

Appendix F

Economic Impact Assessment by Urbis



Economic Impact Assessment

4-16 Northwood Road, 274 & 274A Longueville Road, Lane Cove

April 2012

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Executive Summary

This Economic Impact Assessment is prepared to provide analysis of the economic impact of the residential components of the proposed development at 4-16 Northwood Road, 274 and 274A Longueville Road, Lane Cove. The assessment will address a number of key economic benefits of increasing density and the associated dwelling types of the proposed development.

HOUSING DEMAND DRIVEN BY POPULATION AND DEMOGRAPHIC TRENDS

- Population growth for the Lane Cove Local Government Area (LGA) is forecast at 6,066 between 2006 and 2036, representing a growth of 19.1% with an expected population of 37,787 in 2036;
- There is an increase in younger first home buyer and retiree groups seeking smaller more affordable dwelling types; and
- Recent migrant data indicates new residents have relatively higher incomes, showing that the income level required to purchase a house and rent in the Lane Cove LGA has increased.

IMPROVED HOUSING AFFORDABILITY THROUGH A DIVERSITY OF HOUSING PRODUCTS

- There is demand for higher density type housing products, driven by affordability issues and strong price growth, in Lane Cove's housing market;
- Price growth in Lane Cove for strata units is outstripping similar LGAs and the wider region;
- Sales volume have maintained within 500 to 600 per year despite the increase in price point; and
- There is a significant increase in rent per week in Lane Cove LGA, specifically 8.3% for one bedroom apartments and 20% for three bed room apartments.

DWELLING MIX DIFFERENTIATED FROM EXISTING AND PLANNED COMPETING DEVELOPMENT

- The proposed development contains a smaller average dwelling size, differentiating it from existing and new developments in the area which contain large dwelling types; and
- It is expected that this smaller dwelling type will improve affordability and housing type diversity within the Lane Cove LGA.

ACTIVATION OF THE NORTHWOOD NEIGHBOURHOOD CENTRE

- Increased population as a result of the development resulting in retail spending of \$2.26 million per year;
- This increased spending will aid in the activation of the Northwood Neighbourhood Centre through additional sales being directed to existing local shops and the creation of new neighbourhood shops or supporting ground floor retail included in the proposed development;
- The proposed development density at an FSR of 2.5:1 will facilitate a higher local population and therefore approximately 150% more spending potential than would otherwise be available under current planning controls for the site;
- Increasing the density on the subject site will help support additional local retail provision within the Northwood Neighbourhood Centre, which in turn will improve the convenience and amenity for surrounding local residents; and

- Encouraging mixed use neighbourhood centres has several benefits that will help meet the objectives in Council's DCP Part D – Commercial and Mixed Use Localities (Locality 2 - Northwood Neighbourhood Centre). They are as follow:
 - **Economic Benefits:** improvement of housing choice and affordability and provision of local employment opportunities for residents. Improved retail choice and vitality through broadening the retail offer to include missing elements such as convenience supermarket and food & beverage.
 - **Health Benefits:** improving the overall offer of the Northwood Neighbourhood Centre provides walkable access to retail facilities for the vast majority of Longueville and Northwood residents located over 1km from the next retail centre of Land Cove. Increased walking leads to health benefits for the community.
 - **Environmental Benefits:** mixed use neighbourhood centres reduce the reliance on cars, thereby reducing petrol consumption costs for residents and carbon emissions.
 - **Social Benefits:** well-serviced walkable mixed use centres encourage use of integrated public transport. The scale of the development will also create a landmark gateway for the Northwood Neighbourhood Centre.

CONSTRUCTION AND RETAIL EMPLOYMENT

- Employment during the construction phase of this project is estimated at providing 116 fulltime equivalent positions, generating an expected \$6.7 million in annual wages; and
- Employment - once the retail component of the development is operational - is expected to generate 69 positions, generating \$3.6 million in wages per annum.

CONCLUSION

The Northwood Neighbourhood Centre has failed to reach its potential with the current surrounding development and population profile. An opportunity is available to improve the overall vitality of the centre and its relevance to the local community by encouraging mixed use development at a scale that helps support a diverse local retail offer. The proposed development should be maximised on sites that can support it, particularly given the fragmented nature of the Centre.

The population base provided by the proposed development at 4-16 Northwood Road, 274 & 274A Longueville Road, will be essential to providing the catalyst for renewal of the Centre.

The following analysis will explore these topics in more detail, providing a summary of the economic benefits associated with the proposed development and the suitability of the proposed dwelling type for the local housing market.

Introduction

Urbis have been engaged by EG Property Group to conduct an Economic Impact Assessment (EIA) of the residential components of the proposed mixed use development at 4-16 Northwood Road, 274 and 274A Longueville Road, Lane Cove. By road, the subject site is located 3.6 km from St Leonards Station, 6 km from Chatswood Station and 10 km from the Sydney CBD.

- The EIA will focus on the role of the residential redevelopment of the site in the wider context of the Northwood Neighbourhood Centre and benefits from increased activation of this centre, as well as the benefit of providing more affordable housing options within the community.
- The study will review the policy context of the proposed development, including the 2036 Metropolitan Plan, the 2007 draft Inner North Subregional Strategy's employment and housing targets and objectives as well as the Lane Cove 2009 Local Environmental Plan (LEP 2009);
- Development site context with an overview of the development profile, surrounding retail/employment centres and the sites access to public transport;
- Population and demographic overview looking at a migrant catchment and its demographic profile;
- The Lane Cove LGA, demographic analysis and household/family profile, including:
 - Demographic and population profile, including age and income; and
 - Lane Cove housing market overview, including household and dwelling profile, including dwelling structure, and ownership as well as household type.
- Understand both the comparable housing stock planned for and what is currently on the market, as well as a long-term dwelling supply. This component will specifically involve:
 - How the proposed Northwood development compares to the broader market;
 - Identify competing developments within the study area; and
 - Provide a detail profile of competing development, including sales rates, pricing and competing amenity.
- Housing affordability analysis for both home buyers and the rental market;
- Increases in retail spend due to growth in population as a result of additional housing stock;
- The expected employment growth associated with the construction of the proposed development and ongoing operation of its retail component; and
- Vitality and viability benefits generated by the development for the Northwood Neighbourhood Centre.

1 Policy Framework

The following section outlines the policy framework that the subject site sits within, with an outline of the Metropolitan Plan for Sydney 2036, the 2007 draft Inner North Subregional Strategy and the Lane Cove Local Environmental Plan 2009.

1.1 METROPOLITAN PLAN FOR SYDNEY 2036

The Metropolitan Plan for Sydney is a long-term urban framework designed to manage Sydney's growth until 2036. The latest version, the 2036 Plan, has built on previous strategies including the 2005 'City of Cities' and 2031 Plans. Key principles for development in the 2036 Plan are:

- Stronger cities within the metropolitan area;
- A strong Global Economic Corridor;
- More jobs in Western Sydney;
- Contain Sydney's urban footprint;
- Major centres will emerge as jobs, service and residential locations;
- Fair access to housing, jobs, services and open space;
- Connected centres; and
- Better connected and stronger regions.

In addition to general principles to guide Sydney's urban development, the 2036 Plan has set targets to:

- Establish no new greenfield fronts for Sydney;
- Increase proportion of homes within 30 minutes of jobs in Major Centres via public transport;
- Build 70% of new homes within existing areas;
- Develop greater density around existing public transport nodes;
- Build 80% of new homes within a walking catchment of existing and planned centres of all sizes with good public transport;
- Locate 50% of planned employment capacity in Western Sydney;
- Plan land use and service provision for 770,000 new homes by 2036; and
- Provide an additional 760,000 jobs by 2036.

1.2 DRAFT INNER NORTH SUBREGIONAL STRATEGY

As a part of the Metropolitan Plan for Sydney, subregions were identified to translate the wider strategy into LGA groupings. The LGAs covered by the Inner North Subregion are Hunters Hill, Lane Cove, Mosman, North Sydney, Ryde and Willoughby. The draft Subregional Strategies, which were completed following the 2031 Plan, provide a framework for councils to develop LEPs consistent with broader urban strategy. The seven strategies outlined in the draft Inner North Subregional Strategy are:

- Economy and employment;
- Centres and corridors;

- Housing;
- Transport;
- Environment, Heritage and Resources;
- Parks, Public Space and Culture; and
- Implementation and Governance.

1.2.1 DRAFT INNER NORTH SUBREGIONAL STRATEGY – EMPLOYMENT

Relevant to the proposed development are the housing and employment targets attributed to the Inner Northern Subregion and to Lane Cove LGA specifically. Employment within the subregion is expected to experience an increase of 60,000 by 2031, a growth of 26%.

TABLE 1 – EMPLOYMENT CAPACITY TARGETS TO 2031 FOR THE INNER NORTH SUBREGION

LOCAL GOVERNMENT AREA	EMPLOYMENT CAPACITY TARGETS FROM 2001 TO 2031
Hunters Hill	300
Lane Cove	6,500
Mosman	1,300
North Sydney	15,000
Ryde	21,000
Willoughby	16,000
Total	60,100

Source: Draft Inner North Subregional Strategy, Economy and Employment (2007)

Employment lands are zoned land reserved for employment functions. These can be broken down into specific employment land subgroups representing different types of employment use. These include:

- Freight and Logistics.
- Local Industry.
- Manufacturing—Light.
- Manufacturing—Heavy.
- Utilities/Urban Services.
- Business/Office Parks.

These employment uses are focused around Willoughby and Lane Cove LGAs, reflecting the relatively limited supply of zoned employment lands.

TABLE 2 – ZONED EMPLOYMENT LAND, INNER NORTH SUBREGION

LOCAL GOVERNMENT AREA	ZONED LAND	CHANGE BETWEEN 1987 AND 2001
Willoughby	94.4	-6.8
Lane Cove	65.1	-0.4
Ryde	31.9	-141.5
North Sydney	2.4	-17.8
Mosman	0	0
Hunters Hill	0	-8.3
Total	193.8	-174.8

Source: Draft Inner North Subregional Strategy, Economy and Employment (2007)

This land is focused around seven Employment Land precincts, grouping industry and businesses around shared infrastructure and encouraging economies of scale through co-location of similar employment land subgroups. The seven Employment Land precincts are located at:

TABLE 3 – EMPLOYMENT LAND PRECINCTS, INNER NORTH SUBREGION

EMPLOYMENT LAND PRECINCT	TYPE	AREA (HA)	LGA
East Chatswood	Local Industry	26	Willoughby
Lane Cove West Industrial	Manufacturing – Light	56	Lane Cove
Artarmon Industrial Area	Utilities/Urban Services, Local Industry, Manufacturing - Light	60	Willoughby
Gore Cove	Freight and Logistics	3	Lane Cove
West Ryde	Local Industry	7	Ryde
Gladesville	Local Industry	23	Ryde
Former ADI Site, Ryde	Local Industry - Maritime	1.5	Ryde

Source: Draft Inner North Subregional Strategy, Economy and Employment (2007)

The change in employment land between 1987 and 2001 is consistent with the tendency for industrial land to relocate along freight and logistics corridors and industrial hubs in Western Sydney. Forecast to increase however are the high order employment industries located in the four major strategic centres identified in the draft Inner North Subregional Strategy. Table 4 outlines the locations of these hubs, their employment bases as of 2001, their specialisations and projected employment targets by 2031.

TABLE 4 – INNER NORTH SUBREGION, EMPLOYMENT HUBS

CENTRE	TYPE	INDUSTRY	EMPLOYMENT (2001)	EMPLOYMENT (2031 TARGET)
North Sydney	Global City	Communications, Finance/Insurance and engineering services.	49,000	60,000
St Leonards	Specialised Centre	Health Services & Research and Education	25,100	33,300
Macquarie Centre	Specialised Centre	Hi-Tech and Higher Education	32,200	55,300
Chatswood	Major Centre	Retail and Commercial Office space	23,000	30,300

Source: Draft Inner North Subregional Strategy, Economy and Employment (2007)

1.2.2 DRAFT INNER NORTH SUBREGIONAL STRATEGY – HOUSING

The draft Inner North Subregional Strategy establishes a housing target of 30,000 additional dwellings by 2031. The strategy to accommodate this additional housing stock is to focus new development around nominated centres, with a balance between infill and greenfield housing. The most popular is detached dwellings representing 42% of total housing stock, which is however significantly lower than the Sydney Greater Metropolitan Region average of 60%. This is driven by the presence of higher density types of housing along the Pacific Highway, which is well serviced by bus routes and in close proximity to train stations along the North Shore Line.

Specific dwelling targets for the LGAs comprising the subregion have been developed, so increases in service provision can be estimated over the next 25 years. This breakdown of dwelling targets consists of:

TABLE 5 – ADDITIONAL DWELLING SUPPLY BY 2031

LOCAL GOVERNMENT AREA	ADDITIONAL DWELLINGS BY 2031
Hunters Hill	1,200
Lane Cove	3,900
Mosman	600
North Sydney	5,500
Ryde	12,000
Willoughby	6,800
Total	30,000

Source: Draft Inner North Subregional Strategy, Housing (2007)

The draft Inner North Subregional Strategy - Housing does not recommend a specific housing format for the Inner North, however requires that there be a 40-60 split between greenfield and infill development across the Sydney metro region, with 80% of this stock within 30 minutes of a centre by public transport. Given that the Lane Cove LGA is an 'established' area, additional housing stock would be 'infill' development, with a higher density format used to achieve housing growth targets within the LGA. While

there are no prescriptive targets with regard to density, the strategy does expect that higher density housing types will be available closer to centres. The strategy acknowledges that this will be assessed on a case-by-case basis, with consideration for market demand and supply of residential products as well as potential supply side constraints that may restrict development options.

1.2.3 LANE COVE LOCAL ENVIRONMENTAL PLAN 2009

Lane Cove Council finalised their revised LEP in 2009, updating the previous 1987 LEP. The new LEP was updated to align Council's statutory restrictions with the strategic direction and targets outlined for the LGA in the draft Inner North Subregional Strategy. These targets include:

- 3,900 new dwellings, in close proximity to shops and transport; and
- 6,500 new jobs, mainly located in St Leonards and Lane Cove West Business Park.

The subject site is currently zoned B1 'Neighbourhood Centre', with the objectives of:

- To provide a range of small-scale retail, business and community uses that serve the needs of people who live or work in the surrounding neighbourhood;
- To encourage urban design maximising attractive public domain and adequate circulation space throughout the neighbourhood centres for current and future users; and
- To ensure that landscaping is a significant element in public and private development viewed from the public domain.

While residential development is not included, the proposed development is a 'mixed use,' with the residential component likely to provide increased retail spending within the Northwood Neighbourhood Centre, one of the stated objectives..

2 Development and Site Context

This section outlines the development and the context within which it sits, notably local employment hubs and transportation.

2.1 DEVELOPMENT PROFILE

The proposal for 4 - 16 Northwood Road, 274 and 274A Longueville Road, Lane Cove is a mixed use residential and retail development, adjacent to the intersection of Longueville Road, River Road West, Northwood Road and Kenneth Street. Located in the middle of the Northwood Neighbourhood Centre, it is expected that the retail floor space will serve the convenience needs of local residents within likely catchment areas at a neighbourhood level.

The proposed development has an indicative GFA of approximately 11,165 sq.m. This includes a total of 1,460 sq.m of retail floor space over two levels – 460 sq.m of retail at ground level and 1,000sq.m at lower ground level. The development has an FSR of 2.5:1, representing a level of density higher than typical of surrounding residential development.

The proposed development also contains approximately 105 units, occupying a GFA of approximately 9,705 sq.m. The indicative dwelling mix consists of 46% studio units, 17% one bedroom units, 19% 80 sq.m two bedroom units, 14% 95 sq.m two bedroom units and 4% 115 sq.m three bedroom units. As outlined below in Table 6, the total Net Floor Area (NFA) for the proposed developments residential units equates to 7,055 sq.m.

TABLE 6 – PROPOSED DEVELOPMENT, INDICATIVE HOUSING MIX

HOUSING TYPE	NUMBER	NET FLOOR AREA (SQ.M)
Studio	48	2,400
One Bedroom Unit	18	1,170
Two bedroom Unit (80 sq.m)	20	1,600
Two Bedroom Unit (95 sq.m)	15	1,425
Three Bedroom Unit (115 sq.m)	4	460
Total	105	7,055

Source: Urbis, EG Property Group

Adjacent retail development consists mainly of local shops and service stations. On the opposite side of Northwood Road, between the Kenneth Road and Northwood Road intersection, are 'neighbourhood centre' zoned lots currently occupied by local retail outlets.

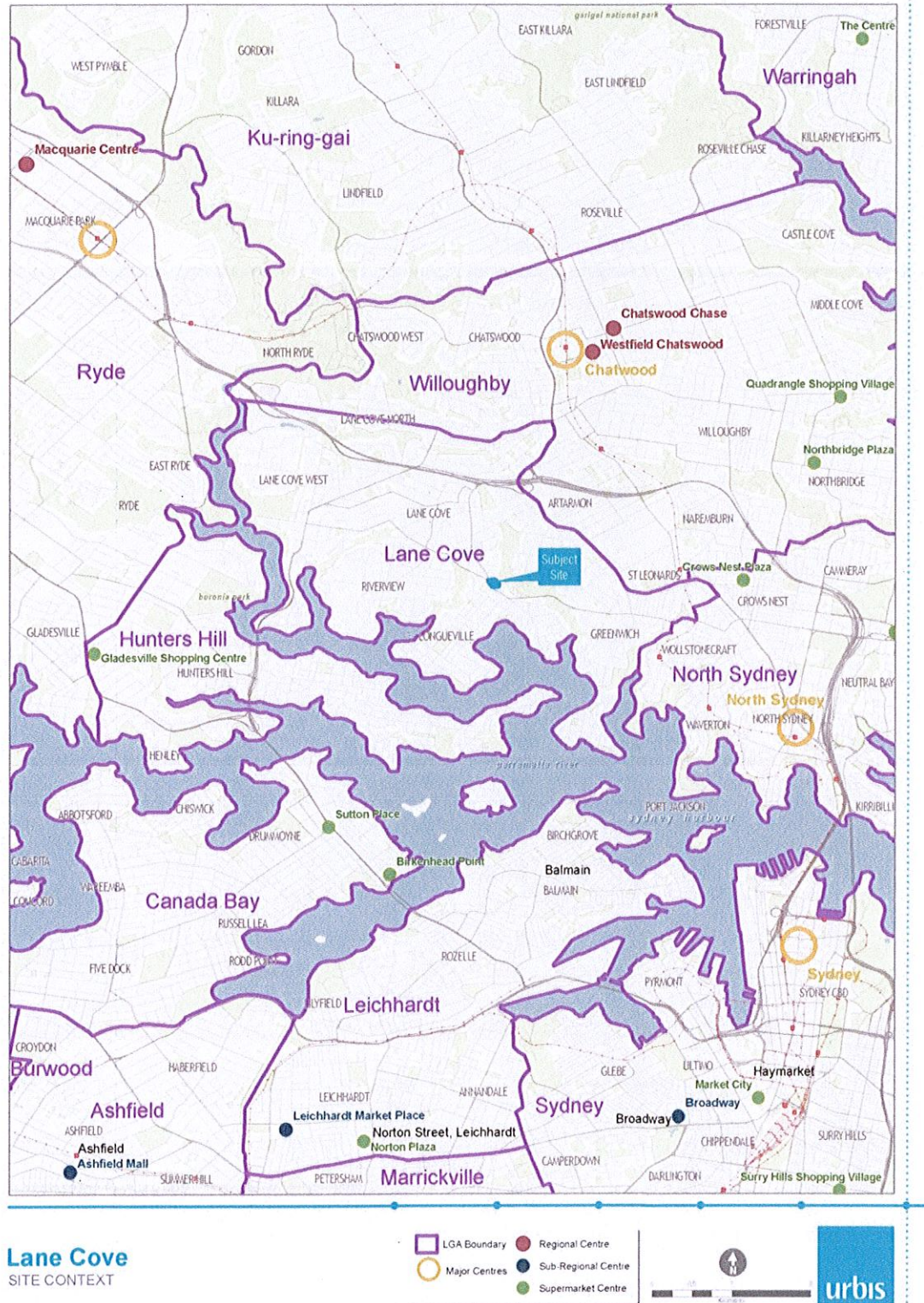
Directly south of the subject site is the Riverview Animal Hospital. The site is adjacent to the following recreational uses and open space:

- Longueville Sporting Club;
- Central Park;
- Lane Cove River Road Tennis Centre; and
- Lane Cove Country Club.

2.2 RETAIL AND EMPLOYMENT CENTRES

There are four main employment centres within 10km of the subject site, being Chatswood, North Sydney, North Ryde and Sydney CBD, outlined in Figure 1. We note that the Lane Cove Town Centre is located approximately 1 km to the north.

FIGURE 1 – SITE CONTEXT

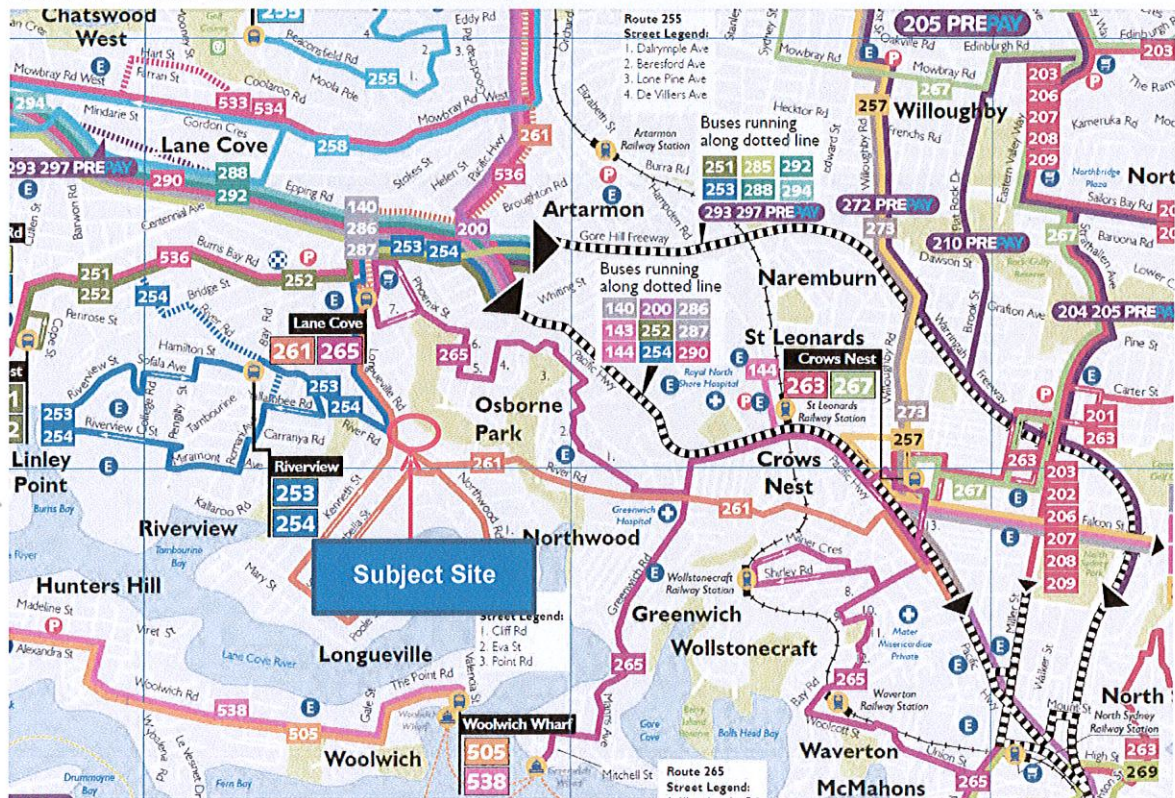


2.3 PUBLIC TRANSPORT

The site is well serviced with public transport links to the key employment centres of Chatswood, Sydney CBD, North Sydney and North Ryde. North Sydney, St Leonards and Sydney CBD can be accessed via south-bound bus routes. Buses north of the site at Lane Cove Interchange connect residents to North Ryde and Chatswood.

These linkages will assist in connecting new residents to key employment and activity centres.

FIGURE 2 – PUBLIC TRANSPORT SERVICING THE SITE



Source: NSW Transport Info

3 Population and Demographic Overview

This section provides an overview of the key demographic characteristics of the area in which the site is located.

3.1 CATCHMENT ANALYSIS

The migrant catchment analysis is an important element of defining the potential market for new residential development, the characteristics of which provide an indication for the size of demand as well as a typology of appropriate housing.

The first step in defining a migrant catchment is identifying the main sources of new residents. Table 7 illustrates where new Lane Cove LGA residents Lane Cove LGA originally resided (moving between 2001 and 2006).

The data indicate that a large proportion of residents moved from the Inner North and Northern Subregion LGAs – notably North Sydney (10%), Willoughby (8%), Ku-ring-gai (4%) and Ryde (3%) - and Hornsby–South Statistical Local Area (SLA). Proximity therefore seems to be a key driver for migration to Lane Cove, with a localised catchment of LGAs within Sydney.

Lane Cove LGA is also a significant destination for people immigrating to Australia from overseas. This is a key component of overall population growth and represents Lane Cove's popularity as a residential location.

TABLE 7 –MIGRATION INTO LANE COVE LGA

Lane Cove (LGA) Migration

PLACE OF USUAL RESIDENTS 2001, RESIDENTS IN LANE COVE LGA 2006

Local Government Area (LGA)	Lane Cove (LGA)	Proportion
Northern Territory	14	0.15%
Tasmania	16	0.17%
Western Australia	69	0.74%
South Australia	80	0.86%
Australian Capital Territory	100	1.07%
Warringah	172	1.84%
Leichhardt	195	2.09%
Victoria	201	2.16%
Queensland	212	2.27%
Hornsby - South	227	2.43%
Ryde	317	3.40%
Ku-ring-gai	400	4.29%
Other NSW	669	7.17%
Willoughby	740	7.93%
North Sydney	917	9.83%
Overseas	2355	25.25%
Other Sydney LGAs	2643	28.34%
Total	9327	

Source: ABS Census 2006; Urbis

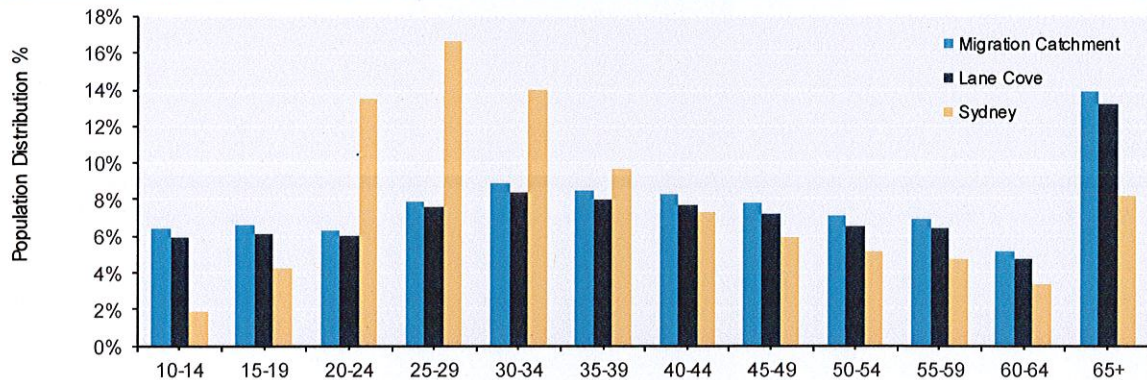
Figure 3 illustrates the age distribution between the migrant catchment, Lane Cove LGA and the Sydney Statistical Region. Age distribution amongst new residents sourced from identified migrant catchments is similar to Lane Cove LGA.

Both the migrant catchment and Lane Cove LGA have a much older profile compared with the wider Sydney region. The higher proportion of residents below the age of 19 and over 40 indicates that this is likely to be made up of family households migrating into Lane Cove. Both have a much higher proportion of residents in the 65+ age bracket compared with the Sydney Statistical Division (SD). Residents over 65 typically have different housing needs (typically downsizing into smaller dwellings) from families (typically demanding larger dwellings). This indicates that a diverse mix of housing types will be required to meet the needs of existing and future Lane Cove residents.

FIGURE 3 – AGE DISTRIBUTION COMPARISON

Age Distribution

MIGRATION CATCHMENT, LANE COVE LGA AND SYDNEY STATISTICAL REGION, 2006



Source: Urbis; ABS 2006 Census

The higher proportion of older residents is correlated with a higher income distribution among the migrant catchment and Lane Cove LGA. Figure 4 illustrates the income distribution of the migrant catchment against the Lane Cove LGA and the wider Sydney SD. It shows that there is a high representation of migrant catchment and Lane Cove residents earning over \$52,000 per annum and a significantly higher representation in the \$104,000+ bracket. It reflects the older demographic which would be expected to have a higher earning ability than the 20-35 age bracket, which is under-represented compared to the Sydney SD profile.

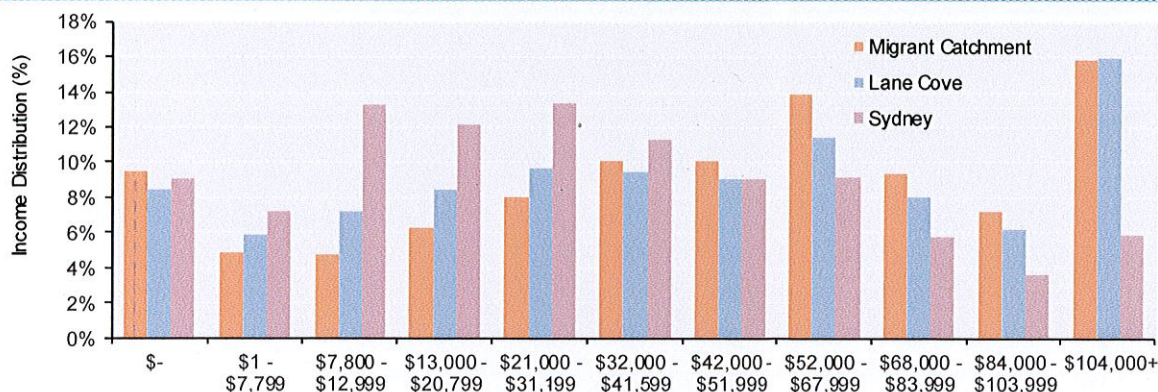
Migrants typically have a higher income level in comparison with Lane Cove LGA residents. This indicates that the housing price to resident income ratio may have increased. This may indicate a housing affordability issue within the area, requiring market entrants to have relatively higher incomes than current residents to enter the market.

The impact of this may be an appreciation in rent as increased leverage is required at a higher price point for investors to purchase investment properties, increasing funding cost. It also creates a barrier to prospective home buyers, in particular first home buyers and downsizing retirees who typically seek a lower price point.

FIGURE 4 – INCOME DISTRIBUTION COMPARISON

Income Distribution

MIGRANT CATCHMENT, LANE COVE LGA AND SYDNEY STATISTICAL DISTRICT¹



¹ Excludes residents with negative income or who answered 'non-applicable'

Source: Urbis: ABS Census 2006

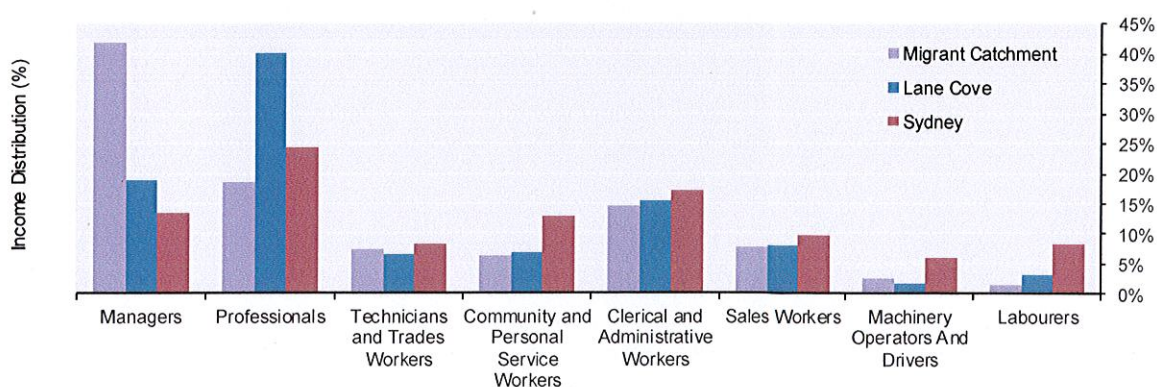
Figure 5 compares the Lane Cove LGA, the migrant catchment and the Sydney SD representation across different occupations. It demonstrates different occupation profiles and a consistency between income levels trends and occupation profile of the compared areas. The higher income of the migrant catchment is reflected in the larger proportion of migrants from managerial backgrounds relative to both Lane Cove and the wider Sydney region. This explains to a certain extent the differences in income levels between the compared areas.

The overall profile is of a 'white collar' dominated region, with new residents increasingly having higher income brackets, indicating potential housing affordability issues within Lane Cove LGA, restricting housing ownership to higher income groups.

FIGURE 5 – OCCUPATION COMPARISON

Occupation Distribution

MIGRANT CATCHMENT, LANE COVE LGA AND SYDNEY STATISTICAL DIVISION 2006¹



¹ Excludes residents with negative income or who answered 'non-applicable'

Source: Urbis: ABS Census 2006

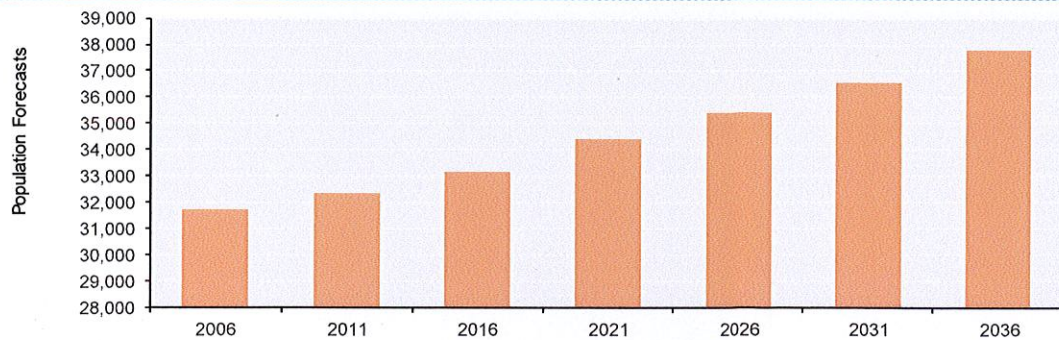
3.2 HISTORICAL AND FORECAST POPULATION

In addition to understanding the potential market for new residents and their profile, it is important to understand the expected population growth of Lane Cove LGA and the resulting indicative demand for housing. Figure 6 presents expected population forecasts for Lane Cove LGA from 2006 to 2036. The LGA's annual population growth is projected to be 2.5% from 2006 to 2036 (treating 2006 population census data as the base period), representing an annual addition of 730. This is expected to add an additional 6,066 new residents onto the base 2006 population of 31,721.

FIGURE 6 – POPULATION FORECAST

Population Forecast

LANE COVE LGA, 2006 TO 2036



Source: Urbis; Bureau of Transport Statistics

Given the 'built up' nature of Lane Cove and the lack of additional greenfield sites within the LGA it would be expected that this population would be largely accommodated via infill residential development with a higher density housing format. Limited availability of new housing stock is a limiting factor on potential population compared to greenfield sites. Based on Bureau of Transport Statistic (BTS) projections, there are a number of travel zones expected to drive this growth in demand for particular areas, via location, amenity and access to public transport. This is illustrated in Table 8.

The subject site is located in the Lane Cove Country Club Travel Zone, is also directly adjacent to the Longueville Private Hospital Travel Zone, and is only separated from the Country Club Travel Zone by the Lane Cove Country Club Golf Course. We note that the BTS forecasts are based on known development proposals and planning controls. As at the last forecasts (October 2009), the BTS would not have been aware of the subject site and therefore it is not reflected the population growth attributable to the Lane Cove Country Club Travel Zone.

The forecasted growth in adjacent travel zones indicates that there is overall growth potential in the area, however given the lack of sites becoming available for new development in the LGA generally (given the underlying value of existing uses), additional development land in centres such as Northwood will only complement Lane Cove's ability to accommodate residential population growth.

TABLE 8 – POPULATION GROWTH, LANE COVE TRAVEL ZONES

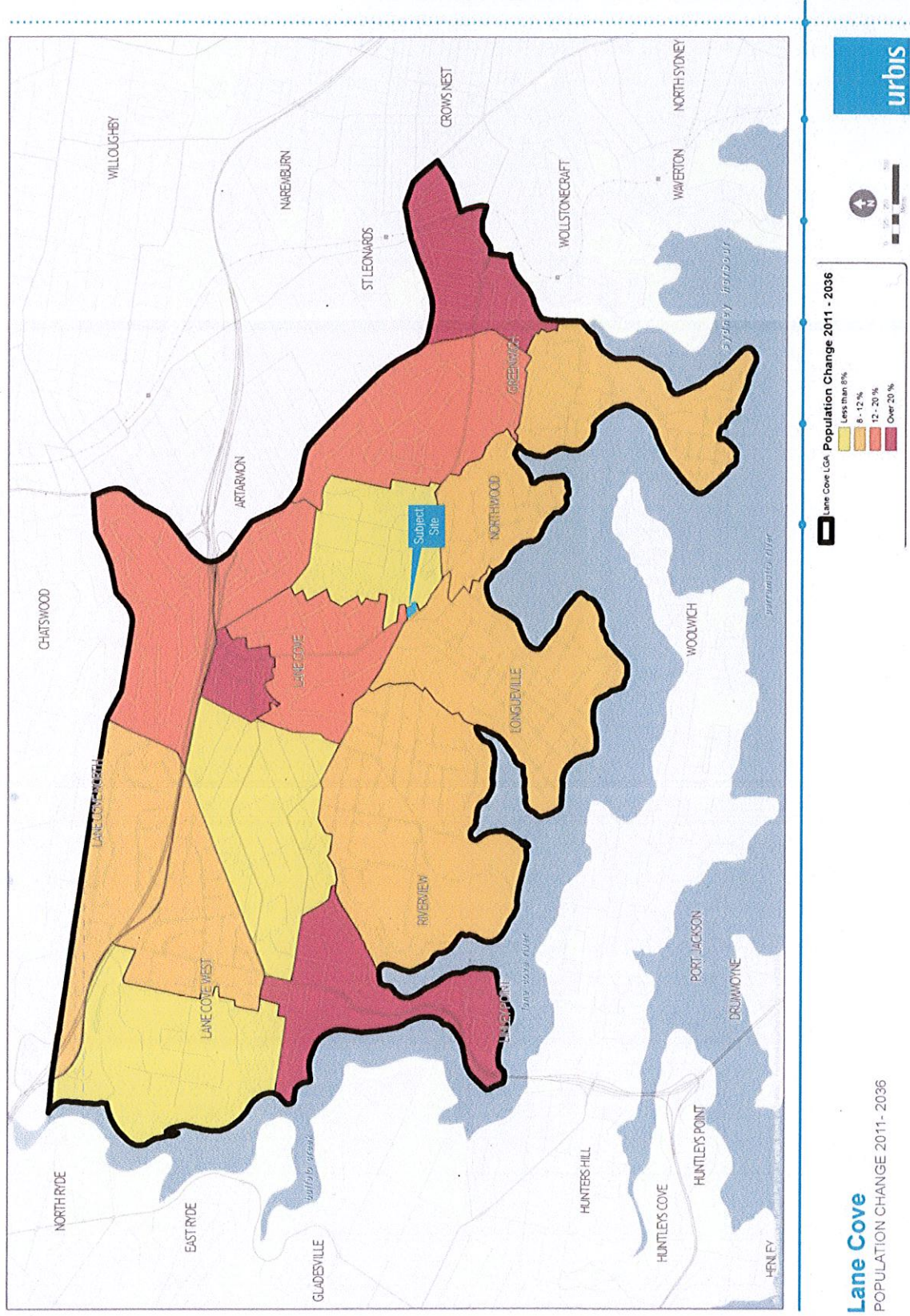
Population Growth

LANE COVE (LGA) TRAVEL ZONES, 2006 TO 2036

	2006	2011	2016	2021	2026	2031	2036	Growth	
Lane Cove North	1,786	1,796	1,825	1,870	1,905	1,941	1,984	198	11%
Lane Cove Industrial Estate	0	0	0	0	0	0	0	0	0%
Lane Cove West	1,668	1,679	1,697	1,737	1,762	1,792	1,826	158	9%
Lane Cove - NorthRalston St & Murray St	5,050	5,078	5,186	5,322	5,446	5,570	5,720	670	13%
Lane Cove	3,858	3,880	3,905	3,989	4,036	4,099	4,168	310	8%
Lane Cove - Rosenthal Av & Birdwood Av	288	291	343	369	412	444	486	198	69%
Kimberley Av Allison Av	1,073	1,081	1,119	1,154	1,192	1,225	1,266	193	18%
Carisbrook House Lane Cove	2,426	2,442	2,579	2,678	2,810	2,918	3,058	632	26%
Lane Cove - Longueville Rd & Dorritt St	1,991	2,006	2,051	2,110	2,165	2,220	2,287	296	15%
Lane Cove Country Club	815	821	827	845	856	869	884	69	8%
Riverview	3,486	3,522	3,554	3,650	3,725	3,822	3,931	445	13%
Greenwich Hospital	2,736	2,939	2,967	3,160	3,245	3,398	3,522	786	29%
St Leonards - Park Rd & River Rd	1,692	1,916	2,188	2,468	2,752	3,038	3,344	1,652	98%
Longueville Private Hospital	2,121	2,137	2,160	2,212	2,245	2,284	2,328	207	10%
Northwood Ferry Wharf	947	954	965	989	1,004	1,022	1,042	95	10%
Greenwich Point Ferry Wharf	1,784	1,796	1,808	1,849	1,872	1,904	1,940	156	9%
Total	31,721	32,340	33,176	34,402	35,426	36,547	37,787		

Source: Bureau of Transport Statistics, URBIS

FIGURE 7 – TRAVEL ZONE, PROJECTED POPULATION GROWTH



3.3 AGE PROFILE

Figure 8 and Table 9 show the expected change and distribution of Lane Cove LGA resident age profiles from 2006 to 2036.

Figure 8 provides a forecast of the change in population levels across all age brackets between 2006 and 2036. It points to relatively strong growth of the 20-29 age bracket compared to the current demographic profile, while the growth in the 65+ age group points to a significant ageing population.

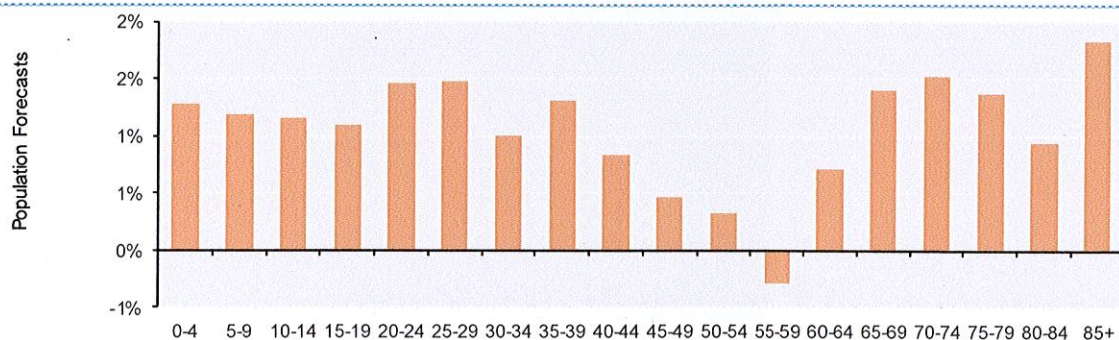
Different age cohorts have different housing needs. The 20-29 and 65+ cohorts typically do not have dependents and have housing needs different to families with children. This leads to both cohorts seeking a smaller more affordable product suitable for First Home Buyers entering the market or retirees seeking to downsize.

The changing age demographics provide an opportunity for a more diversified product within Lane Cove LGA, taking into account demand for a typically smaller more affordable product.

FIGURE 8 – AGE DISTRIBUTION CHANGES

Change in Age Distribution

LANE COVE LGA, 2006 TO 2036



Source: Urbis; Bureau of Transport Statistics

TABLE 9 – AGE DISTRIBUTION FORECAST

Age Distribution Forecast

LANE COVE LGA, 2006 TO 2036

	2006	2011	2016	2021	2026	2031	2036
0-4	1,994	1,950	1,999	2,114	2,206	2,303	2,400
5-9	1,849	1,949	1,937	1,996	2,072	2,147	2,228
10-14	1,802	1,907	1,976	1,992	2,031	2,100	2,169
15-19	1,902	1,993	2,060	2,128	2,146	2,184	2,252
20-24	2,029	2,128	2,225	2,298	2,358	2,425	2,496
25-29	2,567	2,584	2,699	2,816	2,854	2,920	3,037
30-34	2,710	2,613	2,725	2,843	2,919	2,957	3,026
35-39	2,521	2,634	2,595	2,739	2,820	2,896	2,939
40-44	2,449	2,380	2,464	2,461	2,568	2,641	2,714
45-49	2,275	2,236	2,186	2,271	2,257	2,355	2,424
50-54	2,051	2,062	2,032	2,012	2,070	2,062	2,155
55-59	1,992	1,853	1,873	1,870	1,849	1,900	1,900
60-64	1,481	1,732	1,630	1,673	1,668	1,657	1,705
65-69	1,014	1,269	1,481	1,422	1,460	1,462	1,460
70-74	840	888	1,104	1,304	1,265	1,311	1,323
75-79	783	729	785	984	1,167	1,156	1,217
80-84	713	621	594	659	828	996	1,012
85+	749	811	810	819	888	1,073	1,330
Total	31,721	32,340	33,176	34,402	35,426	36,547	37,787

Source: Bureau of Transport Statistics; Urbis

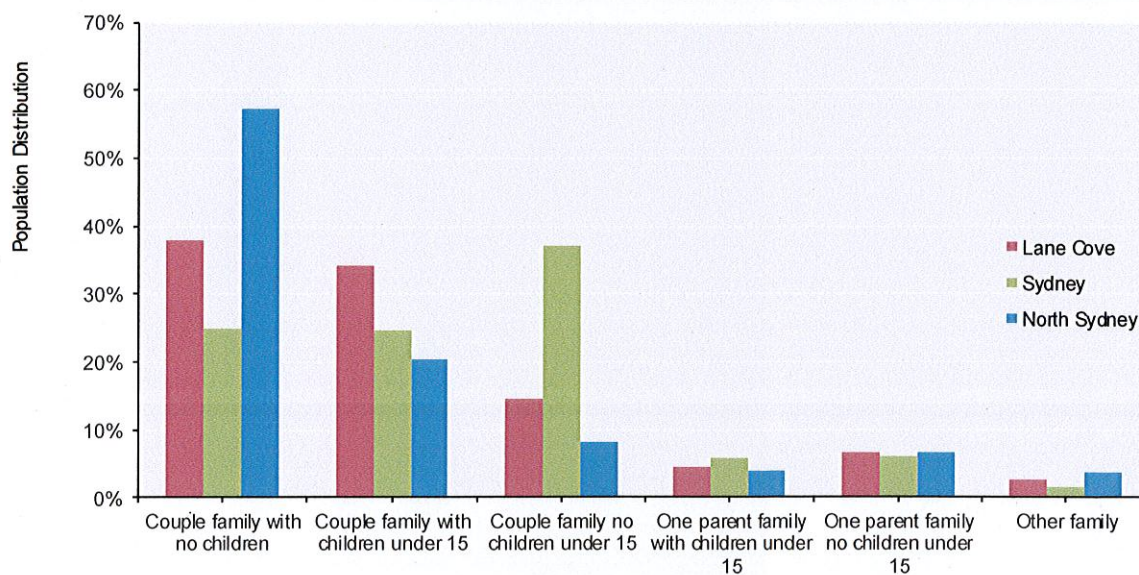
3.4 FAMILY TYPE

Figures 9 and 10 illustrate the distribution of families across the Lane Cove LGA and Sydney SD. What is evident is that Lane Cove has a higher proportion of couples with either no children or children under the age of 15. This indicates that families are typically comprised of 'Double Income No Kids' (DINKS) and families with young children when compared with the wider Sydney SD, which has a greater proportion of families with older children. North Sydney by comparison, has a relatively higher proportion of couples without children, reflecting a different age profile, and a lower proportion of couples with children (both over and under 15 years of age).

FIGURE 9 – FAMILY TYPES, COMPARISON

Family Type

LANE COVE LGA, SYDNEY SD AND NORTH SYDNEY LGA, 2006

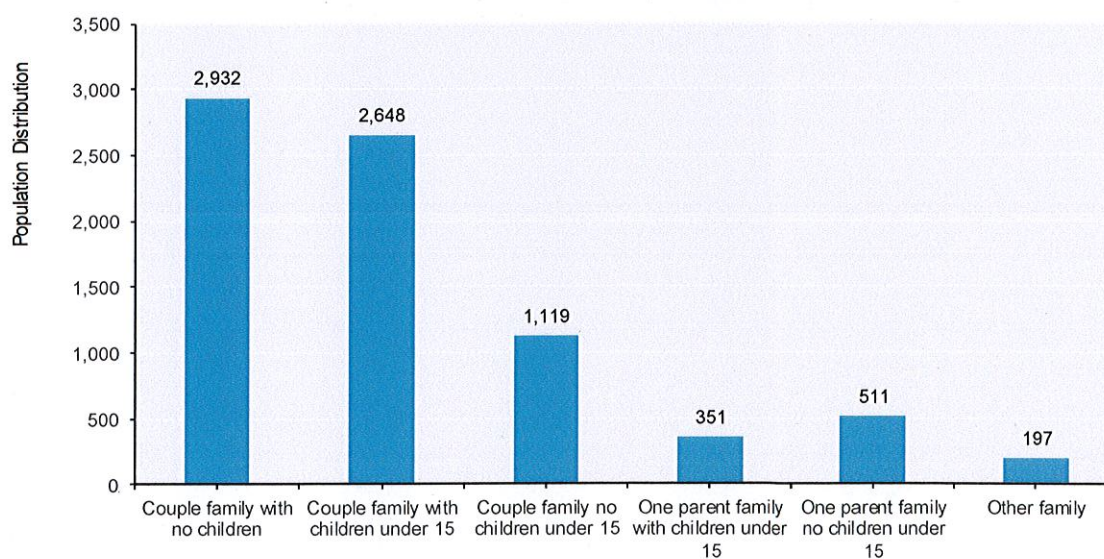


Source : Urbis; ABS 2006 Census

FIGURE 10 – FAMILY TYPES

Family Type

LANE COVE LGA, 2006



Source : Urbis; ABS 2006 Census

3.5 EMPLOYMENT

Consistent with the occupation distribution depicted in Figure 5, Lane Cove LGA has a large proportion of residents employed in 'white collar' industries. As shown in Table 10, the key employers of Lane Cove residents are expected to be:

- Professional, scientific and technical services;

- Retail trade;
- Accommodation and food services;
- Education and training; and
- Health care and social assistance.

This reflects the proximity of Lane Cove to North Sydney and Sydney CBD, as well as to St Leonards and key health care industry infrastructure/hubs. Manufacturing and 'blue collar' employment is predicted to either maintain its current level, or represent a relatively lower proportion of over employment, or decrease, by 2031.

TABLE 10 – INDUSTRIES EMPLOYING RESIDENTS

Employment Forecast

LANE COVE (LGA), BY INDUSTRY 2006-2036

	2006	2011	2016	2021	2026	2031
Agriculture, Forestry and Fishing	40	32	34	37	39	41
Mining	7	9	9	9	9	9
Food Product Manufacturing	61	93	77	71	64	58
Beverage and Tobacco Product Manufacturing	146	44	42	41	40	38
Textile, Leather, Clothing and Footwear Manufacturing	30	17	12	8	6	4
Wood Product Manufacturing	4	2	0	0	0	0
Pulp Paper and Converted Paper Product Manufacturing	14	9	3	1	0	0
Printing, including the Reproduction of Recorded Media	116	114	110	111	110	108
Petroleum and Coal Product Manufacturing	29	18	14	10	7	5
Basic Chemical and Chemical Product Manufacturing	171	153	157	166	169	173
Polymer Product and Rubber Product Manufacturing	33	17	12	9	7	5
Non-Metallic Mineral Product Manufacturing	7	5	4	2	2	2
Primary Metal and Metal Product Manufacturing	18	12	12	12	12	12
Fabricated Metal Product Manufacturing	35	37	32	27	23	20
Transport Equipment Manufacturing	17	15	13	12	11	9
Machinery and Equipment Manufacturing	1,159	1,008	1,016	1,024	1,000	983
Furniture and Other Manufacturing	229	227	246	269	282	296
Electricity, Gas, Water and Waste Services	528	396	374	381	376	371
Construction	1,376	1,297	1,267	1,328	1,333	1,346
Wholesale Trade	1,288	1,265	1,271	1,290	1,243	1,199
Retail Trade	1,351	1,480	1,575	1,715	1,759	1,814
Accommodation and Food Services	892	961	1,048	1,155	1,209	1,274
Transport, Postal and Warehousing	327	437	424	439	437	442
Information Media and Telecommunications	615	564	585	600	579	548
Financial and Insurance Services	606	551	510	511	490	476
Rental, Hiring and Real Estate Services	333	293	299	315	317	322
Professional, Scientific and Technical Services	2,477	3,075	3,268	3,350	3,459	3,557
Administrative and Support Services	953	766	755	728	710	694
Public Administration and Safety	703	727	732	799	836	880
Education and Training	913	958	1,012	1,124	1,194	1,272
Health Care and Social Assistance	1,981	2,535	2,670	2,890	2,978	3,069
Arts and Recreation Services	248	240	239	247	241	238
Other Services	648	644	653	695	701	709
Unclassified	744	740	804	907	964	1,019
Total Employment	18,098	18,742	19,278	20,282	20,607	20,991

Source: Bureau of Transport Statistics; Urbis

3.6 INCOME

Figure 11 provides a comparison of the proportion of Lane Cove and Sydney residents in different income groups. It shows that:

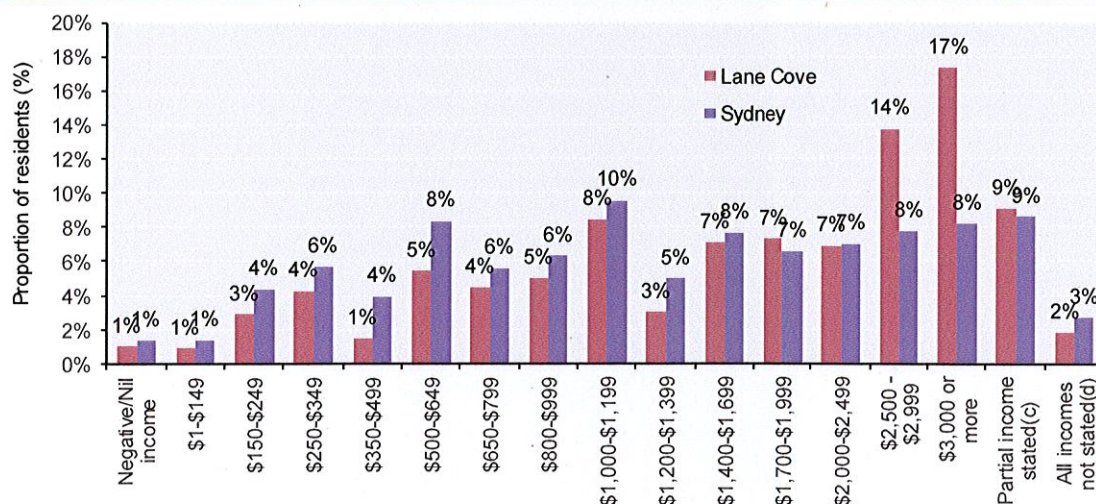
- 31% of Lane Cove households earn over \$2,500 per week compared to 16% of households in the wider Sydney SD; and
- There is a significantly higher representation in the wider Sydney SD across lower and middle income groups from \$0 per week to \$1,699 per week compared to Lane Cove.

The comparison indicates that the income profile of Lane Cove LGA is significantly higher than the wider Sydney SD, reflecting its higher proportion of residents in industry and occupation groups typically in higher income groups. It also reflects the larger proportion of Family Households, which have a typically higher income.

FIGURE 11 – INCOME DISTRIBUTION, COMPARISON

Income Distribution

LANE COVE LGA AND SYDNEY STATISTICAL DIVISION, 2006



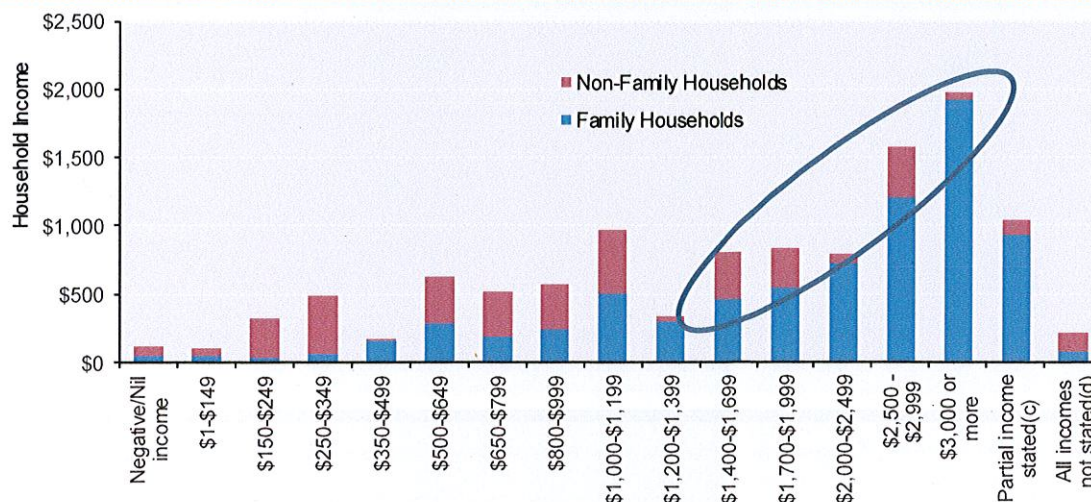
Source: Urbis: ABS, Census 2006

Figure 12 and Table 11 illustrate the difference in income across age groups and household type. This provides a typical income profile of residents across age groups.

FIGURE 12 – INCOME DISTRIBUTION, HOUSEHOLDS

Income Distribution

NON-FAMILY AND FAMILY HOUSEHOLD INCOME, LANE COVE LGA, 2006



Source: Urbis; Australian Bureau of Statistics, Census 2006

TABLE 11 – INCOME DISTRIBUTION BY AGE COHORT

Income Distribution by Age Cohorts

LANE COVE LGA, 2006

Income	15-19	20-24	25-34	35-44	45-54	55-64	65-74	75-84	85 years	Total
Negative/Nil income	882	157	242	280	168	154	76	32	18	2009
\$1-\$149	467	167	146	205	117	94	68	53	27	1344
\$150-\$249	122	210	138	149	145	189	270	291	118	1632
\$250-\$399	90	235	198	223	188	237	272	306	158	1907
\$400-\$599	50	277	336	295	353	349	241	213	83	2197
\$600-\$799	20	269	515	352	336	338	166	114	40	2150
\$800-\$999	0	184	616	376	332	316	141	64	30	2059
\$1,000-\$1,299	4	117	856	498	474	381	141	82	28	2581
\$1,300-\$1,599	0	33	562	409	394	286	83	37	13	1817
\$1,600-\$1,999	0	10	372	366	345	200	54	37	4	1388
\$2,000 or more	6	7	500	1252	1052	586	134	59	15	3611

Source: Urbis; ABS 2006 Census

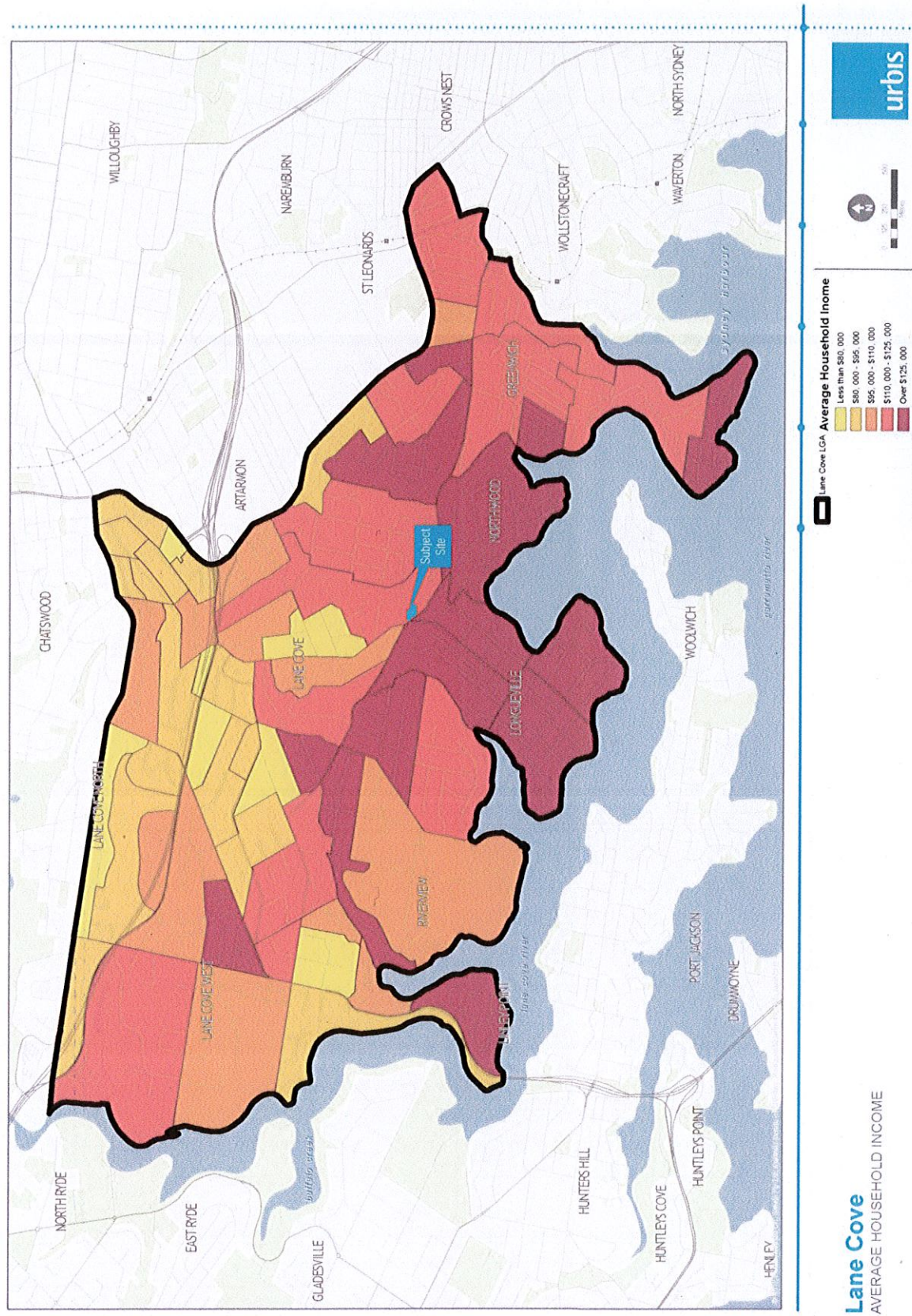
This shows that the majority of higher income earners tend to be older and that higher income households tend to be family households, while younger non-family households and older age groups are typically in lower income brackets. It would be expected that these age group and household profiles would require more affordable housing options, compared to the higher income profile identified.

In addition to this, Figure 13 illustrates that the majority of higher income earners are concentrated close to the western side of the LGA, with a clear demarcation between different travel zones based on their income profile.

This is driven by the amenity and housing options available within different Lane Cove LGA travels zones. It is likely that the amenity associated with housing adjacent to the Lane Cove River drives housing prices to a level that restricts ownership to higher income brackets.

In addition to this, as demonstrated in Figures 22 and 23 many of the larger housing projects delivering more affordable dwellings types are located closer to Pacific Highway, providing more affordable housing options in a travel typically accessible only by higher income groups.

FIGURE 13 – TRAVEL ZONE, INCOME DISTRIBUTION



3.7 JOURNEY TO WORK

Table 12 and Figure 14 show the quantum and proportion of where residents work. Lane Cove residents work mainly in the key employment centres or locally in Lane Cove. The top four areas represent 67.98% of Lane Cove residents' place of work, and are all within an approximate 10km catchment of the LGA. The locations also reflect the employment profile of residents within employment centres that predominately have white collar industries present.

TABLE 12 – RESIDENT PLACE OF EMPLOYMENT

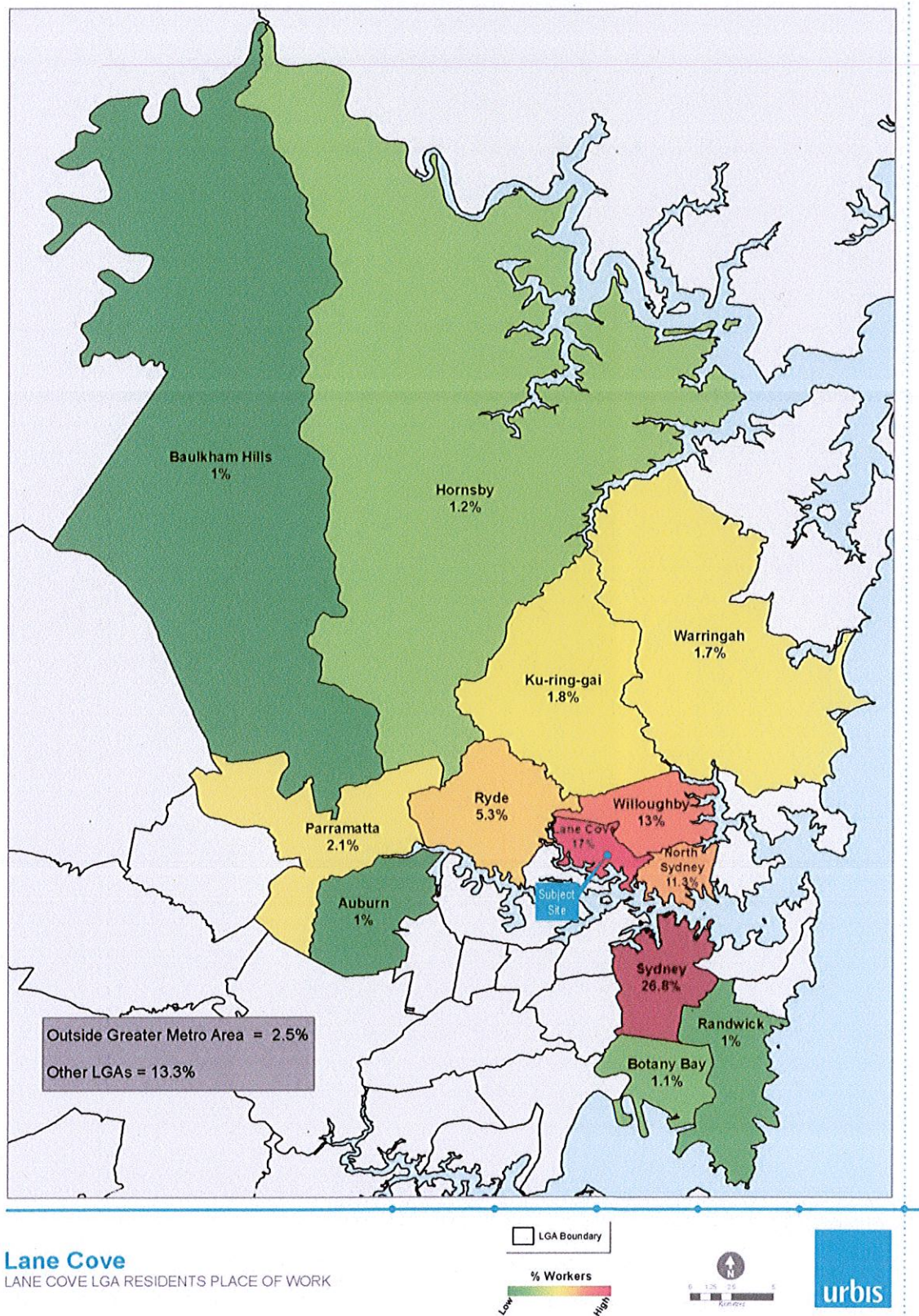
Resident Place of Employment

LANE COVE LGA, 2006

Sydney City	4,228	26.79%
Lane Cove	2,672	16.93%
Willoughby	2,049	12.98%
North Sydney	1,781	11.28%
Ryde	837	5.30%
Outside GMA	399	2.53%
Parramatta	333	2.11%
Ku-ring-gai	280	1.77%
Waringah	265	1.68%
Hornsby	184	1.17%
Botany Bay	169	1.07%
Randwick	165	1.05%
Auburn	162	1.03%
Baulkham Hills	159	1.01%
Other	2,055	13.30%

Source: Urbis; ABS, Census 2006

FIGURE 14 – LANE COVE RESIDENTS, RESIDENTS PLACE OF WORK



3.8 HOUSEHOLD COMPOSITION

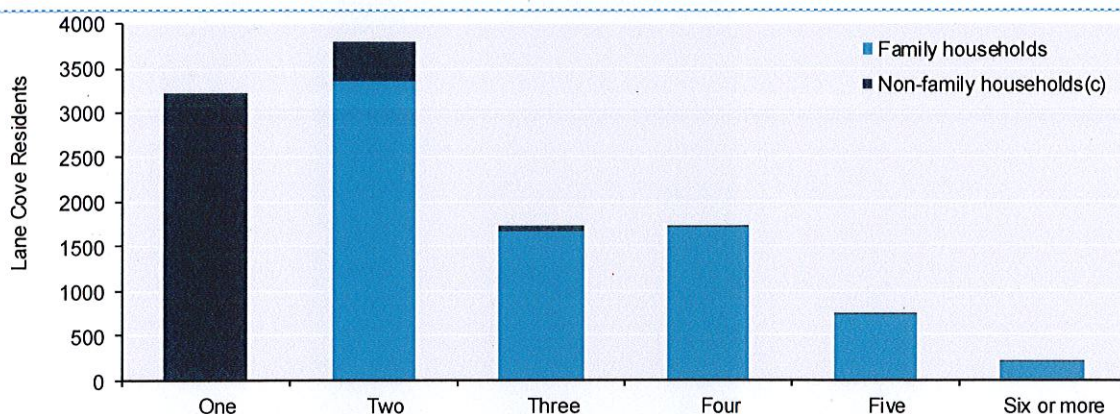
Figure 15 illustrates the breakdown of household types within Lane Cove LGA between family and non-family households. 'Family' is defined by the ABS as 'two or more persons, one of whom is at least 15 years of age, who are related by blood, marriage (registered or de facto), adoption, step or fostering and who are usually resident in the same household.' Figure 15 shows that:

- Smaller households are correlated with non-family households; and
- Family households have a large proportion of two person households.

FIGURE 15 – HOUSEHOLD COMPOSITION

Household Composition

NUMBER OF PERSONS USUALLY RESIDENT, LANE COVE LGA 2006



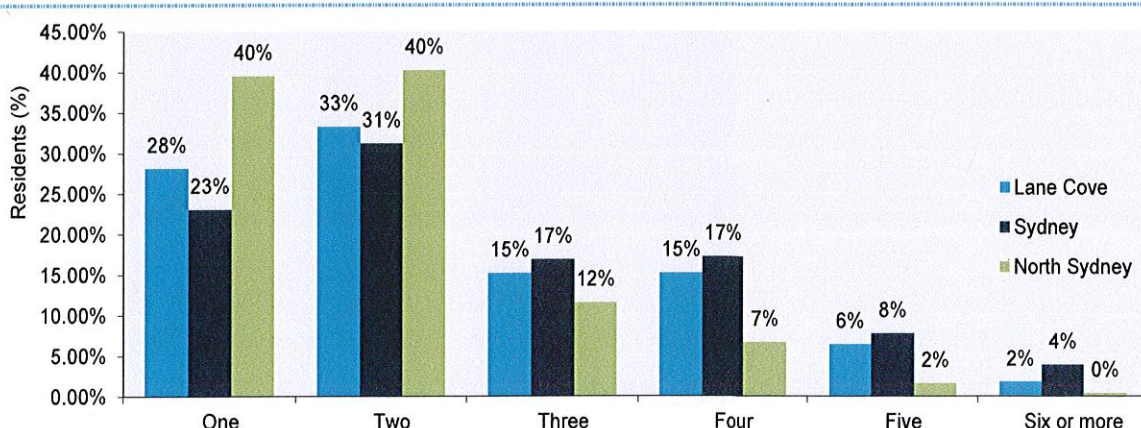
Source : Urbis; ABS; Census 2006

This is a typical profile of both family and non-family households, with non-family households representing single person households (which by definition cannot constitute a 'family') and family households more likely to have children and thus more household members. Figure 16 indicates that Lane Cove's profile is slightly smaller than the Sydney SD norm, while significantly different to the adjacent North Sydney LGA. It also reflects the 'Family Types' shown in Figures 9 and 10.

FIGURE 16 – HOUSEHOLD COMPOSITION PROPORTION, COMPARISON

Household Composition

PERSONS USUALLY RESIDENT LANE COVE LGA, NORTH SYDNEY LGA AND SYDNEY SD 2006



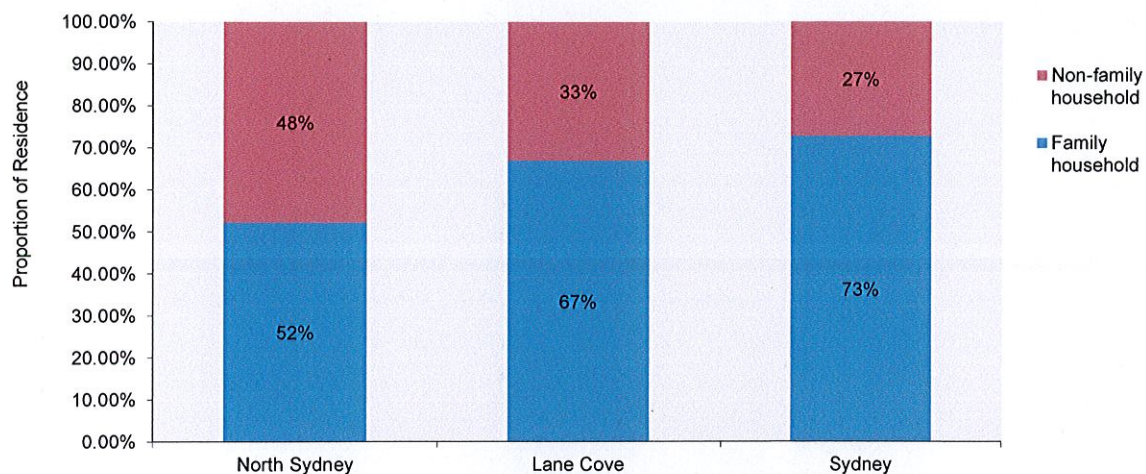
Source : Urbis; ABS Census 2006

Figure 17 shows the breakdown between family and non-family households. It shows that Lane Cove has a higher proportion of non-family houses compared to the wider Sydney SD, and lower compared to North Sydney LGA. This reflects the greater amount of one and two bedroom households in North Sydney LGA, likely to be non-family households.

FIGURE 17 – HOUSEHOLD COMPOSITION, FAMILY AND NON-FAMILY

Household Composition

PERSONS USUALLY RESIDENT LANE COVE LGA, NORTH SYDNEY LGA AND SYDNEY SD 2006



Source : Urbis; ABS Census 2006

4 Lane Cove Housing Overview

4.1 DWELLING TYPOLOGY

Family type is usually reflected in housing formation and dwelling types. Table 13 and figure 18 shows a larger proportion of separate houses compared to other housing types, and a higher person per dwelling ratio. These include:

TABLE 13 – HOUSING TYPES, LANE COVE LGA

HOUSING TYPE	PEOPLE PER DWELLING
Separated Dwellings	▪ 2.97
Semi-Detached Dwellings	▪ 2.19
Apartments	▪ 1.81

Source: Urbis; ABS Census, 2006

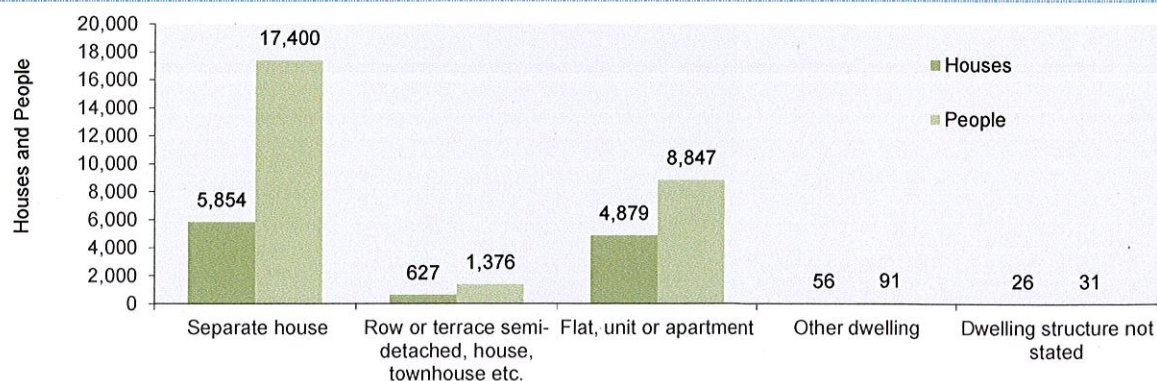
It is likely that a large proportion of the separated dwellings will service the greater number of 'family households' present in Lane Cove, while smaller, higher density, housing products, specifically apartments, will service the majority of single person households and a small proportion of 2 people households.

Figure 18 reinforces this profile, with the majority of residents housed in separate houses, which have a higher people per dwelling ratio, and being the dominate dwelling type in the LGA.

FIGURE 18 – DWELLING TYPES AND OCCUPANCY

Dwelling Type and Occupancy

LANE COVE LGA, 2006



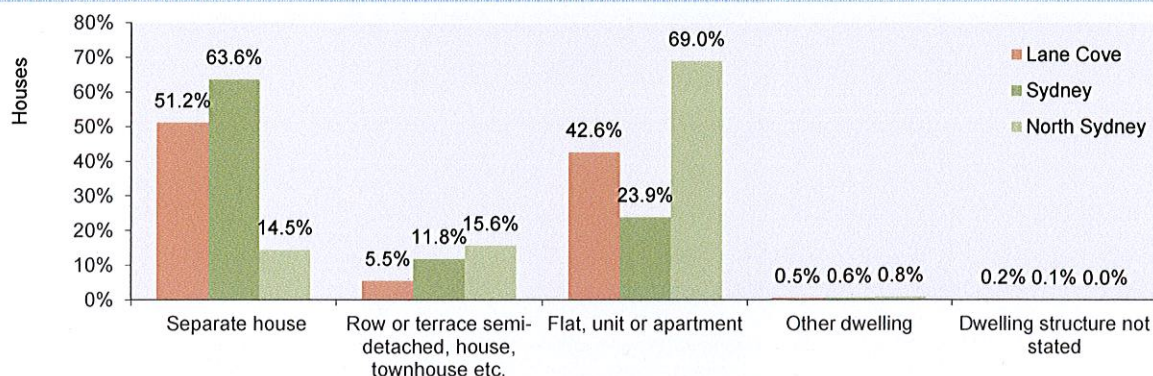
Source : Urbis; Australian Bureau of Statistics, Census 2006

This profile demonstrates that Lane Cove has a larger proportion of apartments compared to the Sydney Greater Metropolitan Region, and a smaller amount of separate houses and medium density semi-detached houses. It also shows that compared with the adjacent North Sydney, Lane Cove's housing profile is less built up.

FIGURE 19 – DWELLING TYPES, COMPARISON

Dwelling Type

LANE COVE LGA, NORTH SYDNEY LGA AND SYDNEY SD, 2006



Source : Urbis; Australian Bureau of Statistics, Census 2006

The lower density profile is reflected in people per dwelling rates, which show significantly less people per dwelling, indicative of a higher density housing product as per Table 14:

TABLE 14 – PEOPLE PER DWELLING

AREA	PEOPLE PER DWELLING
North Sydney LGA	▪ 1.9
Lane Cove LGA	▪ 2.43
Sydney SD	▪ 2.68

Source: Urbis; ABS Census, 2006

4.1.1 HOUSING OWNERSHIP

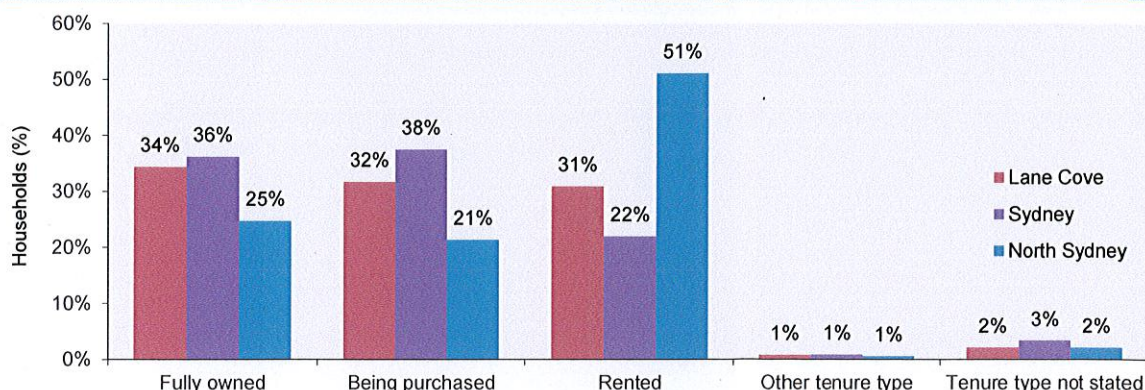
Lane Cove LGA has lower home ownership compared with the wider Sydney SD and a much higher proportion of residents renting. Figure 20 shows:

- 31% of Lane Cove residents rent compared with 22% of the Sydney SD
- A higher proportion of home ownership is found in the Sydney SD compared with Lane Cove LGA, with 36% ownership and 38% in the process of being purchased compared with 34% and 32% in Lane Cove.

FIGURE 20 – TENURE TYPE

Tenure Type

LANE COVE LGA, NORTH SYDNEY LGA AND SYDNEY SD, 2006



Source : Urbis; Australian Bureau of Statistics, Census 2006

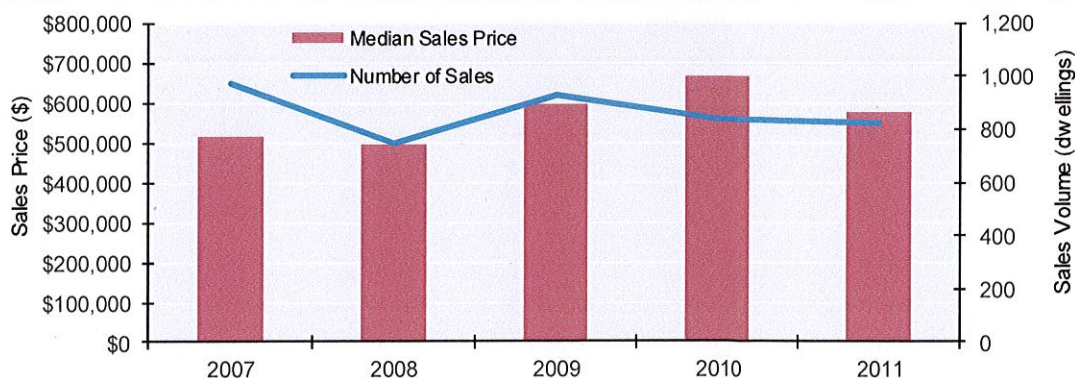
Compared with the wider Sydney market, Lane Cove LGA has a higher proportion of residents renting. The median price growth in strata units seen in Table 15 is above the Sydney average, which may account for the increase in rental property. The higher price creates an entry barrier for home owners and increases the market for rental properties. This is likely to have a negative impact on the affordability of housing within Lane Cove LGA compared to the wider Sydney SD. House price and Volume

Figure 21 provides an overview of housing price growth compared with year on year sales volume. A comparison of median sales price and volume can provide a picture of price growth versus the supply of housing on the market, thereby indicating whether housing supply is keeping pace with price growth and likely demand.

FIGURE 21 – DWELLING SALES PRICE AND VOLUME, LANE COVE

Median Dwelling Sales Price and Volume

LANE COVE LGA, 2007 TO 2011



Source : Urbis; RP Data

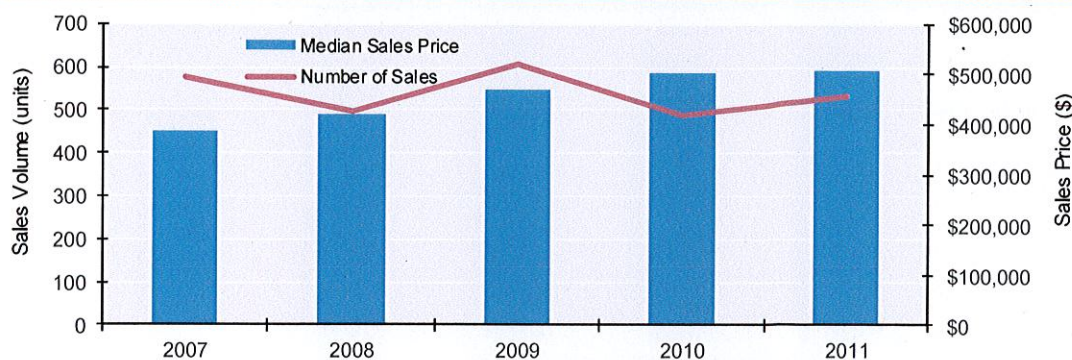
Figure 21 demonstrates strong growth in housing to 2010, followed by a fall in median price in 2011. Sales volume levelled out in 2011 following a decline between 2009 and 2010, which may have been due to a softening in prices, resulting in some houses being taken off the market.

Figure 22, looking specifically at strata units, similarly shows price and sales volume since 2007:

FIGURE 22 – UNIT SALES PRICE AND VOLUME, LANE COVE

Median Strata Unit Sales Price and Volume

LANE COVE LGA, 2007 TO 2011



Source: Urbis; RP Data

Table 15 shows that since 2007 strata unit prices have grown each year in Lane Cove by 5.62%, with a total sales volume of 2,699 over this period. Sales volume has largely been maintained within approximately 500 to 600 units per year, despite increases in median prices. Benchmarking Lane Cove's volume and sales price growth against other LGAs can provide an indication whether it is relatively supply constrained compared with other areas. Table 15 illustrates the change in volume and median price in Lane Cove, and comparable LGAs since 2007. It shows an annual price growth rate of 5.62%, which compared to most other LGAs represents a significant comparable increase in prices. Comparing this to the Ryde LGA specifically shows the same median price in 2007 of \$385,000. Since 2007 Lane Cove has experienced a faster rate of price growth, with the average residential strata title unit worth \$40,875 more..

TABLE 15 – MEDIAN UNIT PRICE AND SALES RATE, COMPARISON

Median Strata Unit Price Comparison

LANE COVE, WILLOUGHBY, NORTH SYDNEY AND RYDE LGAs

Year	Lane Cove		Willoughby		North Sydney		Ryde	
	Median Price	# of Sales	Median Price	# of Sales	Median Price	# of Sales	Median Price	# of Sales
2007	\$385,000	578	\$485,000	1,133	\$555,000	2,337	\$385,000	1,607
2008	\$421,500	496	\$500,000	797	\$555,000	1,706	\$391,000	1,220
2009	\$470,000	605	\$525,000	976	\$555,000	1,998	\$425,000	1,462
2010	\$503,500	489	\$565,000	1,005	\$640,000	1,949	\$465,000	1,143
2011	\$506,000	531	\$625,000	1,010	\$620,000	1,776	\$465,125	1,280
Annual Price Growth (%)	5.62%		5.20%		2.24%		3.85%	

Source: Urbis; RP Data

Table 15 also shows that despite strong price growth compared to other LGAs Lane Cove has had a comparably smaller supply available on the market, with sales volume approximately between 500 and 600 units per year. Lane Cove LGA's market is smaller than the others, however the median price growth experienced points to a strong comparative increase in demand for housing in Lane Cove and an appreciation in the price point next to other LGAs.

4.2 RENTAL MARKET

Rental rates and vacancy levels provide another indicator of housing market activity and demand, by measuring the demand for rental properties. Increases in house prices and lack of new housing supply typically results in a higher rental rate. Table 16 illustrates a comparison of rental rates between different LGAs and apartment types as at December 2011.

TABLE 16 – RENTAL RATE COMPARISON, APARTMENTS

Rental Rate Comparison

LANE COVE, NORTH SYDNEY, WILLOUGHBY, RYDE AND SYDNEY SD, DEC 2011

	Lane Cove	North Sydney	Willoughby	Ryde	Inner Ring ¹	Sydney SD
1 Bed Units						
Rent per week	\$400	\$450	\$480	\$340	\$450	\$415
Qt Change %	8.1%	0.0%	4.3%	6.3%	0.0%	0.0%
Annual Change %	14.2%	9.0%	5.5%	15.3%	7.1%	7.1%
2 Bed Unit						
Rent per week	\$445	\$580	\$560	\$400	\$570	\$450
Qt Change %	-1.1%	-2.5%	1.8%	2.6%	-0.9%	0.0%
Annual Change %	3.5%	5.5%	5.7%	5.2%	3.6%	4.7%

¹ Ashfield, Botany Bay, Lane Cove, Leichardt, Marrickville, Mosman, North Sydney, Randwick, Sydney, Waverly and Woolhara

Source: NSW Department of Housing Urbis

Annual rental growth has grown considerably more for Lane Cove LGA compared to other LGAs and Sydney SD for single bedroom apartments. This rental appreciation rate indicates strong demand for dwellings of this type across the LGA and represents yield growth for investors.

Given the much higher proportion of rental properties in North Sydney, and the comparably lower rental growth and price for apartments, there would appear to be an opportunity for apartments to achieve relatively high yields in Lane Cove. The smaller amount of rental properties in Lane Cove may point to an under developed market comparatively, while strong rental growth and levels higher than North Sydney would indicate a potential market.

In addition to this market consideration, it is important to recognise that higher rental yields are associated with a comparative rise in rents, which - if driven by a lack of supply of a particular development type - can be eased through increased dwelling supply.

4.3 NEW/PLANNED HOUSING STOCK

As shown in Table 17, there are a total of 17 residential developments planned for the Lane Cove LGA, with expected completion dates (as per Cordell Connect) from mid-2012 until mid-2018. In total, these developments are expected to contain a total of 1,865 units, representing a 16% increase on current supply (2006, ABS).

A large proportion of future developments are concentrated around the suburb of Lane Cove North and St Leonards Railway Station, illustrated in Figure 24. New residential dwelling approvals between 2006 and 2011, illustrated in Figure 25, also indicate a concentration of development around St Leonards Railway Station. Most of these developments are on the periphery of the LGA.

In terms of unit mix in competing developments, around 48% of new stock will be two bedroom units, 40% will be one bedroom units, 10% are expected to be three bedroom units and 1% will be studios. By comparison, the subject development will provide a higher proportion of smaller units, with 46% studios, 17% one bedroom units, 33% two bedroom units and 4% 3 bedroom units, there providing a smaller and more affordable product to the market.

TABLE 17 – PROJECT PIPELINE, APARTMENT BUILDINGS LANE COVE LGA

Project Pipeline

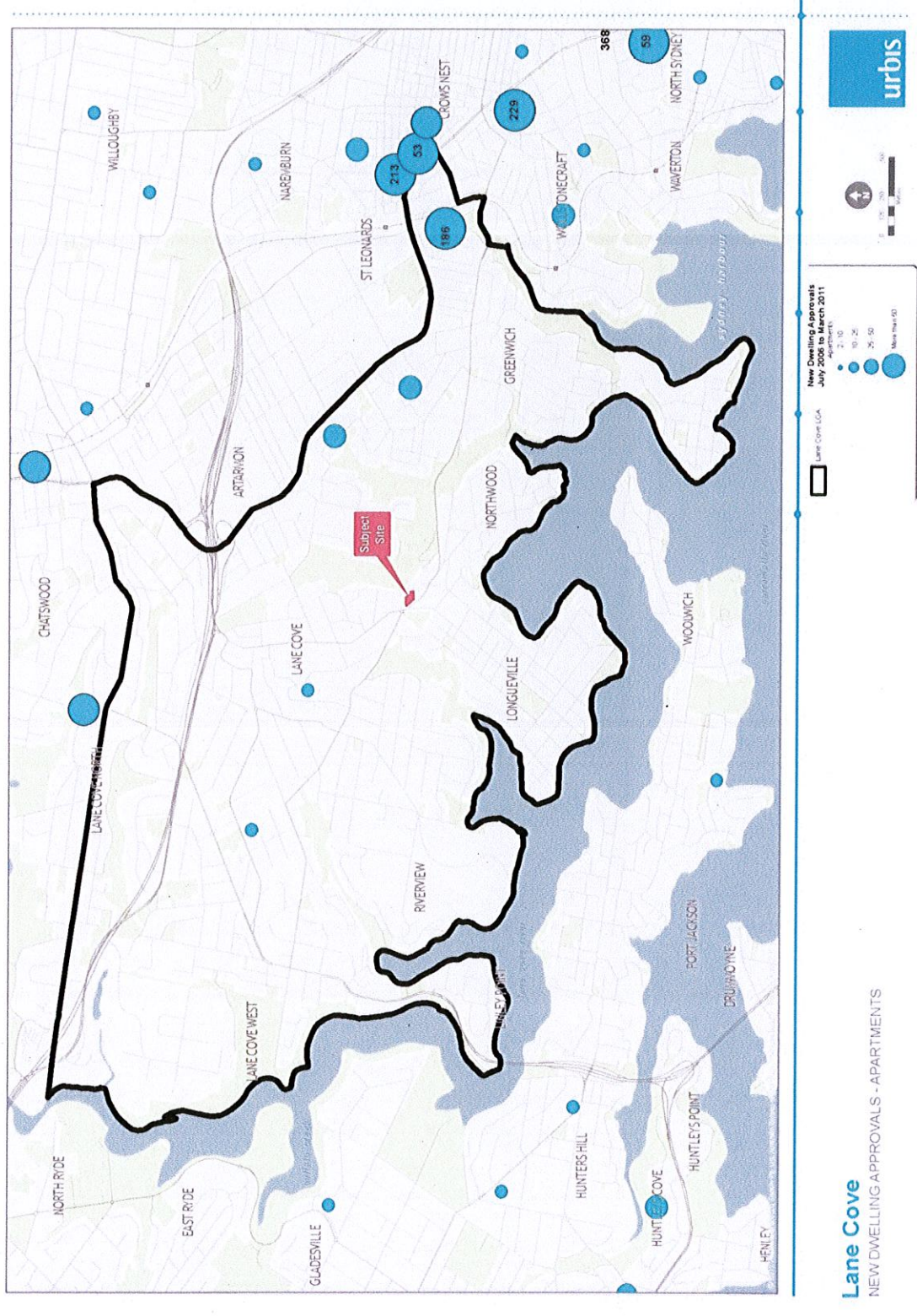
LANE COVE LGA

Project	Address	Suburb	Dwellings	Project Stage	Expected Completion Date	Bedrooms Split (%)			
						Studio	1 bed	2 bed	3 bed
Lane Cove Meeting House Redevelopment	23-27 Stokes Street	Lane Cove	6	Contract Let	Aug-12	-	-	-	-
Mowbray Road Units	554-560 Mowbray Road	Lane Cove	58	Development Application approved	Feb-13	-	41%	48%	10%
Finlayson Street Apartments - Aurora	3-9 Finlayson Street	Lane Cove	56	Development Application approved	Mar-13	-	34%	41%	25%
Pharos Place Townhouses	26 Pharos Place	Lane Cove	4	Development Application submitted	Apr-13	-	-	-	-
Burns Bay Road Units - Emerant Lane	284-288 Burns Bay Road	Lane Cove	85	Construction has commenced	Jul-13	-	33%	48%	20%
Longueville Road Mixed Development	152-154 Longueville Road	Lane Cove	5	Development Application approved	Mar-14	-	20%	80%	-
Gordon Crescent Units	76-82 Gordon Crescent	Lane Cove	48	Development Application approved	May-14	-	57%	36%	7%
Burns Bay Road Units	290 Burns Bay Road	Lane Cove	38	Contract Let	May-14	-	16%	82%	3%
Mowbray Road Units	544-550 Mowbray Road	Lane Cove	62	Development Application approved	Jun-14	-	31%	59%	10%
Little Lane Carpark Redevelopment	1 Little Street	Lane Cove	50	Sketch Plans	Aug-14	-	30%	56%	14%
Mowbray Road Units	626-632 Mowbray Road	Lane Cove	42	Development Application approved	Sep-14	-	-	95%	5%
Centennial Avenue and Gordon Crescent Units	7-13 Centennial Avenue & 92-96 Gordon Crescent	Lane Cove	189	Development Application submitted	Nov-14	4%	49%	41%	7%
Nield Avenue Units - Australia	1-8 Nield Avenue	Greenwich	131	Development Application approved	Dec-14	1%	80%	19%	-
Mowbray Road and Gordon Crescent Units	532-534 Mowbray Road & 72-74 Gordon Crescent	Lane Cove	52	Development Application approved	Dec-15	-	-	-	-
Epping Road Mixed Development	150 Epping Road	Lane Cove	440	Early Planning	Oct-16	-	-	-	-
Marshall Avenue Units	1-25 Marshall Avenue	St Leonards	350	Early Planning	Jun-17	-	-	-	-
Burns Bay Road Units	316-322 Burns Bay Road	Lane Cove	249	Development Application submitted	Apr-18	-	-	-	-
TOTAL			1,865			1%	40%	49%	10%

Source: URBIS, Cordell Connect

Source: ABS, and Cordell Connect

FIGURE 24 – APARTMENT DWELLING APPROVALS, 2006 TO 2011



4.4 CASE STUDIES

There are a number of large developments planned for surrounding suburbs (notably Ryde, Epping and Chatswood), that are likely to compete with developments in the Lane Cove LGA. The key conclusions regarding these developments are:

- Excluding the premium Chatswood developments, typical asking prices are \$410,000 to \$488,000 for one bedroom units, \$525,000 to \$950,000 for two bedroom units and \$640,000 to \$715,000 for three bedroom units.
- Typical listed rents for these properties are from \$350 per week to \$470 for one bedroom units, \$450 to \$600 for two bedroom units and \$650 to \$1,150 for three bedroom units.

The following projects surrounding Lane Cove are being actively marketed and provide some current benchmarks for unit development.

Significant Upcoming Residential Developments

Other key developments

Project

Top Ryde City Living



Pricing

Indicative pricing for stage one is as follows:

- 1 bed \$410,000 - \$485,000
- 2 bed \$525,000 - \$950,000
- 3 bed \$695,000 - \$715,000
- Penthouse from \$995,000

Estimated achievable rents:

- 1 bed - \$350 - \$420 pw
- 2 bed - \$450 - \$600 pw
- 3 bed - \$650 - \$1,150 pw

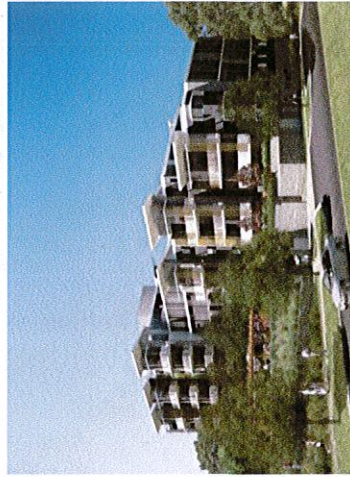
Development details

- The whole development is expected to have approximately 243 apartments in total over 5 apartment blocks. Approximately 270 retail and speciality shops are to be located below in the Top Ryde City Shopping Centre.
- Marketing of stage 1 (Braeburn and Franklin) commenced in November 2009 with the two towers having recently commenced construction. Building B has 106 apartments over 10 storeys (13 one bedroom, 26 one bedroom plus study, 54 two bedroom, 2 two bedroom plus study, 11 three bedroom) and Building F has 79 apartments over 10 storeys (20 one room, 2 one bedroom plus study, 11 two bedroom, 42 two bedroom plus study and 4 three bedroom with study). Many of the units will have city views, with the developments also including a gymnasium, swimming pool and common rooms.
- Stage 2 commenced construction in late 2011, and will contain 81 apartments (18 one bedroom, 51 two bedroom and 12 three bedroom). Completion is expected late 2012. As at February 2012, 26 apartments of stage one and two remained available. The next stage is expected to be released in March 2012.

Epping Park

61 Mobbs Lane
Epping

(Meriton - Old Channel
7 site)



Price range as at August 2011:

- 1 bed from \$430,000 +
- 2 bed from \$555,000 +
- 3 bed from \$640,000 +
- Townhouse's (4 Bed) from \$821,000 to \$918,000

Estimated achievable rents:

- 1 bed - \$470 per week
- 2 bed - \$570 per week
- 3 bed - \$670 per week

- The total development will have 800 dwellings: 47 one bedroom, 705 two bedroom and 24 three bedroom. Stage one (building 7 and 8) contains apartments and townhouses: 24 one bedrooms, 56 two bedrooms and 54 three bedrooms.

- All apartments have air conditioning, lock up garages, some with city views. The complex will have tennis courts, a lap pool, a gymnasium, a spa and sauna, 24-hour security and on-site building manager.

- Agents have indicated that approximately 55% of purchasers are owner occupiers, typically young couples and young families. The balance are comprised overseas and local investors.

- Construction of stage one has completed with the stage selling out before completion. Stage 2 was released late 2011.

Source: Developers, Cordell Connect

Significant Upcoming Residential Developments (cont)

Other key developments

Chatswood Metro

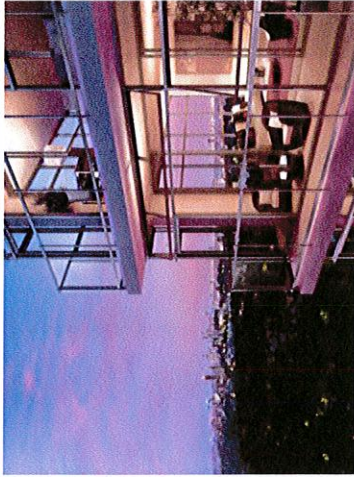
Project

(View, Spire, Grand)

(Meriton)

(CBRE -

sales/marketing)



The Metro Grand has indicative price ranges of:

- 1 bedroom \$488,000+ and up to 66 sqm
- 2 bedrooms \$735,000+ and up to 107 sqm
- 3 bedrooms \$1,245m+ and up to 133 sqm
- Penthouses \$1.725M+ and up to 247 sqm

- The Chatswood Interchange residential development forms part of the larger mixed used development which will also contain commercial and retail uses. It is expected to contain 553 one, two and three bedroom units and sky homes over three separate buildings of up to 40 storeys: the 'Metro Grand' will have approximately 261 units and the 'Metro Spire' and the 'Metro View' have 292.

- The development will also contain a level devoted to community uses, which will be shared by all 3 residential towers and will house a swimming pool, a gymnasium, landscaped terraces and recreational uses. All towers have secure residential car park with direct lift access to residential levels.

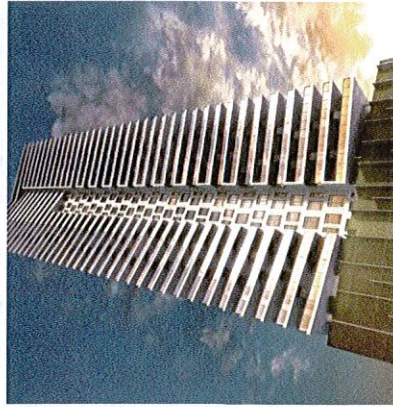
- Stage one has sold out, with 290 of the 292 apartments sold over a weekend. 20% of presales were to Asian residents either as investments or for occupation.

- CBRE has finished marketing of the final stage (Metro Grand) and all apartments have sold out with the exception of the sky homes, with marketing commencing in late 2011. Construction of the towers commenced in mid 2011.

ERA Development

Chatswood

(Minvac)



The ERA Development, as at late August 2011, has price ranges of:

- 1 Bedroom \$499,000 - \$730,000
- 2 Bedrooms \$699,000 - \$1.2m
- 3 Bedrooms \$1.430m - \$2.1m

- The 295 available apartments are located over 42 storeys with targeted completion early 2014.

- All one and two bedroom apartments are sold out and there are only 9 three bedroom apartments left to be sold in the complex (as at late 2011). 95% of apartments were reportedly sold in one day.

- Agents have indicated majority of buyers are local, with one bedroom apartments being popular for local investors and two and three bedroom apartments mainly bought for occupation.

- Many of the apartments have large panoramic city views, and residents will enjoy the benefits of heated swimming pool, fully equipped gym and sauna adjacent to the large natural gardens.

Source: Developers, Cordell Connect

4.5 HOUSE AFFORDABILITY MEASURES

When considering the need for additional housing stock, it is important to look at housing affordability relative to residents' income distribution.

The measure used to define 'housing stress' and the relative affordability of Lane Cove's housing stock is the proportion of income required to either service a household's mortgage or weekly rental expense. It is commonly set at 30% of household income.

There are two key variables that affect the overall cost of housing and therefore 'housing stress'. For renters it is weekly rent versus income, while for home buyers it includes both the price of the dwelling and the corresponding interest rate. As interest rates and/or housing prices increase, affordability falls and 'housing stress' (the amount of money spent on mortgage expenses) increases.

Tables 18 to 21 provide an overview of the housing stress price points for Lane Cove home buyers and renters. Comparing this to household rental and house prices provides an indication of housing stress at different income levels.

TABLE 18 –RENTAL THRESHOLD AFFORDABILITY LEVELS

Threshold Rent Levels for Lane Cove LGA Renters

Annual Household Income	Weekly Rent											
	\$200	\$250	\$300	\$350	\$400	\$450	\$500	\$550	\$600	\$650	\$700	\$750
\$20,000	52%	65%	78%	91%	104%	117%	130%	143%	156%	169%	182%	195%
\$30,000	35%	43%	52%	61%	69%	78%	87%	95%	104%	113%	121%	130%
\$40,000	26%	33%	39%	46%	52%	59%	65%	72%	78%	85%	91%	98%
\$50,000	21%	26%	31%	36%	42%	47%	52%	57%	62%	68%	73%	78%
\$60,000	17%	22%	26%	30%	35%	39%	43%	48%	52%	56%	61%	65%
\$70,000	15%	19%	22%	26%	30%	33%	37%	41%	45%	48%	52%	56%
\$80,000	13%	16%	20%	23%	26%	29%	33%	36%	39%	42%	46%	49%
\$90,000	12%	14%	17%	20%	23%	26%	29%	32%	35%	38%	40%	43%
\$100,000	10%	13%	16%	18%	21%	23%	26%	29%	31%	34%	36%	39%
\$110,000	9%	12%	14%	17%	19%	21%	24%	26%	28%	31%	33%	35%
\$120,000	9%	11%	13%	15%	17%	20%	22%	24%	26%	28%	30%	33%
\$130,000	8%	10%	12%	14%	16%	18%	20%	22%	24%	26%	28%	30%
\$140,000	7%	9%	11%	13%	15%	17%	19%	20%	22%	24%	26%	28%
\$150,000	7%	9%	10%	12%	14%	16%	17%	19%	21%	23%	24%	26%
\$160,000	7%	8%	10%	11%	13%	15%	16%	18%	20%	21%	23%	24%

One bed flat
(\$400 per week)

Two bed flat (\$445
per week)

Separate Houses, three
bed (\$750 per week)

Houshold income quartile	Average annual income	Maximum affordable weekly rent	Number of Residents
Second	\$52,000	\$300	9,009
Average	\$104,425	\$602	2,478
Upper	\$130,000	\$750	11,039

* Lane Cove LGA average weekly rent (September 2011)

Note: Orange indicates that this rental level pushes households into stress (i.e. rental payment > 30% of household income). Average household incomes are taken from the 2006 census and adjusted to account for income growth to 2011.

Note 2: No data was found for separate dwellings, with fewer than three bedrooms

Source : Housing NSW; Urbis; ABS

d

TABLE 19 –FIRST HOME BUYER, THRESHOLD AFFORDABILITY LEVELS

Threshold Price Levels for Catchment First Home Owners

	\$250,000	\$300,000	\$350,000	\$400,000	\$450,000	\$500,000	\$550,000	\$600,000	\$650,000	\$700,000	\$750,000	\$800,000	\$850,000	\$900,000	\$950,000
5.00%	-\$1,074	-\$1,288	-\$1,503	-\$1,718	-\$1,933	-\$2,147	-\$2,362	-\$2,577	-\$2,791	-\$3,006	-\$3,221	-\$3,436	-\$3,650	-\$3,865	-\$4,080
5.25%	-\$1,104	-\$1,325	-\$1,546	-\$1,767	-\$1,988	-\$2,209	-\$2,430	-\$2,651	-\$2,871	-\$3,092	-\$3,313	-\$3,534	-\$3,755	-\$3,976	-\$4,197
5.50%	-\$1,136	-\$1,363	-\$1,590	-\$1,817	-\$2,044	-\$2,271	-\$2,498	-\$2,725	-\$2,953	-\$3,180	-\$3,407	-\$3,634	-\$3,861	-\$4,088	-\$4,315
5.75%	-\$1,167	-\$1,401	-\$1,634	-\$1,867	-\$2,101	-\$2,334	-\$2,568	-\$2,801	-\$3,035	-\$3,268	-\$3,501	-\$3,735	-\$3,968	-\$4,202	-\$4,435
6.00%	-\$1,199	-\$1,439	-\$1,679	-\$1,919	-\$2,158	-\$2,398	-\$2,638	-\$2,878	-\$3,118	-\$3,357	-\$3,597	-\$3,837	-\$4,077	-\$4,317	-\$4,557
6.25%	-\$1,231	-\$1,478	-\$1,724	-\$1,970	-\$2,217	-\$2,463	-\$2,709	-\$2,955	-\$3,202	-\$3,448	-\$3,694	-\$3,941	-\$4,187	-\$4,433	-\$4,679
6.50%	-\$1,264	-\$1,517	-\$1,770	-\$2,023	-\$2,275	-\$2,528	-\$2,781	-\$3,034	-\$3,287	-\$3,540	-\$3,792	-\$4,045	-\$4,298	-\$4,551	-\$4,804
6.75%	-\$1,297	-\$1,557	-\$1,816	-\$2,076	-\$2,335	-\$2,594	-\$2,854	-\$3,113	-\$3,373	-\$3,632	-\$3,892	-\$4,151	-\$4,410	-\$4,670	-\$4,929
7.00%	-\$1,331	-\$1,597	-\$1,863	-\$2,129	-\$2,395	-\$2,661	-\$2,927	-\$3,193	-\$3,460	-\$3,726	-\$3,992	-\$4,258	-\$4,524	-\$4,790	-\$5,056
7.25%	-\$1,364	-\$1,637	-\$1,910	-\$2,183	-\$2,456	-\$2,729	-\$3,002	-\$3,274	-\$3,547	-\$3,820	-\$4,093	-\$4,366	-\$4,639	-\$4,912	-\$5,185
7.50%	-\$1,398	-\$1,678	-\$1,958	-\$2,237	-\$2,517	-\$2,797	-\$3,077	-\$3,356	-\$3,636	-\$3,916	-\$4,195	-\$4,475	-\$4,755	-\$5,034	-\$5,314
7.75%	-\$1,433	-\$1,719	-\$2,006	-\$2,293	-\$2,579	-\$2,866	-\$3,152	-\$3,439	-\$3,725	-\$4,012	-\$4,298	-\$4,585	-\$4,872	-\$5,158	-\$5,445
8.00%	-\$1,468	-\$1,761	-\$2,055	-\$2,348	-\$2,642	-\$2,935	-\$3,229	-\$3,522	-\$3,816	-\$4,109	-\$4,403	-\$4,696	-\$4,990	-\$5,283	-\$5,577
8.25%	-\$1,503	-\$1,803	-\$2,104	-\$2,404	-\$2,705	-\$3,005	-\$3,306	-\$3,606	-\$3,907	-\$4,207	-\$4,508	-\$4,808	-\$5,109	-\$5,409	-\$5,710
8.50%	-\$1,538	-\$1,845	-\$2,153	-\$2,461	-\$2,768	-\$3,076	-\$3,383	-\$3,691	-\$3,998	-\$4,306	-\$4,613	-\$4,921	-\$5,229	-\$5,536	-\$5,844
8.75%	-\$1,573	-\$1,888	-\$2,203	-\$2,517	-\$2,832	-\$3,147	-\$3,461	-\$3,776	-\$4,091	-\$4,406	-\$4,720	-\$5,035	-\$5,350	-\$5,664	-\$5,979
9.00%	-\$1,609	-\$1,931	-\$2,253	-\$2,575	-\$2,897	-\$3,218	-\$3,540	-\$3,862	-\$4,184	-\$4,506	-\$4,828	-\$5,150	-\$5,471	-\$5,793	-\$6,115
9.25%	-\$1,645	-\$1,974	-\$2,303	-\$2,633	-\$2,962	-\$3,291	-\$3,620	-\$3,949	-\$4,278	-\$4,607	-\$4,936	-\$5,265	-\$5,594	-\$5,923	-\$6,252
9.50%	-\$1,682	-\$2,018	-\$2,354	-\$2,691	-\$3,027	-\$3,363	-\$3,700	-\$4,036	-\$4,372	-\$4,709	-\$5,045	-\$5,381	-\$5,718	-\$6,054	-\$6,390
9.75%	-\$1,718	-\$2,062	-\$2,406	-\$2,749	-\$3,093	-\$3,437	-\$3,780	-\$4,124	-\$4,468	-\$4,811	-\$5,155	-\$5,499	-\$5,842	-\$6,186	-\$6,530
10.00%	-\$1,755	-\$2,106	-\$2,457	-\$2,808	-\$3,159	-\$3,510	-\$3,861	-\$4,212	-\$4,563	-\$4,914	-\$5,265	-\$5,616	-\$5,967	-\$6,319	-\$6,670

Catchment Av. HH Income:

\$104,425

Total Catchment Households:

31,721

Catchment Upper Quartile Income

\$130,000

Catchment Households in Upper Quartile

11,039

Note: Blue indicates that this house price and interest rate level push 'average' households into mortgage stress (i.e. mortgage repayments > 30% of household income). Orange numbers indicate that this house price and interest rate push upper income quartile households into mortgage stress. Average household incomes are taken from the 2006 census and adjusted to account for income growth to 2011.

Source: Urbis; NSW Department of Housing

Average apartment cost
Lane Cove LGA (\$501,000)

Average separate house cost Lane
Cove LGA (\$1,434,000)

TABLE 20 – ESTABLISHED HOME OWNERS, THRESHOLD AFFORDABILITY LEVELS

Threshold House Price Levels for Catchment Established Home Owners

	\$350,000	\$400,000	\$450,000	\$500,000	\$550,000	\$600,000	\$650,000	\$700,000	\$750,000	\$800,000	\$850,000	\$900,000	\$950,000	\$1,000,000	\$1,050,000	\$1,100,000
5.00%	-\$939	-\$1,074	-\$1,208	-\$1,342	-\$1,476	-\$1,610	-\$1,745	-\$1,879	-\$2,013	-\$2,147	-\$2,281	-\$2,416	-\$2,550	-\$2,684	-\$2,818	-\$2,953
5.25%	-\$966	-\$1,104	-\$1,242	-\$1,381	-\$1,519	-\$1,657	-\$1,795	-\$1,933	-\$2,071	-\$2,209	-\$2,347	-\$2,485	-\$2,623	-\$2,761	-\$2,899	-\$3,037
5.50%	-\$994	-\$1,136	-\$1,278	-\$1,419	-\$1,561	-\$1,703	-\$1,845	-\$1,987	-\$2,129	-\$2,271	-\$2,413	-\$2,555	-\$2,697	-\$2,839	-\$2,981	-\$3,123
5.75%	-\$1,021	-\$1,167	-\$1,313	-\$1,459	-\$1,605	-\$1,751	-\$1,897	-\$2,043	-\$2,188	-\$2,334	-\$2,480	-\$2,626	-\$2,772	-\$2,918	-\$3,064	-\$3,210
6.00%	-\$1,049	-\$1,199	-\$1,349	-\$1,499	-\$1,649	-\$1,799	-\$1,949	-\$2,098	-\$2,248	-\$2,398	-\$2,548	-\$2,698	-\$2,848	-\$2,998	-\$3,148	-\$3,298
6.25%	-\$1,078	-\$1,231	-\$1,385	-\$1,539	-\$1,693	-\$1,847	-\$2,001	-\$2,155	-\$2,309	-\$2,463	-\$2,617	-\$2,771	-\$2,925	-\$3,079	-\$3,233	-\$3,386
6.50%	-\$1,106	-\$1,264	-\$1,422	-\$1,580	-\$1,738	-\$1,896	-\$2,054	-\$2,212	-\$2,370	-\$2,528	-\$2,686	-\$2,844	-\$3,002	-\$3,160	-\$3,318	-\$3,476
6.75%	-\$1,135	-\$1,297	-\$1,459	-\$1,621	-\$1,784	-\$1,946	-\$2,108	-\$2,270	-\$2,432	-\$2,594	-\$2,757	-\$2,919	-\$3,081	-\$3,243	-\$3,405	-\$3,567
7.00%	-\$1,164	-\$1,331	-\$1,497	-\$1,663	-\$1,830	-\$1,996	-\$2,162	-\$2,329	-\$2,495	-\$2,661	-\$2,828	-\$2,994	-\$3,160	-\$3,327	-\$3,493	-\$3,659
7.25%	-\$1,194	-\$1,364	-\$1,535	-\$1,705	-\$1,876	-\$2,047	-\$2,217	-\$2,388	-\$2,558	-\$2,729	-\$2,899	-\$3,070	-\$3,240	-\$3,411	-\$3,581	-\$3,752
7.50%	-\$1,224	-\$1,398	-\$1,573	-\$1,748	-\$1,923	-\$2,098	-\$2,272	-\$2,447	-\$2,622	-\$2,797	-\$2,972	-\$3,146	-\$3,321	-\$3,496	-\$3,671	-\$3,846
7.75%	-\$1,254	-\$1,433	-\$1,612	-\$1,791	-\$1,970	-\$2,149	-\$2,328	-\$2,507	-\$2,687	-\$2,866	-\$3,045	-\$3,224	-\$3,403	-\$3,582	-\$3,761	-\$3,940
8.00%	-\$1,284	-\$1,468	-\$1,651	-\$1,834	-\$2,018	-\$2,201	-\$2,385	-\$2,568	-\$2,752	-\$2,935	-\$3,118	-\$3,302	-\$3,485	-\$3,669	-\$3,852	-\$4,036
8.25%	-\$1,315	-\$1,503	-\$1,690	-\$1,878	-\$2,066	-\$2,254	-\$2,442	-\$2,629	-\$2,817	-\$3,005	-\$3,193	-\$3,381	-\$3,569	-\$3,756	-\$3,944	-\$4,132
8.50%	-\$1,346	-\$1,538	-\$1,730	-\$1,922	-\$2,115	-\$2,307	-\$2,499	-\$2,691	-\$2,883	-\$3,076	-\$3,268	-\$3,460	-\$3,652	-\$3,845	-\$4,037	-\$4,229
8.75%	-\$1,377	-\$1,573	-\$1,770	-\$1,967	-\$2,163	-\$2,360	-\$2,557	-\$2,753	-\$2,950	-\$3,147	-\$3,343	-\$3,540	-\$3,737	-\$3,934	-\$4,130	-\$4,327
9.00%	-\$1,408	-\$1,609	-\$1,810	-\$2,012	-\$2,213	-\$2,414	-\$2,615	-\$2,816	-\$3,017	-\$3,218	-\$3,420	-\$3,621	-\$3,822	-\$4,023	-\$4,224	-\$4,425
9.25%	-\$1,440	-\$1,645	-\$1,851	-\$2,057	-\$2,262	-\$2,468	-\$2,674	-\$2,879	-\$3,085	-\$3,291	-\$3,496	-\$3,702	-\$3,908	-\$4,113	-\$4,319	-\$4,525
9.50%	-\$1,471	-\$1,682	-\$1,892	-\$2,102	-\$2,312	-\$2,523	-\$2,733	-\$2,943	-\$3,153	-\$3,363	-\$3,574	-\$3,784	-\$3,994	-\$4,204	-\$4,414	-\$4,625
9.75%	-\$1,504	-\$1,718	-\$1,933	-\$2,148	-\$2,363	-\$2,577	-\$2,792	-\$3,007	-\$3,222	-\$3,437	-\$3,651	-\$3,866	-\$4,081	-\$4,296	-\$4,511	-\$4,725
10.00%	-\$1,536	-\$1,755	-\$1,975	-\$2,194	-\$2,413	-\$2,633	-\$2,852	-\$3,072	-\$3,291	-\$3,510	-\$3,730	-\$3,949	-\$4,168	-\$4,388	-\$4,607	-\$4,827
					Catchment Av. HH Income:		\$104,425								\$130,000	
					Total Catchment Households		31,721								11,039	

Note: Blue indicates that this house price and interest rate level push 'average' households into mortgage stress (i.e. mortgage repayments > 30% of household income). Orange numbers indicate that this house price and interest rate push upper income quartile households into mortgage stress. Average household incomes are taken from the 2006 census and adjusted to account for income growth to 2011.

Source: Urbis; NSW Department of Housing

Average separate house cost Lane Cove LGA (\$1,434,000)

Average apartment cost Lane Cove LGA (\$501,000)

6 Conclusion

The key findings from this assessment focus on the affordability of purchasing or renting in Lane Cove, the associated increase in price compared to other LGAs and wider Sydney region and the increased retail spend associated with population growth attributed to the proposed development. Specifically the study has found that:

- The average median price point for the Lane Cove LGA is \$506,000 for strata units, just above the threshold for first home buyers currently earning the LGA's average income. This restricts home ownership to upper quartile residents and established home owners.
- Rental market analysis indicates that lower quartile households will not be able to afford the median rental rate for apartments in the Lane Cove LGA, with a maximum rental expense of \$300 per week before housing stress occurs.
- Growth in rental rates for single bedroom and three bedroom apartments compared to North Sydney, while having a lower rental tenure type may indicate an untapped rental market for investors and developers for these particular dwelling types.
- Given that the predicted future demographic mix will feature an increase in both a younger (likely to be a first home buyer market) and retiree profile, it is likely that there will be demand for smaller more affordable products by the market. Given the lack of studio options, estimated to be only 1% of the current development pipeline within the Lane Cove LGA, the proposed development will provide a differentiated product that offers a more affordable option.
- Increased retail spend of \$2.26 million in the Northwood Neighbourhood Centre will help support existing or new ground floor retail.
- Employment during the construction phase of this project is estimated 116 full-time equivalent positions, generating an expected \$6.7 million annual wage. Employment once the retail component of the development is expected to create 69 jobs, generating \$3.6 million in wages per annum.
- Encouraging mixed use neighbourhood centres has several benefits that will help meet the objectives in Council's DCP Part D – Commercial and Mixed Use Localities (Locality 2 - Northwood Neighbourhood Centre). They are:
 - **Economic Benefits:** Improvement of housing choice and affordability and provision of local employment opportunities for residents. Improved retail choice and vitality through broadening the retail offer to include missing elements such as convenience supermarket and food & beverage.
 - **Health Benefits:** improving the overall offer of the Northwood Neighbourhood Centre, provides walkable access to retail facilities for the vast majority of Longueville and Northwood residents located over 1km from the next retail centre of Lane Cove. Increased walking leads to health benefits for the community.
 - **Environmental Benefits:** mixed use neighbourhood centres reduce the reliance on cars, by reducing the number of car trips, thereby reducing petrol consumption costs for residents and carbon emissions.
 - **Social Benefits:** well-serviced walkable mixed use centres encourage integrated public transport. The scale of the development will also create a landmark gateway for the Northwood Neighbourhood Centre.

The Northwood Neighbourhood Centre has failed to reach its potential with the current surrounding development and population profile. As such there is an opportunity to improve the overall vitality of the centre and its relevance to the local community by encouraging mixed use development at a scale that will help support a diverse local retail offer. Such development should be maximised on sites that can support it, particularly given the fragmented nature of the Centre. The population base provided by the proposed development at 4-16 Northwood Road, 274 & 274A Longueville Road will be essential to providing the catalyst for renewal of the Centre.

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