

Pondicherry

Housing Market Assessment

December 2020

FINAL

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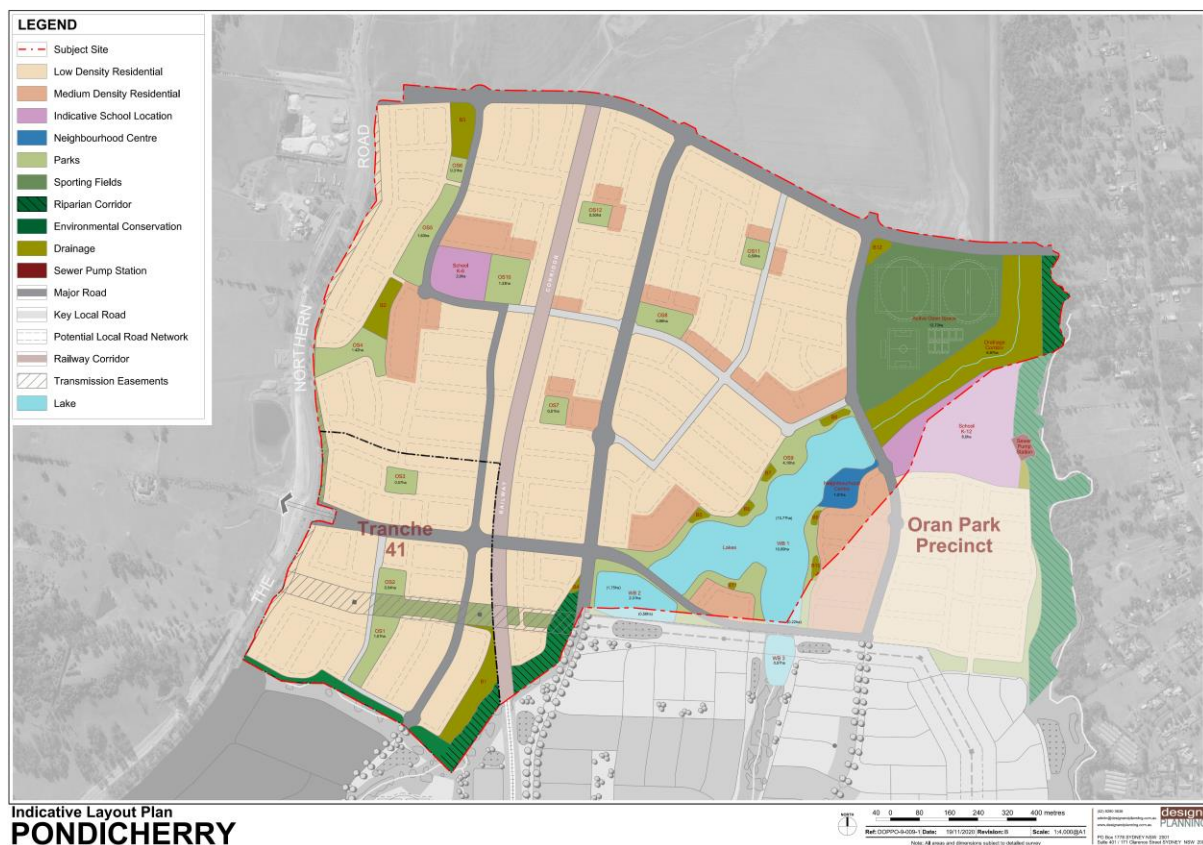
Executive Summary

Macroplan was commissioned by Greenfields Development Company (No 2) Pty Ltd to undertake a housing market assessment to assist with the Planning Proposal for a residential led mixed use development at Pondicherry (subject precinct) in the South West Growth Area (SWGA). This report forms part of a suite of technical documents that are being prepared for potential development on the subject land (below).

The purpose of the assessment is to provide an estimate of the size of the market and demand for housing types based on consumption and demand data. Macroplan's housing assessment examines market and demographic-based housing need across the whole of the Pondicherry precinct and provides recommendations for housing delivery within the subject precinct.

The assessment was completed in 2017 and revised further in 2019 & 2020. As requested, this update will involve a refresh to the previous reports.

Figure 1. Pondicherry - Indicative Layout Plan



Source: Greenfields Development Company (No 2) Pty Ltd & DESIGN+PLANNING

Macroplan's housing analysis assumes a prospective extent of residential and non-residential land use allocations at Pondicherry and has been prepared to inform 'early thinking' about how the subject precinct may ultimately develop. It has been prepared independent of other work that will address the social, retail, and open space needs of Pondicherry's future population. Macroplan's initial population projections and estimates of housing need provided in this report may, therefore, be further refined over time to reflect other consultant findings and the precinct's design progression.

Importantly, in considering the likely housing demand characteristics of Pondicherry, it is necessary to view the precinct as an adjunct to the already established Oran Park Precinct, which lies immediately to the south – and other greenfield precincts as well. Oran Park is an established precinct in the SWGA, although further development within the subject precinct around its proposed new town centre-based railway station will complete its final residential offering.

The assessment also considers housing supply and demand trends from other land release locations across the South West Sydney including Liverpool and Campbelltown. This broader analysis of trends is warranted, given the sharp increase in property prices over the past years, and the deterioration in affordability for both new and established housing. An evaluation of affordability across the broader region provides further context for future housing delivery at Pondicherry.

The regional context of the Pondicherry precinct is set to be greatly transformed. Proximity to the upgraded Northern Road means that access to future employment nodes, including the Western Sydney Aerotropolis, will be a clear point of attraction. The advent of the North South Rail Line (NSRL) and South West Rail Link Extension (SWRLe)¹, and the proposed Western Sydney Airport further add to this attraction.

A key product of this assessment is the determination of recommended housing formats and lot size composition for the subject precinct. These are presented in the below table. Macroplan expects to see a clear skew towards small lots for detached houses at Pondicherry, reflecting the affordability pressures across the region and recent demand preferences².

Table 1. Indicative Lot Mix, Pondicherry Precinct

Dwelling Format	Typical Lot Size	Proportion (% of total dwelling)	No. of dwellings
Low-density: Executive Style	600 m ² or more	8.8%	240
Low-density: Very Large	550-599 m ²	3.7%	100
Low-density: Large	500-549 m ²	9.2%	250
Low-density: Medium	450-499 m ²	18.9%	515
Low-density: Small/Standard	300-449 m ²	34.6%	940
Low-density: Very Small	up to 300 m ²	5.5%	150
Total: Low-density	-	80.7%	2,195
Medium-density: Semi-Detached	350-400 m ²	4.6%	175
Medium-density: Attached & Multi-dwelling	150-200 m ²	14.7%	375
Total: Medium-Density	-	19.3%	525
Total		100%	2,720

Source: Macroplan

Although medium-density housing is not currently prevalent in Camden LGA, there is an increase in demand for this product type. Macroplan expects that it can be a substantive component for the subject precinct based on future amenity provision and housing affordability. There is potential for amenity value from higher density housing located next to recreation features (i.e. playing ground, district open spaces and parks, South Creek etc.). The

¹ In the future, there will be more investigations to identify suitable station locations along the passenger rail corridors (Transport for NSW).

² These findings are also consistent with the most recent Local Housing Strategy (Camden Council).

offering would attract family households, retirees and empty nesters. As shown by Macroplan's demographic analysis, the solid growth in the number of the types of households is observed, and they are arguably the most price sensitive buyers.

Covid Impact & Future Outlook

Macroplan's primary view is that the market conditions would not fully recover until 2023. For 2020/21, demand for housing is expected to be down about 20% but with this impact moderated by Government stimulus measures. The period 2021/22 and 2022/23, however, is the primary concern as the lagged impact of the slower population growth and higher unemployment reduces demand.

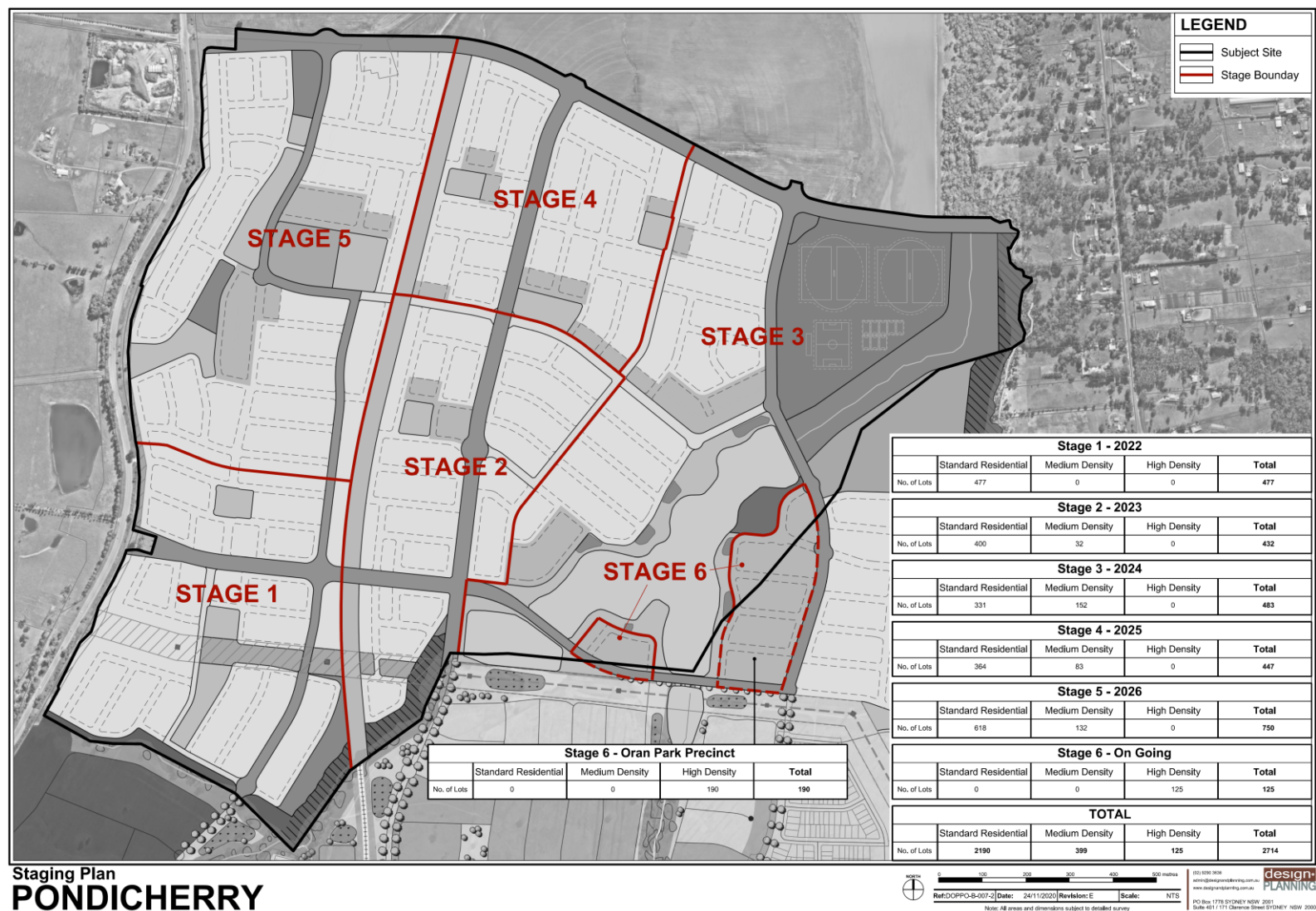
Macroplan envisages that the market conditions will recover quicker in the Outer Sydney markets including Camden LGA. With around 85% of Australia's net overseas migration going into capital cities, over the next few years, it is likely that rents in the inner-city Sydney areas will remain lower than expected (pre-pandemic) given lower population growth (i.e. less international students and other migrants, who typically rent) and the anticipated supply of apartments coming on line. Greenfield housing markets, however, are much less dependent on those factors, particularly upon migration flows.

Moreover, Pondicherry has several points of difference over other greenfield projects in the Camden LGA. Pondicherry can deliver superior access to the region's current and future employment nodes: Narellan Strategic Centre, Oran Park town centre and the Western Sydney Aerotropolis.

Access to The Northern Road makes the subject precinct an ideal location for mobile workers who are relocating for new job opportunities, which has been evidenced from the labour force growth by industry figures. Such attribute will become more prominent for workers relocating to the area once the Western Sydney Airport and Aerotropolis is completed and employment opportunities have been met.

Prior to 2019/20, Oran Park has been delivering an average of around 500 dwellings per annum. In a post-COVID world, therefore, Macroplan envisages that Pondicherry could absorb an average demand for 400 to 500 dwellings per annum, with assuming the first settlements in 2023. Therefore, the current staging plan (below), with the specific timing of each release linked to market conditions, appears consistent with the finding of this housing market assessment.

Figure 2. Pondicherry – Staging Plan



Source: Greenfields Development Company (No 2) Pty Ltd & DESIGN+PLANNING

Section 1: Introduction

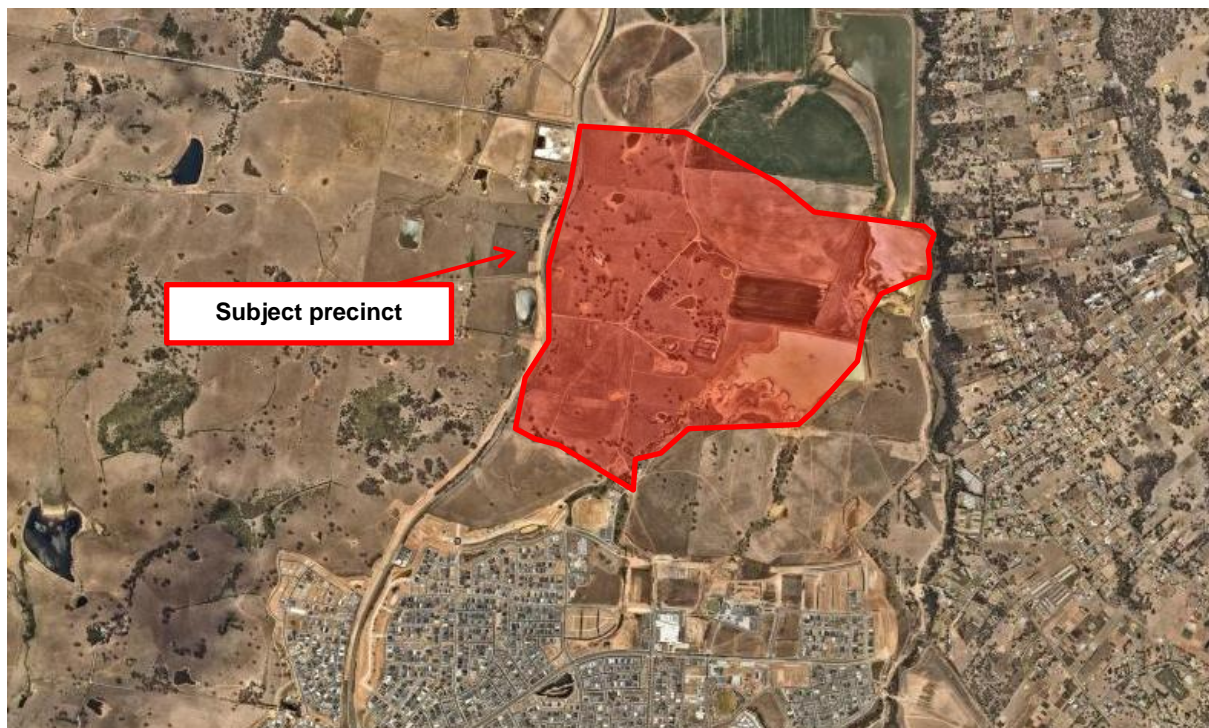
Macroplan has been engaged by Greenfields Development Company (No 2) Pty Ltd to undertake a housing market assessment to assist with the Planning Proposal for a residential led mixed use development at Pondicherry (subject precinct) in the South West Growth Area (SWGA). This report forms part of a suite of technical documents that are being prepared for potential development on the subject land. This report is structured as follows:

- **Section 1:** Introduction
- **Section 2:** Background & Methodology
- **Section 3:** Housing Market Demand Profile
- **Section 4:** Residential Supply & Market Overview
- **Section 5:** Recommendations
- **Section 6:** Conclusion

1.1 Local Context

Pondicherry is located approximately 22km from the Western Sydney Aerotropolis and 40 km from the Parramatta CBD. The Precinct's location is adjacent to the Northern Road (connecting to the Western Sydney Airport, the M7 Motor Way and the proposed M12) and proximate to Oran Park, South Creek, Lowes Creek, Maryland Precincts, within the SWGA.

Figure 3. Pondicherry Precinct (Locality)



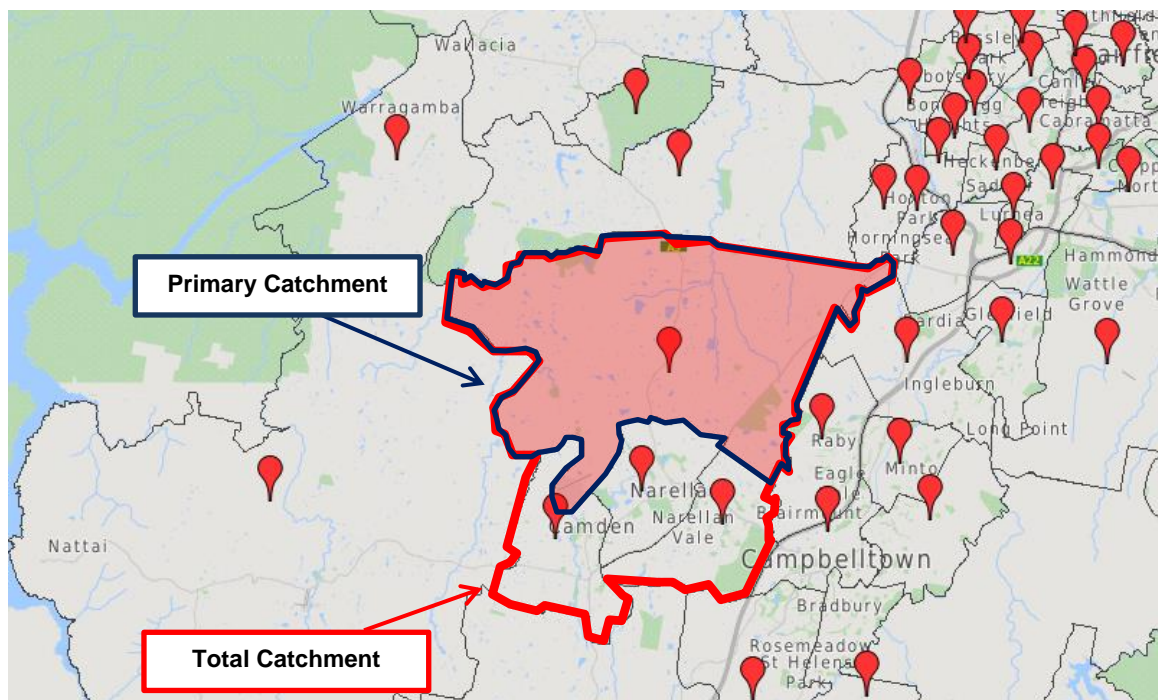
Source: Nearmap

The subject precinct abuts the South Creek West to the north, The Northern Road to the west, South Creek to the east. The land use of the region is transitioning from rural to urban, particularly Leppington and Oran Park. Currently, Pondicherry is largely vacant and is used primarily for grazing.

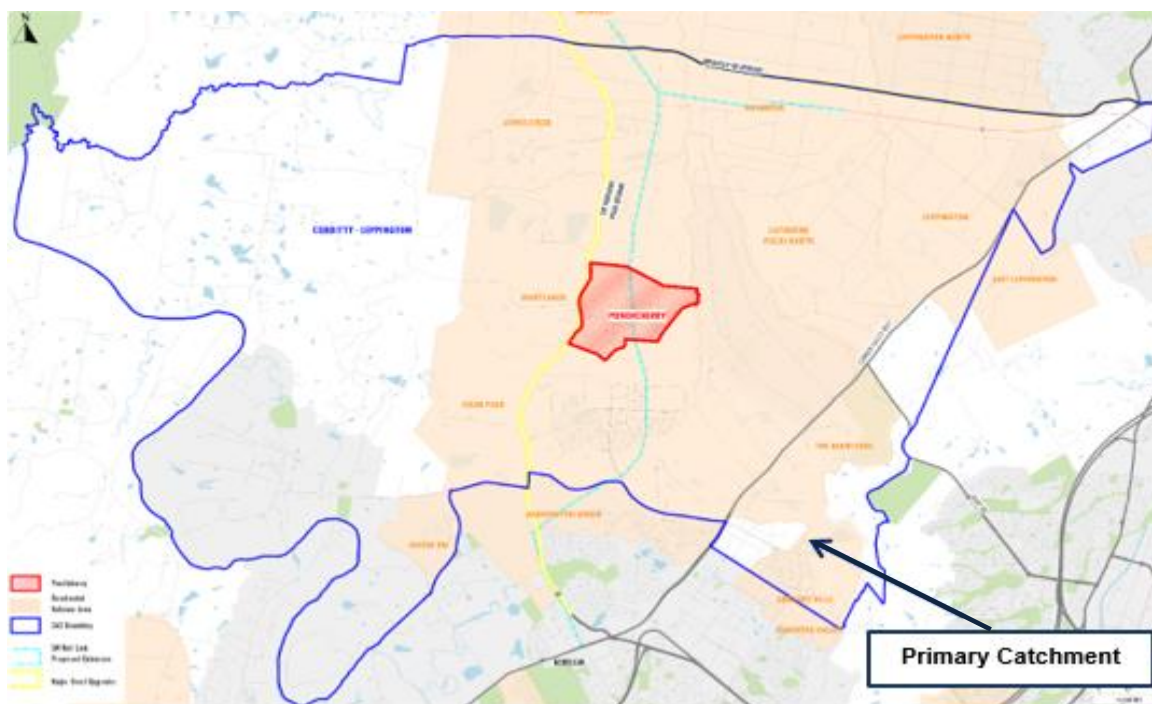
1.2 Catchment Delineation

For the purpose of this study and the housing market assessment, 'Cobbitty – Leppington SA2'³ is selected as the primary study area, and Camden LGA as the total study area.

Figure 4. Catchment Delineation



³ i.e. Statistical Area Level 2. The SA2 is the smallest area for the release of Australian Bureau of Statistics (ABS) non-Census and Intercensal statistics, including the Estimated Resident Population and Health & Vitals data.



Source: ABS, Macroplan

The catchment has been selected having regard for those suburbs surrounding the Pondicherry precinct that form a likely 'trade' catchment for any new housing, services or amenities that may be introduced at the subject precinct. Further to this, the geographic size of the catchment area has been defined based on proximity to other suburbs, road linkages and natural boundaries.

1.3 Methodology

The aim of this housing market assessment is to provide evidenced-based advice with respect to the potential housing mix to suit the residential needs of the area's incoming population and to inform an Indicative Layout Plan (ILP) for the Pondicherry precinct. The assessment also considered the spatial context of the subject precinct, its projected yield and its potential role in contributing to the ongoing population growth within Camden LGA and the South West Growth Area (SWGA) generally. The assessment comprises of the following elements:

- Analysis on current and future residential land supply including detailed commentary on current market positioning of Pondicherry and the SWGA generally. Macroplan's analysis looked specifically at Oran Park but also at trends across the SWGA to determine market depth, housing appetite and delivery trends that may influence housing product provision at the new precinct.
- Identification on current and future levels of land and housing demand for the subject precinct. This assessment includes building the socio-demographic profile of the Pondicherry precinct and the identification of a range of product demand opportunities to suit demographic sub-markets.
- Review of key non-market determining factors for dwelling production (e.g. service availability, status of transport and water infrastructure upgrades; the availability and proximity to new rail infrastructure), and the likely combined impact on lot product rates and demand.

Macroplan's recommendations in relation to the mix of sustainable dwelling typology and densities at Pondicherry will consider housing affordability and maximisation of commercial viability of the subject precinct.

1.4 Data and Information Sources

Macroplan's research draws on a wide range of information sources, including: various Council documents, official population projections from the NSW DPIE, official employment projections from TPA and the Department of Employment, Skills, Small and Family Business, the ABS Census (2011 & 2016), and various latest ABS statistics. Macroplan also utilised relevant experience throughout NSW and Australia, with reference to socio-economic profiles, growth trends, and recent market performance. The bibliography can be found at the end of this report.

1.5 Limitations

The information in this report has been obtained from, and opinions herein are based on, sources believed to be reliable. Although great care has been taken to ensure accuracy and completeness in this report, Macroplan has not independently verified and does not accept responsibility for its completeness and accuracy of the factual information on which its opinions and assumptions are based. Further, as the report involves future forecasts, it can be affected by a number of unforeseen variables. It represents for the party to whom or which it is addressed the best estimates of Macroplan, but Macroplan cannot give assurance that any forecasts will be achieved.

Section 2: Strategic Planning Context

In this section of the report, the legislative and policy context relevant to the Pondicherry precinct is reviewed and summarised. The section aims to highlight the key policy drivers effecting the future development of the subject precinct in the context of current and future market and demographic trends.

2.1 A Metropolis of Three Cities (GSC)

The Greater Sydney Region Plan: A Metropolis of Three Cities was released by the Greater Sydney Commission (GSC) in October 2017 and finalised in March 2018. It was developed concurrently with the metropolitan transport plan, Future Transport 2056, and the State Infrastructure Strategy, and creates a metropolis of three cities to rebalance growth and opportunities for people across Greater Sydney. It aims to deliver a 30-minute city to provide better access to jobs, schools, and health care within close distance to people's homes.

The purpose of the Plan is to:

- Set a 40-year vision (up to 2056) and establish a 20-year plan to manage growth and change for Greater Sydney in the context of economic, social and environmental matters;
- Inform district and local plans and the assessment of planning proposals;
- Assist infrastructure agencies to plan and deliver for growth and change and to align their infrastructure plans to place-based outcomes;
- Inform the private sector of the vision for Greater Sydney and infrastructure investments required to manage growth; and
- Inform and engage the wider community so the Plan can best reflect the values and aspirations of all.

2.2 Western City District Plan (GSC)

The Western City District covers the Blue Mountains, Camden, Campbelltown, Fairfield, Hawkesbury, Liverpool, Penrith and Wollondilly LGAs. The Greater Sydney Commission estimates the Western City will house approximately 1.5 million residents by 2056 and be a thriving economic centre, well connected by various transport links. Due to its strategic proximity to the Western Sydney Airport, the Western City will comprise an 'Aerotropolis' that provides a range of economic opportunities.

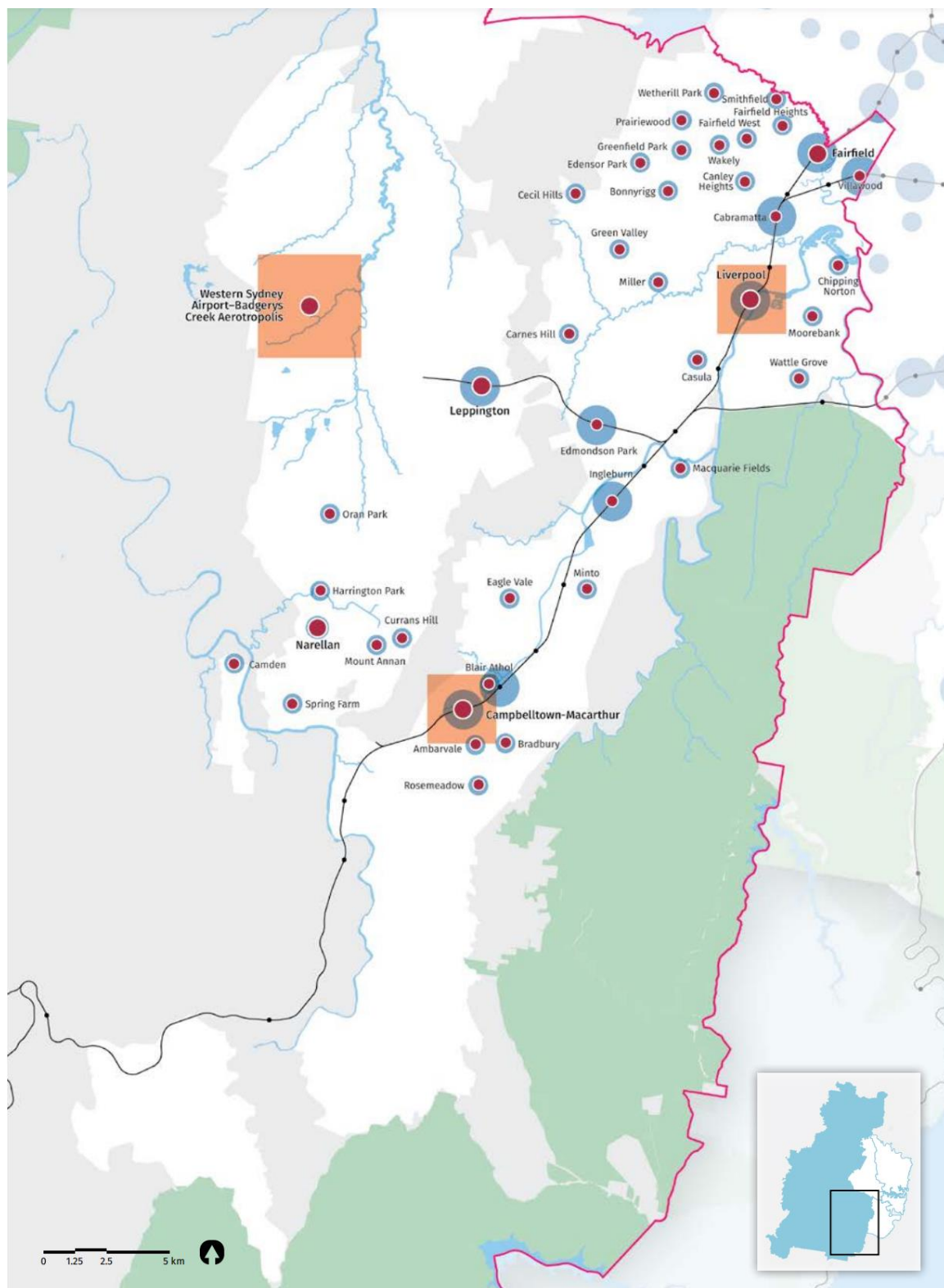
A City Deal has been created for Western Sydney, with the involvement of the Western City District, Blacktown and relevant councils, State and Federal government. Planning for the Western Sydney Airport and Badgerys Creek Aerotropolis will be coordinated through the Western Sydney City Deal. The Western Sydney City Deal includes six commitments: connectivity, jobs for the future, skills and education, liveability and environment, planning and housing and implementation and governance.

Moreover, the presence of three long-established centres provides the opportunity for a polycentric urban structure including 'Liverpool', 'Greater Penrith' and 'Campbelltown-Macarthur'. A cluster of four centres (i.e. including the emerging Badgerys Creek Aerotropolis) will deliver the metropolitan functions of providing concentrations of higher order jobs and a wide range of goods and services.

For the Western City District, the 5-year (2016-2021) housing supply target and the 20-year (2016-2036) strategic housing target are 39,850 and 184,500 dwellings, respectively. This equates to an average annual supply of 9,222 dwellings, or approximately one in four completions of all new homes in Greater Sydney over the next 20 years.

In the case of Pondicherry, the greatest increase in population is anticipated in Camden LGA. It is forecast that Camden LGA will grow by 178% by 2036, mostly in the South West Growth Area (SWGA). Camden LGA is allocated a 5-year housing demand target of 11,800 dwellings, which accounts for about 30% of the total future Western City District's supply.

Figure 5. Western City District (south) - Centres



Source: GSC

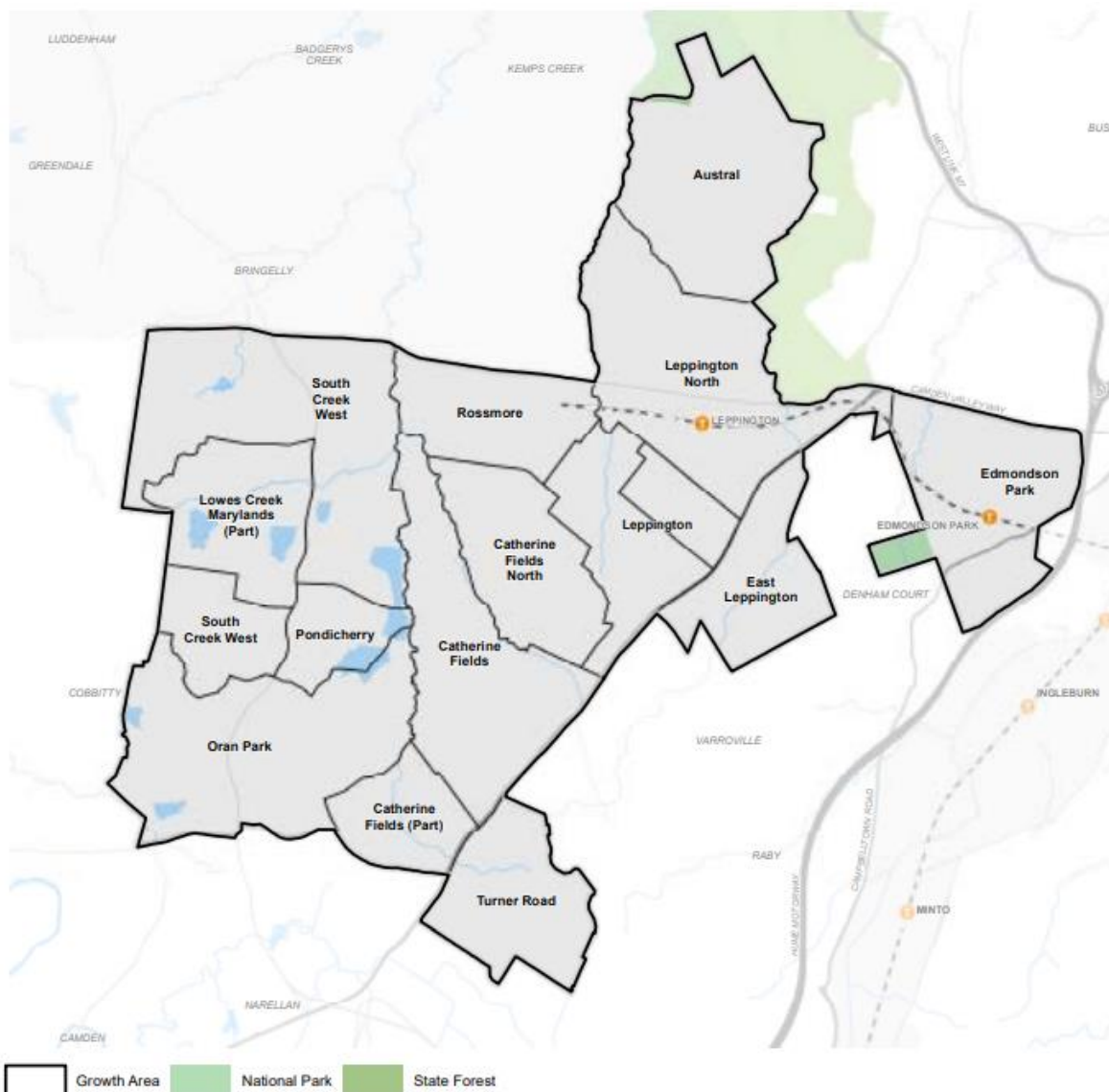
2.3 South West Growth Area (NSW DPIE)

The South West Growth Area (SWGA) is one of the largest greenfield areas released by the NSW government to facilitate urban residential growth. It is situated approximately 30 km south-west of the Parramatta CBD and from the Western Sydney Aerotropolis.

The SWGA will provide opportunities for new jobs, community services and open spaces to service a range of housing that suit different needs and many lifestyle choices. It is being designed to run concurrently with the planning for Western Sydney Aerotropolis with a view to better connect new suburbs with the proposed Western Sydney Airport, North South Rail Line, South West Rail Link Extension and the nearby Western Sydney Parklands.

The SWGA totals approximately 10,200 ha in size and includes parts of Liverpool, Camden and Campbelltown LGAs. The SWGA is divided into 14 Precincts (see map below) that are progressively being released for planning and rezoned, to accommodate the ongoing population growth in Western Sydney. It is anticipated that the SWGA will provide approximately 80,000 homes for 256,000 residents upon full development.

Figure 6. South West Growth Area Map



Source: DPIE

2.3.1 Oran Park

The Oran Park Precinct is in the western portion of the SWGA within the suburb of Bringelly in the Camden LGA. The Precinct is generally bounded by Cobbitty Road to the south; South Creek and its tributaries and the curtilage of Oran Park House to the east; 330kV power lines, creek lines and ridgelines to the north; and the boundary to the McIntosh property to the west. The Northern Road bisects the Precinct north south.

The precinct is one of 14 precincts in the SWGA, of which 8 have been rezoned under State Environmental Planning Policy (Sydney Region Growth Centres) 2006 (Growth Centres SEPP) for urban development. Several Precincts in the SWGA have been rezoned for urban land uses and have undergone significant development in places such as Oran Park, Catherine Fields (Part), Turner Road, East Leppington, Edmondson Park, Leppington, Austral and Leppington North. Supported by investment in infrastructure including road upgrades, the South West Rail Link to Leppington Station, and utilities including water, sewer, and electricity, these areas are developing into new communities.

The Oran Park Precinct is anticipated to deliver around 7,540 new residential dwellings, 50,000 m² of retail in the town centre and a range of commercial spaces including a medical centre and allied health precinct. To date, there are already 3,000 dwellings in the initial stages of the town centre which have been delivered. According to Camden Council's Local Strategic Planning Statement, Oran Park is identified as a maturing precinct with approximately 20%-30% developable area remaining.

2.3.2 Turner Road

The Turner Road precinct is in the eastern portion of the SWGA. The precinct is bounded by Camden Valley Way Road to the west, Turner Road to the south, and Gregory Hills Drive bisecting the precinct. The precinct was one of the first land release precincts in the SWGA, with the precinct benefiting from up to 4,020 new dwellings, a 15,000 m² of retail in the town centre, 77 ha of open space, 96 ha of employment land and improved connections to encourage walking and cycling.

2.3.3 East Leppington

The East Leppington precinct falls within the eastern portion of the SWGA and comprises of land within the Camden, Campbelltown, and Liverpool LGA. Like the Turner Road precinct, East Leppington is also bounded by Camden Valley Way to the west. The precinct is within proximity to Leppington Station and the proposed Leppington Major Centre, which will provide access to jobs, shopping, entertainment, community, and government services.

East Leppington will benefit from up to 4,450 new dwellings, 2,500 m² of retail floor space with a local centre and village centre, 26 ha of open space and recreation areas, a new primary school and community centre and improved connections to encourage walking and cycling.

2.3.4 Austral and Leppington North

The Austral and Leppington North precinct will accommodate up to 17,350 new dwellings, a major centre, three neighbourhood centres, 220 ha of employment land, 135 ha of open space and recreation areas, upgrades to major roads, new primary and high schools, protection of significant vegetation, and major creek corridors and improved

connections to encourage walking and cycling. The precinct also accommodates a new train station – Leppington Station.

2.3.5 Catherine Fields

The Catherine Fields precinct will accommodate up to 3,200 new dwellings, a primary school, a neighbourhood centre and 50 ha of open space.

2.3.6 Edmondson Park

Edmondson Park precinct will accommodate up to 6,000 new dwellings. The precinct has an operational train line and shopping amenities with a Coles supermarket.

2.3.7 South Creek West

According to DPIE, South Creek West is currently under planning phase, with no specified number of dwellings. However, the Draft Camden Local Housing Strategy identifies South Creek West as a precinct that has been released with an indicative dwelling capacity of 30,000.

2.3.8 Lowes Creek Maryland

According to DPIE, the Lowes Creek Maryland draft precinct plan has been on exhibition for community review and feedback with Council currently reviewing these submissions. However, the Draft Camden Local Housing Strategy identifies Lowes Creek Maryland as a precinct that has been released with an indicative dwelling capacity of 7,000.

2.3.9 Rossmore

The Rossmore precinct has been identified as part of the SWGA that has not been released yet. Rossmore has an indicative capacity of approximately 4,500 dwellings as indicated by the Draft Camden Local Housing Strategy.

2.4 Local Strategic Planning Statement (LSPS)

The Local Strategic Planning Statement (LSPS) is a 20-year planning vision, emphasising land use, transport, and sustainability objectives to demonstrate how Camden LGA will change to meet the community's needs over the next 20 years.

The purpose of the LSPS is to:

- Provide a 20-year land use vision for Camden LGA
- Outline the characteristics which shape local identity
- Identify shared values to be enhanced and maintained
- Direct how future growth and change will be managed
- Implement the Western City District Plan where relevant to Camden
- Identify where further detailed strategic planning may be needed

The vision set out in the LSPS states that:

“In 2040, Camden is renowned as a liveable, inclusive, family friendly and community-focused place. The Camden community is highly engaged, passionate and proud of their home, and are empowered to play their role in making

Camden a better place to live. Camden is a place of opportunity, built on a foundation of respect for the environment, a well-managed approach to growth, social inclusion and economic innovation.”

According to the LSPS, Camden LGA is the fastest growing LGA in Australia, with the population projected to increase from 78,220 in 2016 to 233,950 in 2036. The number of dwellings is set to increase by 55,060 to reach 81,250 dwellings in 2036.

Pondicherry has been identified in the LSPS as a part of the South West Growth Area that has not been released yet with planned housing capacity of approximately 2,000 dwellings.

2.5 Draft Local Housing Strategy

Camden Council's Draft Local Housing Strategy (2020) sets out the vision for housing in Camden LGA over the next 10 and 20 years. It is expected that most residential growth will occur within the South West Growth Area (SWGGA) identified by the Department of Planning, Industry and Environment (DPIE).

SGC Economics and Planning has prepared a Housing Market Analysis in 2019 for Camden Council that has been used to inform the Draft Local Housing Strategy (2020), which is currently on exhibition.

The housing vision states that:

“In 2040, the Camden LGA is renowned as an inclusive, liveable, community-focused and environmentally resilient place. Within the LGA, people will be able to access a range of affordable high-quality homes across the housing continuum. Housing supply is sequenced to align with infrastructure and is diverse, catering for the changing needs and preferences of our community.

Higher density housing is focused around vibrant and walkable centres, supporting a 30-minute Western Parkland City that is well serviced by sustainable transport, both within the Camden LGA and surrounding areas to include the Aerotropolis. Pedestrian and cycle networks are well established and highly connected, encouraging an active and healthy lifestyle for residents. Open space is high quality and easily accessible, with urban tree canopy contributing to natural amenity and green cover.

Housing growth in the established areas is incremental, supported by infrastructure and preserves character. Camden LGA's visual, scenic and heritage values are celebrated, and the rural lands are protected from the impacts of urban development.”

There are also five priorities that underpin Council's vision for housing in Camden LGA over the next 10 and 20 years:

1. Providing housing capacity and coordinating growth with infrastructure.
2. Delivering resilient, healthy, and connected communities.
3. Delivering the right housing in the right location.
4. Increasing housing choice and diversity; and
5. Addressing housing affordability.

Camden LGA is forecast to have the largest housing growth of any Metropolitan Sydney Councils with a forecast demand for an additional 49,625 dwellings with major projects such as the Western Sydney Airport, the South West Rail Link Extension, the North South Rail Line and the Outer Sydney Orbital presenting a unique opportunity for population growth and urban development.

From 2016, the population of Camden LGA is expected to increase by 155,730 people to reach 233,950 people in 2036, with those aged 70+ expected to grow the most. Almost half of Camden LGA's households are couples with children (46.2%). Approximately 80% of dwellings are owned outright or owned with a mortgage.

The most predominant dwelling preference in Camden LGA is a detached dwelling, with this trend expected to continue through to 2036. There has been a minor shift in preferences to attached dwellings and units in suburbs such as Camden and Narellan as both these suburbs have amenities in terms of access to services. Medium and higher density dwellings are more likely in suburbs where there are transport and shopping amenities.

The Strategy has identified three scenarios to account for the uncertainty in projecting preferences for population:

- **Low density scenario:** Housing demand is based on trends from historical census data.
- **Medium density scenario:** Housing demand is modified to reflect a preference for medium and higher density dwellings, at a level slightly greater than currently experiences in Camden LGA.
- **Higher density scenario:** Housing demand reflects significant preference for medium and higher density dwellings. The realisation of this scenario would depend upon the availability of improved transport accessibility and significant transport infrastructure investment.

For each scenario, detached housing remains the main dwelling preference. Assuming the lower density scenario, there will only be 517 apartments across the entire Camden LGA.

Table 2. Forecast demand for additional housing in Camden LGA, 2016-2036

Housing density scenario	Separate Houses	Attached Dwellings	Flats and Apartments	Total
Lower density	45,697	3,335	517	49,549
Medium density	40,731	7,095	1,723	49,549
Higher density	37,305	8,860	3,384	49,549

Source: Draft Local Housing Strategy (2020)

Pondicherry has been identified in the Strategy as a precinct belonging to the South West Growth Area. Pondicherry falls under the 'Future Urban' settlement area. Planning is currently underway with the subject precinct identified as having an indicative capacity of a total of 2,500 dwellings.

2.6 Community Strategic Plan (Camden Council)

In accordance with Integrated Planning and Reporting (IPR) requirements, Council's previous Community Strategic Plan (CSP), Camden 2040 was reviewed and revised after the 2016 Council elections. The review process identified that the community's needs and aspirations remained generally consistent with the vision and directions of Camden 2040 (2011).

In continuation of the vision of Camden 2040, the revised CSP sets out the vision of 'sustainability' for the Camden LGA to 2040, with a focus on retaining the features that are most valued by the community now as well as responding to rapid and extensive urban development and population growth. It sets out a range of high-level directions and objectives, with broad strategies for their achievement.

The CSP also noted that the Camden LGA is one of the fastest growing areas in Australia and expects to have a population of more than 226,000 by 2036, with a potential increase in population from culturally and linguistically diverse backgrounds.

The revised CSP stated that by 2040, Camden will be a place that:

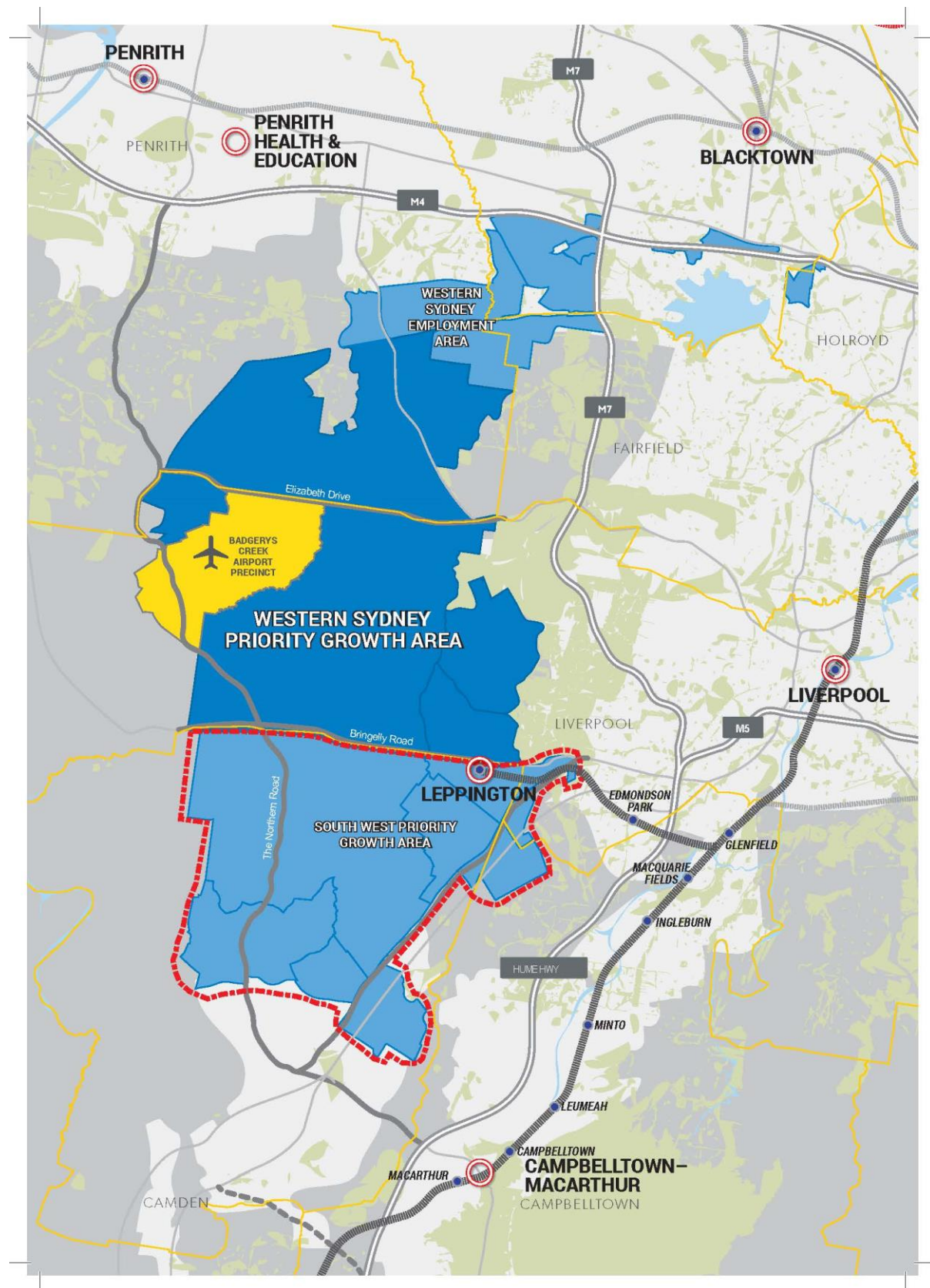
- Effectively manages Camden's growth, ensuring that urban development is sustainably planned and provides for a balance between population growth, development, and the environmental protection, and that impacts on rural land is minimal through adequate protection.
- Enhances the experiences in and connections between the natural and built environment, sustaining the health, well-being and prosperity of residents, through the preservation of heritage, conservation of native flora and fauna, waterway maintenance and improvements, and effectively managing and monitoring the environmental quality of the area.
- Provides access to effective and sustainable transport, which supports enhanced environmental systems and healthy and connected communities, providing access to employment, education, and local services, as well as to the wider Macarthur and Sydney metropolitan regions.

In addition to these key directions, Council also identified the following needs and challenges:

- Provision of services and facilities
- Needs of different target groups within the community
- Environmental impact due to urban growth
- Protection of rural and heritage character
- Urban development
 - Household size
 - Housing density
 - Housing diversity
 - Housing affordability
 - Supporting infrastructure
- Industry and commercial development
- Jobs/local employment
- Advocacy on behalf of the community (i.e. social services, infrastructure etc.)
- Implications of Federal, State and Regional plans/strategies

Macroplan's housing assessment will recommend appropriate housing formats and lot size composition for the subject precinct. The assessment will take into consideration the above list of opportunities and challenges for Council.

Figure 7. Western Sydney Growth Area



Source: DPIE

2.7 Transport Infrastructure Context (RMS)

Pondicherry lies within the suburb of Oran Park in Sydney's South West and within an area that makes up the South West Growth Area. The SWGA will be impacted by substantial economic growth and development resulting from major infrastructure investment in transportation systems within the Western Sydney Aerotropolis. One of the most prominent development projects to occur within the area is the Western Sydney Airport which will be located in Badgery's Creek, roughly 22km from Pondicherry.

The Pondicherry precinct lies adjacent to the Northern Road. The Northern Road connects Pondicherry to the Western Sydney Airport and Aerotropolis. The Northern Road itself is undergoing a major upgrade as part of the Western Sydney Infrastructure Plan, with construction commencing in 2016. A stretch of 35 kilometres of the road from the Old Northern Road, Narellan to Jamison Road, South Penrith which is to be upgraded from two to four lane undivided road to a six to eight lane divided road.

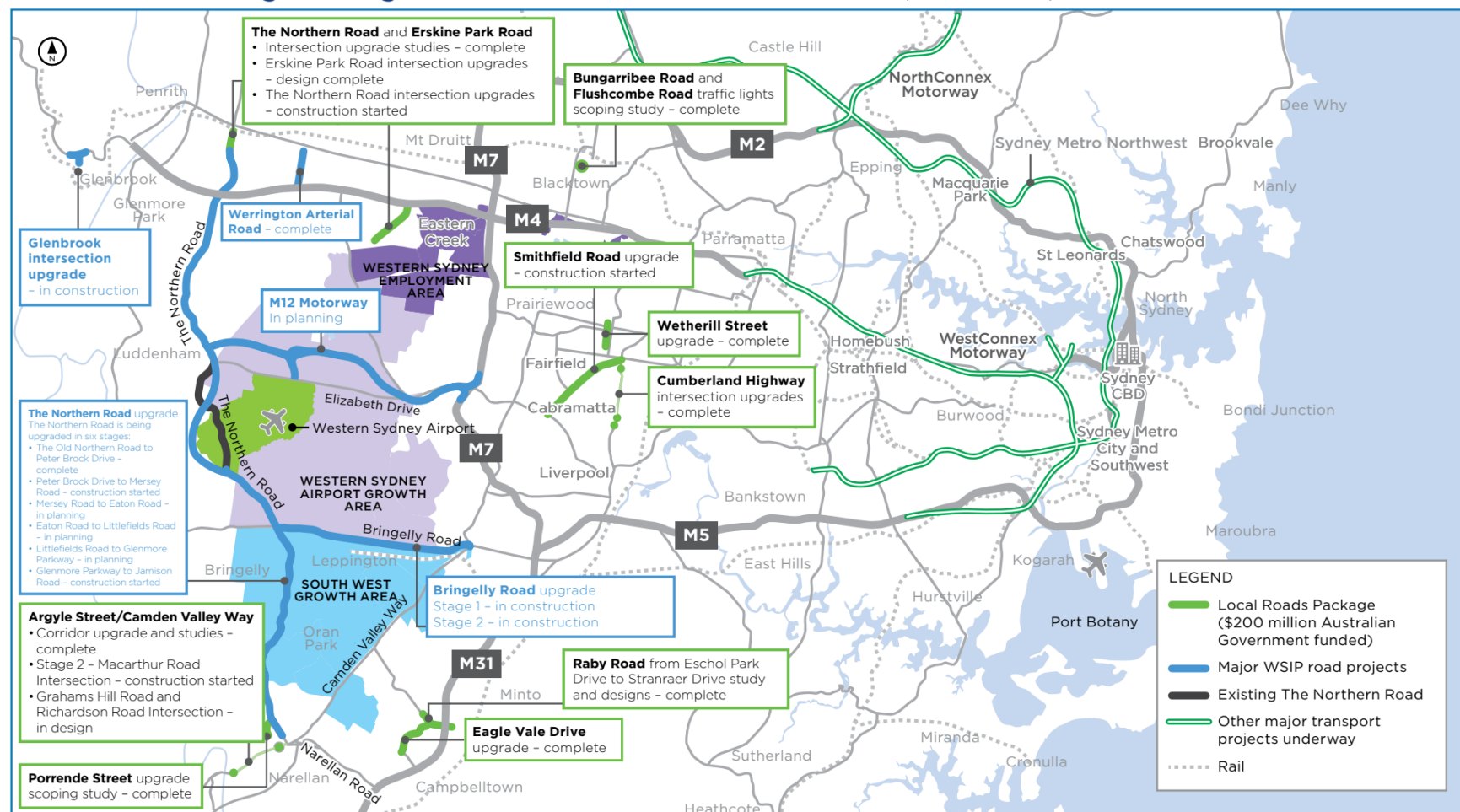
The Northern Road upgrade has been divided into 6 sections. The stage of the upgrade which has the most direct impact on Pondicherry is stage one, which is a 3.3 km section of the road from The Northern Road to Peter Brock Drive⁴. This section of The Northern Road upgrade was completed in April 2018.

The NSW Government is investigating potential upgrades to rail networks within Western Sydney. The upgrades are intended to service future growth and provide transport for the Western Sydney Airport. Part of the proposed extension is to connect Leppington to the Aerotropolis via South West Rail Link Extension and a North South Rail Line extending from St Marys to Oran Park. The rail corridor has been gazetted, however, the timing of the delivery of a metro or train line is not confirmed.

⁴ The upgrade involved widening of the road from Old Northern Road to Peter Brock Drive to create three lanes in each direction including a kerbside bus lane. The provision of a dedicated public transport lane within a near proximity to Pondicherry will provide future residents with reliable and convenient public transport. A plausible finale destination for bus services is Campbelltown with Oran Park town centre being a possible stopping point.

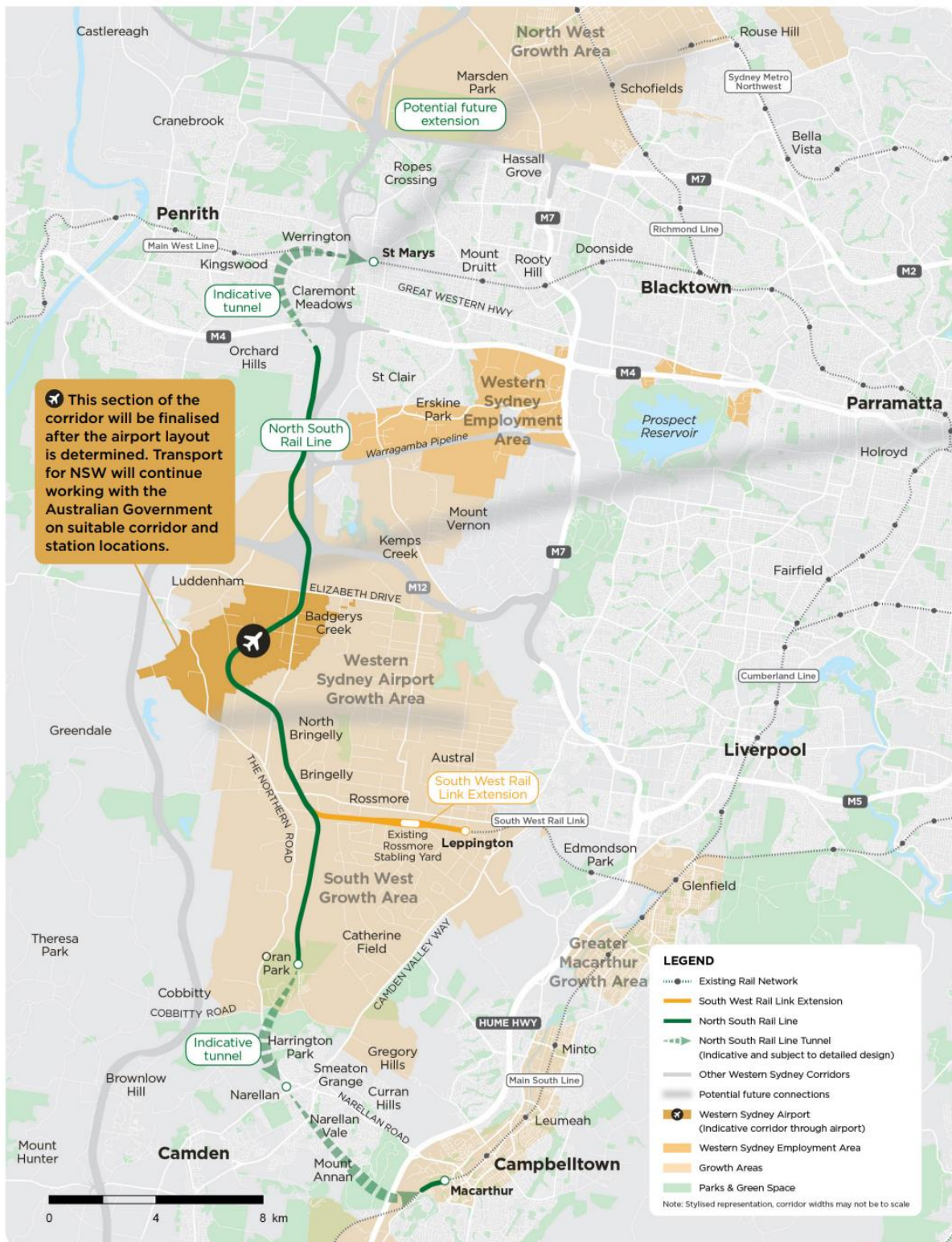
Figure 8. Western Sydney Infrastructure Projects Map

Western Sydney Infrastructure Plan (WSIP) – \$3.6 billion



Source: Transport Roads & Maritime Service

Figure 9. Recommended Corridors for the North South Rail Line and South West Rail Link Extension



Source: TfNSW

Section 3: Housing Market Demand Profile

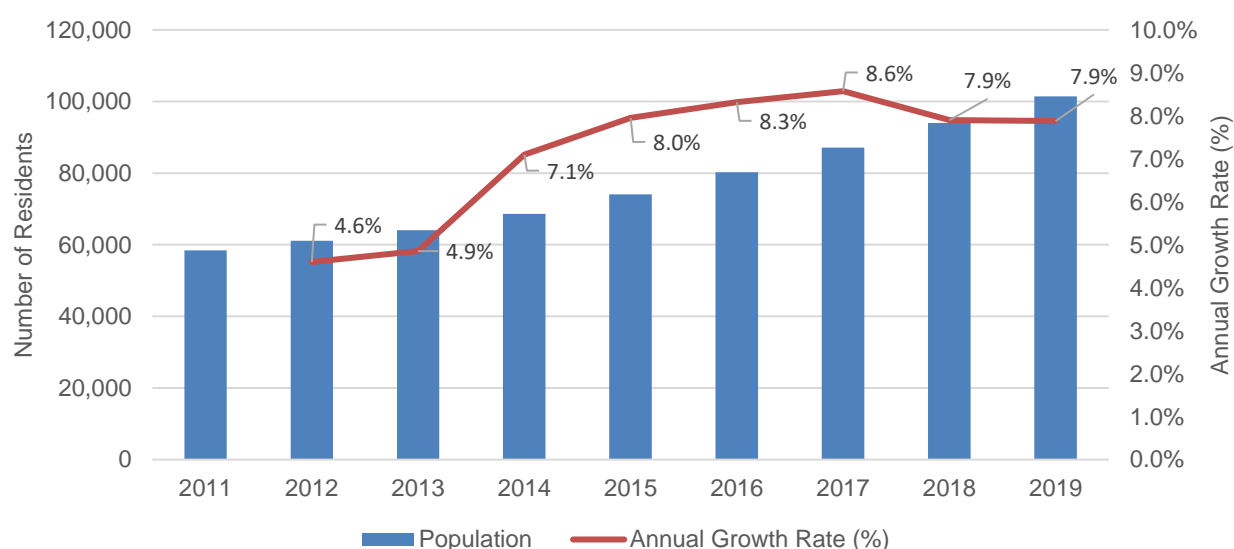
In this section of the report, Macroplan will identify the current and future levels of land and housing demand for Pondicherry based on demographic and socio-economic indicators, especially from ABS Census data (2011 & 2016). This section also considers a range of product demand opportunities by demographic sub-markets and examines inter-urban migration demand.

Macroplan applied the Camden LGA (i.e. total catchment area) to provide a clear indication of demand and to understand the likely socio-demographic profile of Pondicherry. For a more precise insight the 'Cobbitty-Leppington' SA2 (i.e. primary catchment area) has also been studied as a proxy for future demographic characteristics at Pondicherry.

3.1 Historical Population Trends

As of 2019, the total catchment area (i.e. Camden LGA) entailed 101,437 people. The population grew by approximately 40,310 people between 2012 and 2019, equating to average growth rate of 7.1% per annum. This annual rate of growth surpassed that were observed in the Greater Sydney (1.8%) over the same period.

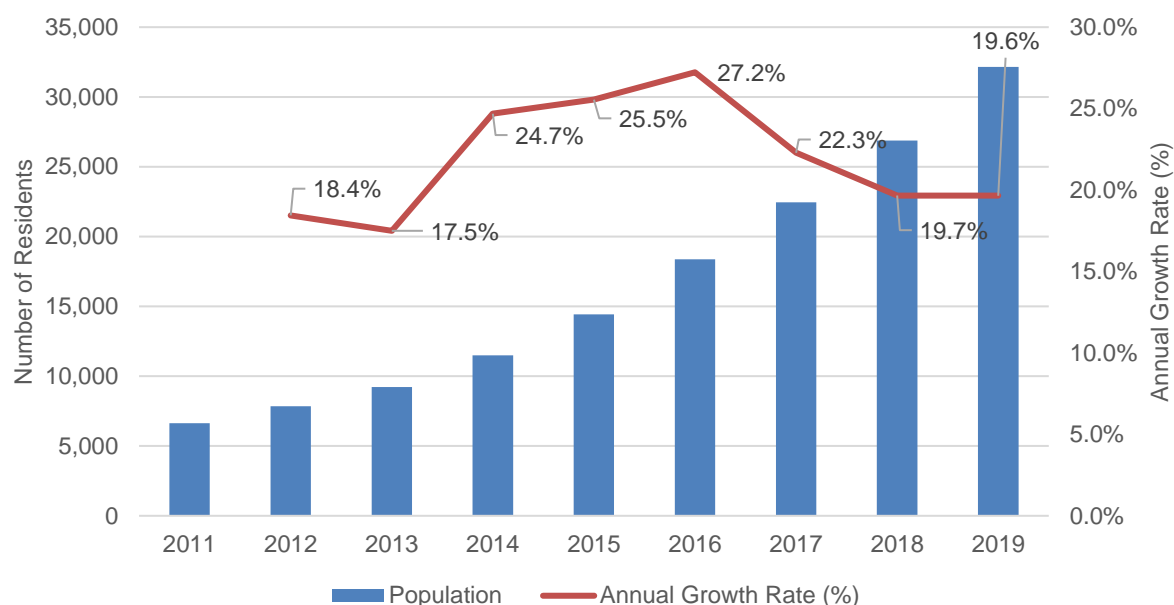
Figure 10. Historical Population Trends, Camden LGA



Source: ABS Estimated Resident Population

Particularly, the Cobbitty-Leppington SA2 region has led the recent surge in population growth, which grew by an average growth rate of 21.9% per annum between 2012 and 2019.

Figure 11. Historical Population Trends, Cobbitty-Leppington SA2



Source: ABS Estimated Resident Population

The demographic analysis points to strong growth in Camden. There has been prominent growth in the 20-29 and 30-39 age cohorts as well as the 0-14 age cohort indicating that there has been an inflow of young families and young professionals in the region (i.e. potential first home buyers). This interpretation is supported by first home buyer data, which is shown further into this section (Figure 22, Page 43).

The Cobbitty-Leppington SA2 region saw similar trends to Camden, but the growth has been more rampant. More detailed analysis of population by age indicates that the primary catchment (i.e. Cobbitty-Leppington SA2) demographic profile is somewhat younger than that of the Camden LGA. Almost a quarter of the population comprised of children aged 0-14. Persons aged 30-39 (21.2%) were the second biggest age cohort followed by persons aged 20-29 (16.6%).

The dominant groups of the Cobbitty-Leppington SA2 region are young families & young professional couples (with/without children). The rate of growth in the young adult and young family cohorts surpassed that observed in Camden and Greater Sydney, which is expected to maintain the primary catchment's young age profile.

Macroplan also noted that there is a considerable proportion of elderly population, as seen across Australia, possibly still residing in established suburbs. The rate of expansion in Camden has exceeded the profile associated with ageing in place – it is evident that retiree age households are moving into the Camden LGA. In many cases, this inward movement will be through the purchase of an established house (at a lower price than suburbs located closer to the Inner Sydney region). However, purchases of smaller lot housing or retirement living housing are likely to be relevant.

Table 3. Historical Population Trends by Age Cohort, Camden LGA

Age Cohort	2012	2019	Total change	CAGR*
0-14	14,615	24,898	10,283	7.9%
15-19	4,579	6,805	2,226	5.8%
20-29	8,172	14,623	6,451	8.7%
30-39	9,129	17,316	8,187	9.6%
40-49	8,922	13,895	4,973	6.5%
50-59	6,864	10,334	3,470	6.0%
60+	8,846	13,566	4,720	6.3%
Total	61,127	101,437	40,310	7.5%

*Compound Annual Growth Rate

Source: ABS Estimated Resident Population

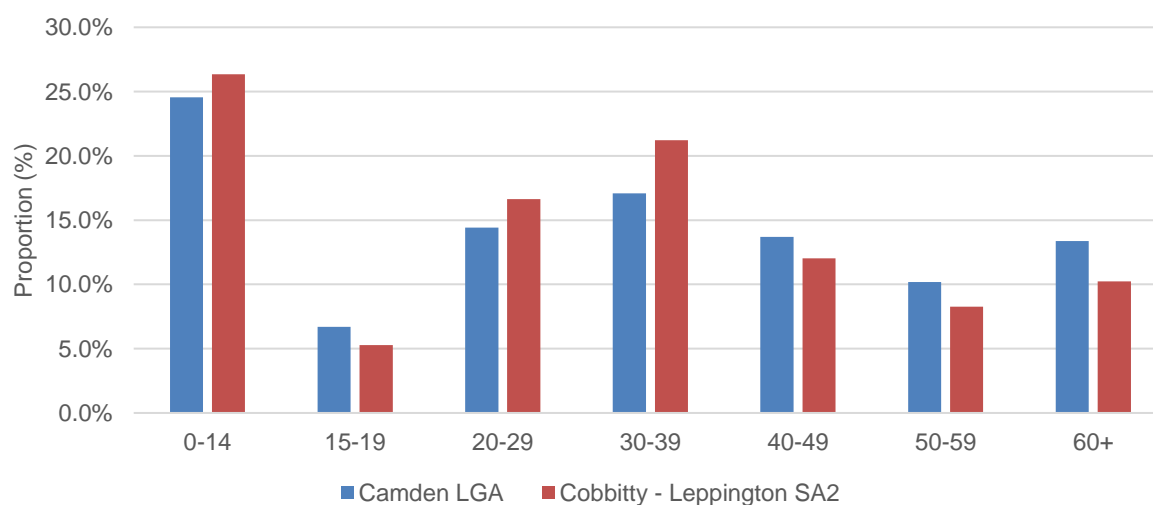
Table 4. Historical Population Trends by Age Cohort, Cobbitty-Leppington SA2

Age Cohort	2012	2019	Total change	CAGR*
0-14	1,600	8,472	6,872	26.9%
15-19	580	1,694	1,114	16.5%
20-29	1271	5,349	4,078	22.8%
30-39	887	6,824	5,937	33.8%
40-49	1004	3,863	2,859	21.2%
50-59	984	2,657	1,673	15.2%
60+	1521	3,292	1,771	11.7%
Total	7,847	32,151	24,304	22.3%

*Compound Annual Growth Rate

Source: ABS Estimated Resident Population

Demand from older families/upgraders is consistent with the aspirations for larger lots. It appears that there is also a solid inflow of upgraders in Camden, but relatively modest growth compared to younger age cohorts due to the increasing supply of smaller residential lots and housing typologies in the region over the past 3 to 5 years.

Figure 12. Population Composition, Cobbitty-Leppington SA2 and Camden LGA, 2019

Source: ABS Estimated Resident Population

3.2 Migration Pattern

Over the five-year period to 2016 there were 14,378 inward migrants to the Camden LGA and 1,212 outward migrants, resulting in net inward migration of 13,166 persons. Whilst inward migration provides an indication of likely demand; outward migration does not reflect the recent local market trends, as these residents were in the region before significant change occurred in the South West Sydney.

The largest source of **net inward migration** came from the following LGAs:

1. Campbelltown (4,477 persons)
2. Liverpool (4,264 persons)
3. Fairfield (1,433 persons)
4. Canterbury-Bankstown (1,122 persons)
5. Blacktown (542 persons)

Net outward migration occurred to the following regions:

1. Wollondilly (417 persons)
2. Wollongong (155 persons)
3. Shoalhaven (90 persons)
4. Wingecarribee (54 persons)
5. Mid-Coast (43 persons)

Movement will primarily come from established families selling existing houses, particularly capitalising on the increase in house prices in adjacent areas such as Campbelltown and Liverpool LGAs, and trading off travel times against the more affordable new housing that will be available in Camden LGA.

Table 5. Net Inward Migration by Age Cohort (2011-2016), Camden LGA

	(Age Cohort)				
	0-19	20-34	35-49	50-64	65+
Inward	4,910	6,985	5,190	2,575	1,495
Outward	1,692	2,667	1,774	1,184	591
Net Inward	3,218	4,318	3,416	1,391	904
Proportion (%)	24.3%	32.6%	25.8%	10.5%	6.8%

Source: ABS Census

3.3 Place of Birth

The proportion of local born residents in Camden is higher than for Greater Sydney (57%). According to the latest Census:

- 77.4% of the Camden residents is born in Australia (Census 80.2%);
- 17.5% of the population is born Overseas (Census 2011 - 15.8%); and
- 4% of the population is born in Asia (Census 2011 – 2.5%).

Table 6. Place of Birth, Cobbitty-Leppington SA2, Camden LGA and Greater Sydney

Place of Birth	2011			2016		
	Cobbitty - Leppington	Camden	Greater Sydney	Cobbitty - Leppington	Camden	Greater Sydney
Australia	69.6%	80.2%	59.9%	68.1%	77.4%	57.1%
Overseas	21.6%	15.8%	34.2%	23.3%	17.5%	36.8%
Not Stated	8.8%	3.9%	5.8%	8.6%	5.0%	6.2%

Source: ABS Census

Notably, the Cobbitty-Leppington SA2 area has a cultural richness. Between 2011 and 2016, the region has become bigger and more multicultural. The greater disparity in cultural diversity is expected to have an impact on service needs, housing choices and preferences in the catchment area.

3.4 Review of Population Projections

This section comprises a high-level review of the State Government's official population projections (i.e. NSW population projections).

3.4.1 Pre-COVID

The official projections for Greater Sydney were for its population to grow to about 1,973,000 by 2036 (Table 7). The latest ABS ERP estimated that the Greater Sydney's population grew from 4,608,949 people in 2011 to 5,024,923 people in 2016, exceeding the projected population from the DPIE.

Table 7. NSW Population Projections by Age Cohort, Greater Sydney, 2016-2036

Age Cohort	2016	2021	2026	2031	2036	Annual Increase	CAGR*
0-19	1,159,132	1,292,515	1,428,384	1,534,797	1,625,172	23,302	1.7%
20-34	1,147,134	1,255,831	1,273,321	1,295,152	1,347,784	10,033	0.8%
35-49	984,060	1,119,936	1,262,351	1,391,112	1,448,805	23,237	2.0%
50-64	783,765	857,472	924,429	995,690	1,109,494	16,286	1.8%
65+	614,164	726,858	858,335	995,219	1,130,465	25,815	3.1%
Total	4,688,255	5,252,612	5,746,820	6,211,970	6,661,720	98,673	1.8%

*Compound Annual Growth Rate

Source: DPIE

Projections primarily reflect past experience and trends. Growth in the period to 2016 (which influenced the DPIE projections) came in much higher than previous expectations. Hence, the officially projected rate for the period 2016-2026 averages 2.1% per annum.

Within the Western City District (GSC), Camden LGA has been marked as the fastest growing area. In the period 2016-21, the official projections are for growth in Camden and Liverpool to average 3.7% and 3.0% per annum respectively. Moreover, the period 2016-19 has seen these two LGAs growing at rates of 8.1% and 2.4%, respectively. This reflects the amount of greenfield development (supply) in these areas. On the other hand, Campbelltown LGA has shown growth of 1.9% per annum in 2016-19 but will start lagging below the Western City District's annual growth rates of 1.8% for 2016-21 (1.5%), and 2.3% projected for 2026-31 (1.8%).

Over the period 2016-36, the DPIE projections are for Camden LGA to grow significantly faster than the Western City District (and Greater Sydney) and account for 25% of population growth, whilst Liverpool and Campbelltown would account for about 26.9% and 10.6% of population growth, respectively.

Table 8. NSW Population Projections by LGA, Western City District, 2016-2036

LGA	2021	2026	2031	2036	CAGR* (2021-26)	CAGR* (2026-31)	CAGR* (2031-36)
Camden	127,647	153,299	180,071	236,255	3.73%	3.27%	5.58%
Blue Mountains	78,598	78,349	79,443	80,306	-0.06%	0.28%	0.22%
Campbelltown	180,051	194,039	212,366	227,946	1.51%	1.82%	1.43%
Fairfield	209,983	216,693	232,681	254,821	0.63%	1.43%	1.83%
Hawkesbury	67,156	70,099	75,944	77,048	0.86%	1.61%	0.29%
Liverpool	251,322	291,187	328,447	380,085	2.99%	2.44%	2.96%
Penrith	230,289	248,577	292,019	350,906	1.54%	3.27%	3.74%
Wollondilly	54,140	58,482	66,381	73,477	1.55%	2.57%	2.05%
Total	1,199,186	1,310,725	1,467,352	1,680,844	1.79%	2.28%	2.75%

*Compound Annual Growth Rate

Source: DPIE

The resident population of Camden LGA is expected to reach approximately 236,255 by 2036, equating to an annual increase of 7,800 persons (5.6% growth per annum). Based on the DPIE's expected household sizes⁵ (Table 8), the profile of additional required dwelling supply sits at an average of 2,640 dwellings per annum.

Table 9. NSW Household Size, Camden LGA, 2016-2036

LGA	2016	2021	2026	2031	2036
Camden	3.07	2.99	2.98	2.97	2.91

Source: DPIE

Macroplan notes in the following section that dwelling approvals in the Camden LGA has only just reached 2,500 in FY2015/16 and 3,000 in FY2017/18, then dropped to about 2,500 approvals in FY2018/19. This implies that the rate of lot production will level out between 2,500 and 3,000 dwellings, rather than falling back to the lows of five years ago⁶. This outcome will be dependent on the recent trends in housing affordability and a weaker property market. The Pondicherry precinct needs to be considered carefully in this context.

⁵ NSW household and dwelling projections data, (DPIE 2019)

⁶ Pre-COVID analysis

Table 10. NSW Population Projections by Age Cohort, Camden LGA, 2016-2036

Age Cohort	2016	2021	2026	2031	2036	Annual Increase	CAGR* (2016-36)
0-19	24,903	37,691	47,169	55,171	69,080	2,209	5.2%
20-34	17,815	29,789	29,950	32,205	45,454	1,382	4.8%
35-49	17,394	28,620	36,107	42,977	53,259	1,793	5.8%
50-64	12,001	18,178	22,220	26,707	36,947	1,247	5.8%
65+	8,151	13,369	17,852	23,012	31,518	1,168	7.0%
Total	80,264	127,647	153,298	180,072	236,258	7,800	5.5%

*Compound Annual Growth Rate
Source: DPIE

Consistent with historical findings, growth is expected to be rampant across all the age cohorts, particularly amongst young families and downsizers. Macroplan also envisage notable growth in the 'young professionals' population (i.e. 20-34).

3.4.2 Post-COVID

The principle short- and medium-term impact of COVID is to significantly slow net migration into Australia.

In 2019, the Government reduced the permanent migration program from 190,000 per annum to 160,000 per annum and, even before COVID became a factor, this had already caused net overseas migration – which includes long-term residents (skilled migrants and university students) on temporary visas - to slow towards 200,000 per annum. In turn, with net migration accounting for over half of Australia's population growth, population growth was slowing.

Australian Government projections are for net migration to COVID to decline to 32,000 in the current financial year (2020/21). There are no official projections for 2021/22 and beyond. Macroplan's projections – assuming an opening of borders in 2021/22, is for net migration to pick up. However, with unemployment likely to discourage migration, net migration is expected to stay below 200,000 per annum out the second half of the 2020s.

Table 11 and Figure 13 highlight Macroplan's base case population scenario for NSW and, within NSW, for Greater Sydney and regional NSW. These are contrasted with current (pre-COVID) ABS and State Government projections

Translating that to Camden LGA, the impact will be lagged relative to the more immediate impact on the Sydney market where inner-city areas, for example, have felt the immediate impact of the decline in international students. In addition, Government measures to support demand, have also supported demand in greenfield areas and mitigated the short-term impact. For 2020/21, demand for housing is expected to be down about 20-30% but with this impact moderated by Government stimulus measures. The recent building approval numbers were relatively weak, decreased by 17%, from 2,517 approvals in FY2018/19 to 2,085 approvals in FY2019/20.

The period 2021-2023, however, is the primary concern as the lagged impact of the slower population growth reduces demand.

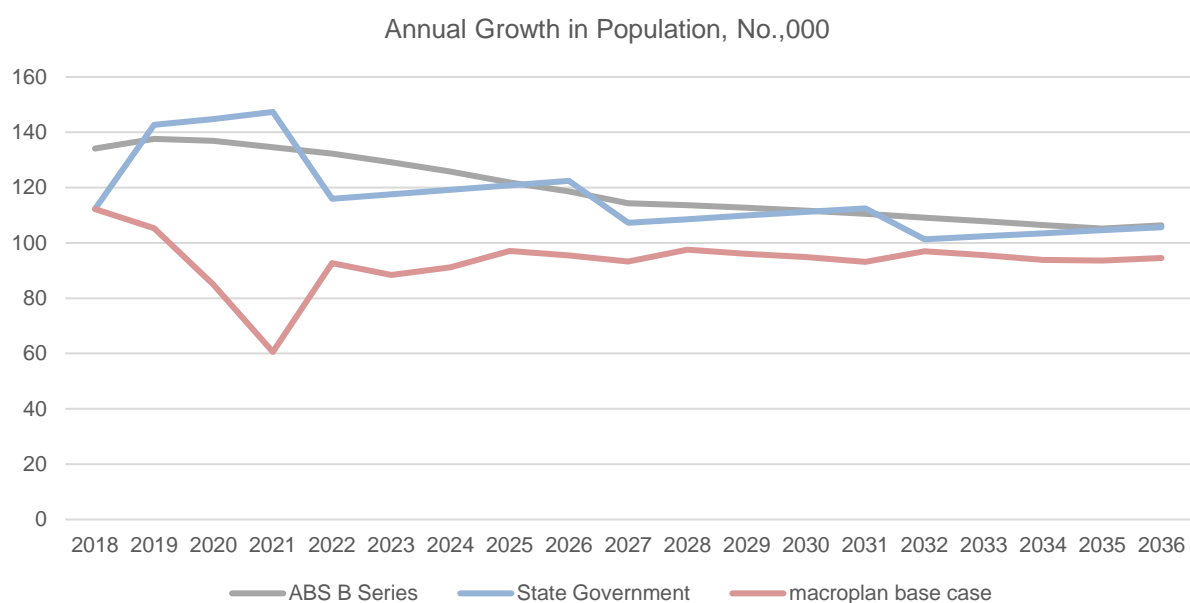
Thereafter, from 2024, while demand will still be running below pre-COVID levels, Macroplan expects demand to be recovering.

Table 11. Population Projections for NSW

	Population ('000)					Growth ('000)	
	2019 (a)	2021	2026	2031	2036	2019-26	2026-36
NSW							
ABS B Series	8,139	8,410	9,038	9,601	10,136	899	1,098
State Government	8,123	8,415	9,011	9,561	10,078	888	1,067
Macroplan Base Case	8,085	8,231	8,696	9,171	9,645	610	949
Sydney							
ABS B Series	5,361	5,586	6,103	6,573	7,034	742	930
State Government	5,351	5,611	6,128	6,609	7,079	777	951
Macroplan Base Case	5,312	5,434	5,830	6,245	6,673	518	843
RoNSW							
ABS B Series	2,778	2,825	2,935	3,028	3,102	157	168
State Government	2,772	2,804	2,883	2,951	2,999	111	116
Macroplan Base Case	2,773	2,797	2,866	2,926	2,973	92	107

Source: DPIE, ABS & Macroplan

Figure 13. NSW Projected Population Pre-COVID (AABS/State Government) and Post-COVID (Macroplan)



Source: DPIE, ABS & Macroplan

3.5 Household Size Assessment

Under the ABS Census definition, a household is a group of persons (one or more persons) at least one of whom is at least 15 years of age, generally residing in the same private dwelling.

Households are at the centre of many demographic, social and economic processes, since decisions about childbearing, living arrangements, education and health care, labour force participation, migration and savings often are made at the household level.

The characteristics of households (including their size and composition) are closely associated with many different factors (e.g. well-being, wealth, consumption etc.) but in particular, the future rezoning and development of new precincts from the ground up.

This section summarises estimates of household size and composition of the proposed Pondicherry precinct.

3.5.1 Methodology

Macroplan's assessment considered the spatial context of the subject precinct, particularly the demographic, socio-economic, location features of suburbs within the Camden LGA in order to extrapolate similar information for Pondicherry.

The assessment also draws on a wide range of information sources, including recent land sales data (CoreLogic RP Data) and ABS Census (2006, 2011 & 2016) to provide an overview of each suburbs' characteristics.

3.5.2 Nearby Suburbs

Macroplan considered dwelling compositions and amenity features. In particular, suburbs that are expected to share similar characteristics to the new Precinct were given priority, these include: Camden, Oran Park, Harrington Park, Narellan, Currans Hills, and Gregory Hills.

Table 12. Selected Suburbs Overview, 2019

	Camden	Oran Park	Harrington Park	Narellan	Currans Hill	Gregory Hills
Median Lot (\$/m²)	\$710	\$1,011	\$833	N/A	\$854	\$1,132
Median Lot Size	N/A	450	738	N/A	591	375
Average HH Size	2.3	3.2	3.5	2.7	3.1	3.1
HH Size (% change 2011-16)	-4%	10%	3%	-4%	0%	N/A
Access to Orbital Roads	Old Hume Hwy & Camden Bypass	The Northern Road	The Northern Road & Camden Valley Way	Camden Bypass	No direct access	No direct access

Source: ABS Census, CoreLogic RP Data & Macroplan

These suburbs include a mix of newly formed (e.g. Gregory Hills) as well as well-established neighbourhoods, which provides a holistic representation of the area and in turn Pondicherry.

A more in-depth analysis as to the amenity available within each suburb are as follows:

- Camden
 - Camden Hospital, Camden South Public School, Town Centre with both Woolworths and Coles, Green Amenity (Rotary Cowpasture Reserve), Camden Falcons Football club
- Oran Park
 - Oran Park Public School, Small town centre with a Woolworths, Oran Park Anglican College, Green Amenity (Wayne Gardener Reserve)
- Harrington Park
 - Harrington Park Public School, Green Amenity (Harrington Forest, Fairfax reserve, Harrington Park Lake, Harrington Hornets soccer club, Harrington Plaza
- Narellan
 - Public School, Town Centre, Planned new rail access, Green Amenity, Camden Golf Club
- Currans Hill
 - Public School, Green Amenity (Broughton Reserve), Mount Annan Christian College (proximate), small town centre (IGA X-Press)
- Gregory Hills (new suburb)
 - Currently building a town centre, Gregory Hills Hotel, Asian grocer

3.5.3 Implications to Pondicherry

Household size growth within the areas surrounding Pondicherry will provide an indication as to the household development of the area. Given current increases to household size of approximately 10% within Oran Park, it suggests this area is becoming favoured by family households. This is expected to continue because of the provision of a train station in Oran Park in the future, which will increase connectivity and encourage more young families to settle in the south west.

As Pondicherry is located immediately north of Oran Park, it will not have a train station or significant future transport infrastructure investment (i.e. North South Rail Line). Hence, Macroplan envisages that the Pondicherry precinct will become a lower density residential suburb with a greater proportion of semi-detached dwellings and some medium-density development (i.e. semi-detached & townhouse dwellings) similar to Harrington Park and Currans Hill. This is reflected in the assumption of an estimated household size in order of 3.2 and 3.3.

Table 13. Historical Household Size Trends, Selected Suburbs

	Camden	Oran Park	Harrington Park	Narellan	Currans Hill	Gregory Hills	Catherine Field
2006	2.4	-	3.4	2.8	3.1	-	3.4
2011	2.4	2.9	3.4	2.8	3.1	-	3.4
2016	2.3	3.2	3.5	2.7	3.1	3.1	3.5
CAGR (%)	-0.4	2.0	0.3	-0.4	0.0	n/a	0.3

Source: ABS Census, Macroplan

Table 14. Dwelling Structure, Selected Suburbs, 2016

	Camden	Oran Park	Harrington Park	Narellan	Currans Hill	Gregory Hills	Catherine Field
Detached	70.8%	94.3%	98.2%	88.5%	87.6%	99.3%	99.2%
Semi-detached	21.4%	4.9%	1.8%	11.1%	12.4%	0.7%	0.8%
High density	7.8%	0.7%	0.0%	0.4%	0.0%	0.0%	0.0%

Source: ABS Census, Macroplan

Table 15. Family Characteristics, Selected Suburbs, 2016

	Camden	Oran Park	Harrington Park	Narellan	Currans Hill	Gregory Hills	Catherine Field
Couple family no children	24.0%	25.0%	21.0%	24.0%	19.0%	32.0%	24.0%
Couple family with children	26.0%	53.0%	61.0%	35.0%	47.0%	52.0%	54.0%
One parent family	13.0%	9.0%	10.0%	16.0%	17.0%	7.0%	7.0%
Other family	1.0%	1.0%	-	2.0%	1.0%	1.0%	-
Lone person household	34.0%	10.0%	7.0%	20.0%	14.0%	8.0%	13.0%
Group household	2.0%	2.0%	1.0%	3.0%	1.0%	2.0%	1.0%

Source: ABS Census, Macroplan

This estimation is reinforced when looking at both the median lot sizes and prices of the surrounding suburbs. The lowest median lot sizes are within Gregory Hills as 375 m² with Harrington Park commanding the highest median lot sizes at 738 m². Notably, Gregory Hills also has the highest paid per m² of land at \$1,132 per m² with the lowest coming from Camden at \$710 per m². These figures provide a range for both lot size and price per square metre that is achievable within Pondicherry following its development and align with semi-detached and townhouse developments that are expected within the area.

Across the board there has been a general gravitation towards increasing household sizes within the areas directly surrounding Pondicherry. The only two instances of decreasing average household sizes were recorded in Camden and Narellan, which recorded marginal year-on-year decreases of 0.4%. The largest instance of growth was noted in Oran Park, whose average household size increased 2% year-on-year from 2011-16.

Harrington Park (located just south of Oran Park) and Catherine Field (located just east of Pondicherry) have both experienced slight year-on-year growth to their average household size of 0.3%, totalling 3.5 respectively in 2016. This growth and size furthers the narrative that these areas (Harrington Park, Oran Park, Catherine Field and Pondicherry) will be favoured by families moving into the future as the south west continues its development.

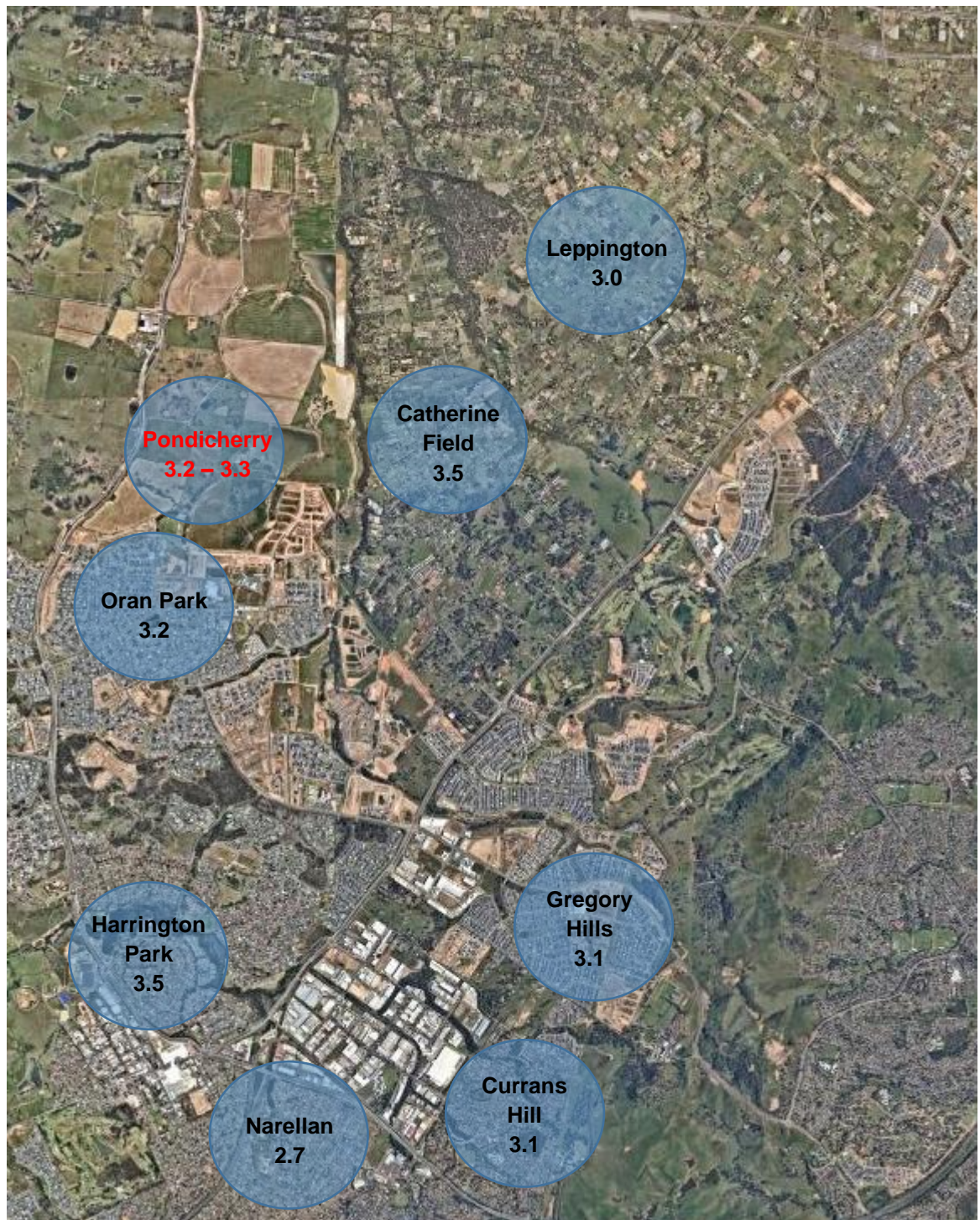
Table 16. Indicative Household Sizes by Typology, Pondicherry

	Indicative Household Size ⁷
Detached	3.3 – 3.5 per dwelling
Semi-detached	2.0 – 2.5 per dwelling
High density	1.2 – 1.5 per dwelling

Source: Macroplan

⁷ Macroplan's household size projections could change further in future. It could be a result of a variety of factors such as population growth and trends (e.g. aging), expansion of town/precinct (e.g. urbanisation/gentrification), changes in housing policies and other social policies etc.

Figure 14. Average Household Size, Selected Suburbs

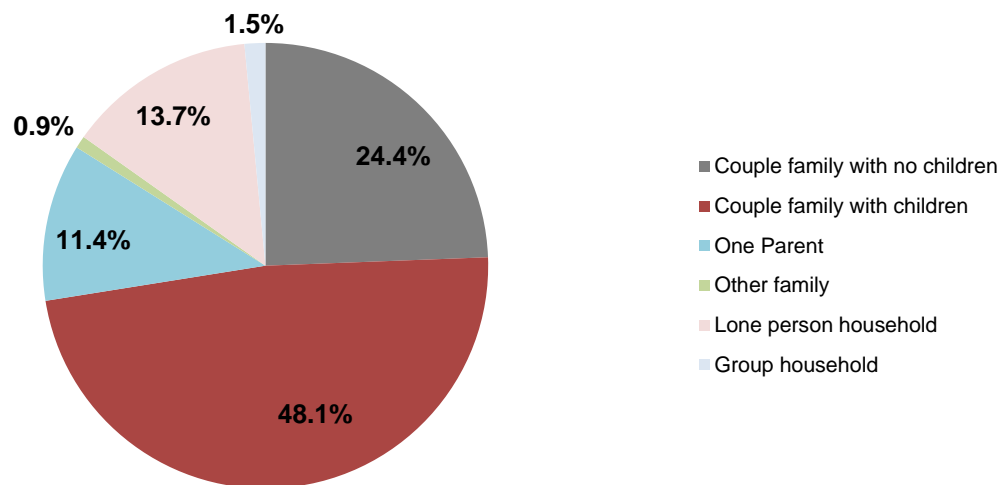


Source: Macroplan

3.6 Household Composition

Traditional families (i.e. couples with children) are the most prevalent household type in the Camden LGA, accounting for 48.1% of households, much higher than the Sydney average of 37.4% of households. Compared with the Sydney average, the Camden area includes a much lower proportion of group household (1.5% vs 4.7%) and lone person households (13.7% vs 21.6%).

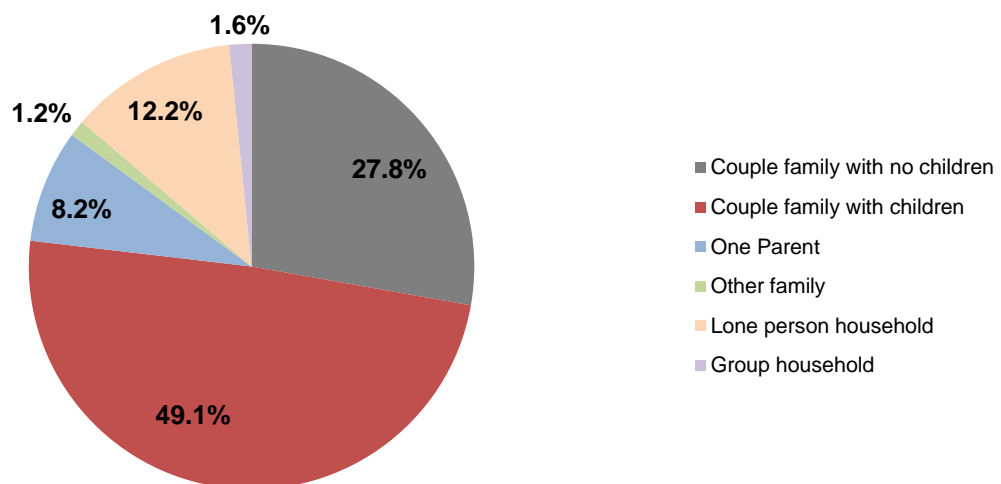
Figure 15. Household Composition, Camden LGA, 2016



Source: ABS Census

The Cobbitty – Leppington SA2 region had lower levels of one parent and lone person households with children. The proportion of couples without children was slightly higher in the SA2 at 27.8% as were couples with children at 49.1%.

Figure 16. Household Composition, Cobbitty-Leppington, 2016



Source: ABS Census

3.7 Dwelling Ownership

According to the latest Census data, over 78% of dwellings in Camden LGA were owner-occupiers in 2016, being either owned outright (24.7%) or under a mortgage (52.9%). For the 'Cobbitty-Leppington' SA2, 74% of dwellings were owner-occupier, being either owned outright (24.1%) or purchased with a mortgage (49.9%).

Table 17. Dwelling Structure, 2016

	Greater Sydney	Camden LGA	Cobbitty - Leppington SA2
Owned outright	29.9%	24.7%	24.1%
Owned with a mortgage	33.9%	52.9%	49.9%
Rented	34.4%	20.9%	23.9%
Other	1.8%	1.5%	2.2%
Total	100%	100%	100%

Source: ABS Census

Relative to Greater Sydney (63.8%) home ownership in the SA2 area and the Camden LGA was substantially higher. The proportion of dwellings occupied by renting households was lower for both the Camden LGA (20.9%) and the Cobbitty Leppington SA2 (23.9%) as compared to Greater Sydney (34.4%).

3.8 Occupancy Rates

The occupancy rate of dwellings within the Camden LGA and the Cobbitty Leppington SA2 were relatively high. On average, 95% of all private dwellings are occupied in both areas compared with an average of 93% in Greater Sydney.

Table 18. Occupancy Rates, 2016

	Greater Sydney	Camden LGA	Cobbitty - Leppington SA2
Occupied private dwellings	92.5%	95.5%	95.2%
Unoccupied private dwellings	7.3%	4.4%	4.8%
Non-private dwellings	0.2%	0.0%	0.0%
Total	100%	100%	100%

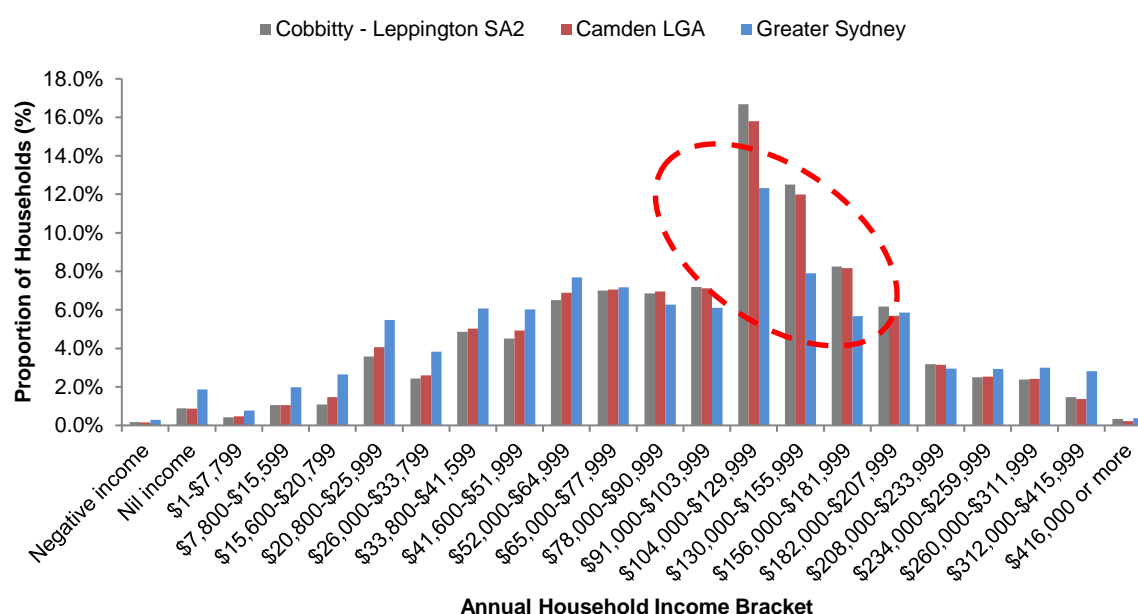
Source: ABS Census

3.9 Household Income Distribution

Household income distribution in the Camden area was skewed towards the higher income brackets. As of 2016, almost 65% of households earned more than \$78,000 per annum in Camden, compared with 56% in Greater Sydney.

The Cobbitty – Leppington SA2 income distribution was skewed slightly higher with 68% of households earning more than \$78,000 per annum. This pattern suggests that the Greenfield projects were being favoured by moderate income households. However, this profile has changed greatly, due to the surge in lot values since 2011, leading to greater demand from higher income households.

Figure 17. Annual Household Income, 2016



Source: ABS Census

3.10 Housing Affordability

The proportion of income spent on mortgage repayments and rent was less in Camden than the Greater Sydney average. As of 2016, the average profile was that 25.0% and 22.5% of household income was contributed toward mortgage repayments and rent, respectively, in Camden.

By comparison, 28.6% and 25.1% of income were attributed to mortgage repayments and rent in Greater Sydney. Evidently, the cost of housing is more affordable in the established suburbs of the Camden LGA.

However, the Cobbitty – Leppington SA2 had average affordability that was on par with Greater Sydney, both for owner-occupiers and for rental households.

Table 19. Housing Affordability Indicators, 2016

Cobbitty – Leppington (SA2)	Annual Average	% of Income (%)
Mortgage Repayments	\$31,200	28.5%
Rent	\$27,560	25.2%
Household Income	\$109,512	-
Camden (LGA)	Annual Average	% of Income (%)
Mortgage Repayments	\$26,640	25.0%
Rent	\$23,920	22.5%
Household Income	\$106,444	-
Greater Sydney	Annual Average	% of Income (%)
Mortgage Repayments	\$26,004	28.6%
Rent	\$22,880	25.1%
Household Income	\$91,000	-

Source: ABS Census

Notably, housing affordability has changed fundamentally over the years since the 2011 Census. Household incomes have risen far more sharply than property prices, so affordability for owner-occupiers have improved greatly.

Table 20. Housing Affordability Indicators, Selected SA2s and Greater Sydney

	Oran Park	Camden	Harrington Park	Catherine Fields	Greater Sydney
Median Household Income (2016)	\$109,512	\$71,708	\$125,632	\$93,548	\$91,000
Median House Price (2019)	\$763,000	\$690,000	\$885,000	\$550,000	\$955,000
Median Unit Price (2019)	\$665,000	\$503,500	-	-	\$720,000
Median House to Income Ratio	7	9.6	7	5.9	10.5
Median Unit to Income Ratio	6.1	7	-	-	7.9

Source: ABS Census, Realestate.com.au, CoreLogic RP Data & Macroplan

These market observations could be extended to include owner-occupier households. According to CoreLogic RP data, the median house price in Oran Park (i.e. the proxy suburb for the Cobbitty – Leppington SA2) was approximately \$763,000 in 2019, which is cheaper than the Sydney Metropolitan by about 20% (i.e. \$955,000). Furthermore, considering that the average annual income for residents in the Cobbitty – Leppington SA2 (\$109,512 per annum) is approximately 20% higher than the Sydney average (\$91,000 per annum), home ownership is an attractive proposition in the immediate region.

Although strata units in the selected SA2s are more affordable than detached houses, the median unit price at Oran Park is marginally cheaper than the Sydney Metropolitan area by only about 8%. Compared to units, potential home buyers would attract to detached houses proposition at Pondicherry.

Notably, the cost of semi-detached products at Catherine Park Estate (Oran Park) is comparable to their local median price for established houses.

Table 21. Townhouse Prices, Catherine Park Estate, 2019

Townhouse products offered	Prices
2 bedroom / 2 bathroom / 1 carpark	\$599,900
3 bedroom / 2 bathroom / 2 carparks	\$659,900

Source: Realestate.com.au

Section 4: Residential Supply and Market Overview

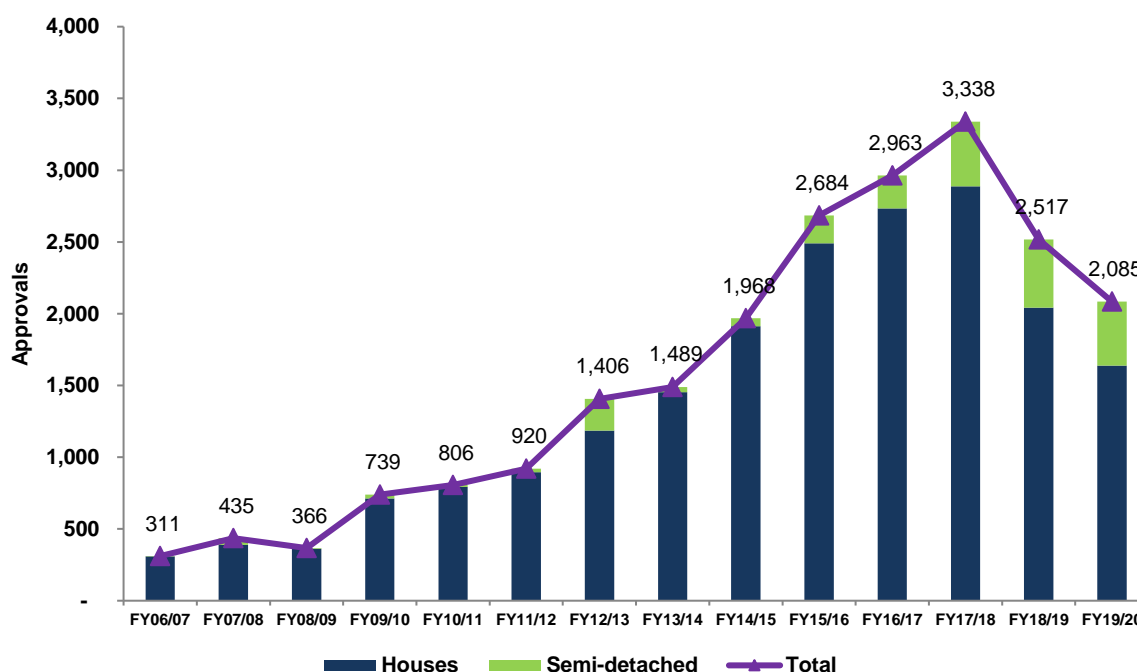
This section of the report provides analysis of current local residential markets conditions, including commentary on the dwelling approvals, quantum of housing supply, dwelling stock by type for each release area and median house price growth by dwelling type and recent sales history.

4.1 Dwelling Approvals

Across the Camden LGA, the demand for new houses was moderate until FY2011/12, as limited house price growth increased the incentive to undertake a knock-down rebuild rather than purchase a new dwelling. However, a combination of solid house price growth and pent-up demand meant that house approvals have surged significantly since FY2011/12.

The Camden Valley Way Road corridor is the dominant location for new subdivisions, reaching from Oran Park and Gregory Hills at the southern end, up to Leppington and Edmondson Park at the northern end.

Figure 18. Historical Dwelling Approval Trends, Camden LGA



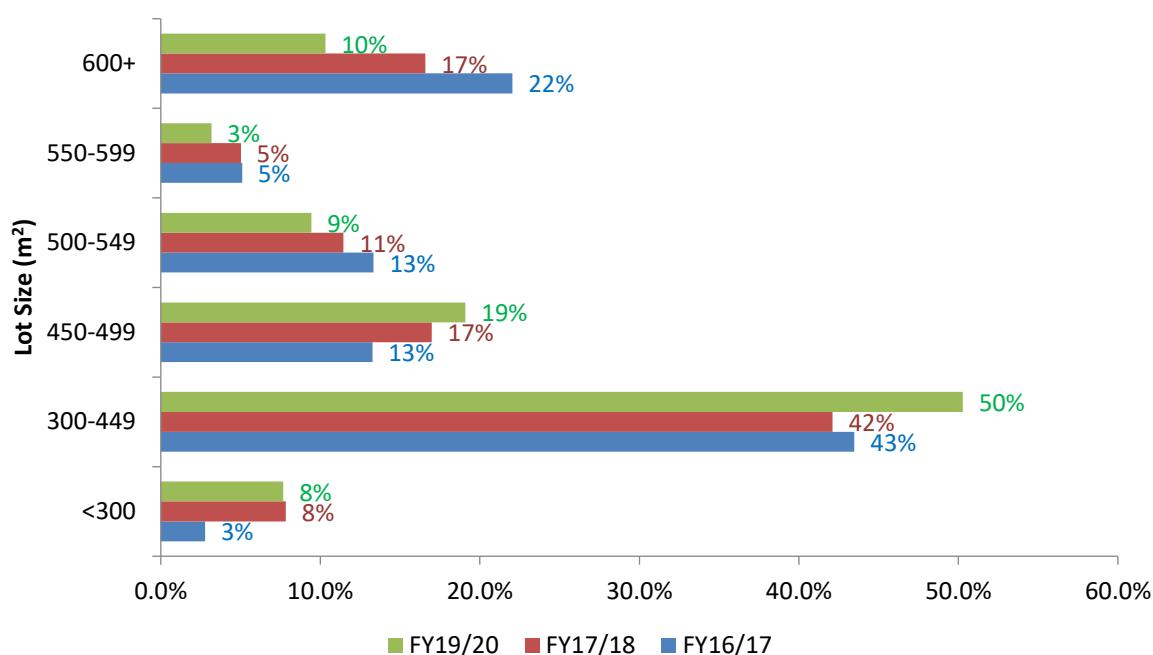
Source: ABS Building Approvals

Notably, 'Semi-detached' approval numbers have increased since FY2012/13, 194 approvals in FY2015/16, then 230 approvals in FY2016/17, 451 approvals in FY2017/18, 475 approvals in FY2018/19, and 446 approvals in FY2019/20.

4.2 Residential Lot Sales Trends

Compared to the previous reports (2017 & 2019), a larger proportion of smaller lot sales were sold in the Camden LGA, particularly 300-449 m². This could be partially attributed to the increase in young families and first home buyers in the region. This demographic has a higher demand for smaller lots as they fit within their budget whilst still fulfilling the dwelling space required by a newly established family.

Figure 19. Lot Sales Analysis by Size, Camden LGA



Source: CoreLogic RP Data & Macroplan

Although the above analysis points to a further shift towards smaller lot housing, there is also higher demand for medium-sized residential lots (i.e. 450-499 m²), with a wave of demand coming from the traditional households and upgraders. Macroplan noted that there is an increase in medium-sized lot sales between financial years 2016/17 and 2019/20.

Macroplan also noted that, however, there has been a decrease in the land sales larger than 500 m², which are not affordable even for upgraders. Particularly, the lots larger than 600 m² incurred significant decreases (22% in FY2016/17 compared to 10% in FY2019/20).

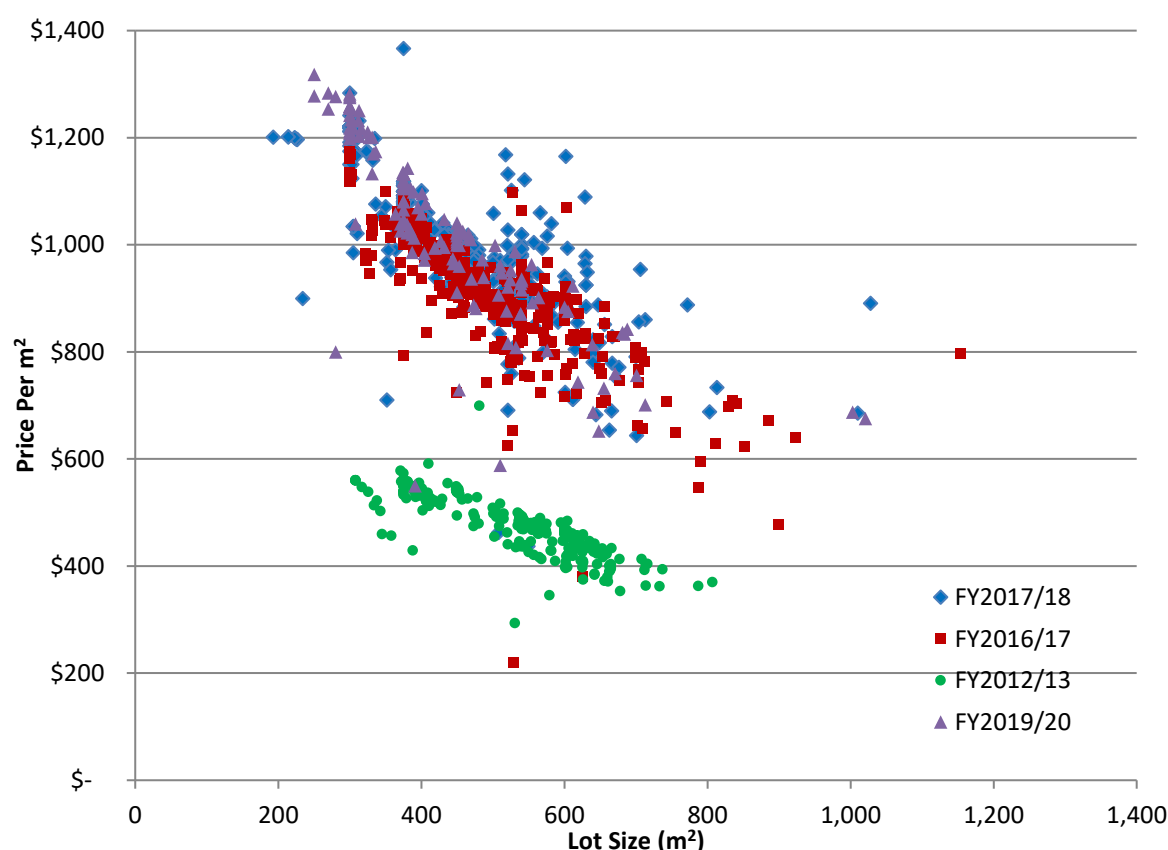
As the Western Sydney economy enters a sustained upturn over the next five years, in a post-COVID world, Macroplan envisages that the rate of population growth can be maintained above the projected average for the Camden LGA. The challenge to this outcome will come from the affordability hurdles that households are facing.

The subject precinct needs to be able to deliver a housing mix that addresses prevailing price points for new lots. It is notable that the building approvals data for Camden LGA shows that increasing numbers of medium density dwellings have been delivered in recent years. Interpreting the reasons for this situation is essential to progress towards more affordable housing from the subject precinct.

4.3 Sales Trends in Oran Park

While the composition of households is important, the dominant force at work is the pursuit of affordable housing. The below analysis indicates that over the course of FY2019/20 alone at Oran Park, there was a sharp increase in lot prices (on a per m² basis) which has pushed demand further towards smaller lots in a short space of time. The shift in lot prices at Oran Park is illustrated in the chart (i.e. figure 20) below.

Figure 20. Lot Sales, Oran Park, FY12/13, FY16/17, FY17/18, and FY19/20



Source: CoreLogic RP Data & Macroplan

Most lot sales were between \$400,000 and \$500,000, with considerable variation in lot sizes for this price band. With price growth over the course of FY2019/20, demand shifted towards smaller lots as fit within their budget. Lots in the size range of 300 m² and 450 m² became more popular over the course of the year. The observed preference for smaller sized lots has been a trend that has emerged as early as the 2013/14 financial year. Since then the 300-449 m² lot size bracket has been the prominent lot size of choice (Figure 21).

The demand for larger, expensive lots is still an important component of demand at Oran Park. Lots larger than 500m² accounted for approximately 30% of sales in that year (40% in FY2016/17).

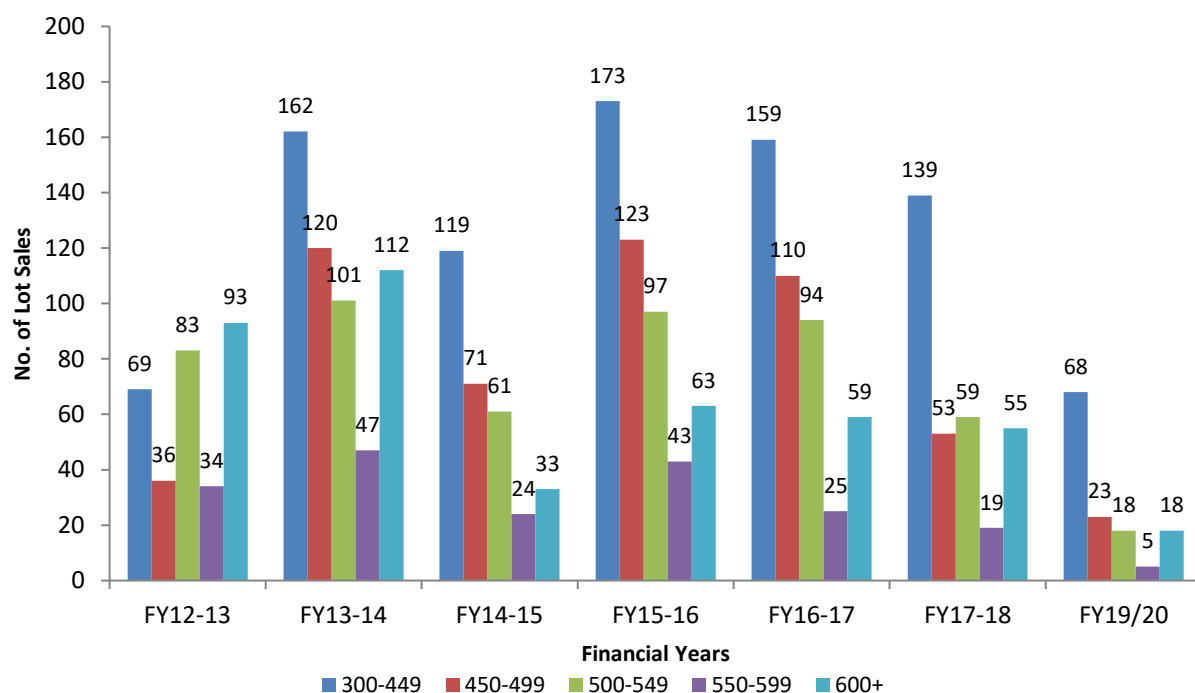
Macroplan expects that first home buyers should account for a rising share of demand for new housing in Pondicherry over the next five to ten years. As Western Sydney's regional economic growth gathers pace, it will become a much more prominent place of work. The Western Sydney Airport by itself is figured to generate 28,000 direct and indirect jobs⁸, and the Western Sydney Aerotropolis will augment this total with additional zoning of employment lands and additional town centres along an extended rail network. More young adults will move to this region to be closer to their place of work, and this is likely to generate higher demand from first home buyers.

A period of close to flat property values, and modest wages growth, is also supportive of first home buyer demand relative to upgraders. This outlook suggests that demand will shift further towards small lots and that medium-density housing is a relevant part of the planning prospects for the subject precinct. The traditional urban design

⁸ <https://www.budget.nsw.gov.au/budget-overview/planning-future-western-sydney>

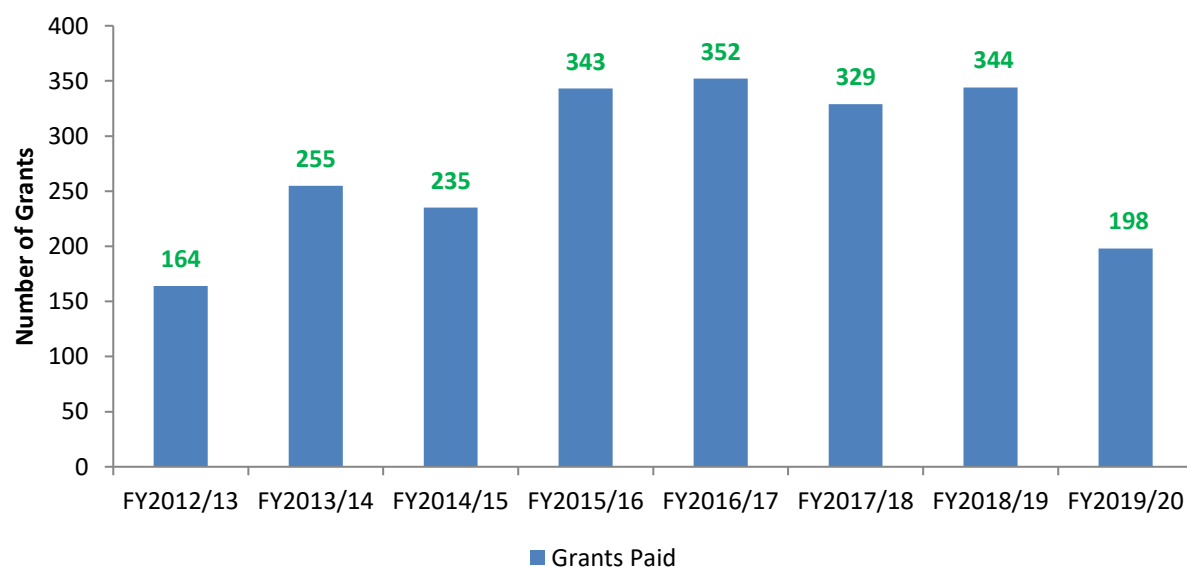
bundling of medium-density housing and town centres is no longer essential. The evidence of increasing demand for medium-density housing (i.e. Figure 18), absent a town centre, points to a future role for medium-density without being positioned directly adjacent to a town centre. This housing format has become relevant on the grounds of affordability alone.

Figure 21. Historical Lot Sales Trends, Oran Park, FY12/13 to FY19/20



Source: CoreLogic RP Data

Figure 22. First Home Owner Grant, Postcode 2570, FY12/13 to FY19/20



Source: Revenue NSW

4.4 Future Supply from Competing Projects

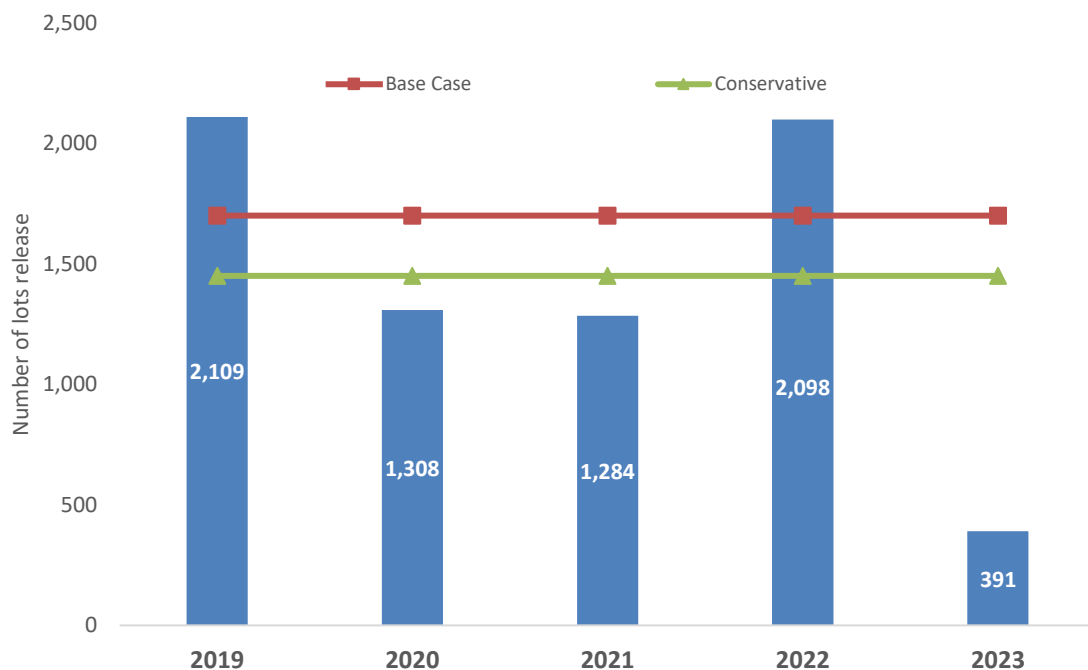
Over the past five years, supply levels within the SWGA have surged, with the focus area being concentrated to the Camden LGA and to a smaller extent the western precincts of the Liverpool LGA. For these release areas, the pipeline at present is heavily concentrated on the Oran Park and Turner Road precincts.

A list of the major housing estate developments in the pipeline is provided below (Tables 22 & 23).

Macroplan's desktop analysis has revealed that there is a significant number of housing lots in the development pipeline in the Camden LGA. Overall, 91 housing estate projects have been identified between 2019 and 2022, equating to about 6,800 dwellings. Based on this, Macroplan has determined that an average of 1,700 lots will be released per annum in a post-COVID world. Importantly, however, this does not take into consideration development that is in the very early development stage as well as mooted development. As such, this estimate is likely to be closer to 1,400 to 1,500 lots per annum.

Macroplan, however, anticipates that the market conditions would not fully recover until 2022 with a more cautious sentiment on the coronavirus risk already apparent.. Although the pipeline remains strong in the period of 2020-2022, there are only 4 projects proposed to be developed in the period of year 2023, equating to about 400 dwellings.

Figure 23. Projected Land Releases, Camden LGA, 2019 to 2023



Source: CordellConnect & Macroplan

Table 22. Housing Estate Projects in Development Pipeline, Camden LGA

Development	Expected Completion (Year)	Indicative number of Dwellings	Suburb/Locality
ORAN PARK SUBDIVISION	2019	169	ORAN PARK
CATHERINE PARK ESTATE	2019	97	ORAN PARK
SOUTH CIRCUIT SUBDIVISION - TRANCH 9 STAGE 3	2019	59	ORAN PARK
GREGORY HILLS SUBDIVISION	2019	365	GREGORY HILLS
RICHARDSON ROAD SUBDIVISION	2019	390	SPRING FARM
CAMDEN VALLEY WAY SUBDIVISION	2019	20	CATHERINE FIELD
SPRING FARM SOUTHERN VILLAGE SUBDIVISION	2019	102	SPRING FARM
CAMDEN VALLEY WAY DWELLINGS	2019	12	CATHERINE FIELD
CATHERINE PARK ESTATE	2019	140	ORAN PARK
BANGOR TERRACE SUBDIVISION	2019	76	COBBITTY
BYRON & RICKARD ROADS RESIDENTIAL LOTS STAGES 1-2	2019	84	LEPPINGTON
INGLEBURN ROAD RESIDENTIAL SUBDIVISION	2019	31	LEPPINGTON
ORAN PARK SUBDIVISION - TRANCHE 27	2019	179	ORAN PARK
ORAN PARK SUBDIVISION - TRANCHE 27	2019	179	ORAN PARK
RABY ROAD RESIDENTIAL SUBDIVISION STAGE 4 - THE CREST	2019	117	GLEDSDOOD HILLS
BYRON ROAD RESIDENTIAL SUBDIVISION	2019	57	LEPPINGTON
CAMDEN VALLEY WAY RESIDENTIAL SUBDIVISION	2019	32	LEPPINGTON
RABY ROAD RESIDENTIAL SUBDIVISION	2020	30	LEPPINGTON
INGLEBURN ROAD RESIDENTIAL SUBDIVISION	2020	37	LEPPINGTON
TURNER ROAD SUBDIVISION - DREAMSCAPE ESTATE	2020	35	GREGORY HILLS
CATHERINE PARK RESIDENTIAL SUBDIVISION - STAGE 5 - ASCOT GROVE ESTATE - CATHERINE PARK	2020	48	ORAN PARK
CATHERINE PARK ESTATE	2020	68	ORAN PARK
BYRON & RICKARD ROADS SUBDIVISION	2020	47	LEPPINGTON
M ORAN PARK DRIVE RESIDENTIAL SUBDIVISION - TRANCHE 34	2020	132	ORAN PARK
THE HERMITAGE DWELLINGS & RESIDENTIAL SUBDIVISION - STAGE 14C	2020	29	GLEDSDOOD HILLS
CAMDEN VALLEY WAY & HEATH ROAD RESIDENTIAL SUBDIVISION	2020	48	LEPPINGTON
ORAN PARK SUBDIVISION - TRANCHE 34	2020	85	ORAN PARK
ORAN PARK SUBDIVISION - TRANCHE 34	2020	85	ORAN PARK
EMERALD HILLS	2020	165	LEPPINGTON
THE HERMITAGE	2020	87	GLEDSDOOD HILLS
PODIUM WAY & SOUTH CIRCUIT DWELLINGS	2020	12	ORAN PARK
ARROWHEAD AVENUE DWELLINGS	2020	6	LEPPINGTON
OKEEFE DRIVE DWELLINGS	2020	4	ORAN PARK
HEATH & RICKARD ROADS RESIDENTIAL SUBDIVISION	2020	79	LEPPINGTON
ORAN PARK RESIDENTIAL SUBDIVISION	2020	87	ORAN PARK
PEKIN STREET DWELLINGS	2020	11	SPRING FARM
GIBBS CRESCENT TOWNHOUSES	2020	7	CATHERINE FIELD
CAMDEN VALLEY WAY RESIDENTIAL SUBDIVISION	2020	70	LEPPINGTON
HIGGINS AVENUE DWELLINGS	2020	9	ELDERSLIE
RABY ROAD RESIDENTIAL SUBDIVISION	2020	52	LEPPINGTON
RABY ROAD RESIDENTIAL SUBDIVISION	2020	75	LEPPINGTON
NARELLAN ROAD RESIDENTIAL SUBDIVISION	2021	38	CURRANS HILL
SPRING FARM P700B, P800A & P800B RESIDENTIAL SUBDIVISION	2021	205	SPRING FARM
TURNER ROAD RESIDENTIAL SUBDIVISION	2021	89	CURRANS HILL
BARRETT & ENTERPRISE STREETS RESIDENTIAL SUBDIVISION	2021	71	GREGORY HILLS
SPRINGS ROAD RESIDENTIAL SUBDIVISION	2021	19	SPRING FARM
TURNER ROAD RESIDENTIAL SUBDIVISION	2021	48	CURRANS HILL
ORAN PARK SUBDIVISION - TRANCHE 34	2021	99	ORAN PARK
BYRON ROAD RESIDENTIAL SUBDIVISION	2021	27	LEPPINGTON
BYRON & RICKARD ROADS RESIDENTIAL SUBDIVISION	2021	126	LEPPINGTON
HEATH ROAD RESIDENTIAL SUBDIVISION	2021	76	LEPPINGTON
LODGES ROAD RESIDENTIAL SUBDIVISION	2021	40	ELDERSLIE
DICKSON ROAD RESIDENTIAL SUBDIVISION	2021	33	LEPPINGTON
THE CHASE AT ORAN PARK	2021	20	ORAN PARK
SHARMAN CLOSE DWELLINGS	2021	6	HARRINGTON PARK
CAMDEN VALLEY WAY & BARRIER STREET RESIDENTIAL SUBDIVISION	2021	33	GREGORY HILLS

Source: CordellConnect, Macroplan

Table 23. Housing Estate Projects in Development Pipeline, Camden LGA (continued)

Development	Expected Completion (Year)	Indicative number of Dwellings	Suburb/Locality
DICKSON ROAD RESIDENTIAL SUBDIVISION	2021	51	LEPPINGTON
DICKSON ROAD RESIDENTIAL SUBDIVISION	2021	68	LEPPINGTON
ORIELTON EQUESTRIAN PARK & RESIDENTIAL SUBDIVISION	2021	30	HARRINGTON PARK
ORAN PARK RESIDENTIAL SUBDIVISION	2021	34	ORAN PARK
ARCADIAN GROVE ESTATE	2021	6	COBBITTY
CAMDEN VALLEY WAY RESIDENTIAL SUBDIVISION ORAN PARK SOUTH "A" TRANCHE 34 STAGE 4A	2021	23	CATHERINE FIELD
CAMDEN VALLEY WAY RESIDENTIAL SUBDIVISION ORAN PARK SOUTH - TRANCHE 34	2021	22	CATHERINE FIELD
CREST ROAD RESIDENTIAL SUBDIVISION	2021	20	GLEDSDOOD HILLS
PLEASANT CIRCUIT & CREST ROAD RESIDENTIAL SUBDIVISION	2021	58	GLEDSDOOD HILLS
INGLEBURN ROAD RESIDENTIAL SUBDIVISION	2021	42	LEPPINGTON
MONTAINE RESIDENCES MOUNT ANNAN	2022	143	MOUNT ANNAN
CATHERINE PARK ESTATE STAGE 6	2022	141	ORAN PARK
THE HERMITAGE & RESIDENTIAL SUBDIVISION	2022	27	GLEDSDOOD HILLS
THE HERMITAGE & RESIDENTIAL SUBDIVISION	2022	27	GLEDSDOOD HILLS
EMERALD HILLS ESTATE	2022	313	LEPPINGTON
THE NORTHERN ROAD RESIDENTIAL SUBDIVISION	2022	111	COBBITTY
CAMDEN VALLEY WAY RESIDENTIAL SUBDIVISION	2022	57	LEPPINGTON
TURNER ROAD RESIDENTIAL SUBDIVISION	2022	40	CURRANS HILL
BARROW ROAD RESIDENTIAL SUBDIVISION	2022	166	SPRING FARM
CAMDEN VALLEY WAY RESIDENTIAL SUBDIVISION	2022	55	LEPPINGTON
CATHERINE PARK ESTATE	2022	13	ORAN PARK
LODGES ROAD & KNIGHT STREET RESIDENTIAL SUBDIVISION	2022	42	ELDESLIE
ORAN PARK RESIDENTIAL SUBDIVISION - TRANCHE 29	2022	103	ORAN PARK
THE HERMITAGE	2022	184	GLEDSDOOD HILLS
HASELGROVE STREET & RABY ROAD RESIDENTIAL SUBDIVISION	2022	109	GLEDSDOOD HILLS
ORAN PARK RESIDENTIAL SUBDIVISION	2022	51	ORAN PARK
THE NORTHERN ROAD RESIDENTIAL SUBDIVISION	2022	120	COBBITTY
MACARTHUR ROAD RESIDENTIAL SUBDIVISION	2022	31	SPRING FARM
ROSELLA CIRCUIT & WHISTLER STREET RESIDENTIAL SUBDIVISION	2022	45	GREGORY HILLS
BAGNALL & BARRETT STREETS RESIDENTIAL SUBDIVISION	2022	69	GREGORY HILLS
HEATH & RICKARD ROADS RESIDENTIAL SUBDIVISION	2022	27	LEPPINGTON
CATHERINE PARK ESTATE	2022	46	ORAN PARK
THE NORTHERN ROAD RESIDENTIAL SUBDIVISION	2022	67	COBBITTY
BARRIER STREET RESIDENTIAL SUBDIVISION	2022	35	GREGORY HILLS
CAMDEN VALLEY WAY RESIDENTIAL SUBDIVISION	2022	76	LEPPINGTON
COBBITTY ESTATE - LONGBUSH PRECINCT	2023	324	COBBITTY
FAIRBANK DRIVE DWELLINGS	2023	13	GLEDSDOOD HILLS
THE NORTHERN ROAD & CIVIC WAY RESIDENTIAL DEVELOPMENT	2023	32	ORAN PARK
SPRINGS ROAD DWELLINGS	2023	22	SPRING FARM
Total		7,190	

Source: CordellConnect, Macroplan

4.5 Covid Impact & Future Outlook

Macroplan's primary view is that the Sydney housing market would not fully recover until 2023. For 2020/21, demand for housing is expected to be down approximately 20% but with this impact moderated by Government stimulus measures. The period 2021/22 and 2022/23, however, is the primary concern as the lagged impact of slower population growth and higher unemployment reduces demand.

Macroplan envisages that the market conditions will recover quicker in the Outer Sydney markets including Camden LGA. With around 85% of Australia's net overseas migration going into capital cities, over the next few years, it is likely that rents in the inner-city Sydney areas will remain lower than expected (pre-pandemic) given lower population growth (i.e. less international students and other migrants, who typically rent) and the anticipated supply of apartments coming on line. Greenfield housing markets, however, are much less dependent on those factors, particularly upon migration flows.

Moreover, Pondicherry has several points of difference over other greenfield projects in the Camden LGA (Tables 22 & 23). Pondicherry can deliver superior access to the region's current and future employment nodes: Narellan Strategic Centre, Oran Park town centre and the Western Sydney Aerotropolis.

Access to The Northern Road makes the subject precinct an ideal location for mobile workers who are relocating for new job opportunities, which has been evidenced from the labour force growth by industry figures. Such attribute will become more prominent for workers relocating to the area once the Western Sydney Airport and Aerotropolis is completed and employment opportunities have been met.

Prior to the 2019/20, Oran Park has been delivering an average of around 500 dwellings per annum. In a post-COVID world, therefore, Macroplan envisages that Pondicherry could absorb an average demand for 400 to 500 dwellings per annum, with assuming the first settlements in 2023.

Section 5: Housing Demand Outlook for Pondicherry

5.1 Who is likely purchase at Pondicherry?

Traditional households or upgraders are expected to be the core source of demand for larger lots (i.e. 400-499 m²) at Pondicherry. The scope of demand for new houses has been expanded by the sharp increases in established house prices across the south-west region over the past three years. Movement will primarily come from established families selling existing houses in Camden and Liverpool, and trading off travel times against the more affordable new housing that will be available at Pondicherry and SWGA.

The requirement of longer travel times from Pondicherry into major employment hubs in the South West Sydney region (including Western Sydney Aerotropolis) and Liverpool, Campbelltown and Penrith will have marginal impact on the scale of demand compared to Oran Park (which will have a train station). For some households, the impact of travel distance is diminished by employment in businesses that are inherently travel intensive. For example, many construction and trade workers will have work programs that move around the city; some health workers spread their time across different hospitals, centres and clinics; and the transport & logistics sector draws on workers who travel across the city and the state.

An extension of this argument is that some mobile workers spend time working in south-west Sydney. Pondicherry is an attractive location for workers who have this geographic spread of activities.

Looking forward, there will be new wave emerging in the demographic structure: First Home Buyers (FHBs). This age group is likely to have a lower propensity to buy a new dwelling, when compared with 'upgrader' and 'empty nester' households. Nevertheless, the extent of growth in the FHBs will mean that they will represent a rising share of total demand for new dwellings.

5.2 Which housing product will interest these new purchasers?

Smaller lots combined with a price discount provide new housing at Pondicherry with an edge on affordability and compensate for a greater travel distance.

For young adults in Campbelltown, established house prices have now reached an affordability barrier which is likely to divert demand to subdivisions such as Oran Park and South West Sydney generally.

In the short term (out to 2021), we expect that Pondicherry can achieve a significant level of demand from young family/FHB households seeking the most affordable housing options, particularly as they are more willing to travel a further distance in search of a residential lot at an affordable price.

The potential retiree demand for small lot housing or medium-density housing at Pondicherry is more difficult to gauge. With sharp house price rises, many retirees can now downsize and still realise a sizeable cash flow gain to help fund retirement. This source of demand for new housing is likely to rise sharply over the next five years, and flatter house prices are likely to stimulate action (as people want to sell at the top of the market).

As shown from the recent building approval data, medium-density development recently appealed to developers in the Camden LGA, with multiple semi-detached dwellings fit on a house-sized block. Macroplan's view is that the traditional urban design bundling of medium-density housing and town centres is no longer essential. The evidence of solid demand for medium-density housing (i.e. Figure 18), absent a town centre, points to a future role for medium-density without being positioned directly adjacent to a town centre. This housing format has become

relevant on the grounds of affordability alone. However, developers currently have a deep market for bigger medium-density dwellings (with multiple car space) in order to attract a growing number of young families demand for larger dwellings.

Macroplan also notes that the Greater Macarthur Growth Area (GMGA) will comprise new urban renewal areas in the Campbelltown and Wollondilly LGAs. Apartments are proposed close to railway stations in centres including Campbelltown, Macarthur, Ingleburn and Glenfield. Medium-density development is also encouraged within walking distance of train stations and a proposed new public transport corridor across the growth area corridors.

It is still unclear as to what impact the GMGA will have on projections for the emerging frontiers in Camden. It seems, however, possible that allowance for demand to flow into the GMGA will lead to a weaker demand profile for the Camden LGA, particularly for medium- and high-density products.

As pointed out in the recent local housing strategy from Camden Council, the LGA is poorly connected by public transport. The North South Rail Line location has been identified and reserved there is no confirmed timing for delivery. There are also other major projects that have the potential to have a significant impact on how Camden LGA will develop in the future including the Western Sydney Airport, South West Rail Link extension and the Outer Sydney Orbital.

There will be more high-density development around emerging transport nodes in the Camden LGA. There are many potential renewal opportunities that could include areas of lower quality housing stock, high amenity locations with open space and natural assets and places with high access to transport, retail and community facilities, and sites with dual frontages. Macroplan envisages that more high-density development will occur in centres like Oran Park, Leppington and Narellan, where there is access to amenity and local services such as shops and transport.

Section 6: Conclusion

Based on the observed trends in population movements, dominant affordability trends and their associated demographic family units, Macroplan has developed a recommended mix of dwelling types and lot sizes for the Pondicherry precinct. The recommendation considers fluctuations in sales observed over the past couple of years as well as demographic trends and the recent activities within the surrounding areas.

Strong growth is expected in the young family demographic, as regional employment coalesces around employment land and new industrial zones, additional rail station centres and the Western Sydney Airport itself. The subject precinct is ideally placed to meet the needs of these sources of housing demand.

Affordability is a primary factor in the observed trends for lot sales in Camden, and it is likely to play a key role for Pondicherry in the future. In this regard aggregate price impacts price preferences rather than the property's price per square metre. Hence, this is why smaller-sized lots and medium-density housing combined comprise the majority of Macroplan's dwelling mix recommendation.

Given the trends in sales and population growth in Oran Park and Camden LGA, Macroplan has reached a proposed lot mix composition as outlined below. The lot sales analysis points to a further shift towards smaller lots (300-449 m²), as shown on the demographic analysis, there was solid growth in the number of families with children and upgraders who demand towards larger dwellings with amenities. There is also growing demand for medium-sized residential lots (i.e. 450-499 m²) from the traditional households and upgraders.

Table 24. Indicative Lot Mix, Pondicherry Precinct

Dwelling Format	Typical Lot Size	Proportion (% of total dwelling)	No. of dwellings
Low-density: Executive Style	600 m ² or more	8.8%	240
Low-density: Very Large	550-599 m ²	3.7%	100
Low-density: Large	500-549 m ²	9.2%	250
Low-density: Medium	450-499 m ²	18.9%	515
Low-density: Small/Standard	300-449 m ²	34.6%	940
Low-density: Very Small	up to 300 m ²	5.5%	150
Total: Low-density	-	80.7%	2,195
Medium-density: Semi-Detached	350-400 m ²	4.6%	175
Medium-density: Attached & Multi-dwelling	150-200 m ²	14.7%	375
Total: Medium-Density	-	19.3%	525
Total		100%	2,720

Source: Macroplan

The Pondicherry precinct also needs to be considered in the context of other activity within the surrounding areas. Especially, Macroplan envisages that higher density housing will be encouraged within walking distance of train stations and a proposed new public transport corridor across the urban renewal area corridors.

Pondicherry also benefits from a water feature (i.e. water body/lake), located in the heart of the new town centre. The offering would be attractive for the wealthy residents in the SWGA. In order to attract those residents, the subject precinct should have a variety of dwelling types including 'executive style' or 'lakeside' housing offering. This composition of quality and diverse housing will also provide development contributions which could be used to improve flood mitigation and lake amenities.

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