



**LandDynamics**  
AUSTRALIA

Residential Land Supply &  
Demand Assessment

Proposed Rezoning

**Le Clos Sancrox**

Sancrox Road, Sancrox

On behalf of  
LCS Estates Pty Ltd

December 2019

**Prepared for:**  
LCS Estates Pty Ltd

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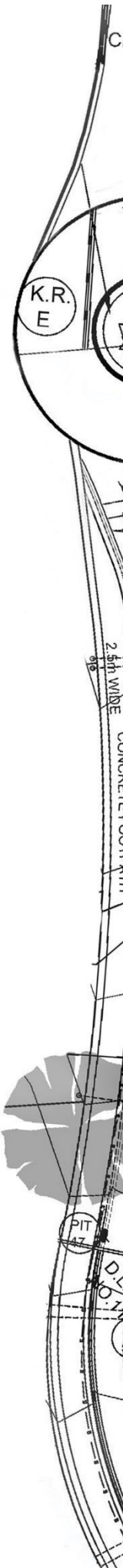
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## Disclaimer

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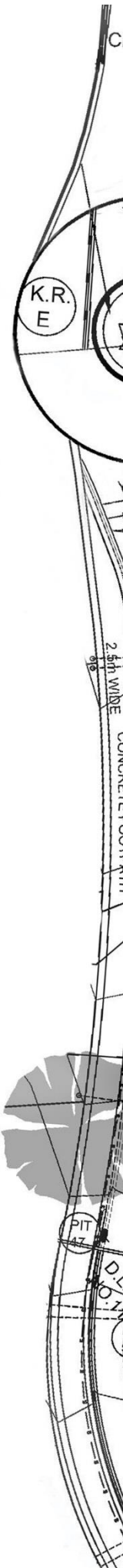
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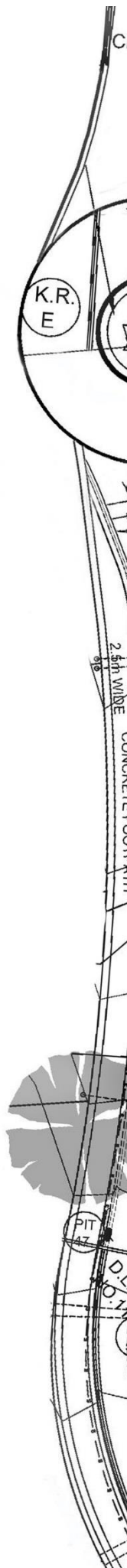


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## BACKGROUND

Land Dynamics was engaged by LCS Estate Pty Ltd to prepare a Land Supply & Demand Assessment to support and inform a Planning Proposal for land known as Le Clos, in the locality of Sancrox in the Port Macquarie Hastings Local Government Area (LGA). This report considers the adequacy of land supply at Sancrox.

The Planning Proposal seeks to amend the Port Macquarie Hastings Local Environmental Plan 2011 to rezone the subject land to enable development for residential purposes; development for local business purposes; and to conserve areas of environmental significance.

The Development Application, which will be lodged concurrently or shortly after rezoning, is expected to include:

- Residential – approx. 638 lots in R1 zoned land (73.2 ha), 42 lots in R3 zoned land (2.3 ha) and 3 lots in E4 land (existing dwellings on 1.5ha); and
- Business - approx. 1 ha of commercially zoned land.

Indicative layouts have been included in this report but are subject to change prior to lodgement of the Development Application.

## 1. INTRODUCTION

The following report is a residential land supply and demand assessment of Sancrox located in the Local Government area of Port Macquarie Hastings and includes:

- the identification of historical and current residential lot construction activity by supply type and location;
- identification of all zoned and unzoned major residential land supply stocks including estimates of lot yields on a project by project basis;
- examination of the future residential demand;
- presentation of potential future demand scenarios; and
- estimation of the years of supply of undeveloped broad hectare and major infill residential land stocks.

The assessment provides a robust and transparent assessment of the supply and demand for residential land across the Port Macquarie Hastings region. Where appropriate, comparisons to other regional Mid North Coast municipalities/urban centres are provided to further inform the relative 'state of play'. In addition, the information will be of assistance to other related planning processes such as infrastructure and service planning.

### 1.1 Scope of report

Land Dynamics was engaged by LCS Estates Pty Ltd to prepare a Land Supply & Demand Assessment to support and inform a Planning Proposal for land known as Le Clos, in the locality of Sancrox in the Port Macquarie Hastings Local Government Area (LGA). This Land Supply & Demand Assessment addresses the following:

- Stage 1: Land supply and demand analysis for residential.
- Stage 2: Assessment of expansion options for residential.
- Stage 3: Preparation of masterplans for expansion options for residential, and commercial land.

### 1.2 Purpose

The monitoring of land supply is a key tool to assist in the management and development of growth across the Mid North Coast. The primary purpose of monitoring residential land supply is to improve the management of rural and urban growth by ensuring that council, public utilities, government and the development industry have access to

up-to-date and accurate information on residential land availability, development trends, new growth fronts, and their implications for planning and infrastructure investment.

The following report provides accurate, consistent and updated intelligence on residential land supply, demand and consumption. This in turn assists decision-makers in:

- maintaining an adequate supply of residential land for future housing purposes;
- providing information to underpin strategic planning in rural and urban centres;
- linking land use with infrastructure and service planning and provision; and
- taking early action to address potential land supply shortfalls and infrastructure constraints.

### 1.3 Approach

The following details the methodology undertaken to assess the supply of and demand for residential land in Port Macquarie Hastings local government area.

A land supply assessment of existing and available residential zoned land was conducted for the Sancrox area and the areas release areas of Port Macquarie. This was based on a desktop analysis of an aerial image and street observations, which focused on existing residentially zoned land within the current locality. The calculated/theoretical land supply, has been further considered in context of the number of dwelling allotments which could be created. These figures have then been assessed against the projected demand for new dwellings based on the projected population and household growth through to 2036.

### 1.4 Reports Reviewed

In preparing this report the following documents, reports and materials have been considered and taken into account:

- Review of the Urban Growth Management Report 2017-2036
- Review of the Greater Sancrox Structure Plan 2014 – 2034 (2015)
- Consideration of recent population growth in Sancrox and Greater Port Macquarie and the future outlook for population growth
- Translation of population growth to dwelling demand
- Review of the current status of land supply at Sancrox
- Consideration of additional matters relevant to the efficient and orderly management of residential land supply and the maintenance of a competitive housing market.
- Port Macquarie Hastings LEP 2011
- Port Macquarie Hastings Development Control Plan 2013
- Greater Sancrox Structure Plan 2014 – 2034 (2015), PMHC
- Towards 2030 Community Strategic Plan, PMHC
- North Coast Regional Plan 2036, PMHC
- Urban Growth Management Strategy, PMHC
- Economic Development Strategy, PMHC
- Mid North Coast Housing & Land Monitor (2016), Department of Planning and Environment
- Mid North Coast Residential Submarket Analysis (2014), Department of Planning and Environment
- Australian Bureau of Statistics, 2011 & 2016 Census Data



## 2. REGIONAL, LOCALITY & SITE CONTEXT

### 2.1 Port Macquarie Hastings: Regional Context

The Port Macquarie-Hastings region covers an area of 3,686 square kilometres and is located midway between Sydney and Brisbane; 420 kilometres north of Sydney and 510 kilometres south of Brisbane. The area is bisected north to south by the North Coast Rail Line and the Pacific Highway which connects Sydney and Brisbane.

### 2.2 Sancrox: Locality Context

Sancrox is located on the Mid North Coast within the Port Macquarie-Hastings local government area, and the Greater Sancrox Area (GSA). The GSA is located approximately 6.4km north east of the Wauchope town centre and 13km west of the Port Macquarie town centre and contains a land area of approximately 1,400 hectares (ha). The region is bound by the Oxley Highway to the south, the Pacific Highway to east and rural lands to the west and the Hastings River to the north. The predominate land use is rural, including agriculture and rural-residential. In general, lot sizes range between 1 to 10ha, with only four lots greater than 50 ha. The majority of small land parcels are located in the areas off Rawdon Island Road and Sancrox Road.

### 2.3 Le Clos Sancrox: Site Context

The subject land comprises a number of landholdings and is collectively known as Le Clos Sancrox. The plan below in Figure 1 details the extent of the boundaries of the properties included and Figure 2 provides the context of Le Clos Sancrox with respect to the greater Sancrox Area, Wauchope and Port Macquarie.

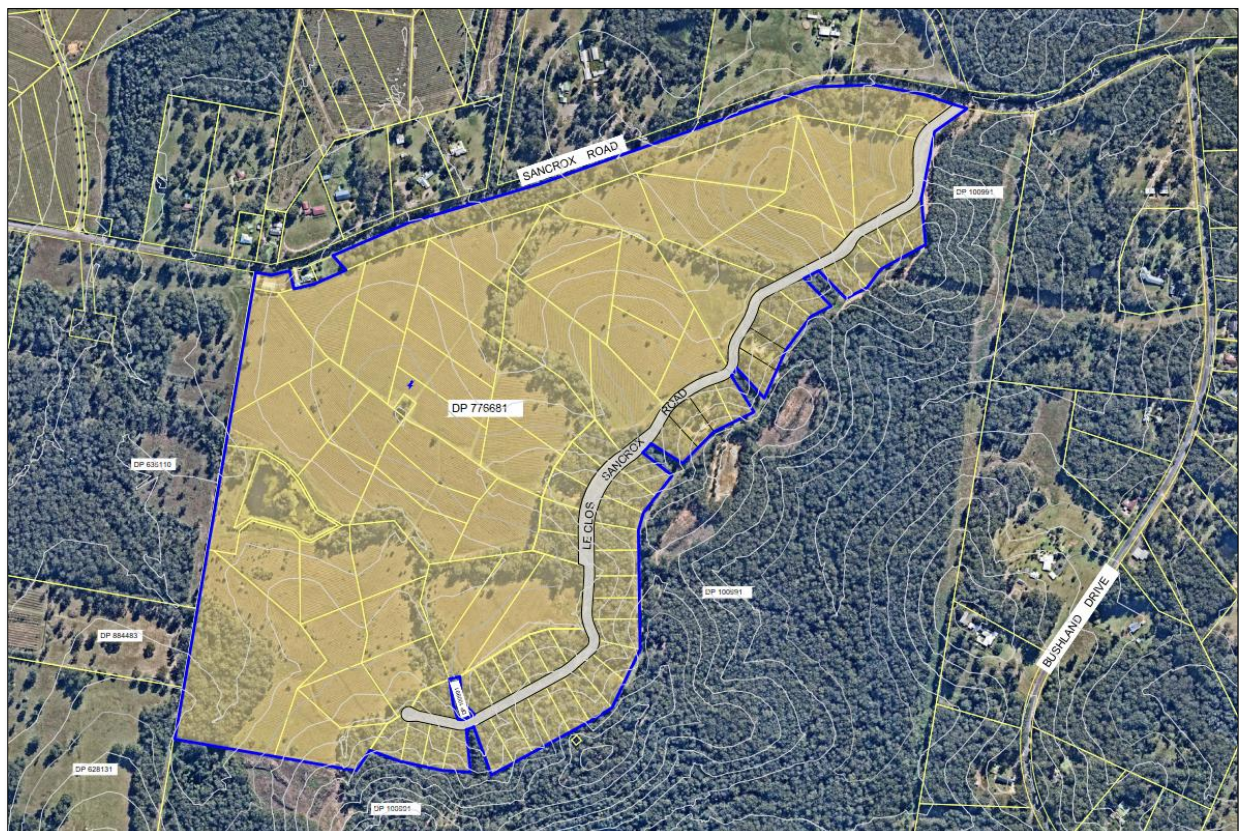


Figure 1 – Proposed Development Area Highlighted Yellow



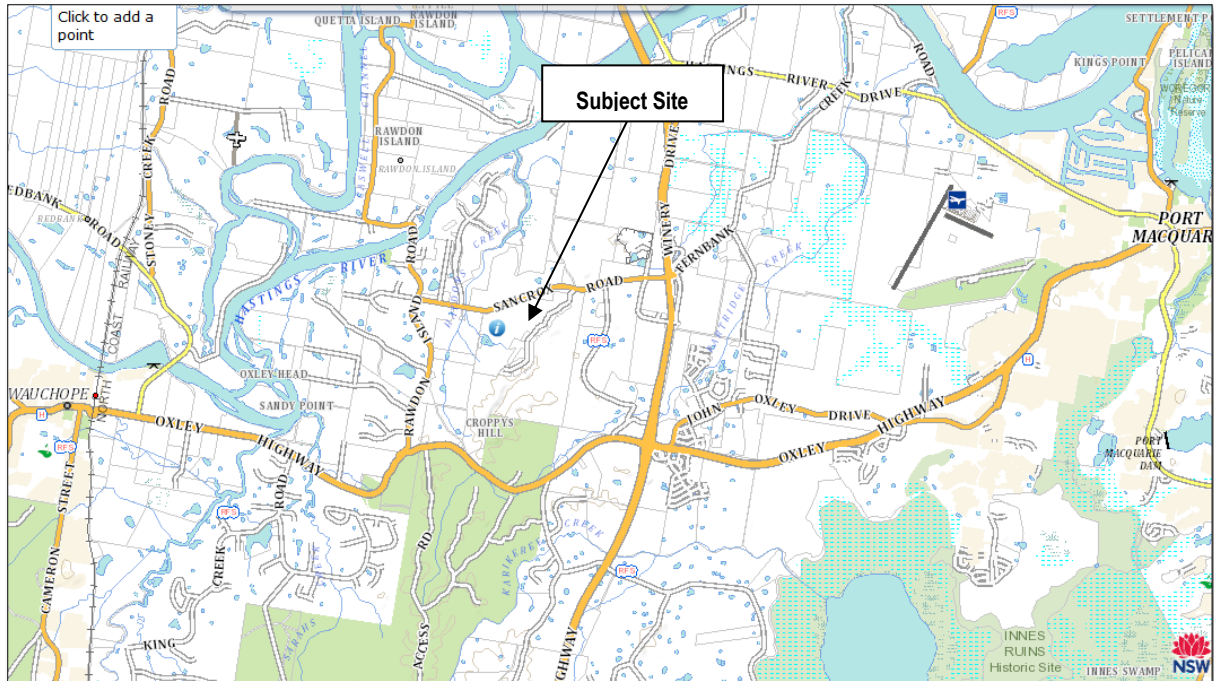


Figure 2 - Contextual Location of the subject land (source: [www.sixmaps.nsw.gov.au](http://www.sixmaps.nsw.gov.au))

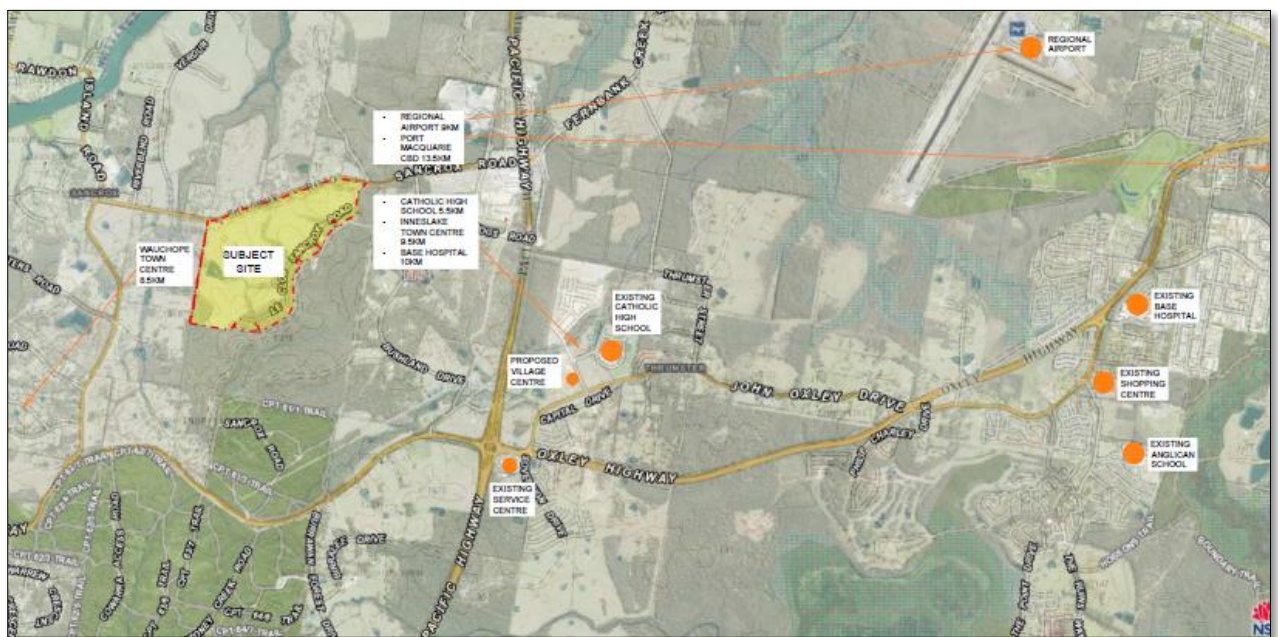


Figure 3 - Broadscale Analysis Extract

Le Clos Sancrox is part of the previous wider Cassegrain vineyards. To the north of the site is Verdun Estate which was also part of the previous vineyard land and has recently been rezoned by Council to large lot residential. To the north is a range of rural-residential dwellings and an animal boarding and breeding establishment. To the north-east of the site is Sancrox Quarry and further along Sancrox Road is Expressway Spares, which is part of a future industrial land investigations area. The site is generally surrounded by rural land, noting that extensive clearing has occurred on the land to the east recently.



The site is located on the southern side of Sancrox Road, approximately 1.3km from the Pacific Highway to the east, which links with Brisbane to the north and Sydney to the south. Sancrox Road also links to Port Macquarie to the east and Wauchope to the west. The site is relatively cleared, with vegetation in fingers through the site and around the edges. A number of drainage lines dissect the site falling towards Sancrox Rd.

The subject site is subject of a Moratorium of development on the site, which will be resolved by way of this Planning Proposal. Council has resolved to proceed with a site specific Planning Proposal for the subject site in parallel with the wider Outline Planning for the Fernbank Creek – Sancrox area. The planning undertaken as part of this Planning proposal will inform the greater area planning, whilst allowing the development of the site to occur earlier to resolve the Moratorium issue.

The site and surrounding area has been subject of extensive Structure Planning in 2015, which was delayed pending Council's Urban Growth Management Strategy and the change in strategy from rural-residential to residential zoning of the area.

The site has been identified as areas subject to Outline Planning in Council's Urban Growth Management Strategy. Rezoning the land is considered the most suitable and transparent way of achieving the objectives of this proposal.

The area of Sancrox is the logical next area for development, with Area 13 planning ceasing at the highway. This area of Thrumster is developing at a steady rate, with a good take up of land by purchasers.

The site is well located with easy access to the existing universities, schools, hospitals, shopping and other services and facilities within Port Macquarie and Wauchope.

### 3. STRATEGIC & STATUTORY PLANNING FRAMEWORK

#### 3.1 Strategic: Regional

##### North Coast Regional Plan

North Coast Regional Plan 2036 has been prepared to guide land use planning priorities and decisions to 2036 and has identified *"The regional cities of Tweed Heads, Lismore, Coffs Harbour and Port Macquarie are the primary growth anchors, delivering new jobs, and more diverse housing as well as high quality essential services"*.

North Coast Settlement Planning Guidelines 2019 have been reviewed to provide a framework to ensure adequate supply of housing is provided to meet the population needs. In reviewing, the constraints planning has been undertaken and areas of high environmental value have been excluded. The guidelines indicates that *"Future settlement, where permitted by the regional strategies and outside the agreed growth areas, must be located to minimise environmental impacts and be sustainable. Such settlement must satisfy the sustainability criteria contained in Appendix 1 of the Regional Strategies."* Refer to Planning Proposal for detailed assessment against the criteria.

##### Regionally Significant Farmland

The site is not identified as regionally significant farmland.

#### 3.2 Strategic: Local

##### Port Macquarie Hastings Urban Growth Management Strategy 2011-2031

Within the previous UGMS 2010-2031, the re-subdivision of the Le Clos farms at Sancrox was mentioned heavily, with immediate timing for investigations which was indicated as commencing in 2010/11.

The recently adopted UGMS 2017-2036, as exhibited did not support investigations at Sancrox, however as a result of public interest, with a large number of submissions to the exhibited documents from landowners of Le Clos Sancrox, the UGMS was amended prior to adoption and Le Clos Sancrox included in the Structure Plan for Sancrox in the adopted UGMS 2017-2036.

The report to Council on 20 June 2018 was detailed with respect to Le Clos Sancrox, as touched on above and indicated that Council could support investigation areas outside of the urban growth boundary in the Regional Plan, such as Le Clos Sancrox. The adopted UGMS includes Le Clos Sancrox as part of Outline Plan areas, which Le Clos Sancrox is located within.

The resolutions of Council, with the latest being 20 February 2019, required immediate commencement of Stage 1 planning to prepare an Outline Plan for Sancrox-Fernbank Creek as detailed in the UGMS, and to invite the Le Clos Sancrox landowners to submit a planning proposal in parallel with Stage 1 planning in order to assist in informing the planning process.

### Greater Sancrox Structure Plan 2015

In reviewing the Greater Sancrox Structure Plan Issues Paper dated October 2011, it is stated that *“a review of the Le Clos Sancrox subdivision has been identified by Council as a key element in planning for the Sancrox area”* and Le Clos Sancrox is identified on the maps within the document as *“possible future development precincts, coinciding with areas of lower ecological constraint”*.

The Structure Planning work did occur to satisfy a key objective of the UGMS in force at that time and was reported to Council for adoption in 2015 and delayed pending the revised UGMS.

Rezoning of the land was invited over 13 years ago, Structure Planning had commenced and finalised in 2015 and the latest UGMS 2017-2036 indicated outline planning could occur on this site. It is acknowledged that a substantial amount of work has been undertaken by Council is the Greater Sancrox Structure Plan, which would assist in progressing the Outline Planning for Le Clos Sancrox. The Structure Plan identifies Le Clos Sancrox as a priority.

## 4. PROPOSED DEVELOPMENT

For the purposes of this Land Supply & Demand Assessment, both the proposed zonings and the indicative layout plan have been considered to provide greater certainty as to the expected development following rezoning.

The Planning Proposal seeks to amend the Port Macquarie Hastings Local Environmental Plan 2011 to rezone the subject land to enable development for residential purposes; development for local business purposes; and to conserve areas of environmental significance.

The Development Application, which will be lodged concurrently or shortly after rezoning, is expected to include:

- Residential – approx. 638 lots in R1 zoned land (73.2 ha), 42 lots in R3 zoned land (2.3 ha) and 3 lots in E4 land (existing dwellings on 1.5ha); and
- Business - approx. 1 ha of commercially zoned land.

Indicative layouts have been included in this report but are subject to change prior to lodgement of the Development Application.

An opportunity has been identified for a school to be accommodated within the development and these discussions will continue whilst the land is zoned. An educational establishment is a permitted land use in the R1 General Residential zone.





Figure 4 - Subdivision Concept Layout

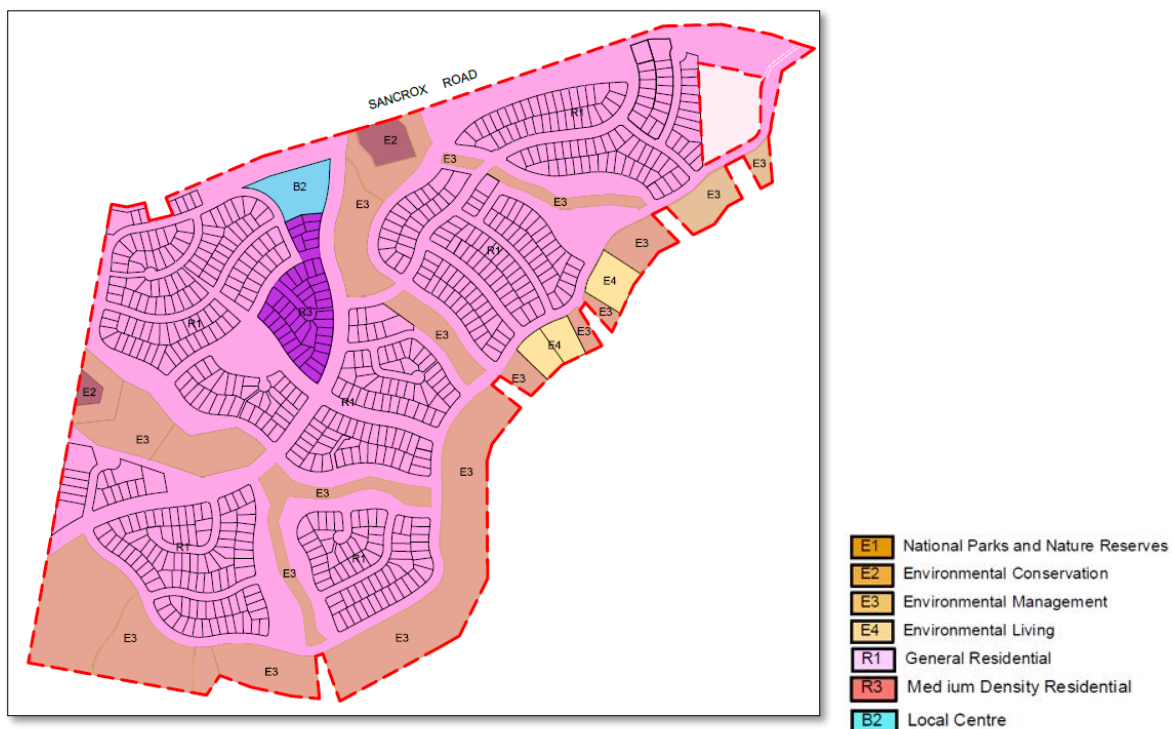


Figure 5 - Proposed Zoning

## 5. SUPPLY OF GENERAL RESIDENTIAL ZONED LAND

### 5.1 Supply analysis of R1 General Residential zoned land

The following three phases of analysis were applied to the supply of R1 General Residential land:

- Phase 1 – Classification of Land Parcels
- Phase 2 – Constraints Analysis
- Phase 3 – Estimation of Development Potential for Residential Land

#### Phase 1 – Classification of Land Parcels

Data on land parcels was obtained from Council's LEP maps. Below are extracts of the two relevant LEP maps. Stars have been identified where there is knowledge of the environmental constraints on residentially zoned land. A current aerial photograph is also provided of the area.

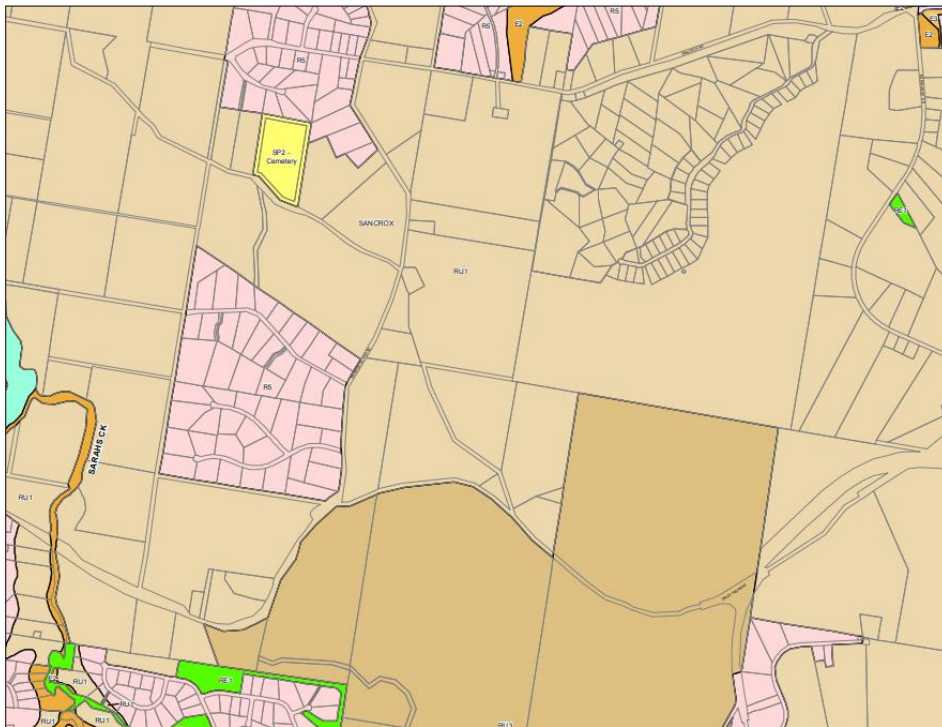


Figure 6 - Map 13B LEP Extract – Includes Le Clos Sancrox



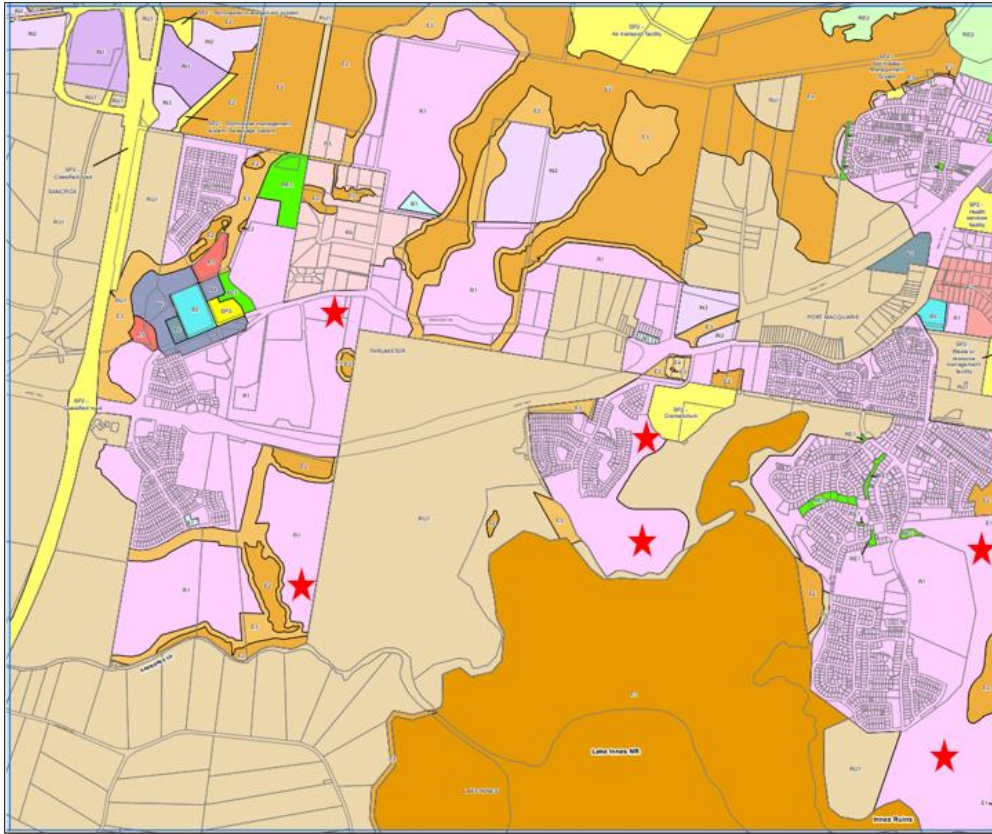


Figure 7 - Map 13D LEP Extract – With Stars identifying Residentially Zoned Land which is Constrained

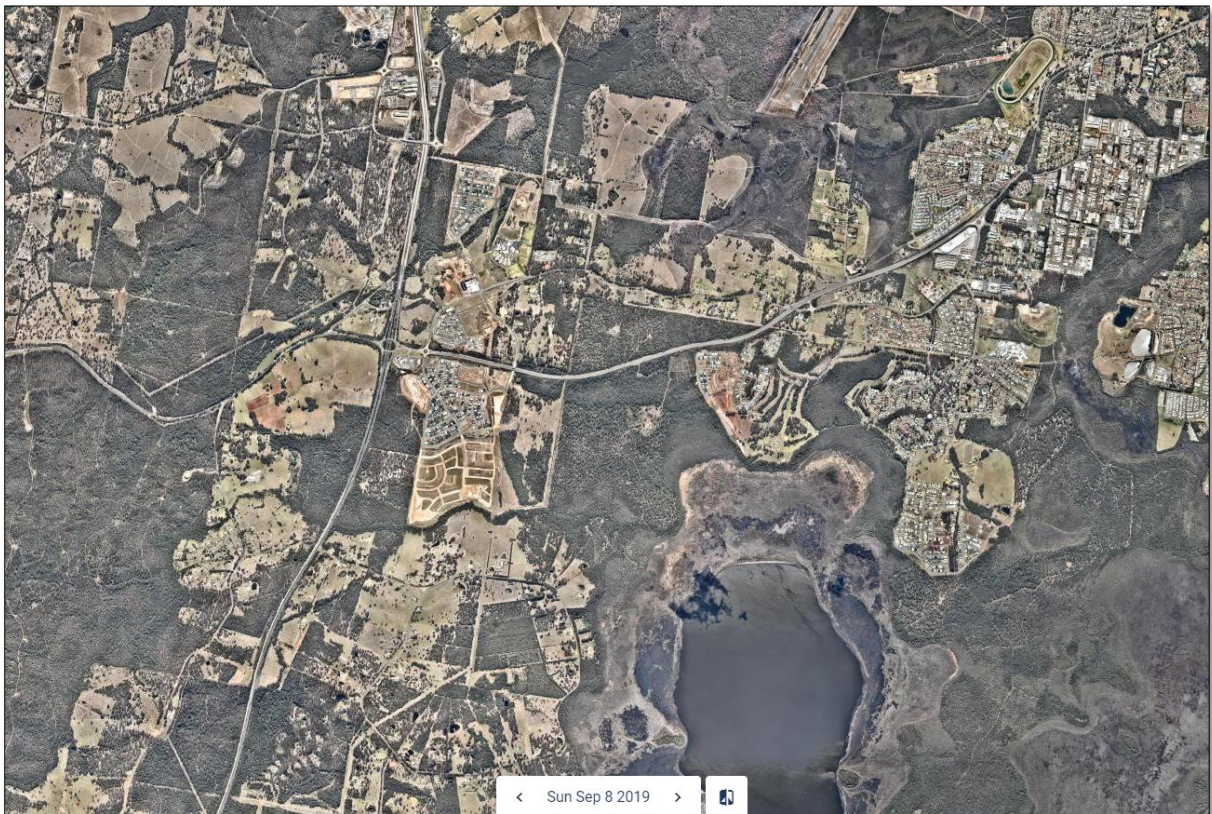


Figure 8 - Aerial Photograph which Clearly Shows Vegetation on these Identified Areas



## Phase 2 – Constraints Analysis

The land identified above generally by stars is considered from a desktop analysis to have significant constraints that are likely to make development of the land impractical or unfeasible from an ecological perspective, having regard to the change in legislation to the Biodiversity Conservation Act, 2016. The Act embodies the principles to avoid, minimise and offset in that order of priority, when considering impacts assessed under the Act. The areas indicated by the Stars are all heavily vegetated and the principles of avoid and minimise are likely to have significant impact on the yield in these areas, before any consideration of the offset provisions of the Act. The costs associated with the offset provisions, if or when they are applied, will also place significant constraints on the yield. In addition further constraints also relate to bushfire controls, which are exacerbated where there are large areas of vegetation.

In considering the available residential land zone to meet the land supply targets identified by Council, the areas indicated by the Stars on the plan may result in no lots being developed in that area, or at the best a limited number only. Council has indicated in feedback from the pre-lodgement meeting that all residential zoned land identified as Undeveloped Urban within the Urban Growth Area Boundary of the UGMS needs to be considered as residential land supply. This however is not a true and accurate representation of land supply in the area given the issues noted above, and as can be demonstrated at developments such as Ascot Park where large areas of the property that are zoned residential R1, have been excluded from being developed due to environmental constraints.

## Phase 3 – Estimation of Development Potential for Residential Land

Within the Port Macquarie to Thrumster corridor, Council has explored opportunities for release areas. There is potential for infill development and small site specific Planning Proposals in order to achieve a marginal increase in residential land supply.

The UGMS has identified areas at Sancrox as having potential for residential land. The figure below identifies the land area of the three areas in Sancrox, being a total of 591.9ha. Based on an average density of 10 dwellings per hectare, without detailed consideration of the constraints of the area, could potentially yield 5919 dwellings.

Figure 10 below identifies the Outline Planning Areas within the broader area between Thrumster and Wauchope. The discussions undertaken since March 2019 with Council officers indicated that the planning being undertaken as part of this site specific planning proposal should have regard to the outlined areas in close proximity of the site, as detailed in Figure 9, and not the broader area.

It is noted that Le Clos Sancrox has a site area of approx. 86.82ha and yields approx. 650 lots. Le Clos Sancrox is a relatively unconstrained site, however once the ecological and bushfire constraints, as well as the infrastructure including roads and services is provided, the estimated lot yield of 868 lots based on an average density of 10 dwellings per hectare is not achieved. This equates to 7.4 dwellings per hectare.

A desktop review of the other areas identified orange below, appear to indicate that they contain greater areas of vegetation and likely to therefore be subject to additional constraints than Le Clos. In this regard, it is not expected that the density of 7.4 dwellings per hectare achieved at Le Clos Sancrox would be achieved elsewhere in the investigation area. Therefore, the land availability at Le Clos Sancrox is important to assist in achieving the area wide targets.



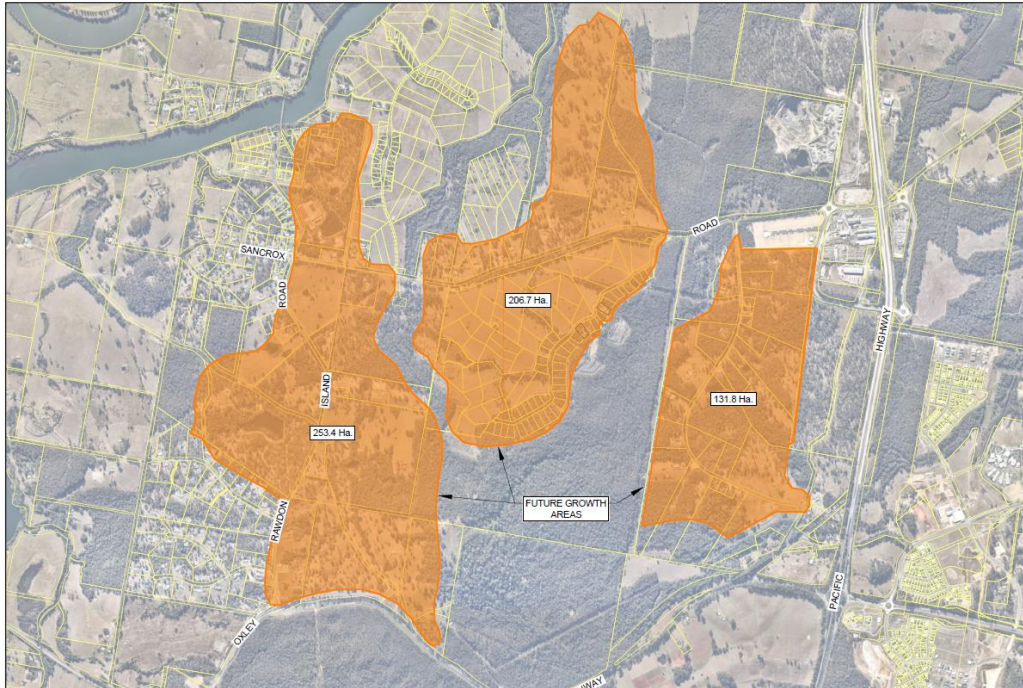


Figure 9 - Areas of Outline Precincts in UGMS

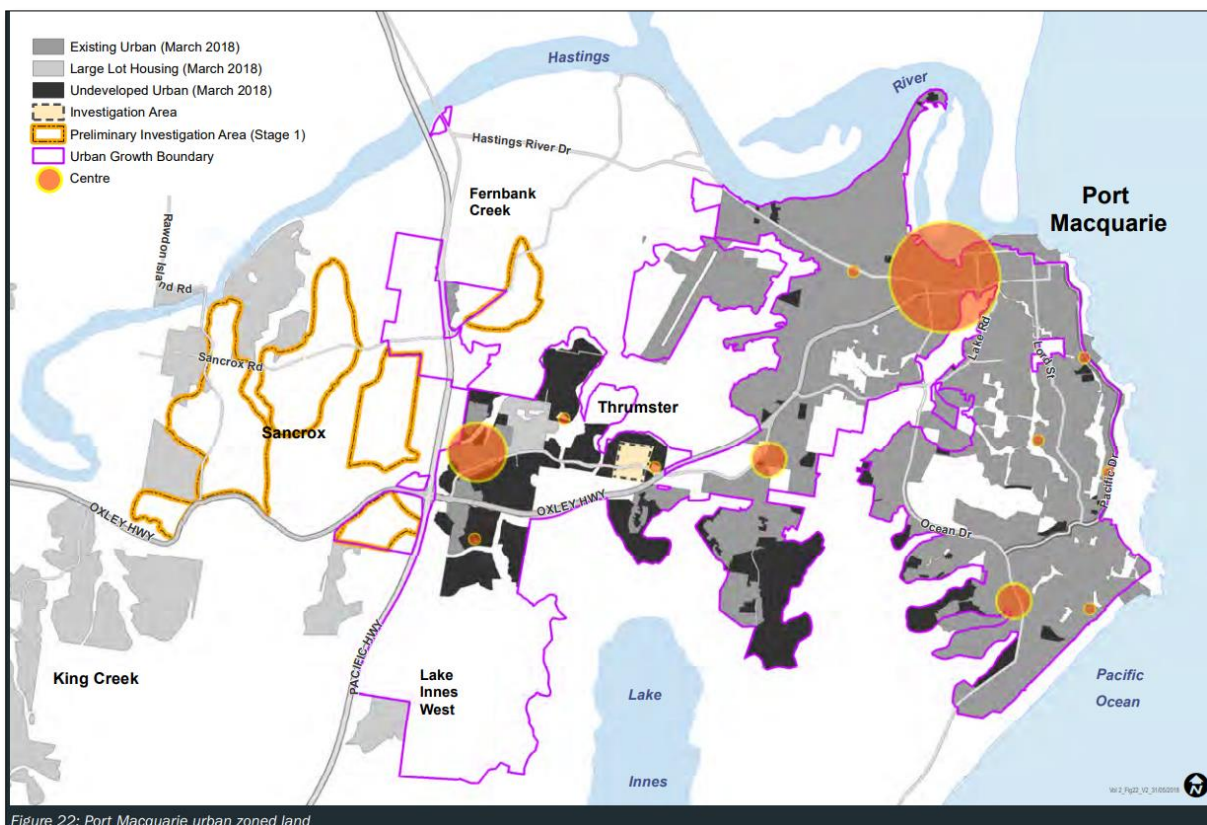


Figure 10 - UGMS Outline Plan Areas Identified yellow (source: [www.pmhc.nsw.gov.au](http://www.pmhc.nsw.gov.au))

## 6. ECONOMIC PROFILE

### 6.1 Port Macquarie Hastings Economy Profile

Port Macquarie Hastings LGA is a long established community with regional centre status, with a population over 83,000, over 29,000 jobs and a gross regional product worth \$5.028 billion. The regional status comes from its broad-based public and private business sectors, coupled with a dynamic retail and commercial district. Port Macquarie and surrounding areas has also been a thriving centre of tourism for many years.

Greater Port Macquarie has a \$6 billion local economy and is a net exporter and PMHC Economy profile indicates that *"We sell more products and services to customers outside of the LGA (approx. \$2.09 billion) than we import (\$1.67 billion). This is considered to be an outstanding performance for a regional economy."*

The number of employed people in the Port Macquarie-Hastings Council area has increased by 2,030 between 2011 and 2016. The largest changes in the jobs held by the resident population between 2011 and 2016 (see figures below) in Port Macquarie-Hastings Council area were for those employed in:

- Health Care and Social Assistance (+778 persons)
- Construction (+624 persons)
- Education and Training (+473 persons)

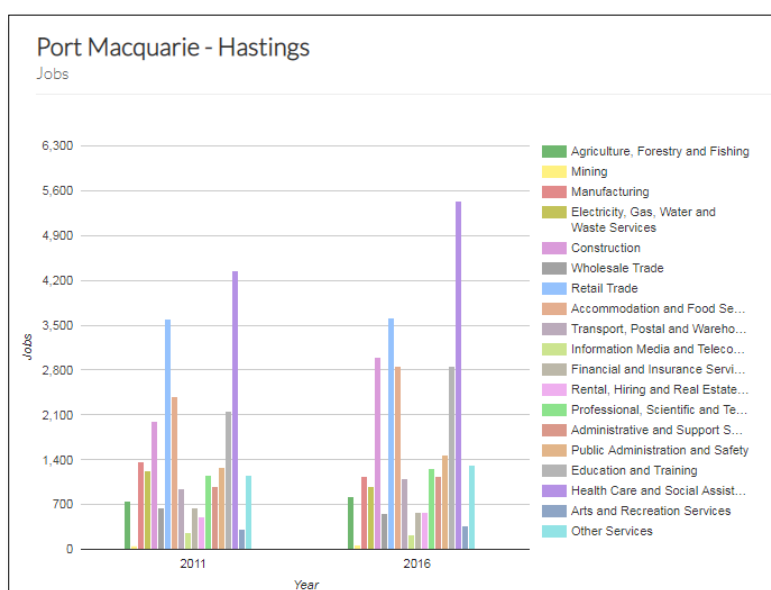


Figure 11 - Industry Employment Sector data for Port Macquarie Hastings. Source: ABS 2016, compiled in [economyprofile.com](http://economyprofile.com)

The employment data presented above represents the number of people employed by businesses/organisations in each of the industry sectors in the Port Macquarie Hastings region. The employment data presented is destination of work data; no inference is made as to where people in a defined region reside.

An analysis of industry sector for employment held by the population in Port Macquarie-Hastings LGA in 2016 shows the three most popular industry sectors were, Health Care and Social Assistance (5,192 people or 17.5%), Retail Trade (3,424 people or 11.5%) and Construction (3,153 people or 10.6%). These three industries employed 39.7% of the total employed resident population. In comparison, Regional NSW employed 14.4% in Health Care and Social Assistance; 10.3% in Retail Trade; and 8.7% in Construction (see Figure 11).



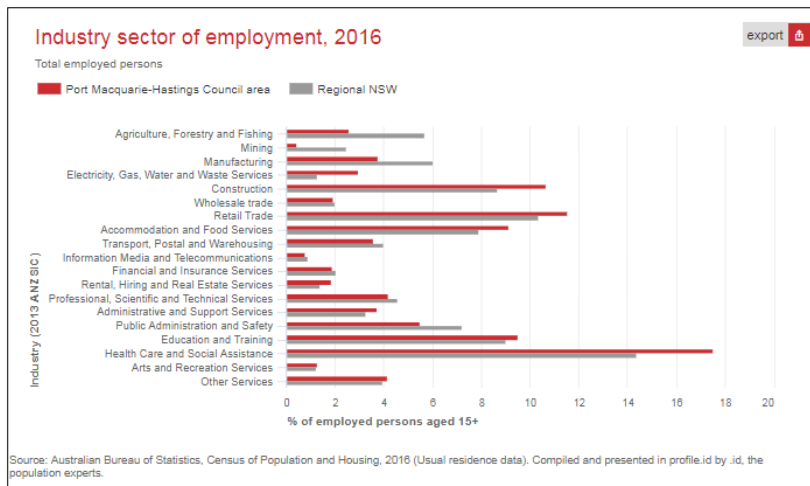


Figure 12 - Industry sector of employ 2016 (comparison with Regional NSW). Source: ABS, compiled in profile.id

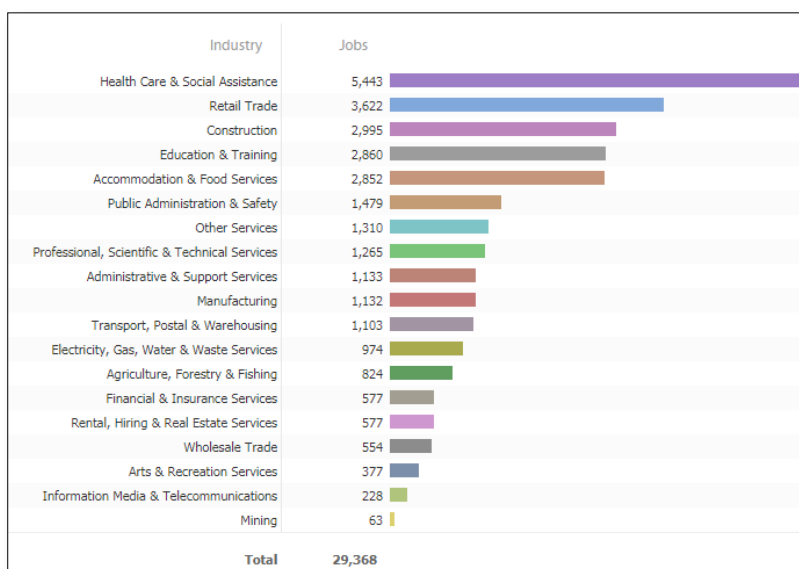


Figure 13 – Employment by Industry (Source: Latest REMPLAN data incorporating Australian Bureau of Statistics' (ABS) 2016 Census Place of Work Employment Data, 2015 / 2016 National Input Output Tables and June 2018 Gross State Product).

The data presented above represents the number of people employed by industry sectors in the Port Macquarie region in 2016. It is estimated that 29,368 people work in Port Macquarie – Hastings and of this 2,995 or 10.20% work in the Construction industry.

## 7. RESIDENTIAL LAND SUPPLY ANALYSIS

### 7.1 Residential Land Supply

Within the Port Macquarie Hastings region growth is directed towards the west due to natural constraints such as National Parks, flood-prone land and Pacific Ocean.

With an identified demand of 10,000 dwellings by 2036, applying this ratio to Port Macquarie Hastings LGA means that it needs to supply an average 500 dwellings each year. The UGMS further states “in 2017, we have over 1,000 hectares of undeveloped residential land, with capacity for around 9,000 new dwellings” as shown in Figure

13. Although the UGMS does not mention Sancrox as a main area for new residential development, the locality is identified as a new residential investigation area with options for growth (see Figure 14).

The UGMS identifies if development continues westward to accommodate future population growth, then residential areas for long term growth could be depleted by 2070 in and around Port Macquarie. However, options do exist for further growth at Sancrox. The Urban Growth Management Strategy states that further options for growth exist at Fernbank Creek, Sancrox and at Lake Innes Drive and resolutions of Council support this. The planning is to have commenced for this area under the UGMS timing and this Planning Proposal is consistent with that timing.

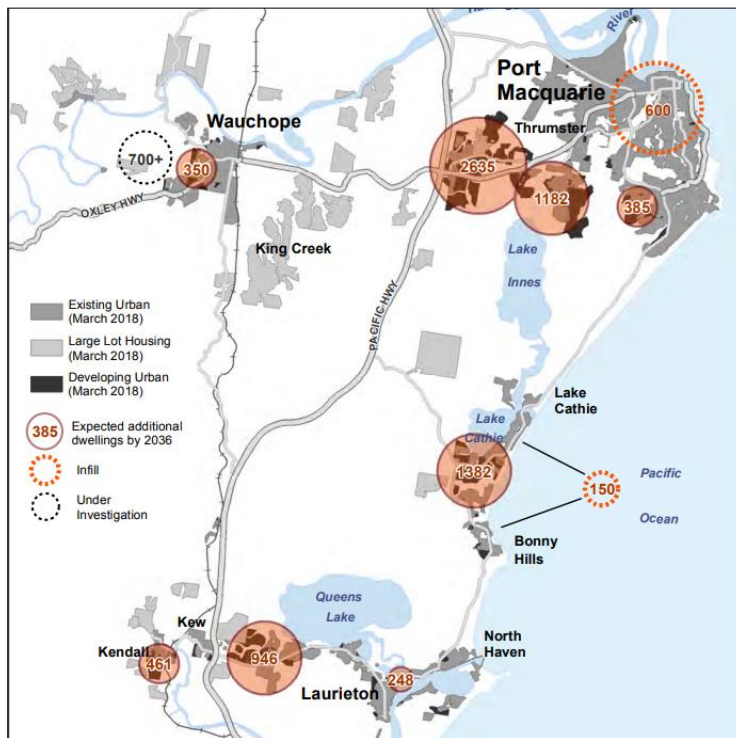


Figure 14 - potential dwelling yield estimates (2017) in key areas of housing supply (Source: UGMS pg 13)

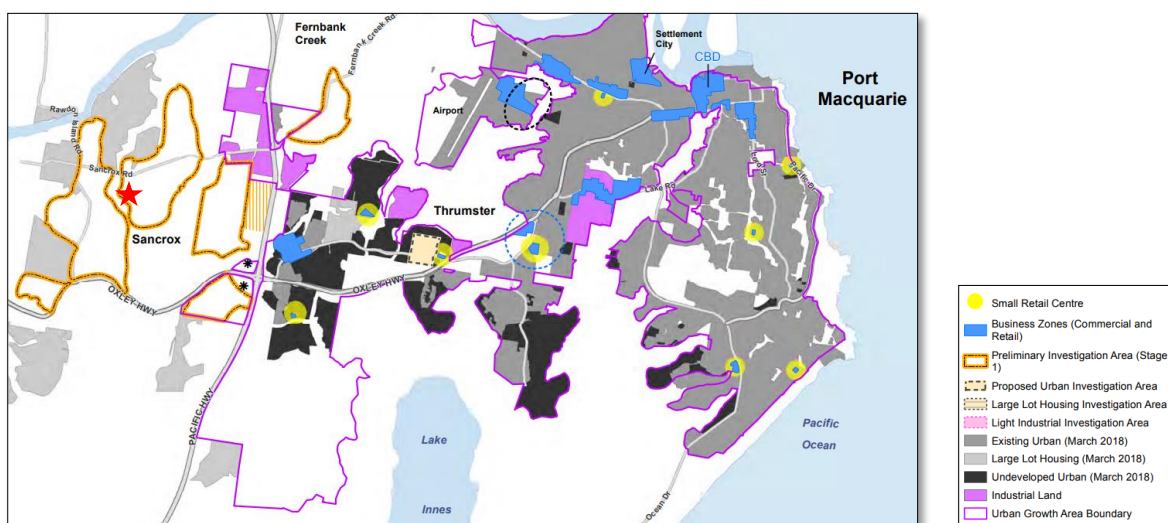


Figure 15 – Site identified by Red Star - UGMS Summary Map (Source: UGMS Pg. 33)

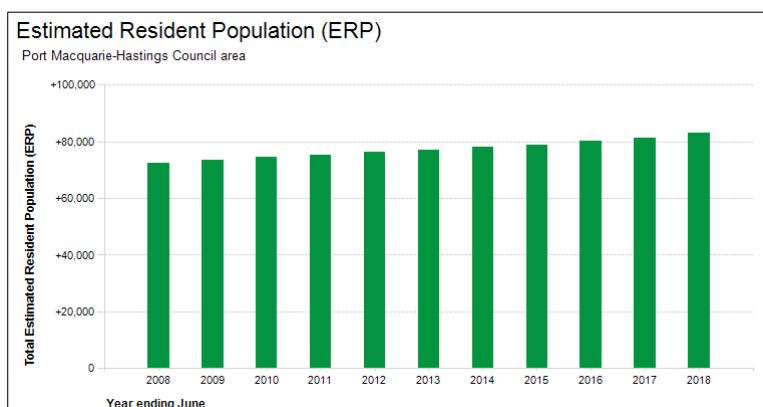
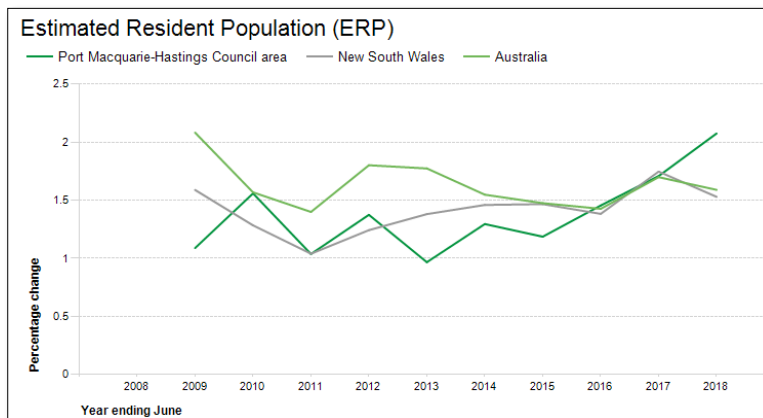


There is no denying that whilst Sancrox was identified for planning, given its later inclusion into the UGMS post exhibition, the population figures were not updated or Sancrox included in the projections.

## 7.2 Residential Land Demand

### Historical Population Growth

Port Macquarie-Hastings Council area had an Estimated Resident Population (ERP) of 83,131 as of the 30 June 2018. The ERP is the official population of the area updated annually by the Australian Bureau of Statistics and is reassessed every Census. The chart and table, prepared by .id - the population experts shows the last 10 years ERP for Port Macquarie-Hastings Council area, the state and Australia, with percentage comparisons. The figures below indicate a growing population for the local government area.



Annual change in Estimated Resident Population (ERP)									
Port Macquarie-Hastings Council area				New South Wales			Australia		
Year (ending June 30) ↕	Number ↕	Change in number ↕	Change in percent ↕	Number ↕	Change in number ↕	Change in percent ↕	Number ↕	Change in number ↕	Change in percent ↕
2018	83,131	+1,690	+2.08	7,988,241	+120,305	+1.53	24,992,860	+391,000	+1.59
2017	81,441	+1,368	+1.71	7,867,936	+135,078	+1.75	24,601,860	+410,953	+1.70
2016	80,073	+1,148	+1.45	7,732,858	+105,440	+1.38	24,190,907	+340,123	+1.43
2015	78,925	+925	+1.19	7,627,418	+110,223	+1.47	23,850,784	+346,646	+1.47
2014	78,000	+997	+1.29	7,517,195	+108,113	+1.46	23,504,138	+358,237	+1.55
2013	77,003	+737	+0.97	7,409,082	+100,877	+1.38	23,145,901	+403,426	+1.77
2012	76,266	+1,034	+1.37	7,308,205	+89,676	+1.24	22,742,475	+402,451	+1.80
2011	75,232	+772	+1.04	7,218,529	+74,237	+1.04	22,340,024	+308,274	+1.40
2010	74,460	+1,143	+1.56	7,144,292	+90,537	+1.28	22,031,750	+340,097	+1.57
2009	73,317	+789	+1.09	7,053,755	+110,294	+1.59	21,691,653	+442,454	+2.08
2008	72,528	--	--	6,943,461	--	--	21,249,199	--	--

Source: Australian Bureau of Statistics, Regional Population Growth, Australia (3218.0). Compiled and presented in economy.id by id, the population experts.

Figure 16 – Estimated Resident Population Tables (source: <https://economy.id.com.au/port-macquarie-hastings/population>)

## Population Projections

As mentioned in the UGMS “population growth drives the need for new dwellings, jobs, community facility and services”. The challenge is to “provide sufficient land for new growth so that land can be developed in an efficient and affordable way, while ensuring we maintain our natural amenity and local character”.

Based on research, Port Macquarie population will reach 47,202 by the end of June 2019. Projection calculation is based on the average growth rate of 1.59% over the last eight years since 2011. It is believed using the recent years' figures (see table below) will make the estimation more accurate.

Over the last eight years of Port Macquarie's population, overall the growth rate is very strong and consistent ranging from 1.13% to 2.20%, adding around 469 to 964 people each year to the overall population. If you compare the 2011 and 2016 census figures, the growth rate is only 8% over a 5 year period, grown by 3,323 people. The reasons contribute to the strong population growth is that employment rate and birth rate are strong over the years. The growth is aligned with the national population growth.

Population projections for Port Macquarie, as indicated in the UGMS, across the LGA may increase from 80,000 in 2017 to 103,000 by 2036. This is an increase of 23,000 people, which averages out to an annual increase of 1,210 people.

Year	Population	Growth Rate
2011	41,491	n/a
2012	41,960	1.13%
2013	42,490	1.26%
2014	43,065	1.35%
2015	43,850	1.82%
2016	44,814	2.20%
2017	45,620	1.80%
2018	46,447	1.81%



## Building Approvals

Port Macquarie-Hastings area's building approvals are used as a leading indicator of the general level of residential development, economic activity, employment and investment. Residential building activity depends on many factors varying with the state of the economy including interest rates, availability of mortgage funds, government spending, and business investment. Large financial changes or shocks, such as the Global Financial Crisis of 2008/09 can be observed in the data. However, the number of building approvals can fluctuate substantially from year to year simply as a result of the short-term nature of many construction projects, and the cyclical nature of the industry. (source: profile.idcommunity.com.au).

The building approval data for residential buildings in the Port Macquarie-Hastings LGA in the financial year 2018-19 was 685, with 453 being houses and 232 being other, (see Figure 16 below). Although the overall approvals have increased by 18, the approvals for houses have decreased by 98 in the FY 2017-18.

The residential buildings approvals data is illustrated in the chart below, along with the building approval values.

Port Macquarie-Hastings Council area			Number			Annual change		
Year (ending June 30)	Houses	Other	Total	Houses	Other	Total		
2018-19 Jun FYTD	453	232	685	—	—	—		
2017-18	551	116	667	+55	-100	-45		
2016-17	496	216	712	+20	+80	+80		
2015-16	476	156	632	+60	+6	+66		
2014-15	416	150	566	+101	+59	+160		
2013-14	315	91	406	+14	+34	+48		
2012-13	301	57	358	+45	+1	+46		
2011-12	256	56	312	+14	-94	-80		
2010-11	242	150	392	-8	-81	-89		
2009-10	250	231	481	-30	+177	+147		
2008-09	280	54	334	-65	-56	-121		
2007-08	345	110	455	+14	-15	-1		
2006-07	331	125	456	-15	-106	-121		
2005-06	346	231	577	-90	-34	-124		
2004-05	436	265	701	-101	-43	-144		
2003-04	537	308	845	+3	-50	-47		
2002-03	534	358	892	-6	+187	+181		
2001-02	540	171	711	—	—	—		

Figure 17 – Residential Building Approvals data in Port Macquarie-Hastings LGA (Source ABS compiled in profile.id)

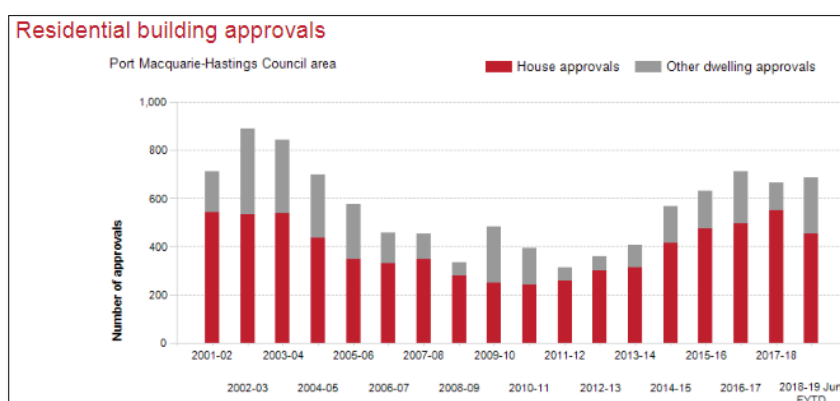


Figure 18 – Number of Building Approvals in Port Macquarie-Hastings LGA (source ABS compiled in profile.id)

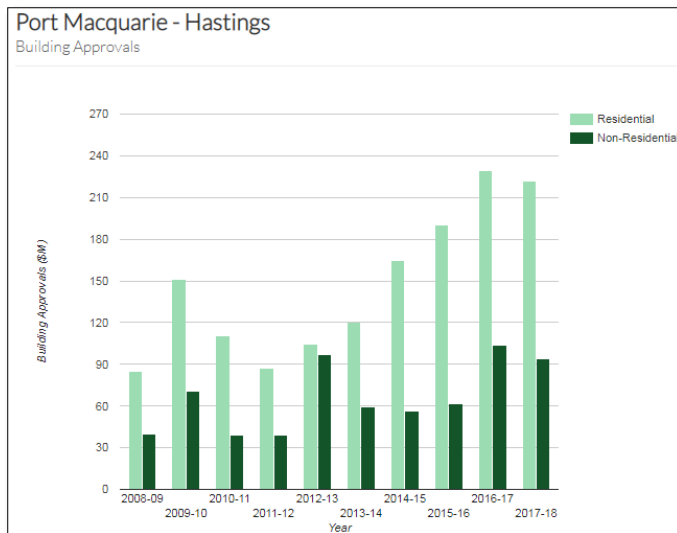


Figure 19 - Value of Building Approvals in Port Macquarie Hastings LGA. (Source: ABS, compiled in economyprofile 2018)

The Building approvals data in the above table relates to the number and value of residential and non-residential building approvals, from information provided by approving authorities. Statistics of building work approved are compiled from:

- permits issued by Port Macquarie Hastings local government and other principal certifying authorities;
- contracts let or day labour work authorised by commonwealth, state, semi-government and local government authorities; and
- major building approvals in areas not subject to normal administrative approval e.g. building on remote mine sites.

The data above is sourced from the ABS monthly Building Approvals (BAPS) collection which consists of data relating to residential and non-residential building work above certain value limits that have been approved within the reference month. It includes building approvals that are comprised of the following activities:

- construction of new buildings
- alterations and additions to existing buildings
- approved non-structural renovation and refurbishment work
- approved installation of integral building fixtures.

**Residential Buildings:** contain one or more dwellings, intended for the provision of long term accommodation. Examples include: detached houses, townhouses, flats, cottages and weekenders. Ancillary outbuildings not containing dwellings built to existing residential buildings, such as garden sheds, gazebos and free standing garages, are treated as residential buildings.

**Non-Residential Buildings:** where significant non-residential functions are contained in a building, such as shops, hotel/motel rooms, or offices, the building is classified as non-residential. This may, for example, occur where a dwelling is attached to, or enclosed within, a non-residential building



## Subdivision Approvals

A report was submitted to Council on 21 August 2019 which included statistics of development applications, including subdivisions. This report included the following table which summarises the type of DA and the value of work.

Value of Works DA	Apr-19	May-19	Jun-19	Total to date 2018 - 2019	Total 2017-2018	Total 2016 -2017
Ancillary DA	\$2,212,870	\$448,901	\$264,086	\$8,630,779	\$8,649,369	\$5,416,321
Ancillary CDC	\$56,650	\$476,159	\$403,270	\$4,461,919	\$5,750,178	\$1,559,611
Commercial DA	\$19,695,148	\$119,950	\$14,238,200	\$50,335,092	\$17,415,409	\$12,710,871
Commercial CDC	\$0	\$0	\$100,000	\$1,015,474	\$2,380,814	\$4,007,057
Community DA	\$27,374,600	\$2,049,500	\$0	\$36,258,032	\$13,111,186	\$1,851,000
Community CDC	\$0	\$0	\$0	\$345,078	\$692,872	\$330,000
Industrial DA	\$1,750,000	\$95,000	\$1,077,400	\$18,414,595	\$13,919,469	\$7,176,750
Industrial CDC	\$200,000	\$139,000	\$0	\$8,187,481	\$757,727	\$503,000
Residential DA	\$22,348,156	\$23,733,514	\$9,759,822	\$227,592,925	\$266,406,644	\$190,943,031
Residential CDC	\$2,220,884	\$3,155,510	\$2,096,657	\$37,815,194	\$51,975,736	\$37,712,396
Rural DA	\$210,000	\$304,000	\$1,284,240	\$9,693,549	\$9,718,464	\$7,635,746
Rural CDC	\$0	\$0	\$0	\$1,145,009	\$1,638,082	\$1,237,092
Subdivision DA	\$27,642,000	\$90,000	\$680,000	\$30,759,000	\$18,137,000	\$26,708,500
Tourist DA	\$600,000	\$68,400	\$100,000	\$3,395,692	\$14,777,822	\$1,711,860
Tourist CDC	\$0	\$0	\$0	\$0	\$1,225,000	\$690,000
<b>Total</b>	<b>\$104,310,308</b>	<b>\$30,679,934</b>	<b>\$30,003,675</b>	<b>\$438,049,819</b>	<b>\$426,555,772</b>	<b>\$300,193,235</b>

Figure 20 – Summary of Type of Development Applications & Value (source: [www.pmhc.nsw.gov.au](http://www.pmhc.nsw.gov.au))

The report also states “The following table outlines the estimated value of works per development type approved during the quarter along with the year to date value and value of the preceding 2 years. The 2018-2019 value of \$438 million has surpassed the \$426 million in 2017-2018. This result reinforces the confidence in the development sector and does not point toward any significant slow-down.”

The table clearly shows a significant increase in Subdivision DA's from 2017-2018 being \$18,137,000 to 2018-2019 being \$30,759,000.

A key factor to note with respect to subdivisions in the local government area is that under the now repealed Part 3A of the Environmental Planning & Assessment Act, 1979, coastal subdivisions were granted approval by the State Government. This occurred on a large scale in the LGA around 2009. Many of these consent have been in place for a large number of years and have only been constructed and available in the market in recent years and continuing currently.

A further consideration relates to the large amount of land zoned for residential purposes, but being highly constrained due to ecological value and unlikely to result in approval being granted for subdivision. This skews some of the housing projections undertaken by Council as part of the UGMS.

## Current Land for Sale in Sancrox

A review of land for sale in Sancrox on 15/10/19 identifies there are only 4 parcels of land available for purchase, all of which are indicated as being under offer.

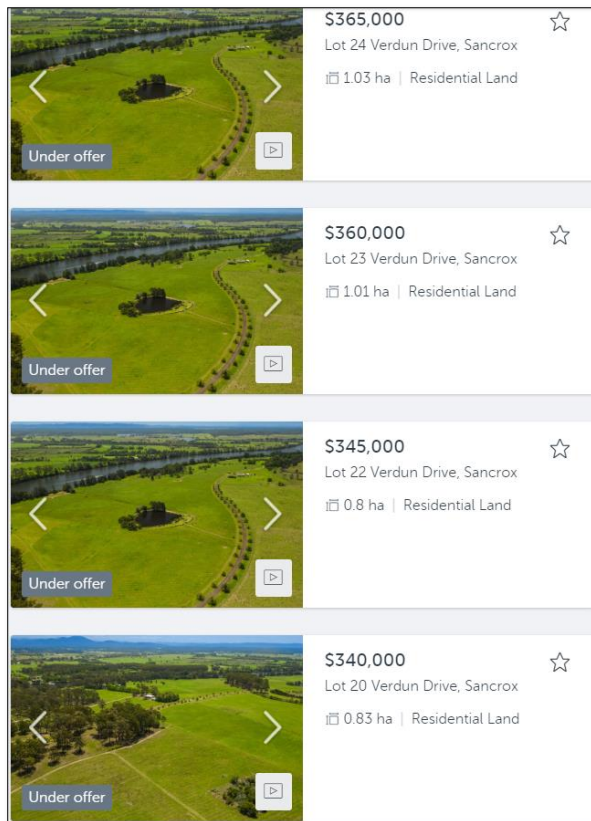


Figure 21 – Current land sales in Sancrox (source: [www.realestate.com.au](http://www.realestate.com.au))

Only three dwellings were available for purchase. Both the land and dwellings for sale in Sancrox are a different form of residential land from that proposed in the indicative layout, with the proposed lots to be standards 450m<sup>2</sup> sized lots in a R1 General Residential zoning, rather than rural-residential land.

### Current Land for Sale – Wider Area

A wider search of land for sale is shown in the image below, with no land available for purchase in the nearby Thrumster area.

The map highlights a large gap in the area between Wauchope and Ascot Park for land. It should be noted that Ascot Park is nearing its final stage and land supply will be exhausted.

Sovereign Hills land release is located to the east of the Pacific Highway in the area identified as having no sales. It is noted that Sovereign Hills manages land sales through their website and display village, with 20 lots available on the website as at 10/12/19. The total Sovereign Hills development will provide 2,400 lots in total at completion, based on the information on their website.

The figure below is a comparison of the Sovereign Hills sales plan and a recent Near Map image, which indicates the residential subdivision is well advance, with the Heritage stage to the south now being completed, with approx. 400 lots.





Figure 22 - Sovereign Hills development and recent Aerial Image (source: sovereignhills.com.au and www.nearmap.com)

The image below identifies a good supply of land at Lake Cathie, which correlates with the subdivisions which were granted consent under Part 3A of the Act and only now been developed some 10 years later.

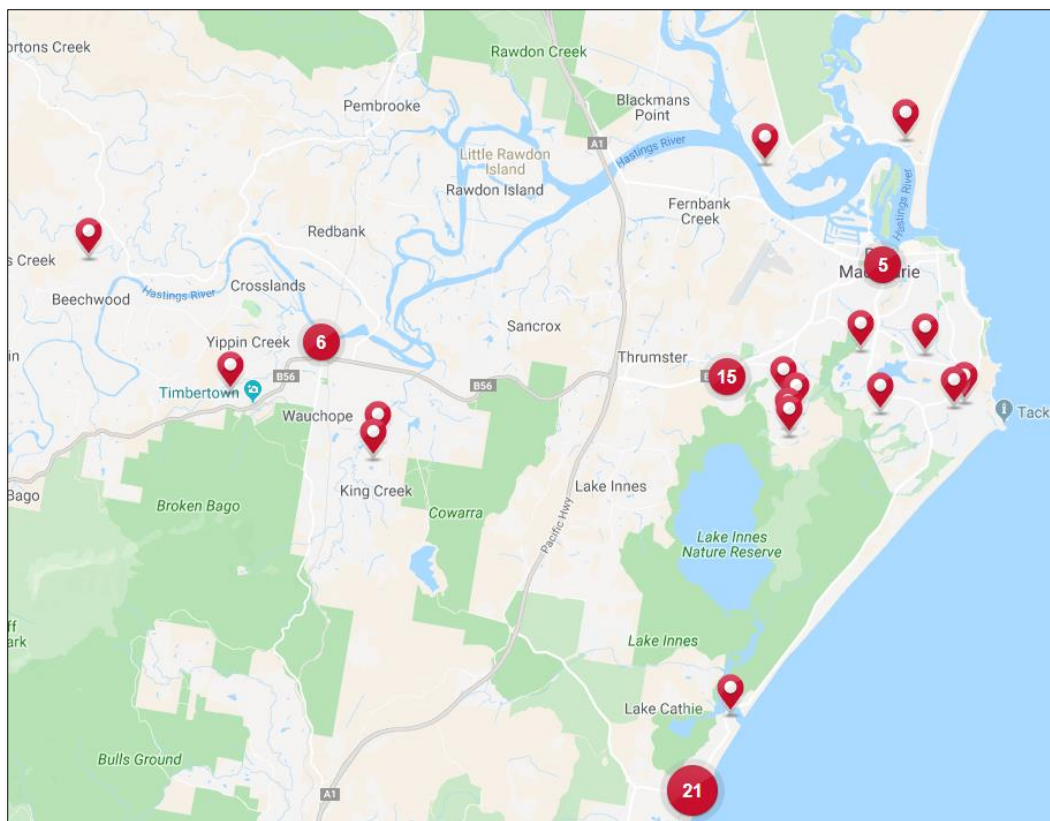


Figure 23 - Land for Sale in Wider Area (source: [www.realestate.com.au](http://www.realestate.com.au)) dated 15/10/2019

## Previous Review

A document titled Mid North Coast Residential Submarket Analysis was prepared by MacroPlanDimasi for the Department of Planning & Environment, August 2014. Below is an extract of the Port Macquarie region. Many of the assumptions and trends remain applicable today.



REGION	SUPPLY	DEMAND	POPULATION, AGE & INCOME	HOUSE PRICES AND RENTALS	HOUSING TYPES REQUIRED
<b>PORT MACQUARIE - HASTINGS</b>	<p>The Port Macquarie-Hastings LGA falls within the Hastings-Macleay subregion under the Mid North Coast Regional Strategy (2009). The MNCRS identified the need of an additional 18,300 new dwellings by 2031 for the subregion.</p> <p>In the LGA, total dwelling approvals has remained relatively stable. Since 2007, approximately 418 dwellings have been approved p.a. – the highest of any MNC LGA.</p> <p>Future dwelling growth is anticipated to eventuate through a combination of urban consolidation of existing centres and the release of land in identified release areas.</p> <p>The majority of future supply is expected to come from three locations – Thrumster, to the west of the Port Macquarie town centre, Lake Cathie/Bonny Hills and at Camden Haven. Collectively, these locations have an estimated capacity of 7,500 dwellings.</p> <p>A substantial proportion of new dwellings are also expected to materialise within the Port Macquarie – Wauchope corridor.</p>	<p>Housing demand within the Port Macquarie-Hastings LGA is strong, accentuated by strong dwelling approvals and robust population growth.</p> <p>Growth in household composition over the five years to 2011 has largely come from lone person households, while growth in family and couple family with no children households has also been strong.</p> <p>House sales have contracted in recent years; however remain high in comparison to other MNC LGA's.</p> <p>Our examination of house sales data for 2013 has revealed that the majority of sales have occurred within the Port Macquarie-Hastings – Central submarket, accounting for 65% of sales.</p>	<p>The Estimated Resident Population (ERP) for Port Macquarie-Hastings is 75,232 (2011).</p> <p>The latest DP&amp;E estimates predict that the population will grow by 20.7% to 90,800 people by 2031, at an average annual growth rate of 0.9% over the forecast period.</p> <p>Future population growth in Port Macquarie-Hastings is expected to be greatest within its aged population, although all age cohorts are expected to experience a gain in population.</p> <p>At present, persons aged over 65 represent 25% of the region's population; however this proportion is expected to increase to 33% by 2031.</p> <p>Working residents are skewed towards lower income earners, with persons in the higher income bracket accounting for 10% of total. Low income earners are most pronounced in downsizer and retiree age cohorts.</p>	<p>A substantial shift in house price distribution has occurred within the Port Macquarie-Hastings LGA, reflective of increased demand.</p> <p>Over the five years to 2007, 67% of house sales were priced below \$350,000, however in the five years to 2013, the majority of sales were priced above \$350,000.</p> <p>House sales during 2013 were skewed towards the medium value range with 50% of sales between \$350,000 and \$550,000.</p> <p>Port Macquarie-Hastings – Central submarket presents as the most expensive submarket in the LGA, with 14% of sales priced above \$550,000.</p> <p>Port Macquarie-Hastings – Regional is the most affordable residential submarket, with 85% of sales being priced below \$350,000.</p> <p>Over the five years to 2014, rental growth averaged 6.4% per annum for detached houses, with the growth most pronounced within the Port Macquarie-Hastings – Regional submarket (7.8%)</p> <p>Apartment rental growth was lower, averaging 3.1% per annum over the 2009-2014 period.</p>	<p>The continued ageing of the Port Macquarie-Hastings population, along with predicted growth in other age cohorts – both within a context of deteriorating affordability conditions – accentuates the need for a more diverse housing supply across the LGA.</p> <p>Retirees are expected to have the greatest influence on the LGA's housing demand. In this environment, retirement living products in close proximity to key services will provide an important housing choice.</p>

Figure 24 – Extract Mid North Coast Residential Submarket Analysis prepared by MacroPlanDimasi

## Age Cohorts

The market has a diverse range in the Port Macquarie region, including:

- First Home Buyers
- Upgraders
- Downsizers
- Retirees

Having regard to the population of the Port Macquarie region, there is a strong demand in all areas of the market and age cohorts.

## Employment

There is a strong correlation between employment availability, population growth and housing demand.

## Planned Growth

This assessment is based on our full understanding of the significant growth that will occur in Port Macquarie over the next 20 years, and of the ecological values that exist on some land parcels which are already zoned for residential or identified for investigation purposes, which pose some barriers to development on these parcels.

It is fundamental to think beyond the next few years to avoid development occurring in an ad-hoc manner or even resulting in an insufficient supply of suitably zoned, unconstrained land. The UGMS determines that there is 20 years' supply of vacant zoned residential land in the area. However, there is no discussion about whether all this land is suitable for residential development. For example, our experience shows that there are residential parcels of land across the municipality, which are heavily constrained for residential development due to their ecological values. The land at Ascot Park and the land in the investigation area west of Rainbow Beach are two examples of such land. These parcels will have been included in Council's density calculations although it is certain that the zoned allocation of dwellings will not be realised. If this heavily constrained land is taken out of the calculations, we would question the sufficiency of the supply.

Fragmented ownerships are an added constraint to development, impacting on the overall connectedness of the Port Macquarie-Hastings community and often resulting in ad-hoc and disjointed growth outcomes.

A strategic planning approach has been taken in this Planning Proposal for Le Clos Sancrox to be holistic in its consideration for the future demands for land, infrastructure, retail and commercial (without compromising our natural assets and environmental values).

UGMS acknowledges the natural constraints to development to the North and South of Port Macquarie. Therefore, there is a natural constraint to development in those directions and the demand for new housing will be westwards to Sancrox.

## Overall Assessment of Demand

Both past (building approvals) and future (population projection) trends indicate an annual demand of around 526 dwellings per year. The overall assessment of demand, as mentioned in the UGMS, is for 10,000 dwellings by 2036. Based on a rough calculation of 526 dwellings being approved over the next 17 years (until 2036), there will be a marginal shortfall of the target. Council's current projections have not taken account of land release in Sancrox and Le Clos Sancrox will contribute approx. 650 lots to meeting this target.

Based on the above average rate of approvals of 526 dwelling per annum for 17 years, leads to a total of 8,942 dwellings being approved. This falls short of the predicted 10,000 dwellings required by an amount of 1,058



dwellings. The current Le Clos Sancrox proposal is for 680 lots, which will assist in meeting the shortfall indicated above in the predicted demand.

A key factor to note with respect to subdivisions in the local government area is that under the now repealed Part 3A of the Environmental Planning & Assessment Act, 1979, coastal subdivisions were granted approval by the State Government. This occurred on a large scale in the LGA around 2009. Many of these consent have been in place for a large number of years and only have been constructed and available in the market in recent years and continuing currently. This however will dry up in the coming years and there is a need to commence the rezoning process now for future areas of housing given the length of time to undertake a rezoning.

Subdivisions are usually staged over a number of years and do not provide this instant boost of land into the economy at one time. Further, land release is often market driven.

A further consideration relates to a large amount of land zoned for residential purposes but being highly constrained due to ecological value and unlikely to result in approval being granted for subdivision. This skews some of the housing projections undertaken by Council as part of the UGMS.

The relative ease of extending services and roads and the lack of available land in Sancrox, the identified land is suitable for rezoning ahead of Council's Structure Plan for the wider area. This additional land will reduce the demand on existing housing and lot stock.

### 7.3 Years of Supply

With an increase of 1200 people into the region every year there is clearly a need for future residential growth areas.

Port Macquarie, Lake Cathie/Bonny Hills and near Kew in the Camden Haven collectively have the capacity to provide an 18 year housing supply based on current take up and projected demand. The UGMS states, in 2017 the estimated residential supply ready for development to provide a range of housing choice was:

- 16.4 years in Port Macquarie
- 19.7 years in Lake Cathie/Bonny Hills
- Over 30 years in the Camden Haven, and
- 10 years in Wauchope (increasing to around 30 years once planning for the Yippin Creek area has been completed).

Yet it is acknowledged to accommodate future project growth areas of potential long term growth around Port Macquarie could be exhausted by 2070, as demonstrated in Figure 25.

The Planning Proposal does not add significantly to the supply, with 680 residential lots in total. Approx. 500 dwellings per year are provided in the LGA based on recent building approval data, which equates to an additional year of land supply for the LGA. This would be absorbed in the current UGMS figures given the areas within the current residential zoning that are significantly constrained and unlikely to be developed, as discussed in the land supply and demand report. Noting that development of this size is generally staged, the supply of the 650 lots would occur over a number of years (estimated to be 50 per stage based on our experience of other local subdivisions), full development of the site could be 10-15 years away.

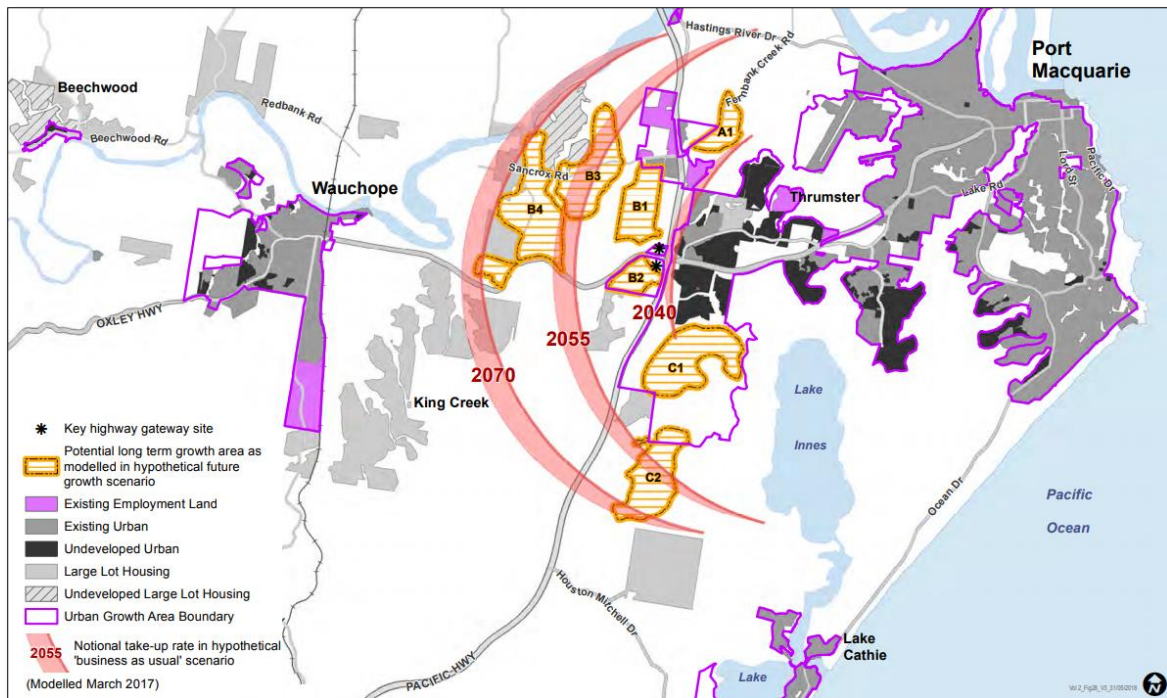


Figure 25 - Hypothetical limits to long term growth Port Macquarie Hastings. Source: UGMS pg. 15

## 8. CONCLUSION & KEY FINDINGS

This report has considered the future growth of Sancrox, the impact of population growth on dwelling demand (and hence lot demand), the adequacy of land presently zoned or identified for development at Sancrox and the broader state of supply and demand in the Port Macquarie Hastings area.

The key conclusions and findings are:

- Sancrox is an important growth area in the context of the Port Macquarie Hastings market and is identified as an residential investigate area.
- A key factor to note that coastal subdivisions were granted approval by the State Government on a large scale in the LGA around 2009. Many of these consent have been in place for a large number of years and only have been constructed and available in the market in recent years and continuing currently. This however will dry up in the coming years and there is a need to commence the rezoning process now for future areas of housing given the length of time to undertake a rezoning.
- Subdivisions are usually staged over a number of years and do not provide this instant boost of land into the economy at one time. Noting that development of this size is generally staged, the supply of the 650 lots would occur over a number of years (estimated to be 50 per stage based on our experience of other local subdivisions), full development of the site could be 10-15 years away. Further, land release is often market driven.
- A further consideration relates to a large amount of land zoned for residential purposes but being highly constrained due to ecological value and unlikely to result in approval being granted for subdivision. This skews some of the housing projections undertaken by Council as part of the UGMS.
- The relative ease of extending services and roads and the lack of available land in Sancrox, the identified land is suitable for rezoning ahead of Council's Structure Plan for the wider area. This additional land will reduce the demand on existing housing and lot stock.