

Appendix E

Land Market analysis, September 2013

Market Analysis

North Manyana Residential Development

Prepared By: John Larcombe (B.A. (Econ.), MTCP, MBA) in
association with David Broyd Consulting Services Pty. Ltd. and Chris
Power Environmental Planning

For: Kylor Pty.Ltd.

September 2013

John Larcombe
Economics • Planning • Infrastructure
21 The Avenue Hunters Hill NSW 2110
Mobile: 0402-201-929

Table of Contents

Introduction	2
Shoalhaven LGA	3
Projected Population of Shoalhaven LGA.....	4
The Factors Driving Population Growth in Shoalhaven LGA.....	6
Demand for New Dwellings in Shoalhaven LGA and at North Manyana.....	8
Market Analysis of North Manyana	10
Lessons from Other Places	13
Findings and Conclusions for North Manyana.....	14
Recommendations to Support The Development of North Manyana.....	16
Attachment 1: Information on Comparative Locations	18

Disclaimer

John Larcombe prepared this report in association with David Broyd Consulting Services Pty. Ltd and Chris Power Environmental Planning for the exclusive use of Kylor Pty.Ltd. Any other person, corporation or organization herein should not rely upon the information, graphics and drawings for any other purpose. In preparing this report, we relied upon information supplied by Shoalhaven City Council, government agencies, real estate agents, and other sources. While checks were undertaken to ensure that material represented the correct version of the information relied upon, no warranty or guarantee is made of the accuracy or completeness of that information.

The findings and conclusions of this analysis are based on available information and do not guarantee the success or viability of the proposed development.

Introduction

This report is prepared by John Larcombe in association with David Broyd Consulting Services Pty. Ltd. and Chris Power Environmental Planning.

The analysis is prepared as part of the planning analysis of the proposed residential land development of a maximum of 380 lots at North Manyana by Kylor Pty. Ltd.

Public consultation for the proposal has revealed concerns about the current weak demand for residential properties and hence the extent of demand for residential land at Manyana.

The consultation also revealed that Manyana has very little commercial or community infrastructure and that this is a constraint to further development of the area.

There are many places similar to North Manyana along the east coast of Australia that have experienced and are experiencing population growth and development. There is an opportunity to learn lessons from the experience of these places and see how these might apply to the development of North Manyana.

This analysis addresses these concerns and in particular the following questions:

- What are the current and future levels of demand for residential land at North Manyana?
- How the „Sea Change“ phenomenon affects demand at North Manyana?
- Why is demand currently low and for how long is this level expected to continue?
- Are there other areas along the east coast of Australia that provide a model for how Manyana might develop in future?
- What elements will the development of North Manyana need to ensure it meets market demand?
- What is the role of North Manyana in the broader catchment with regard to demand and supply of residential development?

Shoalhaven LGA

Manyana is within the Shoalhaven City local government area (LGA), a growing residential and tourist area, on the South Coast of NSW.

The Estimated Resident Population of Shoalhaven LGA in 2013 is 98,344 persons. The South Coast (Illawarra Region, excluding Wollongong) is projected to have the highest population growth rate of any region in NSW, outside of the Sydney Metropolitan Region, over the next 23 years.

The Shoalhaven area, as a housing market, attracts families and also retirees, primarily from Sydney and Wollongong.

Within Shoalhaven, different areas attract different types of families. Nowra and Bombaderry attract families, both established families and those with young children, drawn by access to jobs and to health and education facilities. Nowra is a growing employment centre with a promising economic future built around the navy facilities, the expanding hospital, growing health and aged care facilities and the local campus of Wollongong University.

The coastal areas, including Manyana, attract high proportions of retirees and some families with children. These households are attracted by the access to the beaches and the coastal lifestyle. Many homes in coastal locations, typically 50% of houses, are holiday homes, in these coastal villages.

Shoalhaven has substantial areas of national parks, state forest, bushland, beaches and lakes and attracts a large number of visitors and is the most visited region in NSW outside of Sydney. (Shoalhaven Council website)

Projected Population of Shoalhaven LGA

Shoalhaven Local Government Area (LGA) is projected to increase by approximately 36,400 persons between 2013 and 2036. This represents a compound growth rate of 1.38% per annum (see Table 1).

The number of households¹ is projected to increase by 15,460 over the period, from 41,310 in 2013 to 56,770 in 2036. This is a compound growth rate of 1.29% per annum. Of these, approximately 6,820 households (44%) are projected for hinterland areas and 8,640 (56%) are projected for coastal areas.

Table 1: Shoalhaven LGA Population Projections, 2013 to 2036

Areas	Persons		2013-2036 Increase
	2013	2036	
Hinterland Areas			
Nowra	9,525	10,654	1,129
North Nowra	5,696	6,974	1,278
Bomaderry	6,688	7,641	953
Berry	4,544	5,478	934
Bangalee	3,202	7,698	4,496
West Nowra	4,445	9,898	5,453
Worrigee	5,027	6,342	1,315
Rural Balance	2,680	3,177	497
<u>Subtotal</u>	<u>41,807</u>	<u>57,862</u>	<u>16,055</u>
Coastal Areas			
Burrill Lake	2,829	3,699	870
Callala Bay	3,721	4,787	1,066
Culburra	3,526	5,081	1,555
Greenwell Point	1,932	2,090	158
Huskisson	3,403	4,283	880
Manyana-Lake			
Conjola	2,265	2,788	523
Milton	3,251	4,586	1,335
Mollymook	4,864	8,146	3,282
Sanctuary Point	6,992	8,522	1,530
Shoalhaven Heads	3,108	3,436	328
St. Georges Basin	4,343	6,433	2,090
Sussex Inlet	4,363	6,714	2,351
Ulladulla	6,514	8,433	1,919
Vincentia	5,426	7,901	2,475
<u>Subtotal</u>	<u>56,537</u>	<u>76,899</u>	<u>20,362</u>
<u>Shoalhaven LGA</u>			
<u>Total</u>	<u>98,344</u>	<u>134,761</u>	<u>36,417</u>

Source: Shoalhaven City Council Website

¹ 'Households' and 'dwellings' are different although closely related. 'Households' are calculated based on family formation data while 'dwellings' relate to the actual number of houses. Any difference in figures between the two is accounted for by vacant dwellings, families sharing houses and other factors.

Compared with the Department of Planning and Infrastructure's (DPI) projections for the LGA, the population projections by Shoalhaven Council result in a slightly higher projected population for the LGA in 2036. The DPI forecasts the 2036 population for the LGA to be 130,200, which is 3.5% less than 134,800 in the Council projections. The difference is explained by the different projection methods used. Council uses a „bottom up“ projection method based on small area development assumptions and aggregating small area projections for the whole LGA. The DPI uses a „top down“ method that allocates the aggregate state population projections across all LGAs in the state. While the DPI projections are lower, there is no reason to question the validity of the Council projections, which are soundly based and appropriate when considering small areas such as Manyana-Lake Conjola.

Manyana–Lake Conjola is projected by Council to increase by 523 residents over the period, which is estimated to be an increase of approximately 240 households, assuming an average occupancy of 2.2 persons per household.

However, given these projections relate to resident population and that there is a high percentage of holiday homes on the coast, the total demand for homes in the Manyana-Lake Conjola area could be double the projected resident increase, i.e. around new 480 houses over the next 23 years.

The Factors Driving Population Growth in Shoalhaven LGA

The population growth of Shoalhaven is a result of the net increase in people moving to the area from other places – a trend that is known as „Sea Change“. The Shoalhaven area has been a major focus for the „Sea Change“ phenomenon evident along the east coast of Australia. (See *„Meeting the Sea Change Challenge‘, Report to the National Sea Change Task Force, by the University of Sydney Planning Research Centre, 2005*. Hereafter referred to as *„The Sea Change Report“*)

„Sea Change“ is the movement of population from metropolitan areas and regional cities to non-metropolitan and especially coastal areas, a long-term trend in Australia. It is based largely on the movement of families and retirees from metropolitan areas and from inland farming communities to regional coastal settlements.

Sea change population movements have increased and decreased in a cyclical pattern over the decades. In the 1930s, 1940s and 1950s, coastal areas were popular places for holiday homes. In the 1960s and early 1970s, the movement of population to coastal areas started to become significant with more people choosing to relocate permanently. Retirees, in particular, began to seek desirable seaside environments for their later years. A second sea change wave in the 1980s included both retirees and families with children.

While there has been a slowing in the rate since then, the proportional and numerical growth of population in coastal areas remains high and is expected to continue into the future as the „baby-boomers“ - those born from 1945 to the early 1960s - increasingly move into retirement.

The driving factors for retirees to relocate to coastal areas are a combination of both „push“ and „pull“ including:

- The high cost of metropolitan housing means that some retirees will sell their metropolitan properties, capitalising on this value and purchasing relatively cheaper homes in coastal areas;
- Retiree families, who are generally „empty-nesters“, seeking to downsize from larger properties to smaller properties and choosing coastal locations for this move; and
- Those seeking retirement lifestyles based on the coastal environment and amenity, including access to beaches and natural areas and being part of smaller communities.

Shoalhaven LGA also attracts families with children, drawn by the lifestyle opportunities and seeing Shoalhaven as a desirable place to bring up a family. Young families are often seeking better lifestyles and more affordable housing than can be found in metropolitan areas. Families require employment, education and other facilities and services.

The driving factors for families with children to relocate to Shoalhaven are a combination of:

- The availability of jobs, education and other services in Nowra, Ulladulla and other parts of the region;
- The more affordable housing in Shoalhaven compared with metropolitan areas;

- People seeking alternative lifestyles, including better access to beaches and bushland and less time spent commuting;
- People who left the area for education and employment reasons as young adults returning to the area to bring up their own families; and
- Some population movement to coastal areas is „chain migration“, i.e. from people who have spent holidays and have developed social and other linkages in the area and eventually move there on a permanent basis. Other people move to coastal areas to be near friends and family who may have relocated or retired to an area.

In the current economic environment, where the prices of metropolitan houses and where share markets have been stagnant for some time, demand for coastal property has been depressed. However given that baby-boomers are increasingly moving into retirement and future improvements in house and sharemarket prices are expected, a new wave of retirees seeking to live in coastal areas is probable.

There are also likely to be changes in the dynamics of holiday home ownership and use over the next decade or so. Some existing holiday homes may become permanent residences as baby boomers retire (see *Sea Change Report*). Some holiday homes may be sold as people retire to other places. Some holiday homes will be passed on within families. And new families will seek holiday homes in coastal areas. The net result is difficult to determine, however, it is expected that coastal areas are likely to remain in strong demand as areas for holiday homes over coming decades.

In summary, Shoalhaven LGA is expected to experience continued strong population growth over the next 20 years, underpinned by the „sea change“ phenomenon. It is likely the next „sea change“ wave will again be dominated by retirees but will also include some families with children. The actual growth and timing of strong housing demand in Shoalhaven will depend on general economic conditions and property prices in metropolitan areas.

The population growth of Shoalhaven will occur both in coastal and hinterland areas but the greater share (56%, based on Council projections) is expected in coastal areas. The coastal areas are also expected to continue to be popular places for holiday homes. It is this population growth, trends in retirement and continued demand for holiday homes that will drive demand for additional residential land and dwellings at North Manyana.

Demand for New Dwellings in Shoalhaven LGA and at North Manyana

Based on its population projections, Shoalhaven City Council has made projections of the number of additional dwellings needed to accommodate the population growth (see Table 2).

These projections reflect the capacity of various areas within the LGA to accommodate new population over the next twenty years. This supply picture could change as a result of future planning and other decisions but for the purposes of this report, these projections provide a guide to the expected level of supply and demand for residential land across the LGA and the role that North Manyana is expected to play in accommodating this growth.

Table 2: Shoalhaven LGA, Projection of Dwelling Additions, 2011 to 2036

	Dwelling Additions	%	%
		Of sub total	Of Total
Hinterland Areas			
Nowra	671	10.1%	4.5%
North Nowra	646	9.8%	4.4%
Bomaderry	512	7.7%	3.5%
Berry	417	6.3%	2.8%
Bangalee	1429	21.6%	9.7%
West Nowra	2000	30.2%	13.5%
Worrigee	690	10.4%	4.7%
Rural Balance	250	3.8%	1.7%
Subtotal	6,615	100.0%	44.7%
Coastal Areas			
Burrill Lake	369	4.5%	2.5%
Callala Bay	361	4.4%	2.4%
Culburra	745	9.1%	5.0%
Greenwell Point	38	0.5%	0.3%
Huskisson	380	4.6%	2.6%
Manyana-Lake Conjola	326	4.0%	2.2%
Milton	628	7.7%	4.2%
Mollymook	1028	12.6%	6.9%
Sanctuary Point	508	6.2%	3.4%
Shoalhaven Heads	132	1.6%	0.9%
St. Georges Basin	821	10.0%	5.5%
Sussex Inlet	709	8.7%	4.8%
Ulladulla	920	11.2%	6.2%
Vincentia	1225	15.0%	8.3%
Subtotal	8,190	100.0%	55.3%
Shoalhaven LGA Total	14,805		100.0%

Source: Shoalhaven City Council Website

Table 2 shows that the main areas that will provide new dwellings in coastal locations are Vincentia, Mollymook, Ulladulla and Culburra Beach. Manyana-Conjola is a relatively

minor area for new dwellings, expecting to attract 326 new dwellings, which is 4% of the total new dwellings in coastal locations and 2.2% of new dwellings across the whole LGA.

The ultimate level of demand for residential lots and dwellings in North Manyana will depend on the relative appeal of the area to potential residents compared with other alternatives both within and outside Shoalhaven LGA. Compared with other coastal locations in Shoalhaven, Manyana has the major advantage of offering land within walking distance to surfing beaches and at very competitive prices compared with other alternatives on the South Coast.

The strengths, weaknesses, opportunities and threats of North Manyana as a residential location are examined in the next section. The level of demand at North Manyana could be increased above projected levels by building on these strengths and opportunities and addressing the weaknesses and threats.

The Council projections indicate that demand at Manyana-Lake Conjola from new resident population would range from 10 dwellings per year to a maximum of around 18 lots per year. Some of this demand will be taken up by vacancies in the existing dwelling stock but most of it will be in new dwellings built on new lots.

Some other factors that may affect North Manyana are:

- Existing absent owners, many of whom may be retiring, could move permanently to North Manyana, increasing the resident population;
- Existing absent owners choosing to sell up at North Manyana and seek other places for their retirement, putting more existing dwellings on the market;
- Holiday homes being passed down to other family members, regenerating the population without affecting the supply of properties for sale; and
- New demand for holiday homes from people living outside Shoalhaven LGA.

Manyana had a turnover of dwellings, i.e. sales as a percentage of the stock of dwellings of 2% in 2012. This is higher than at Bendalong (1%) but similar to Vincentia (2%) and lower than Shoalhaven Heads (3%) and Culburra Beach (5%).

There have been approximately 19 sales of houses in Manyana over the last 12 months beginning August 2012. Prices for these sales range from \$200,000 for a basic house to \$780,000 for a prime water front property.

The demand for land is expected to come mainly from retirees who are selling property in the metropolitan area. They are generally seeking to build spacious single-story houses that avoid internal stairs. They also want adequate land to park cars, boats and in many cases, caravans. This means they are typically seeking relatively large blocks of around 800 square metres in area, with 20 metre frontages. There is also demand expected for lots of around 600 square metres for households seeking smaller blocks requiring less ongoing maintenance.

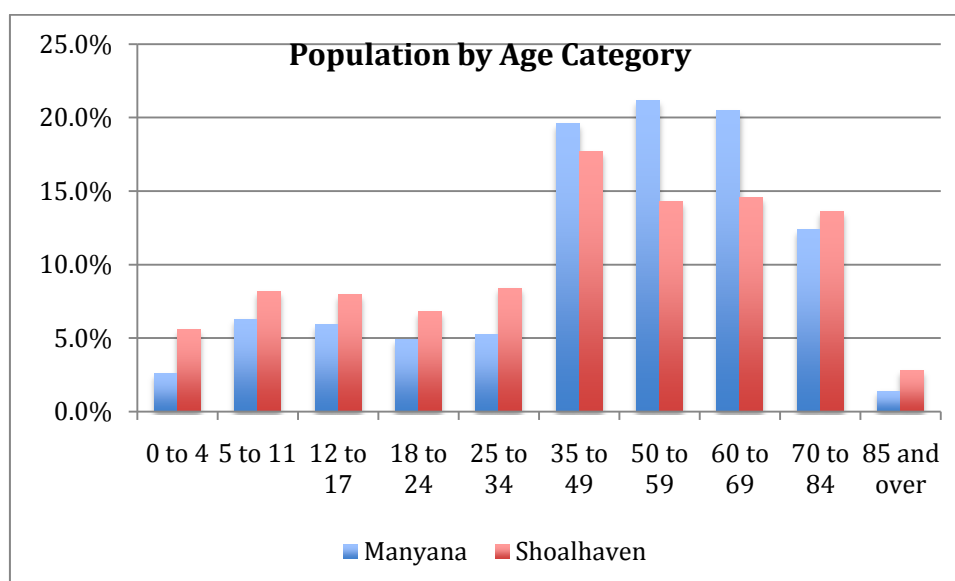
The population projections show that North Manyana, as it is, will get a reasonable share of future growth. However, should North Manyana be able to enhance its appeal relative to other areas, growth could be significantly higher. This report looks at the strengths, weaknesses, opportunities and threats of Manyana and also examines other places to identify factors that might be important to enhancing the market appeal of development at North Manyana.

Market Analysis of North Manyana

Manyana is located approximately three hours drive from Sydney and Canberra, two hours from Wollongong, forty-five minutes from Nowra and thirty minutes from both Sussex Inlet, to the north and Ulladulla, to the south.

Manyana and the nearby village of Cunjurong had a combined resident population of 572 persons in 2011. Bendalong, approximately 2 kms north of Manyana, had a resident population of 234.

Manyana and Cunjurong have an older population profile than the rest of Shoalhaven, with a significantly higher percentage of the population in the 50-69 age category compared with Shoalhaven LGA overall.



Manyana has some families with children. School buses provide access to schools in Ulladulla and Milton, while some children go to schools in Nowra.

There is no doctor currently in Manyana although there has been a General Practitioner who provided services on a part-time basis in Manyana in the past.

Manyana currently has no retail or professional services. There is a development approval for a supermarket and approximately thirteen shops and associated parking.

According to 2011 Census data, Manyana and Cunjurong contain approximately 782 existing houses, a large proportion of which are holiday homes. Only 232 were identified as being occupied while some 550, or 70% of dwellings, were not occupied by permanent residents. This proportion of holiday homes is at the higher end compared with other small coastal communities.

The „*Sea Change Report*’ has shown that the owners of unoccupied dwellings in coastal communities are predominately (60%) baby-boomers, in the 45-64 age categories and are „empty-nester” families, i.e. older singles or couples with children no longer living at home.

The ability of Manyana to grow in future will depend on its ability to attract and retain population compared with other coastal communities in Shoalhaven and other areas.

Local real estate professionals report that the demand for land and housing in Manyana comes from Sydney particularly the southern and southwestern suburbs of Sydney.

At the 2011 Census, Metropolitan Sydney and Wollongong LGA had a combined population of 4.48 million persons. This population expected to grow significantly by 1.57 million to 6.05 million by 2031.

Approximately 21% of these people are in the retiree or near-retiree age category of 50-69 years (Source: ABS, 2011 Census).

The following section shows the strengths, weaknesses, opportunities and threats of Manyana as a residential community in this market.

Strengths

- Manyana is relatively accessible to key metropolitan areas of Sydney, Canberra and Wollongong. It is one of the first residential beach areas in a rural setting south of Sydney and Wollongong.
- The area has a high level of residential amenity based on its good access to beaches, lakes and bushland.
- Manyana is one of only a few residential communities in Shoalhaven that has direct access to surfing beaches, as many communities are located on bays or lakes or are set back from the coastline. Other communities with similar access to the surf are Bendalong, Berrara/Cudmurrh, Culburra Beach and Shoalhaven Heads.
- The Manyana area contains a number of iconic surfing locations, particularly Green Island and, to a lesser degree, Inyadda Beach.
- There is a range of beaches that suit a variety of activities in the adjoining area. Washerwomen Beach and Boat Harbour at Bendalong are relatively safe and protected and there are boat ramps at Boat Harbour and Lake Conjola.
- Manyana is sewered and has access to a reticulated water system - an advantage over some other coastal communities.
- Manyana property is competitive in price compared to other comparable coastal locations, particularly Mollymook and Narrawallee.
- Manyana is in relatively close to major towns - Ulladulla and Sussex Inlet - within 30 minutes drive. School bus services provide access to schools in Ulladulla and Milton. There are significant employment and higher-level retail, medical and education facilities available in Nowra, some 45 minutes away.
- Given the strategic planning for Shoalhaven LGA and the need to preserve environmental areas, coastal land is likely to become increasingly limited in the medium to long term.
- Future availability of approved retail and professional services.

Weaknesses

- Manyana has very few local facilities and services. There are no convenience retail facilities and no professional, medical or other services available. The only community facilities are two tennis courts, an oval and a public hall. There are some visitor facilities including public toilets, parking and playgrounds at the beach access points.

Opportunities

- The main market opportunity for residential land and houses at Manyana is for:
 - Holiday homes for baby boomers and increasingly as their principal places of residence for their retirement;
 - Holiday homes for families with an interest in surfing; and
 - Permanent residences for families seeking small coastal communities.
- The attractiveness of the area as a residential location will be enhanced by improving the retail, health and professional services facilities and recreation facilities such as walking trails at Manyana. The growing population of Manyana will support the viability of proposed and future retail and other services.
- The design of the retail facilities needs to facilitate the retail development becoming a focus of community activity. Including an outdoor café/restaurant as part of the development would greatly assist this.
- According to the *Sea Change Report*, approximately 60% of baby boomers are planning to move permanently to their holiday homes over the next five years. This trend will help increase the permanent population of Manyana and support local facilities and services.
- The area is also attractive as a holiday destination supporting the rental of holiday homes in peak holiday periods. Improved community facilities and services would also enhance the area's attractiveness to visitors.

Threats

- Substantial growth at Manyana could reduce the local amenity and character and put pressure on the local environment.
- The existing community has concerns about the nature and pace of growth. The growth of Manyana should seek to bring benefits to the local community as well as to new residents and homeowners.
- The demand for land and housing at Manyana is expected to be dependent on a recovery in the economy and improved share market and superannuation returns, as these factors, which will encourage baby boomers to retire and families to purchase holiday homes.

Lessons from Other Places

This section examines similar coastal areas in other parts of NSW in order to identify lessons that could be adopted at Manyana.

Following a review of coastal development in NSW generally, we selected the Clarence Valley LGA, Tweed Shire, north of Coffs Harbour and two coastal villages in the Great Lakes LGA, as comparative areas to provide possible lessons for development at Manyana.

The information collected on these comparative areas is shown in Attachment 1- Information on Comparative Locations.

The key lessons from these comparisons are included in the following findings and conclusions.

Findings and Conclusions for North Manyana

The main findings and conclusions of this analysis are:

- 1 Manyana has significant locational, amenity and land cost attributes that make it an attractive residential area. These factors combined with the overall growth forecast for Shoalhaven LGA means there will be sufficient demand to justify the Kylor planning proposal. Although, without enhancement of the amenity of the area, the take up of land would be quite slow at around 10-18 lots per year.
- 2 Demand for land at Manyana will be driven by three factors:
 - a. Overall economic conditions;
 - b. Demographic change, particularly the aging of the population and the demand for retirement locations, within Sydney and Wollongong and to a lesser extent Canberra;
 - c. Manyana's competitive position relative to other coastal locations within the broader Sydney-Canberra catchment area,

The first two of the above factors are expected to increase demand over time, while the third factor will depend on local development initiatives.

- 3 Manyana's relative competitive position can be improved by the provision of retail and community facilities and by a high quality master planned development supported by a targeted marketing campaign. The development could provide a range of residential options, large lots and including some smaller lots and medium density opportunities. The availability of good Internet connections would enhance the general appeal, especially for working people.
- 4 There is an opportunity to lift Manyana's market appeal by creating a master planned estate with a distinctive local character, which features a high level of environmental sustainability and incorporates recreation facilities such as walking and biking trails. One opportunity is for the development plan to connect to and enhance the trail between Manyana and Bendalong being planned by Council.
- 5 The most appropriate product for retirees would appear to be lots of around 600-800 square metres suitable for single-story houses and area for parking cars, boats and caravans. However, a range of lot sizes and house-land packages would be appropriate and the most appropriate mix should be confirmed through more detailed market testing.
- 6 The overall development and the housing therein should have a consistent design theme, which would help enhance the image of the development to its target market and would help protect the quality of the development.
- 7 The developers should formulate a targeted marketing campaign in the principal areas of the Sydney-Wollongong-Canberra catchment, including Sutherland Shire, the Southern, South West and Eastern Suburbs of Sydney as well as Wollongong and Canberra. The aim of the marketing campaign will be to raise market awareness of Manyana, identify specific product parameters including lot sizes and dwelling types and to develop a profile of potential purchasers and their needs. With this information the development can be better aligned to the market needs.
- 8 Manyana's appeal is based on its environmental amenity. Kylor should support community and Council initiatives to preserve and enhance the area's amenity

including those based on improving community facilities and building community spirit. These initiatives could include support for community markets featuring local products and produce, programs to develop local environmentally based attractions such as walking trails and protection of natural features such as wetlands and other local habitats.

Recommendations to Support the Development of North Manyana

Our recommendations are directed at ensuring the development of Manyana is well positioned in relation to its market potential, that it maximizes its appeal to its target market and that it seeks to retain and enhance the local character, amenity and appeal. In so doing it can provide benefits for the existing local community and help build their ongoing support for the development.

We recommend the following four actions:

1 Improve the Retail and Commercial Services and Facilities at Manyana

The availability of convenience retail facilities would substantially improve Manyana's appeal. It is essential that retail facilities such as those included in the current retail approval be developed as soon as possible, as they include a supermarket, other retail and offices for professional services, where medical and pharmacy services, could be located.

The currently proposed retail/commercial development is for a traditional small convenience shopping centre that will contribute to the provision of services for the local community.

2 Improve the Recreation Facilities at North Manyana

Additional recreation facilities would enhance the attraction of North Manyana for new residents, existing residents and visitors. A walkway/cycleway has been approved by Council to link Manyana to Bendalong along the waterfront and adjoining the Kylor site. The Project appears to be on hold until the planning for the site is resolved.

Kylor should ensure the master planning of the site includes connections to quality walking tracks, lookouts, picnic areas, community gardens and the like and that these are integrated with Council plans. As these connections may traverse areas of the site designated as environmental offsets, this would require discussion with Council to ensure the proposed facilities were consistent with environmental protection.

3 Build on the Surfing Theme in Developing and Marketing North Manyana

The fact that Manyana is an iconic surfing destination presents an excellent opportunity to create a strong market identity and unique selling point. The quality of the surfing opportunities at Manyana could be used to focus the marketing of land at Manyana. This would include a marketing strategy directed at potential buyers with an interest in surfing. This theme could be further enhanced through supporting public art in the retail area or in playgrounds and parks around the surfing theme.

4 Provide a range of land and housing options as part of the development offering

The development plan for North Manyana to include:

- Having house and land packages, based on distinctive coastal and surfing design themes;
- Lot sizes of typically 600-800 square metres, with a few larger lots and some smaller low maintenance lots to give housing choice;

Market Analysis: North Manyana Residential Development

- Staged release of lots in packages of say, 20–30 lots per stage to provide a range of lots sizes and aspects; and
- Quality /design guidelines and mechanisms for “filtering” the quality/design of proposed dwellings in the development to ensure a high standard of housing development to support purchasers’ confidence in ongoing support of property values.

Attachment 1: Information on Comparative Locations

Clarence Valley LGA

Clarence Valley LGA has similarities and differences that are useful for comparison with Shoalhaven LGA. This analysis revealed the following:

- Demand for residential land in the Clarence Valley is typically irregular and spasmodic.
- Since the market peak in 2007/2008 there has been a steady decline in demand, real values and rates of sale.
- Currently the development of a new dwelling on vacant land is not attractive because better value can be achieved by the purchase of established properties.
- Clarence Valley has been under the influence of South East Queensland in the past, as well as the Tablelands (Armidale, Tamworth and rural areas) as a popular place to spend holidays in attractive smaller coastal settlements.
- There has been an increasing characteristic of interchange and down- sizing in property profiles in recent times.
- The last few years have been characterised by very slow take up of residential properties for sale, and land values of these properties have declined accordingly. It is difficult therefore, for a new residential subdivision to be feasibly developed, and as a result, limited new residential subdivision development has taken place in the Clarence Valley over recent years. For example, four or five years ago a vacant residential lot in a new subdivision would attract \$220,000 to \$230,000. In current times, such lots will only attract \$170,000 to \$180,000 reflecting an approximate 20% to 25% reduction in land values. This is also combined with very high development costs of providing services and meeting fees and contributions required by State and Local Government.
- The majority of recent land sales have been within 5 to 10kms of the coast in relatively smaller villages. This has in part been because of comparatively lower asking prices, but also because of the opportunity to purchase larger lots of 4,000 to 5,000 square metres for about \$120,000. Combined with the costs of developing a four bedroom home, purchasers in these locations can still achieve an overall package in the range of \$350,000 to \$360,000 which is the predominant maximum spend.
- The Clarence Valley does not have the economic profile, notably employment opportunities, to support purchases of properties above \$400,000 and \$450,000 in value.
- Lack of proximity to centres with employment opportunities is a significant, disadvantage for smaller settlements in the Clarence Valley compared to settlements in proximity to Coffs Harbour, Lismore and Ballina. On the North Coast of NSW, the more specialised and diverse opportunities and facilities – employment, educational, medical, recreational etc. are located at Lismore, Coffs Harbour, and Ballina. This tends to undermine demand in the Clarence Valley, which is relatively distant from these centers.

- Clarence Valley Council has not focussed on planning for the smaller coastal settlements since the 1999 Growth Management Strategy. Low levels of land demand and development activity have not warranted higher priority for Council planning of smaller coastal settlements. No such detailed planning has taken place since the Clarence Valley Settlement Strategy of 1999. The Mid-North Coast Regional Strategy has established a more recent policy framework at the broad strategic level.
- Clarence Valley Council has no current Planning Proposals to seek to rezone land for residential purposes or rural residential purposes near smaller coastal settlements.
- There is potentially increasing demand for land and development as road improvements through to Brisbane and Gold Coast take effect but it may only generate moderate additional demand given the lack of employment opportunities and the distance to centres with medical, recreational and entertainment facilities in the Clarence Valley. It is really only the retirees not looking for these factors and those wanting a small quiet village lifestyle who are demanding property in the smaller coastal settlements.
- The population of Iluka in 1996 was 1,863; in 2011 it was 1,852 and in 2016 is projected to be 2,370. Iluka is a relatively isolated small coastal settlement about 17kms from the Pacific Highway. While it is retirement orientated, it still has a substantial presence of employees associated with their fishing industry but essentially plays “second fiddle” to Yamba which is across the Clarence estuary. Take up rates have been extremely slow in Iluka partly because of competing land availability, lack of employment opportunities, distance from medical and other facilities and the resultant decline in land values being a deterrent to owners putting properties on the market.
- There are positive prospects for Iluka in terms of the improved road network from the Clarence Valley to Brisbane and South East Queensland. Travel time from Iluka to the Gateway Bridge, Brisbane are approximately three hours now since major road improvements have been completed, including the Ballina Bypass.
- In Iluka, demand for holiday homes exceed demand for permanent residential buying by a factor of two to one. Of those holiday homes, 50% approximately are vacant during the year and 50% are rented. The attractions of purchasing in Iluka from buyer feedback are that:
 - It is a small contained village with very limited growth opportunities and prospects of change because of environmental constraints to expansion;
 - The substantial IGA store, medical center and branch of the Council provided library services and therefore has some facilities which do provide an attraction for purchasers; and
 - The easy access to un-spoilt beaches and river frontages.
- Angourie and Wooloweyah are small coastal villages with some similarities to Manyana. Population in 1996 and 2001 were 619 and 623 respectively, with the projection for 2016 being 817. (CVC Social Plan 2010 to 2014), with similar factors being influential as in the analysis above.

Tweed Shire

While development in Tweed is typically more intense than development along the South Coast, the area provides some useful lessons.

Since 2002, significant coastal developments have occurred in the areas south of Kingscliff. These developments have been relatively large scale at Salt and Casuarina Beach with other developments of lesser scale at Bogangar and Hastings Point. These developments have benefited from close, and improving, access from Brisbane and the Gold Coast.

The relevant learnings from these developments are:

- Master planning has optimised access for residents and visitors to the open space along the foreshore and beaches;
- Excellent opportunities are provided for connections, with good signage, to a walkway and cycleway which extends to Kingscliff in the north and Pottsville to the south;
- High quality house designs prepared by architects are required with filtering by the developers before submission for approval. This is intended to give buyers confidence in the ongoing quality and protection of the value of their assets; and
- Sculptures have been established on public spaces, particularly at intersections of key public walking routes to provide interest and distinction.

North Sapphire Beach – North of Coffs Harbour

North Sapphire Beach is a new development, about 10kms north of Coffs Harbour, which has been developed by the Walker Corporation. It is a high quality, master-planned development that is experiencing high demand.

- First homebuyers were strong in the early stages of purchasing of house and land packages, mainly the \$350,000 to \$400,000 price range. Later rates of sale have been strong with more recent house and land packages being more in the \$450,000 to \$500,000 price range.
- The main factors expressed for the high rates of demand are: proximity to Coffs Harbour, and to a lesser extent Woolgoolga, with the employment, medical, educational, recreational, entertainment and general lifestyle opportunities that Coffs Harbour offers.

Coastal Villages in Great Lakes LGA

The Great Lakes LGA has become a popular 'lifestyle region', with increasing numbers of retirees, people seeking an alternative or coastal lifestyle, and holidaymakers. The primary housing market role that the Great Lakes Council area has played over recent decades has been to provide housing opportunities for new households and to attract retirees from areas further south, in particular metropolitan Sydney. The area also experiences a net migration loss to areas such as Newcastle (for education and 'bright lights') and to areas further north of the NSW Coast and South-East Queensland (for economic opportunity).

The importance of the Great Lakes LGA as a destination for retirees from areas further south is expected to continue. As a result of this, there is some pressure for residential expansion from both existing residents and from people moving to the area. It is assumed that this pattern will continue into the future, driving development in and around Forster-Tuncurry and Hawks Nest - Tea Gardens and in the other coastal townships.

The appeal of the area is a reflection of the natural attractiveness of the area, the climate and the significant amount of residential housing opportunities close to the coast.

Smith Lakes

Smiths Lake is located off the Lakes Way, around 30 minutes drive south of Forster and 2 hours drive north of Newcastle. It is in a picturesque locality, set among forested hillsides, pasture lands, the Lake and surf beaches. Whilst not located directly on the beach, the village adjoins Smiths Lake and the beaches are easily reached by either a short drive or a pleasant 15-minute bush walk.

The following information characterises the village:

- At the 2011 census, the population of Smiths Lake and immediate surrounds was 667 persons. Almost all the dwellings were individual houses and around 40% of the dwellings were unoccupied.
- Smiths Lake was established more than 40 years ago as a budget priced alternative housing area to Forster/ Tuncurry, set in a highly attractive environment.
- A small retail centre comprising 7 shops and a separate café/ restaurant/ boatshed some distance away on the lake serves the village.
- There is also a Bowling Club located in the village.
- The Bowling Club and the beach are important community and social focal points in the village. There is no community hall in the immediate locality.
- There is a perceived need for a part time medical office and a pharmacy to better meet the day-to-day needs of residents. Weekly shopping needs are generally met by travelling to Forster, around 30 minutes drive.
- Residents recently contributed both funds and in-kind work to help the Council to provide sports facilities for the village, comprising soccer field, netball courts and skateboard park.
- The advent of the skateboard park has shifted the gathering point for some youth in the community from the shopping centre to the skateboard park.
- There is no school at Smiths Lake. Many students travel by bus to primary schools at either Bungwahl or Pacific Palms, and to high schools at Forster and Tuncurry. School and shopper bus services run to and from Forster on weekdays.
- The primary attractions of the place to both residents and holiday visitors are its exceptional natural beauty; village atmosphere; lower real estate prices compared with villages closer to Forster such as Blueys Beach; and accessibility from Forster, Newcastle and Sydney.
- In the past two decades, relative real estate values in Smiths Lake have increased, so that budget-end real estate is no longer the primary attraction. However land values are still comparatively low, at around 50% of land values at Blueys Beach. The real estate market in the village is robust, typically with multiple sales each month.
- These days the village is attracting more permanent residents including „sea-change“ families with young children and working people, as well as retirees.
- Great Lakes Council's planning and environment protection policies have helped to ensure preservation of its natural environment and appeal.

- The village's natural appeal is attracting more residents and families working in occupations associated with lifestyle, culture and the arts.
- Resident families with children are an attraction to other families and young couples considering settling in Smiths Lake.
- Many working people either run home-based businesses or commute to Forster/Tuncurry or surrounding areas. A small number commute to Newcastle.
- Two nearby caravan parks (Sandbar and Bushland) provide low cost camping and caravanning holiday options, and provide some income to the village economy. Tourists and absentee owners also stay in holiday houses in the village.
- Attractive and well-managed bush walks in both the village and beach surrounds and in nearby National Parks are considered to be an important attraction for visitors and holidaymakers.
- A group of residents with young families has recently established a chemical-free food co-op, which has a membership of 25 families from the village and surrounding area. They would like to find a site to establish a cultural and social co-op comprising a café, healthy food market, children's play area and meeting place.
- The advent of such new, alternative ideas has received good support from local residents.
- There is strong community identification and pride in Smiths Lake as a place to live, compared with Blueys Beach, which is seen more as a seaside holiday venue.

Blueys Beach

Blueys Beach is located off the Lakes Way, around 20 minutes drive south of Forster and 2 hours drive north of Newcastle. It is primarily a beachfront residential and holiday village, located in an attractive coastal environment. Blueys Beach is a separate village that adjoins Boomerang Beach and, further north, Elizabeth Beach.

The relevant information characterises Blueys Beach:

- At the 2011 census, the population of Blueys Beach and immediate surrounds was 667 persons. Around 32% of the dwellings were in medium density or similar housing, and around 67% were unoccupied.
- Blueys Beach is essentially a „strip“ village located mainly along the foredune in a highly attractive coastal environment, and focused on the beach.
- It is a relatively high value coastal village, with land values around twice those of nearby Smiths Lake.
- The real estate market is active, with much of the development activity involving demolition of existing older housing and replacing it with large, sophisticated, beach dwellings and apartments.
- An attraction of Blueys Beach is its proximity to both Wallis Lake and a variety of ocean beaches with different orientations that provide good beach and surf conditions in a wide range of weather conditions.
- It has high non-resident and tourist populations, reflected in high populations in holiday periods and low resident population at other times.
- It was traditionally a popular seaside holiday venue, particularly for Newcastle residents, some of whom ultimately purchased property at Blueys Beach.

- Present day holiday tourists and absentee owners are typically professional people and their families, many from Sydney or Newcastle.
- The Pacific Palms Public School is located nearby at Boomerang Beach. The school serves as a community focal point for the adjoining villages and surrounding area.
- The surf club at nearby Elizabeth Beach is a community focal point, particularly for families and children.
- Local playing fields and the Pacific Palms Recreation Club (located nearby on Wallis Lake provide additional recreation opportunities and activities for residents and visitors.
- A sailing club and its adjoining safe beaches on Wallis Lake around 10 minutes drive to the north are considered to be an important swimming and water- based recreation site for residents and visitors.
- Blueys Beach and surrounding areas are serviced by a neighbourhood shopping centre that provides a wider range of services than those at Smiths Lake. Services include a doctors" surgery, pharmacy and a visitor information centre that is run by volunteers.
- Higher order shopping needs are generally met by travelling to Forster, around 20 minutes drive away.
- School and shopper bus services run to and from Forster on weekdays.
- A quality restaurant located at Mobys resort in the village is considered to be an important asset to residents and tourists.
- Working people generally either work from home or commute to Forster/ Tuncurry.
- There is extensive holiday accommodation at and near Blueys Beach, including flats, medium density developments, holiday cottages, resort accommodation and caravan parks.
- The primary attractions of the place to both residents and holiday visitors are its beach and surf frontage; natural beauty; small scale village atmosphere; upmarket architecture and development styles; and accessibility from Forster, Newcastle and Sydney.