.m and only 2% of all lots are less than 400sq.m
- xii. While it is not envisaged that the targeted 60:40 single dwelling to multi-unit split would be achieved at the subject site, there is scope for targeted density increases to be delivered in appropriate locations within the concept plan such as within a walkable 400m catchment of the retail centre and fronting major parks/amenity.
- xiii. This would significantly improve the viability of any future local centre, in addition to delivering key dwelling stock to meet the changing needs of the community.

- xiv. While the Ballina Town Centre area should remain the focal point for significant higher density development, new growth areas such as the subject site should look for opportunities to increase dwelling diversity particularly in key locations supporting delivery of local convenience centres.

- xv. In the case of the subject site and based on the results of the analysis, we recommend that 15% – 25% of the total stock be considered for and would more appropriately be delivered as multi-unit product, including homes for small lots (say 200sq.m – 300sq.m), terraces, townhouses and cottage apartments as opposed to pure detached dwelling product.

Section 1: Introduction

Scope

MacroPlan Dimasi has been commissioned by Intrapac Property Pty Ltd to provide an economic assessment to inform the development of Lots 1, 2 and 50 The Coast Road, Skennars Head (the subject site). Specifically, this economic assessment is tasked with determining forecast demand conditions for small lot and multi-unit residential planned throughout the development area.

Fundamental changes in the demand for housing are being driven by changing demographics, declining affordability and lifestyle trends, and are increasing the demand for greater diversity in housing types.

This demand is currently being amplified by a lack of supply of affordable housing. Our assessment will focus on analysis of these key socio-economic demand drivers, and will incorporate the following key report formulation elements:

- **Strategic Policy and Priorities**, including a review of current and relevant policy and priorities in relation to the delivery of increased density, dwelling diversity, walkability and increased affordability
- Undertake **dwelling structure analysis and review recent housing trends** – includes a review of 2011 Census information to baseline household types, dwelling structures and family mix (lone persons, single parents etc). This analysis will be supplemented by analysis of building approvals by type (houses and other) at a small area.
- Review **Population Growth Projections and Age Profiling** – Review of the most recent Department of Planning and Environment population and household projections (2016), including analysis of population growth and ageing and household size trends

- Undertaken **household and dwelling preference profiling** - This profile provides an indication of the likely composition of dwelling types based on the preferences determined by the age profile.
- Prepare **Housing Diversity Demand Model** - The housing diversity assessment has analysed age-specific dwelling composition/preference rates to generate a dwelling profile projection for the area and quantify impacts of demographic change and level of need for of Housing Diversity and Delivery of Socially Inclusive Communities

Subject Site

The subject site is located at Lots 1, 2 and 50 The Coast Road, Skennars Head NSW, situated between the regional centre of Ballina (approximately 6 km north-east) and the coastal village of Lennox Head (Figure 1).

Skennars Head itself is a coastal suburb, located adjacent to Sharpes Beach. The Coast Road is the main access route that links Skennars Head with Lennox Head in the north, as well as providing access further north to Byron Bay; and provides direct access into Ballina to the south.

The Skennars Head concept master plan comprises around 450 residential lots over two stages, located along The Coast Road, to the south of Headlands Drive. The site is slightly set back from The Coast Road, with the main access proposed via a traffic intersection along The Coast Road at the north of the development.

Figure 1. Subject Site Location



Source: Google Earth Pro (25/8/2016). Note site boundaries are approximate and for illustration only.

Section 2: Housing Diversity Policy

This section undertakes a review of relevant policy and priorities in relation to the delivery of increased density, dwelling diversity, walkability and increased affordability.

Far North Coast Regional Strategy: 2006 - 2031

The Far North Coast Regional Strategy is a regional plan prepared by the NSW State Government and was released in 2006 with the stated objective of managing the Far North Coast Region's expected high growth rate in a sustainable manner.

In addition to Ballina within which the subject site is located, the strategy applies to five other local government areas including Byron, Kyogle, Lismore, Richmond Valley and Tweed.

The strategy aimed to support future growth by encouraging the development of non-coastal centres and reducing the spread of coastal development and in doing so identified the key challenge as:

Providing choice in housing form and affordability in appropriate locations that responds to changing demographics and the associated reduction in household occupancy rates

The strategy estimated that approximately 51,000 new dwellings will be needed to house an additional 60,400 people over the period from 2006 to 2031¹. Allowing for unoccupied private dwellings, this equates to a household size of 1.27 persons per household for the additional dwellings, and reflects the projections for smaller households and an ageing population

¹ A 7% buffer was built into the proposed dwelling targets to address future estimated vacancy rates and tourism needs.

Within the Strategy, Ballina was identified as a developing Major Regional Centre. Major Regional Centres were target to contain 35% of the Region’s additional housing, and reinforced as the major service and population centres. As illustrated in Table 1, an additional 8,400 dwellings were identified for the Ballina LGA.

Table 1. Far North Coast Regional Strategy - Dwelling Targets by LGA

LGA	Existing dwellings (2006)	Additional new dwellings to 2031
Ballina	16 720	8 400
Byron	13 090	2 600
Kyogle	4 110	3 000
Lismore	17 640	8 000
Richmond Valley	8 710	9 900
Tweed	34 650	19 100
Totals	94 920	51 000

Source: NSW Government, Department of Planning; Far North Coast Regional Strategy, 2006 - 2031

In regard to housing mix, the Strategy aims to achieve a more appropriate mix for future housing that reflects the Region’s changing housing needs (i.e. 60% single dwellings and 40% multi-unit for the 51,000 proposed dwellings within the Town and Village Growth Boundaries by 2031).

For Ballina, this equates to 5,040 (202 p.a) detached single dwellings and 3,360 (134 p.a) attached multi-unit products for the period from 2006 to 2031.

Draft North Coast Regional Plan 2016

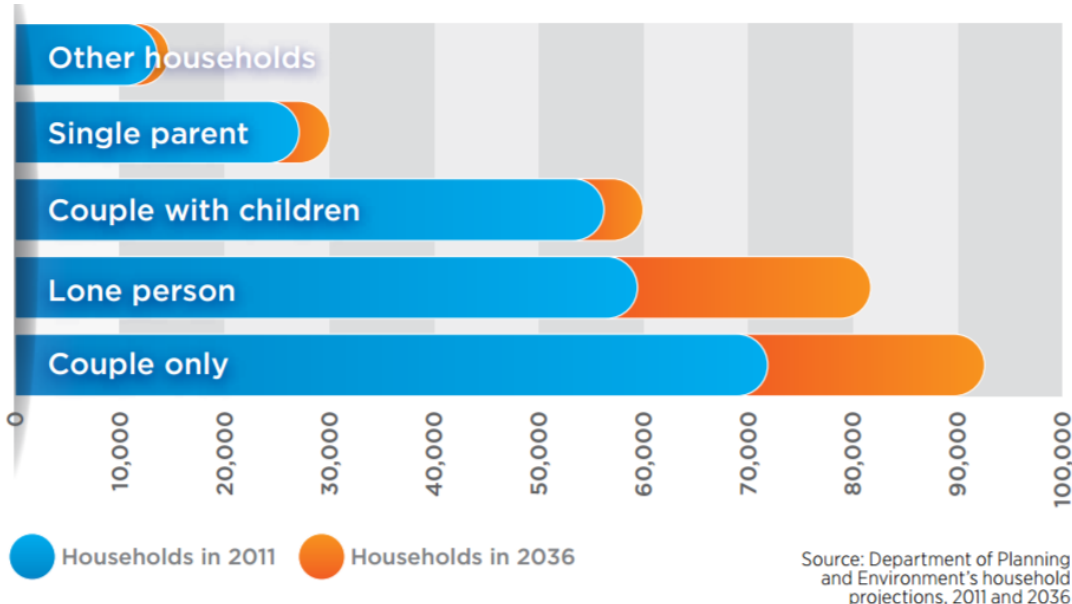
The Draft North Coast Regional Plan 2016 is an update of previous Far North Coast Regional Strategy prepared by the NSW State Government. The Plan is currently in draft status, and seeks to provide the strategic policy, planning and decision-making framework to guide the region to sustainable growth over the next 20 years.

The draft Plan applies to 13 councils - Tweed, Byron, Ballina, Lismore, Richmond Valley, Kyogle, Clarence Valley, Coffs Harbour, Bellingen, Nambucca, Kempsey, Port Macquarie–Hastings and Greater Taree.

One of the 5 major goals of the strategy (Goal 3) is housing choice, specifically the delivery of homes that meet the needs of changing communities. The plan estimates that over 90 per cent of the region’s population growth to 2036 will be people aged over 65 years, increasing from a current proportion of 20% to 31% of the population.

As illustrated in Figure 2, this demographic change is expected to drive significant changes in household composition, with large increases in lone person and couple only households. This change is expected to increase demand for smaller and multi-dwelling housing such as townhouses and residential flats.

Figure 2. Draft North Coast Regional Plan Forecast Household Composition



Source: NSW Government, Department of Planning; Draft North Coast Regional Plan, 2016

By 2036, the draft Plan identifies the need for the Region to accommodate an additional 97,000 people and 72,200 dwellings. In regard to housing mix, the draft Plan retains the current policy for multi-unit housing to represent 40 per cent of new housing (an additional 28,900 townhouses, villas and residential flats across the region by 2036).

As illustrated in Table 2, this equates to an additional 3,100 to 3,700 dwellings for the Ballina Shire. Based on the current policy targets, this equates to 1,240 to 1,480 multi-unit dwellings.

Table 2. Draft North Coast Regional Plan Dwelling Forecasts by LGA (2036)

Local Government Area	Number of dwellings in 2011	Additional dwellings needed by 2036
Tweed	41,300	14,000 - 16,860
Byron	15,200	3,750 - 4,500
Ballina	18,650	3,100 - 3,700
Lismore	19,450	4,200 - 5,000
Richmond Valley	10,200	2,000 - 2,400
Kyogle	4,700	150 - 180
Clarence Valley	24,700	4,450 - 5,300
Coffs Harbour	32,050	11,000 - 13,200
Bellingen	6,150	250 - 300
Nambucca	9,550	1,500 - 1,800
Kempsey	13,900	1,400 - 1,700
Port Macquarie-Hastings	35,500	10,750 - 12,900
Greater Taree	22,950	3,500 - 4,200

Source: NSW Planning and Environment, 'Population, Household and Dwelling Projections', 2014

Source: NSW Government, Department of Planning; Draft North Coast Regional Plan, 2016

This region-wide targets aim to help deliver a greater choice of housing, which can improve affordability, cater for the demands of an ageing population and meet the growth in the number of smaller households

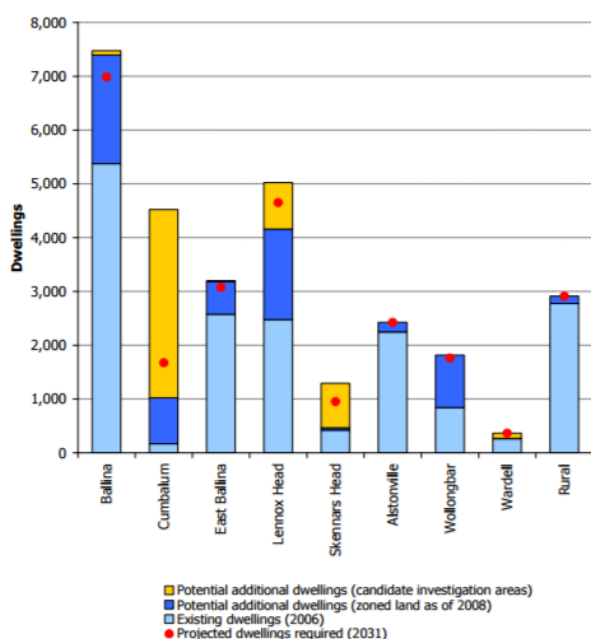
Ballina Shire Growth Management Strategy

The purpose of the Ballina Shire Growth Management Strategy is to provide the framework for managing population and employment growth in Ballina Shire over the planning period of 2012-2031.

In regard to land supply and demand, the Growth Management Strategy identifies significant areas of land that have potential for future residential development, known as Strategic Urban Growth Areas

These areas have then been assessed against the underlying demand projections for dwellings to assess land stocks and urban development requirements. The outcome of this analysis is illustrated in Figure 3 below. As shown, the identified Strategic Urban Growth Areas appear sufficient to accommodate the population demand projected for Ballina Shire beyond the next 20 years.

Figure 3. Ballina Shire Growth Management Strategy – Dwelling Supply



Source: Ballina Shire Growth Management Strategy, 2012.

While the forecast suggests that sufficient supply exists in lands identified in the local growth management strategy to accommodate the forecast population demand, over the long-term, the plan acknowledges that it does not reflect, the availability of 'appropriate housing', and that in the shorter term:

supplies of urban zoned land need to be regularly augmented (via rezoning of suitable lands) to provide a diversity of residential opportunities within the various urban settlements and distinct housing markets (or sub-markets).

The Strategy aims to support an increase dwelling density target through a number of actions, namely:

- Including a strategic action to identify preferred precincts for infill development intensification including lot consolidation and multi-storey development having regard for:
 - proximity to key community and commercial facilities;
 - capacity of urban infrastructure;
 - residential amenity and heritage values;
 - provision and retention of affordable housing; and
 - the environmental constraints and opportunities of the land.

- Requiring future greenfield development areas to meet a gross neighbourhood dwelling density of 15 dwellings per hectare.

Ballina Shire Affordable Housing Strategy

The Ballina Shire Affordable Housing Strategy was adopted in March 2010, with the aim of identifying and responding effectively to key concerns of the community with respect to the availability of affordable housing.

The plan identifies that adequately addressing the housing issues facing Ballina Shire requires a dual focus, targeting both Affordability and Appropriateness.

Affordability - seeking to ensure that housing (either rental or owner-occupied) is fairly accessible for all members of the community; and

Appropriateness - seeking to ensure that the 'housing stock' reflects the housing needs of the community. These two compatible concepts are further explained below.

The term 'affordable housing' simply refers to the need to ensure that the cost of housing (rental or owner occupied) is not excessive in terms of household income, focusing particularly on low to moderate-income households. Whereas to be adequate, accommodation needs to be accessible and suited to residents' needs.

In regard to delivery of appropriate housing, the plan states that:

- *Housing should be located close to key services and infrastructure to maximise opportunities for people to access and use such facilities. At the same time such housing needs to be affordable.*
- *Future housing development should seek to be appropriate to the needs of both existing and future residents. Attention should be paid to ensuring that there is a diversity of housing options for people across the spectrum of age and lifestyle choice.*

The Strategy outlines that an inability to cater for this change may result in the occupation of inappropriate housing (too large or too small) and/or in inconvenient locations (distant from friends & family or services).

Because of the above, the Strategy anticipates that the future demand for housing may require a greater component of higher density development in some locations in the future and that a fundamental role for Council exists in encouraging developers to provide a greater diversity of dwelling types in residential developments.

Section 3: Need for Housing Diversity

This section provides an assessment of the drivers of change impacting housing demand conditions, product diversity and the related planned housing mix throughout Ballina.

Existing Demographic and Dwelling Analysis

To demonstrate the requirements of housing diversity, the age profiling and dwelling structure assessment is a necessary step to determine specific demand attributes of the community including housing group types and dwelling preferences.

For this assessment, three areas have been used for the basis of benchmarking and comparison, including;

1. Ballina Local Government Area;
2. Lennox Head – Skennars Head Statistical Area 2 (SA2)²; and
3. Skennars Head State Suburb (SSC)³

The three areas are spatially relevant to the subject site, and are important benchmarks as they represent varying stages of development and maturity. Ballina LGA being the wider regional area within which the subject site is located, including a full range of services and facilities and diverse range of housing sub-markets and product types. The Lennox Head – Skennars Head area is more localised catchment with neighbourhood level retailing and services and significant housing diversity and the Skennars Head SSC an evolving growth area and discreet sub-market within which the subject site is located.

² The SA2s are a general-purpose medium-sized area built from whole SA1s. Their aim is to represent a community that interacts together socially and economically. There are 2,196 SA2 spatial units. In aggregate, they cover the whole of Australia without gaps or overlaps. The SA2 is the lowest level of the Australian Statistical Geography Standard (ASGS) structure for which Estimated Resident Population (ERP) data are generally available.

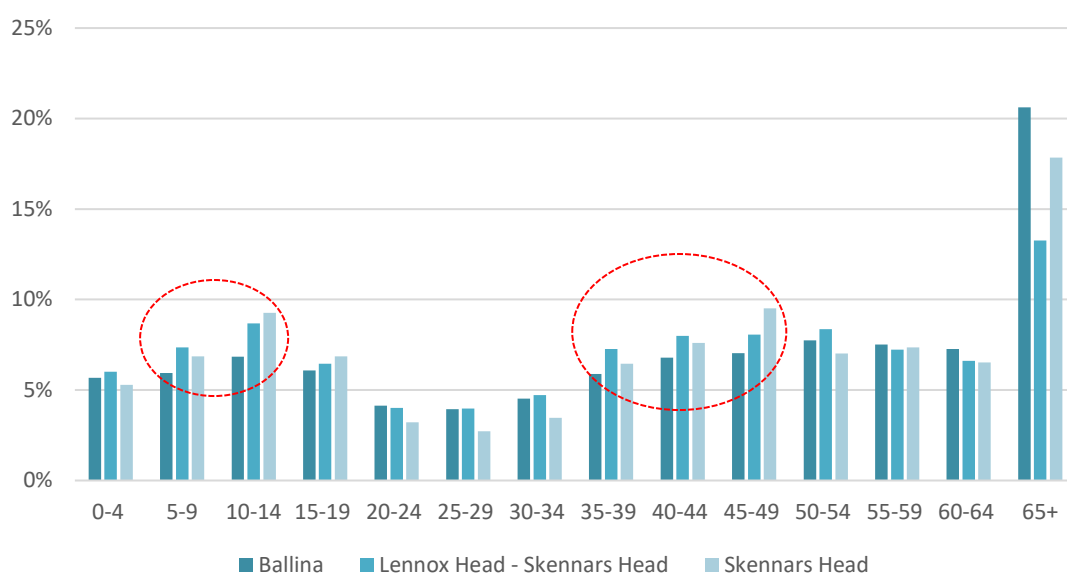
³ State Suburbs (SSCs) are an Australian Bureau of Statistic (ABS) approximation of localities gazetted by the Geographical Place Name authority in each State/Territory.

Population and Age Profile

The Ballina LGA is characterised by a relatively old population, with a median age of 51 as at the 2011 Census. As illustrated in Figure 4 below, 21% of the population is aged above 65+.

Comparatively the Lennox-Skennars Head area is significantly younger with a median age of 40. Both the Lennox Head – Skennars Head SA2 and the Skennars Head SSC are characterised by above average levels of persons aged 35 – 49 and children aged 5-14.

Figure 4. Population by Age



Source: Australian Bureau of Statistics, Census of Population and Housing 2011

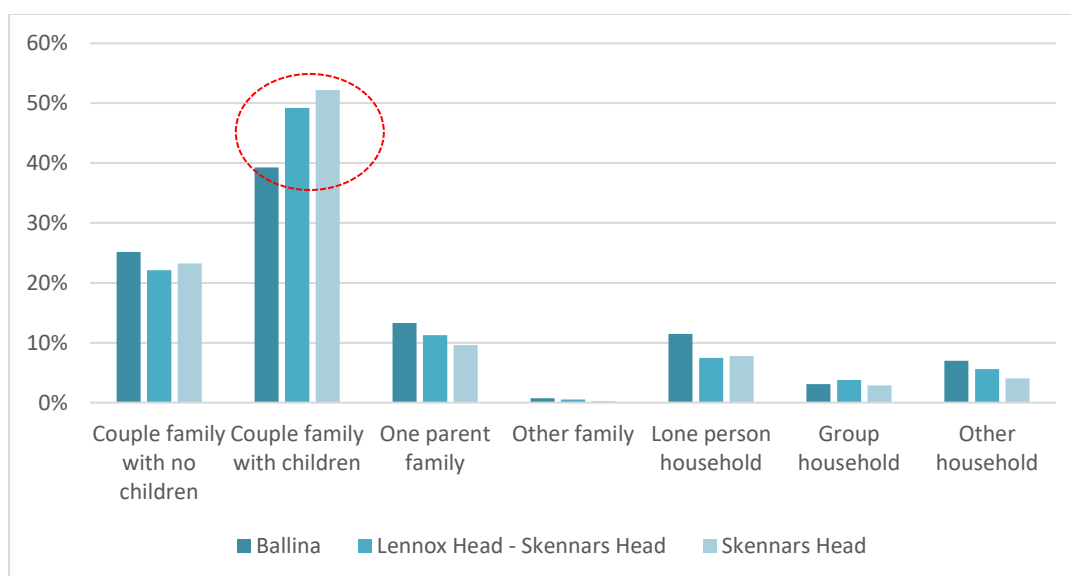
From a buyer profile perspective, these persons/households are often referred to as market 'upgraders'. Broadly, persons in this age cohort are already in the property market but, due to changing life circumstances, are generally looking to upgrade to a larger/higher quality property that can be financed through the sale of their existing dwelling.

The predominance of the couple family with children household in the SA2 and SSC area are illustrated in Figure 5. In comparison, the wider Ballina area has a more

diverse profile, including higher proportions of lone person and one parent family households.

This is both a reflection of an area’s maturity and the availability of appropriate housing types on the ground, and would suggest regarding housing mix, that the Skennars Head SSC has lows levels of multi-unit and/or senior living housing provision.

Figure 5. Household Composition



Source: Australian Bureau of Statistics, Census of Population and Housing 2011

Dwelling Structures

As would be expected in terms of dwelling mix, the Ballina LGA has a more diverse structure profile than when compared to the smaller Lennox Head – Skennars Head SA2 and Skennars Head SSC areas.

In terms of the single dwelling and multi-unit housing split, the Ballina LGA currently has 28% multi-unit housing, the Lennox Head Skennars Head SA2 26% and Skennars Head 14%.

The dwelling structure profile for each area is shown in Figure 6 following. Note that the proportion for Skennars Head are skewed somewhat by the high proportion of ‘other’ which relates to persons living in the Big 4 Ballina Headlands caravan park.

We note that while the Lennox Head Skennars Head SA2 has very little apartment product it does have a very high proportion of attached dwellings in the form of townhouse, duplex etc.

Figure 6. Dwelling Structure Profile



Source: Australian Bureau of Statistics, Census of Population and Housing 2011

Currently Skennars Head has no apartment product and 11% of product categorised as attached dwellings. This profile will likely change as underlying demand for new product emerges and the area evolves and matures in terms of community infrastructure and services.

Migration

In terms of the wider Ballina local government area, if you exclude those residents who move within the Shire itself (representing 45% of all intercensal movements), growth to the area has been historically driven by migrants from other parts of NSW – together equating to approx. 60% of all new residents moving into the shire.

Specifically, of those persons who to move into the Ballina LGA between the 2006 and 2011 period;

- 59% were from other parts of NSW;
- 29% were from interstate locations; and
- 10% were from overseas.

Table 3 further dissects this migration data, by illustrating the Top 10 local government areas from where new Ballina residents originated over the 2006 to 2011 period. Excluding overseas persons, key geographic target markets identified from this data include:

1. Major regional / Country NSW towns - for which Ballina often represented a previous holiday destination, and subsequently a coastal seachange destination for both pre-retiree and retirement aged persons.
2. Byron area; for which Ballina represents a more affordable location for first home buyers and more dwelling options for both upgraders and downsizers with proximity to job opportunities.
3. South East Queensland; proximate coastal seachange and lifestyle destination within 1 hour drive of the Gold Coast and 2 hours' drive of Brisbane.
4. Sydney & Central Coast – for which Ballina represents a coastal, lifestyle destination for both mature families and pre-retirees.

Table 3. In-Migration by Origin

Ballina LGA		Lennox Head - Skennars Head	
<i>Origin</i>	<i>Persons</i>	<i>Origin</i>	<i>Persons</i>
Lismore (C)	902	Overseas	221
Overseas	768	Byron (A)	169
Byron (A)	564	Lismore (C)	90
Brisbane (C)	327	Brisbane (C)	68
Richmond Valley (A)	307	Gold Coast (C)	58
Gold Coast (C)	253	Warringah (A)	54
State Undefined (NSW)	135	Richmond Valley (A)	30
Tweed (A)	122	Coffs Harbour (C)	26
Clarence Valley (A)	117	Sunshine Coast (R)	24
Sunshine Coast (R)	107	Gosford (C)	21

Source: Australian Bureau of Statistics, Census of Population and Housing 2011

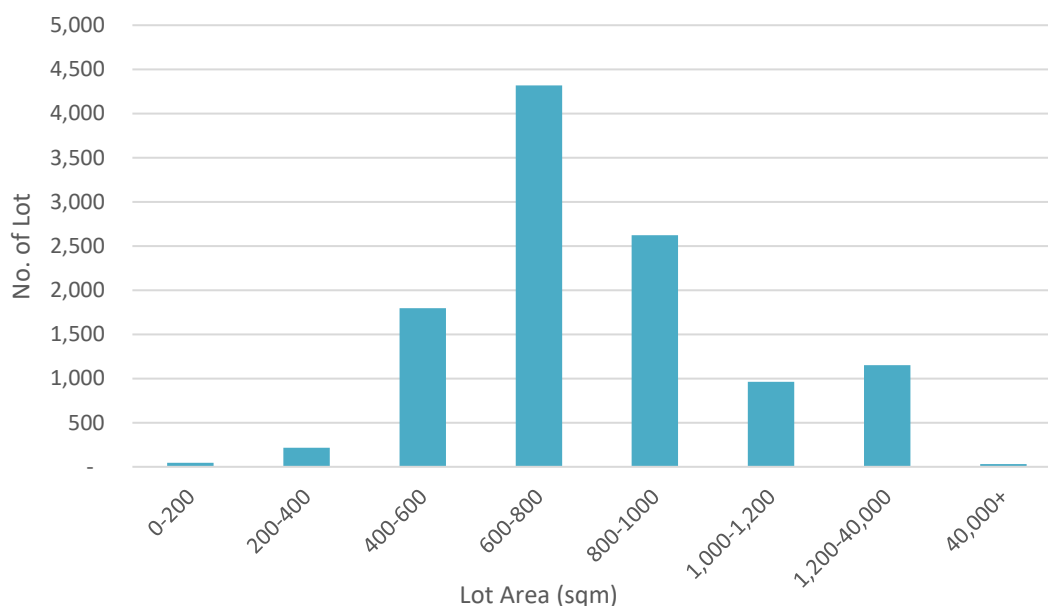
As illustrated in Table 3, the in-migration profile to the Lennox Head – Skennars Head SA2 is largely comparable to the wider Ballina profile.

Lot Size Analysis

Based on analysis of the latest available cadastre layer for Ballina from NSW Spatial library, there are currently a total of 11,141 R2 and R3 zoned residential use lots in Ballina area.

Analysis of this data, indicates that the median lot size is 762 sqm⁴. As illustrated in Figure 7 below, majority of the residential lots were sized in the 600 sqm to 1,000 sqm range, while the proportion for lots sized under 400 sqm was only 2%.

Figure 7. Ballina Residential Lot Size Distribution



Source: NSW Government Cadastre layer for Ballina from NSW Spatial library, MacroPlan Dimasi

Figure 8 and 9 illustrate the spatial distribution of lot sizes across the Ballina, Lennox and Skennars Head areas, and illustrates the relative paucity of small lots across the area.

⁴ The average lot size is significantly larger at 1,501 sqm, as it is inflated by many large zoned englobo land parcels.

Figure 8. Residential Lot Size (Ballina)



Source: NSW Government Cadastre layer for Ballina from NSW Spatial library, MacroPlan Dimasi

Figure 9. Residential Lot Size (Lennox Head / Skennars Head)

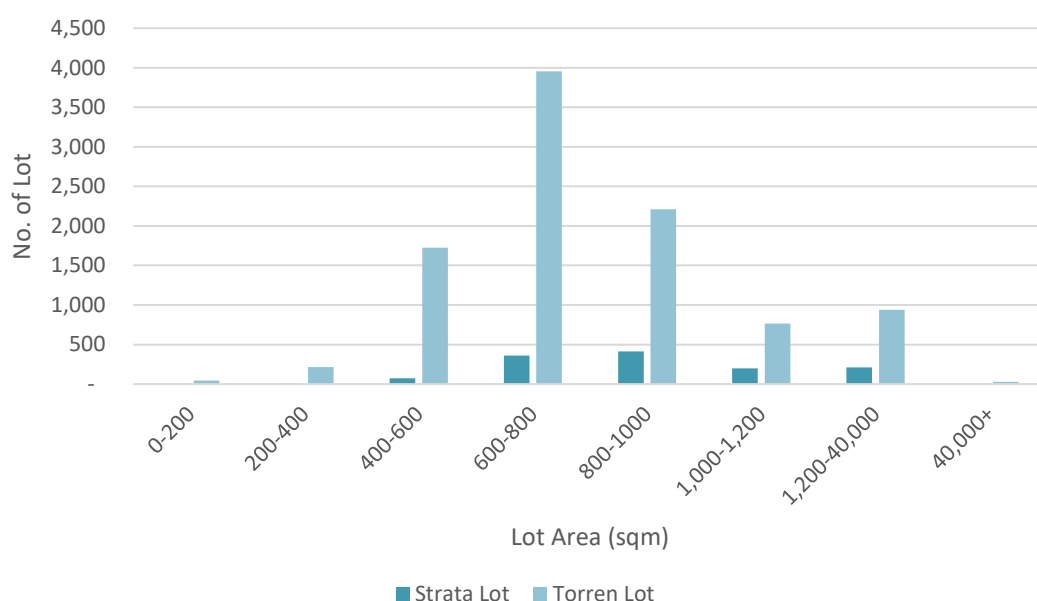


Source: NSW Government Cadastre layer for Ballina from NSW Spatial library, MacroPlan Dimasi

In terms of lot title, the predominate type of land title in Ballina is torrens with 89% of total residential lot stock, and strata title lots at 11% of the total.

Figure 10 below illustrates the range of lot types by title and size across the Ballina LGA. As illustrated, the medium to large size lot (400 sqm to 1,000 sqm) represents the largest proportion of torrens title lot stock in Ballina at approximately 80%.

Figure 10. Ballina Residential Lot Size Distribution by Title



Source: NSW Government Cadastre layer for Ballina from NSW Spatial library, MacroPlan Dimasi

We note that the median lot size for strata lots is smaller than that for standard torrens titled blocks at approximately 730sqm. Only 6% of all strata blocks are less than 600sq.m

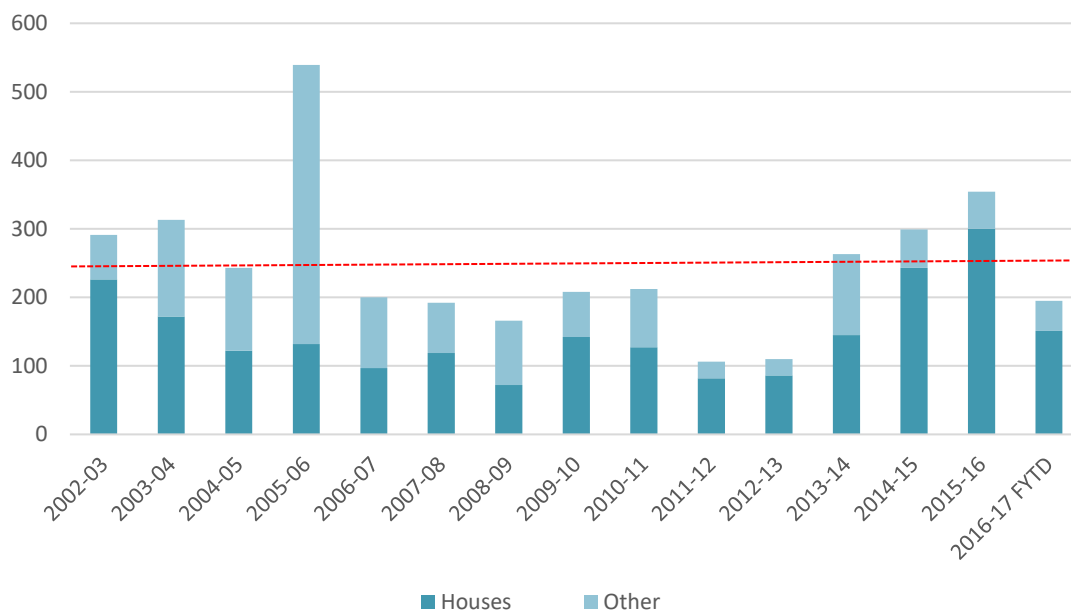
Development Trends

In the absence of updated Census data, an analysis of building approvals data has been undertaken to track recent development trends in the provision of housing diversity.

Within the Ballina region over the longer term, there has been on average 250 residential dwellings approved annually from 2002 to 2016. Over this period, approximately 60% have been houses and 40% other, i.e. attached and apartment.

This data is presented in Figure 11 and is consistent with the targets established in the Far North Coast Regional Strategy and the current Draft North Coast Regional Plan.

Figure 11. Ballina Residential Building Approvals



Source: Australian Bureau of Statistics, 8731.0 - Building Approvals, Australia, Feb 2017

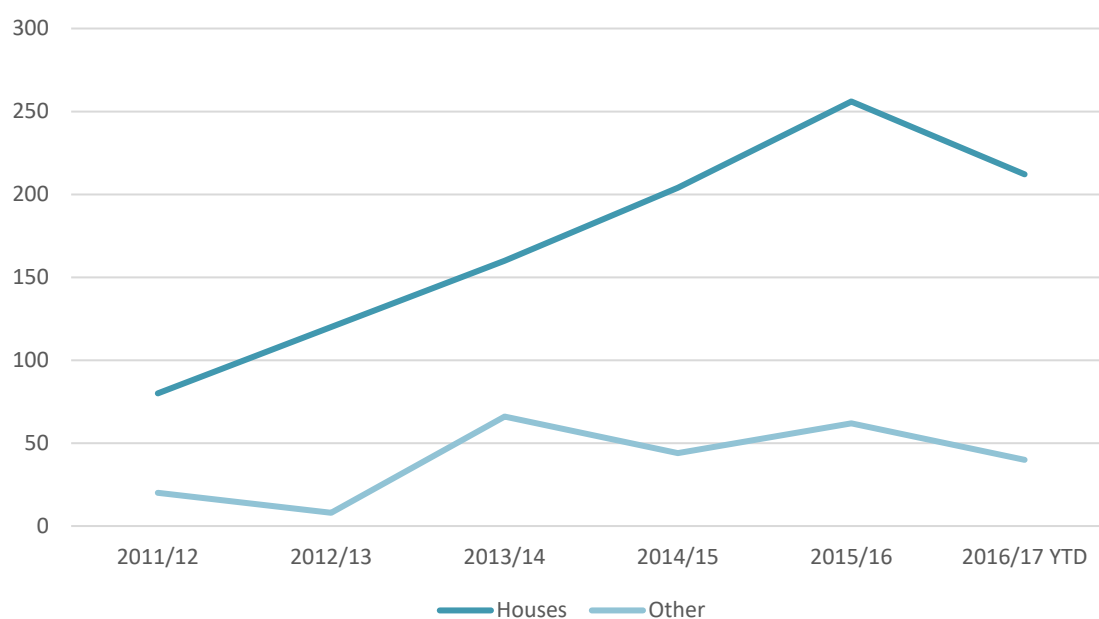
As illustrated in Figure 11, we note that a sizable proportion of the total multi-unit approvals were granted pre-GFC and in particular, within the 2005-06 financial year (28%).

Since then, and specifically since the previous Census period on which the proceeding demographic analysis is based, the number of multi-unit approvals has fallen away. From 2011/12, the proportion of multi-unit approvals has equalled 28% and significantly below the long-term average.

While the market has in recent times rebounded strongly in terms of house approvals, the development appetite for multi-unit product has lagged.

In terms of the Lennox Head - Skennars Head SA2, the trends are similar, with robust growth in the house approvals since 2011/12 and limited growth in multi-unit dwelling approvals.

Figure 12. Lennox Head - Skennars Head SA2 Residential Building Approvals



Source: Australian Bureau of Statistics, 8731.0 - Building Approvals, Australia, Feb 2017

Over the period since 2011/12, only 18.9% of total approvals have been for 'Other' or multi-dwelling stock

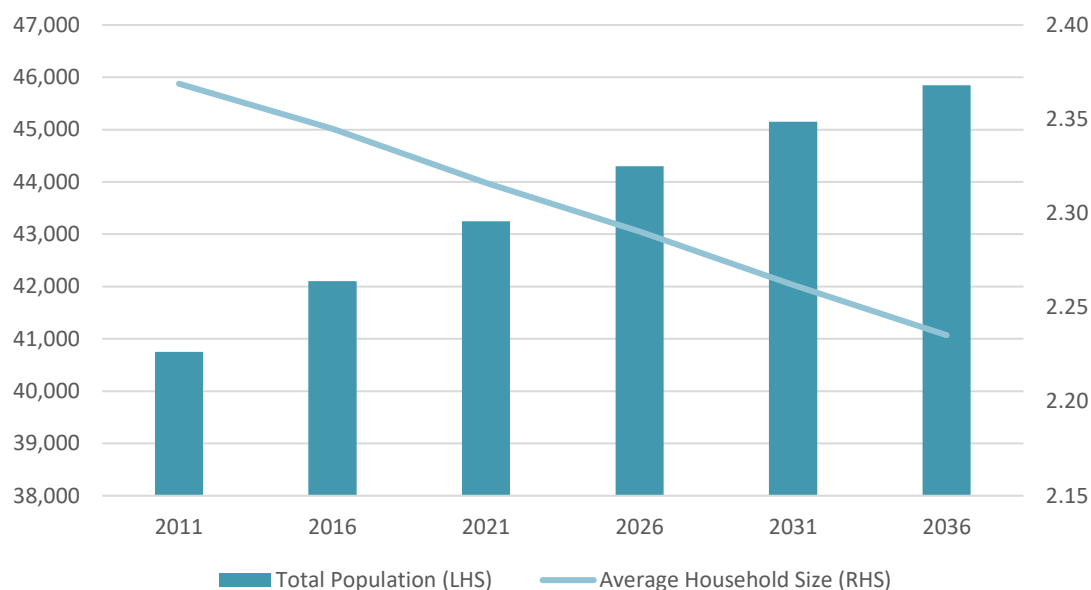
Population Forecasts

According to the NSW Department of Planning and Environments latest 2016 Population and Household Projections, Ballina's population is expected to increase from an estimated 42,100 in 2016 to 45,850 in 2036, an increase of 3,750 persons.

Over the same period, the average household size is expected to decrease significantly from an estimated 2.34 persons per household in 2016 to 2.24 in 2036.

The impact will be that the underlying household demand and hence dwellings will increase at a faster rate than the population.

Figure 13. Ballina LGA Population Growth Projection



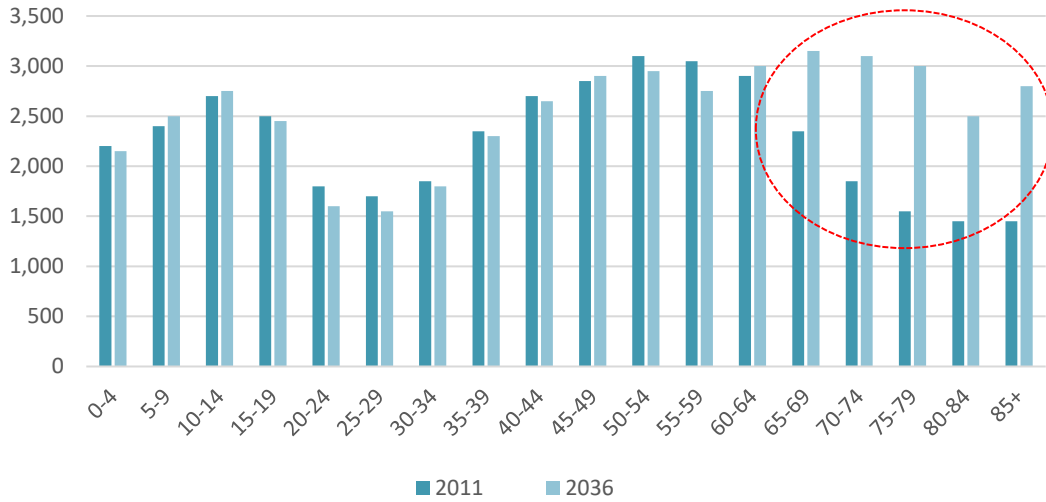
Source: Department of Planning and Environment, 2016 New South Wales State and Local Government Area Population and Household Projections, and Implied Dwelling Requirements

Over the analysis period to 2036, the Departments projections show the rate of population growth declining over time, from a rate of 0.7% over the 2011-16 period to 0.3% by 2031-36. Average annual growth over the period is 0.43% per annum, or an estimate 128 dwellings per annum from 2016 to 2036.

Population ageing in Australia is a well-recognised demographic change which is projected to have major effects on the future size and composition of the Australian population. As illustrated in Figure 14, the Ballina population itself is projected to undergo significant growth and ageing over the period.

As illustrated, the proportion of the population aged 65+ is expect to increase from 21% currently to over 32% by 2036.

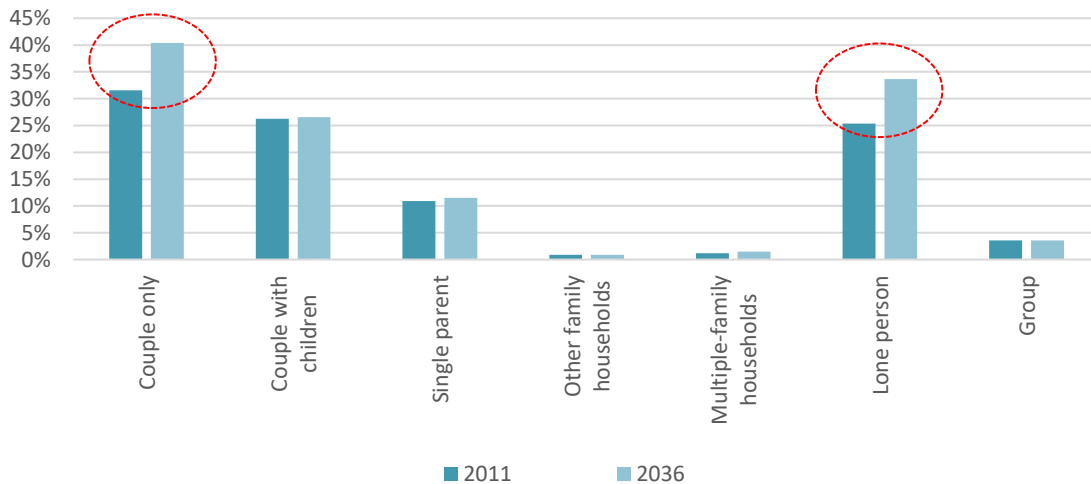
Figure 14. Ballina LGA Population Ageing



Source: Department of Planning and Environment, 2016 New South Wales State and Local Government Area Population and Household Projections, and Implied Dwelling Requirements

In combination with this rapid ageing, by year 2036, the largest forecast increase of household type is expected in couple families without children and lone person households. The compositional change in family structure forecast for the Ballina LGA over the period 2011 to 2036 is shown in Figure 15.

Figure 15. Ballina Forecast Family Structure



Source: Department of Planning and Environment, 2016 New South Wales State and Local Government Area Population and Household Projections, and Implied Dwelling Requirements

As outlined throughout this section, fundamental changes in the demand for housing are being driven by changing demographics and are increasing the demand for greater diversity in housing types.

Specifically, a combination of factors relevant to Ballina, will drive demand and future need for a range of smaller dwellings and seniors living options, these include:

- Fast population ageing;
- Significant reduction in the average household size;
- Increase prevalence of couples only and lone households;
- A large average lot size of 760sq.m and only 2% of existing lost less than 400sq.m
- An under-delivery of multi-unit appropriate product in the last 5 years.

Section 3: Implications for Housing Demand

This section expands on the previous analysis of underlying drivers of demand and housing diversity, and uses dwelling preference profiling to identify future housing implications for both Ballina and the subject site.

Household and Dwelling Preference Profiling

The housing diversity assessment has analysed age-specific dwelling composition/preference rates to generate a future dwelling profile for the Ballina area.

This profile provides an indication of the likely composition of dwelling types in Ballina based on the current preferences determined by the age profile and family composition.

Table 4 provides an indication of the proportion and total number of dwelling types by age cohort based on a total population of 45,850 in 2036, as per the NSW Department of Planning and Environments latest 2016 projections.

Based on achieving the projected population of 45,850 persons, the total occupied dwelling stock required will be 20,895 dwellings.

As illustrated, separate dwellings will continue to be the predominate product type demanded with 72% of total stock, and multi-unit dwellings at 28% of the total.

As illustrated, based on current dwelling preference patterns the highest uses of multi-unit product will be those aged 65+ and lone person households, both major growth segments in the Ballina demographic.

Table 4. Ballina LGA - Dwelling Type Preferences by Age Profile and Family Composition (2036)

	Separate Dwelling	Attached Dwelling	Apartment Dwelling	Dwellings
0-14 & 25-49	4,672	890	691	6,254
15-24	980	202	172	1,355
50-64	3,276	513	472	4,261
65+	6,114	1,167	1,744	9,026
Overall	15,043	2,772	3,080	20,895
	Separate Dwelling	Attached Dwelling	Apartment Dwelling	Dwellings
0-14 & 25-49	22.4%	4.3%	3.3%	29.9%
15-24	5%	1%	1%	6%
50-64	15.7%	2.5%	2.3%	20.4%
65+	29%	6%	8%	43%
Overall	72%	13%	15%	100%
	Separate Dwelling	Attached Dwelling	Apartment Dwelling	Dwellings
Couple family with no children	27%	3%	3%	34%
Couple family with children	19%	1%	1%	21%
One parent family	7%	2%	1%	10%
Lone Person	18%	6%	9%	34%
Group	0%	0%	0%	0%
Other	2%	0%	0%	2%
Overall	72%	13%	15%	100%

Source: Australian Bureau of Statistics, Census of Population and Housing 2011; MacroPlan Dimasi 2017.

As illustrated the changing demographic structure projected is creating demand for greater diversity in housing types. Specifically, for Ballina, the changing profile will create demand for an additional 2,610 dwellings to 2036, including:

1. 1,697 separate dwellings;
2. 331 attached dwellings
3. 581 apartments

This profile equates to 65% single dwellings and 35% multi-unit dwellings, which we note is marginally below the targets set-out in the State planning documents.

The following table provides further analysis of the housing diversity requirement throughout Ballina, and indicates the net change in separate, attached, and apartment dwellings by age profile out to 2036. Note the analysis is based on net gain, that is it accounts for dwelling churn and the growth and decline in each age cohort.

As illustrated over the 2016 to 2036 period, multi-unit dwellings will become increasingly more relevant to meet the needs to the population.

Table 5. Ballina LGA – Net Gain Dwelling Type Preferences by Age Profile (2016 to 2036)

	Separate Dwelling	Attached Dwelling	Apartment Dwelling	Dwellings
0-14 & 25-49	-32	-23	-20	-75
15-24	-72	-21	-19	-112
50-64	-193	-30	-28	-252
65+	1,995	405	648	3,048
Overall	1,697	331	581	2,610
	65%	13%	22%	100%

Source: Australian Bureau of Statistics, Census of Population and Housing 2011; MacroPlan Dimasi 2017.

Implications for Future Development

The previous analysis outlines the key factors driving demand and future need for dwelling diversity in Ballina.

To effectively meet and accommodate the housing needs of the future Ballina resident profile, it is important that appropriate housing is planned for and delivered. In this regard, the economic assessment of demand indicates that approximately 35% of all future growth needs to be delivered as multi-unit product.

This ensures that the diversity of housing planned is well suited to accommodate the housing needs and preferences of the expected community profile, as well as allowing for efficient planned of affordable housing product. This theme is consistent with the goals of the current State Planning policy.

Whilst over the long-term delivery of multi-unit product within Ballina has largely met the required levels of underlying demand, analysis of latest dwelling approval data indicates that delivery of medium and high density product is lagging the more popular detached dwelling format.

In this regard, the continued provision of alternate housing forms is required to meet demand and to ensure that specific market segments are not ignored and negative community impacts are avoided.

In addition to the delivery of homes that meet the needs of changing communities, providing density in the right locations provides the following key benefits:

- Encourages walkability and reduced car usage;
- Supports resident amenity and delivery of community infrastructure in terms of public spaces;
- Underpins the commercial viability and success of local/neighbourhood nodes. This is particularly relevant to Skennars Head, which has a key weakness noted in the

Ballina LGMS of lacking commercial facilities to provide day to day convenience items.

- Reduces marginal cost of infrastructure for Government. Increasing densities in new areas means that the cost of each unit per metre of infrastructure is less than for low density developments;
- Including a balance of low, medium and high density options in a neighbourhood accommodates a wider range of lifestyles and incomes, including product for both owner-occupiers and renters.
- Provides for a variety of price points in terms of both purchase price and rents, where the cost of units is typically significantly below the premium for larger detached dwellings;
- Concentrating development means less sprawl onto farmland and ecologically significant areas. Land consumption per person is decreased, while increasing transportation options improves air quality

Ultimately, increased densification across the Ballina LGA is the key to responding to population growth, economic changes, new lifestyle preferences, and the sustainability imperatives outlined in current Regional Planning.

Regarding the Skennars Head subject site, which is itself a key urban growth area for Ballina and includes its own designated retail site, the analysis clearly supports the delivery of greater dwelling diversity than that which is currently proposed, including products such as homes for small lots (say 200sq.m – 300sq.m), terraces, townhouses and cottage apartments. We note that across Ballina the median residential lot size is 760sq.m and only 2% of all lots are less than 400sq.m

While it would not be envisaged that the targeted 60:40 single dwelling to multi-unit split would be achieved, there is scope for targeted density increases to be delivered in appropriate locations within the concept plan such as within a walkable 400m catchment of the retail centre and fronting major parks/amenity.

This would significantly improve the viability of any future local centre, in addition to delivering key dwelling stock to meet the changing needs of the community.

While the Ballina Town Centre area should remain the focal point for significant higher density development, new growth areas such as the subject site should look for opportunities to increase dwelling diversity particularly in key locations supporting delivery of local convenience centres.

In the case of the subject site and based on the results of the analysis, we recommend that 15% – 25% of the total stock be considered for and would more appropriately be delivered as multi-unit product as opposed to pure detached dwelling product.



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