

# Economic Impact Assessment

## Hilldowns Estate

56 Hilldowns Road, Kalkite NSW 2627

March 2022

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## EXECUTIVE SUMMARY

### INTRODUCTION

Arbor Advisory has been commissioned to prepare an Economic Impact Assessment to support a planning proposal for the Hilldowns Estate redevelopment. The objective of this report is to present the rationale supporting the planning proposal from an economic and market-related perspective.

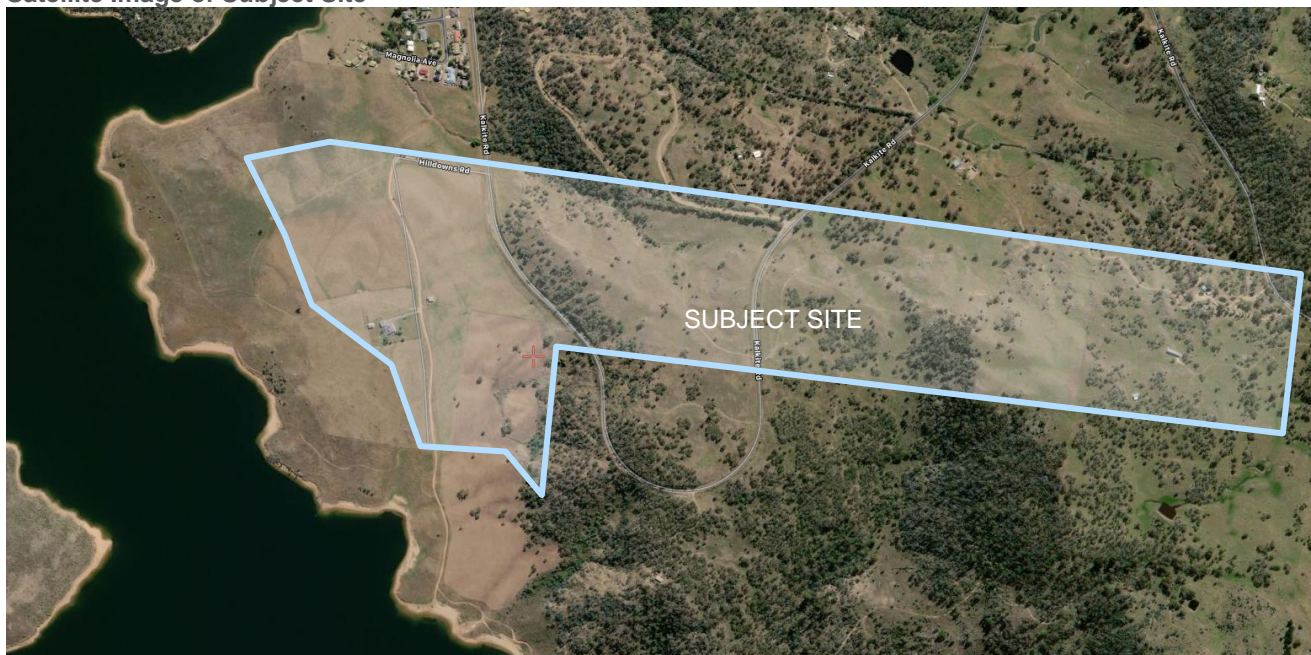
### SUBJECT SITE

The subject property has a street address of 56 Hilldowns Road, Kalkite NSW 2627 which spans across two separate lots, being Lot 190 DP 756727 and Lot 5 DP 529579. It encompasses approximately 77 hectares of land, which is equivalent to the land mass of Sydney CBD. The subject site is in close proximity to the existing Kalkite township. The western perimeter of the site abuts the foreshore of Lake Jindabyne.

Other key features pertaining to the subject property include:

- Current improvements include a detached residence, garage and several working sheds;
- Access to the site is achieved from Kosciuszko Road via Kalkite Road and Hilldowns Road; and
- The subject property is set in pristine natural setting, with sloping escarpment from the East towards Lake Jindabyne (which creates the vistas).

### Satellite Image of Subject Site



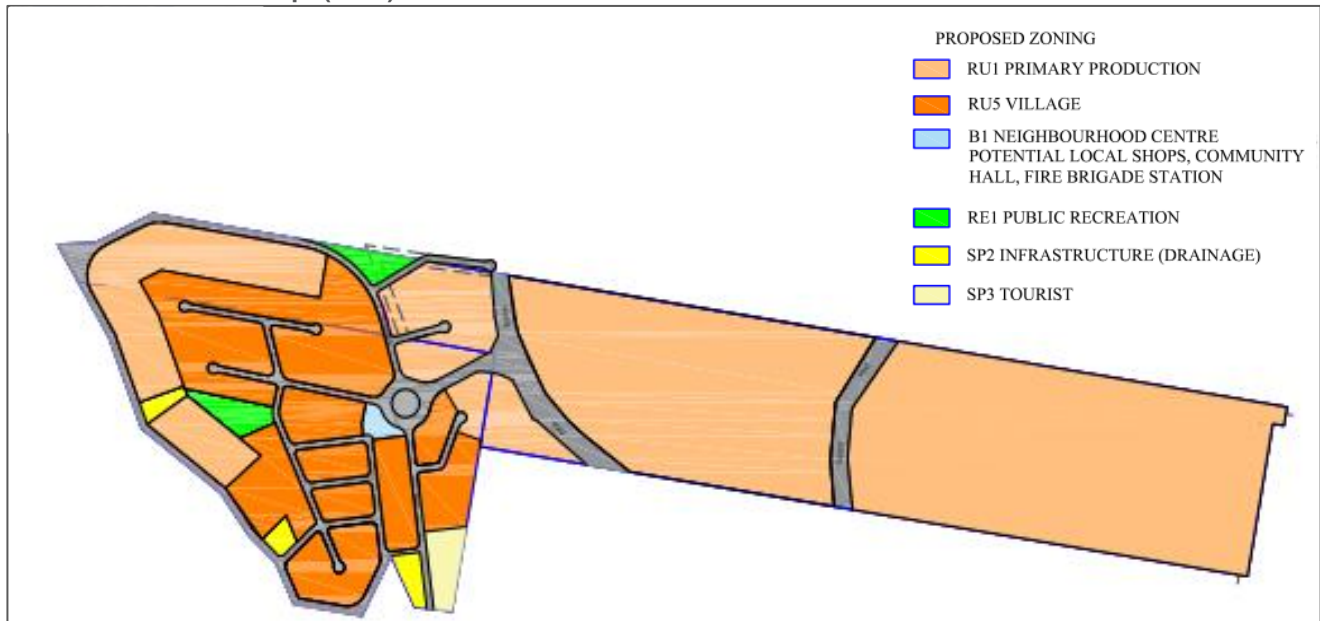
Source: Satellites Pro

### THE HILLDOWNS ESTATE PROPOSED DEVELOPMENT

While at concept and subject to variation, the scheme below includes a combination of rural, business, environmental and special infrastructure land use zones. The intention of this scheme (which is subject to change) is to deliver a combination of market-appropriate and complementary residential and non-residential land uses, new local roadways, lake-enabling infrastructure, public access links, community/social facilities and active public space. The focal point of the new township is the Main Street and Hilldowns Road intersection and adjoining new community hub. In all, the intended objective is to deliver an interconnected, market-relevant and functioning new estate.

## Hilldowns Estate – Economic Impact Assessment

### Hilldowns Estate Concept (2022)



Source: United Surveyors

While subject to change, the proposed Hilldowns Estate development is intended to deliver a variety of residential lots sizes (range in size from range 600m<sup>2</sup> to in excess of 3,000m<sup>2</sup>) and potentially, a mix of housing typologies. The current scheme (which is in concept form only), also allows for approximately 3,000m<sup>2</sup> of non-residential floorspace capacity in a consolidated hub, which will be delivered over time.

### LITERATURE REVIEW

A literature review of the Housing and Accommodation Study (Ethos, 2021), Housing and Demographic and Economic Development reports prepared for the Go Jindabyne 2036 Masterplan has been undertaken. The issues raised in these studies which are relevant to the proposed development include:

#### Ethos, 'Housing and Accommodation Study', 2021

The Study was prepared by Ethos to inform the Snowy Mountains Special Activation Precinct. The core objectives of the study were:

- Establish housing supply and market context;
- Identify potential constraints and opportunities to inform the future housing solution;
- Project future demand and sources of supply for new dwellings and accommodation;
- Provide a new housing supply solution for the Snowy Mountains SAP to meet future housing needs.

The study identified the key trends, constraints and opportunities in the local housing market and used these to generate a blueprint or solution to fulfil future housing requirements.

The proposed solution encompassed the rezoning of land to facilitate a combination of densification (infill – up to 40% or 747 dwellings), greenfield (at least 50% or 934 dwellings) and rural (up to 10% or 187 dwellings) residential development to meet the projected target of 1,868 new dwellings by 2061.

#### City Plan Strategy, Alpha Demographics, et al. 'Housing and Demographic Study', 2017

This study was undertaken by City Plan Strategy and Development in collaboration with Alpha Demographics and EMAP Consulting to inform the Go Jindabyne Masterplan.

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The objective of this study was to:

- Provide a clear understanding of Jindabyne's current housing situation
- Review competing interests between permanent residents, casual workers and short-term visitors for housing
- Identify the catalyst sites aimed at addressing housing needs and improving choice within the study area

Having regard for some of the key socio-demographic and settlement trends influencing housing need in the region and the key issues prevalent in the market, the study presented recommendations to address to deficiencies and issues identified. The recommendations included:

- Amend current planning controls to:
  - Facilitate feasible development
  - Enhance urban renewal in infill locations
  - Encourage delivery of a range of housing typologies
  - Foster provision of medium density development in centres
  - Deliver for more accommodation for permanent workers and residents, but also alleviate shortages during peak season visitation
- Encourage and facilitate shoulder and non-peak seasonal tourism
- Provide incentives to encourage additional seniors housing in appropriate locations
- Enhance local service provision in Jindabyne and surrounds to reduce outflows to other destinations offering higher-order retail, education, health and entertainment services.

### Hill PDA, 'Economic Development Study', 2019

In July 2019, Hill PDA prepared an Economic Development Study to inform the Go Jindabyne 2036 Masterplan from an economic perspective. The objective of the review was to ascertain an understanding of the role and function of Jindabyne from a local, state, national and international perspective, and moreover, evaluate against international trends and submarkets to determine the town's ability to respond to current, impending and potential opportunities.

The study examined:

- The key employment, industry and business trends and drivers influencing the region;
- The main economic and business challenges faced by Jindabyne and the broader region; and
- Exemplars and empirical research on major global tourist destinations.

In response to the findings, the following recommendations were presented:

- Establish Jindabyne's Identity by promoting its art, history and food products
- Introduction of luxury short-term accommodation to augment the image of Jindabyne as a premiere Alpine destination in Australia
- Promote local town provision and services to increase awareness and limit escape expenditure
- Better utilising Lake Jindabyne as a recreational asset and in turn, diversifying the experience tourism base in Jindabyne
- Invest in the public realm and entice more foreshore activity (additional lifestyle, retail and commercial service provision)
- Increased marketing and promotion of the area i.e. promote out-of-season experience and adventure tourism
- Delivery of enhanced transport links

### HOUSING AND SOCIO-DEMOGRAPHIC OVERVIEW

The socio-demographic attributes and local housing market drivers, trends and conditions relevant to Kalkite (State Suburb) and major centres of Jindabyne (Urban Centre and Locality) and East Jindabyne (Urban Centre and Locality) have been reviewed.

The housing-related attributes, drivers and trends that were examined include:

- Dwelling stock in Kalkite (123 private dwellings) is smaller relative to Jindabyne (1,147 private dwellings) and East Jindabyne (266 private dwellings);

## Hilldowns Estate – Economic Impact Assessment

- Housing in Kalkite is predominantly rural in nature and situated on large lot provision, as opposed to Jindabyne and East Jindabyne, which have a higher portion of standard urban housing options;
- The skew to low-density housing is most pronounced in Kalkite (96.1%), followed by East Jindabyne (90.7%). Other dwellings (medium and high-density dwellings) dominate in Jindabyne (57.9%);
- The rate of home ownership in Kalkite (74.7%) is comparable to East Jindabyne (74.2%), but higher than in Jindabyne (48.6%);
- The rate of private dwelling occupation is lowest in Jindabyne (56%), followed by Kalkite (63%) and East Jindabyne (77%);
- The median house price in Kalkite (\$710,000 as at November 2021) is significantly lower than in Jindabyne and (\$1,220,000) and East Jindabyne (\$1,465,000);
- Housing affordability has reached critical levels, both for owner-occupiers and long-term renters and
- Price growth has been rampant throughout the region, evidenced by growth of 29%, 37% and 35% per annum in Kalkite, Jindabyne and East Jindabyne respectively over the two years to November 2021.

The main socio-demographic traits, trends and drivers examined include:

- Kalkite has the smallest population base (211 persons), followed by East Jindabyne (619 persons) and Jindabyne (1,777 persons) at Census 2016;
- The age profile in Kalkite is older (median age of 44 years) relative to Jindabyne (median age of 32 years), but is however comparable to East Jindabyne (median age of 42 years);
- Proportion of residents aged 50 years and above is higher in Kalkite (45%) compared to East Jindabyne (34%) and Jindabyne (28%);
- Tourist visitation is significant lower in Kalkite (and therefore its population is subject to less fluctuation).

The point of difference offered by Kalkite (and therefore the Hilldowns Estate) is important because it offers an opportunity to unlock new markets and segments, generate new opportunities, minimises competition within the region, reduces the risk of cannibalisation within existing markets and supports specialisation or point of advantage for the region.

### THE CASE FOR CHANGE

A case for change has been presented in the EIA. The justification for the proposed development has been supported by relevant market-based rationale, which included:

- Kalkite to play an important role in supporting the Snowy Mountains SAP objectives and outcomes;
- Reducing housing shortages and improving housing diversity;
- Alleviating housing affordability constraints and pressures; and
- Providing convenience retail and local services for current and future residents, workers and visitors.

### Kalkite to play an important support role and function

While the proposed development will deliver a multitude of direct and indirect benefits during the construction and operational phases, its core objective is to support the broader Snowy Mountains region (and Special Activation Precinct) in achieving its role and function as the primary economic and tourism anchor i.e. enable the region to capitalise on its established tourism specialisation, in turn generating employment and accommodation expenditure.

In all, it is envisaged that the proposed development will fulfil its intended support or ancillary role by:

- By providing a point of difference and not undermining existing businesses in Jindabyne and other centres in the Snowy Mountains region;
- Delivering more housing to alleviate affordability constraints and shortages;
- Improving housing choice and diversity by providing a range of lot sizes and housing options;
- Providing additional long-term rental housing for permanent residents and workers;
- Accentuate tourism by facilitating alternative recreational activities or events outside of peak season;
- Providing overflow or additional tourist and worker accommodation capacity during the high season;
- Activating the lake and its foreshore through enabling infrastructure and better connectivity/access;
- Enhancing the economic resilience of Kalkite by accommodating jobs in non-core industries such as retail, commercial, health and other services; and



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- Leveraging on Kalkite's established agriculture, arts and food industry base.

In the absence of the proposed development, the implications on the local economy are anticipated to be significant. Failing to provide more affordable housing options will more likely result in an outflow or exodus of young working adults in search of a location with better priced housing and sufficient employment opportunities. The resultant reduction in labour supply in the Snowy Mountains region will then cultivate labour shortages, which will have direct and immediate implication on the operating capacity of businesses and therefore earnings.

### Reducing housing shortages and improving housing diversity and choice

One of the core objectives of the proposed development is to alleviate some of the deficiencies and challenges faced by local residents and workers in the Jindabyne and broader Snowy Mountains region housing markets.

A pronounced housing shortage is one of the major challenges in the local housing market. The signs and indicators suggesting the presence of a housing shortage include:

- Limited additions to housing stock – according to Census data, the count of private occupied dwellings in Jindabyne, East Jindabyne and Kalkite increased by just 267 dwellings over the ten years to 2016;
- Negligible population growth over an extended period of time – ABS data indicates the resident population of the Jindabyne/Berridale SA2 increased on average by just 0.6% per annum between 2010 and 2020; and
- Significant dwelling price growth – according to CoreLogic data, the median house price in Jindabyne, East Jindabyne and Kalkite appreciated by 29%, 37% and 36% per annum respectively over the two years to November 2021.

It must be noted, the shortage is affecting owner-occupiers and renting households alike. It has underpinned significant house price growth, which has effectively 'priced-out' aspiring (local) homeowners. Moreover, it is also affecting the rental segment (which is a critical source of housing for low-income local households and new settlers), evidenced by a resident vacancy rate of just 0.1% for the postcode of 2627 in early 2022.

Another issue the proposed development seeks to target is the mismatch between housing stock and requirements. Existing housing stock is dominated by detached or separate dwellings, which is not congruent with prevailing the main socio-demographic sources of growth, being residents aged 65 years and above, and smaller household typologies i.e. lone person and family couple with no children.

The ramifications from a housing shortage and demand/supply mismatch are pronounced as it directly affects the stability and performance of the local economy – failure to generate more housing is anticipated to result in an outflow of working adults to other towns (regional and metropolitan). The resultant reduction in labour supply, will impair the operating and earning capacity of businesses, and ultimately compromise the tourism sector.

It is envisaged that the proposed development will assist via the provision of more housing, which will assist in resolving the apparent shortage. The development also intends to provide a variety of lot size configurations and housing typologies, which could incorporate a mix of attached or medium density dwellings in and around the local activity hub i.e. proximate to retail, local service provision and other amenities.

### Alleviate housing affordability pressures

Affordability has emerged as a major impediment in the local housing market.

House price levels are elevated and restricting aspiring homeowners from entering the market. According to CoreLogic, the median house price in Jindabyne and East Jindabyne was \$1,220,000 and \$1,465,000 respectively (as at November 2021), which is on-par with Sydney (\$1,360,543).

Notably, when wages are considered, the housing affordability constraint in Jindabyne and East Jindabyne appears more pronounced. Based on the Corelogic house price and ATO wages data, the median house to income multiple in Jindabyne and East Jindabyne is 15.4 and 18.5 times respectively, compared to just 6.8, 6.2, 7.8 and 7.6 times in Bathurst, Wagga Wagga, Orange and Nowra respectively (as presented in the next table).

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### Median House Price to Household Income Multiple – Selected Regional Locations (November 2021)

Postcode	Median house price	Est. household income*	Multiple
<b>Jindabyne (2627)</b>	\$1,220,000	\$79,167.97	<b>15.4</b>
<b>East Jindabyne (2627)</b>	\$1,465,000	\$79,167.97	<b>18.5</b>
Nowra (2541)	\$550,000	\$72,467.96	7.6
Orange (2800)	\$586,000	\$74,812.61	7.8
Wagga Wagga (2650)	\$485,000	\$77,606.90	6.2
Bathurst (2795)	\$540,000	\$78,951.78	6.8

\* Household income derived using average number of workers per household

Source: CoreLogic; ATO Data; ABS; Arbor Advisory

A more granular examination which considers the relative wages of main employing industries in the Snowy Mountains Regional LGA suggests homeownership is in fact a more difficult proposition than first considered. A large portion of resident workers in the LGA are engaged in Accommodation & Food Services, Arts and Recreational Services and Retail Trade which are generally the lowest paying industries in Australia.

Another major concern is the rate at which house prices have appreciated recently, which has accentuated the affordability predicament. It is evident that rampant house price growth in Jindabyne and East Jindabyne (37% and 35% respectively over the two years to November 2021) has put home ownership beyond the reach of many local prospective buyers. Moreover, it is unlikely to be rectified by income growth, which over the past three years has been negligible in Australia, rising by less than 2.0% per annum.

The proposed development presents as an opportunity to deliver much needed housing supply and diversity. It is anticipated that the price point of residential lots will be lower than for comparable development in Jindabyne or East Jindabyne due to the following reasons:

- At \$770,000 (as November 2021), the median house price in Kalkite is materially lower than Jindabyne (\$1,220,000) and East Jindabyne (\$1,465,000);
- Owing to its rural zoning, the base price of raw land at Kalkite is lower than in Jindabyne and East Jindabyne, which increases the probability of feasible development;
- Ownership is consolidated which provides time and cost efficiencies. The act of consolidating properties usually attracts a premium on the price (of land), which can compromise the feasibility of the underlying development;
- The owner intends on delivering the development, which presents significant cost efficiencies (for the owner and planning authorities), as each subsequent purchaser (or developer) would seek a profit on the initial land acquisition;
- The supply of multiple lots in release stages will provide prospective buyers (including locals) with the best opportunity to secure a residence in Kalkite given that the opportunity to acquire dwellings has been historically constrained – there have just been 20 dwelling sales in CY 2021 to date; and
- The proposed development intends to incorporate a variety of lot sizes and potentially, housing typologies in pursuit of relative affordability.

From a feasibility standpoint, the certainty around delivery of the proposed development is significantly higher than for an equivalent development in Jindabyne or East Jindabyne. Even for high density development, these established markets require a significant uplift in the planning controls (and therefore land value) to incentivise developers and owners to interact.

Notable, the provision of more and smaller dwellings has not yielded a conclusive solution to date. For example, the Highview Estate in Jindabyne entails some medium density dwellings, however the price of these properties is comparable to the price for established dwellings in Jindabyne (and closer to the town centre). This is because the



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price of land in Jindabyne is higher owing to its location. In contrast, the proposed development will be developing on land with a significantly lower cost base, which should assist in achieving relative affordable housing outcomes.

### Provide convenience retailing and service provision for current and future residents and visitors

The proposed development seeks to incorporate non-residential floorspace capacity in the estate, which can be utilised to accommodate convenience retailing and local service provision for the existing and future residents, visitors and workers of Kalkite.

At present, residents of Kalkite travel vast distances for basic goods and services. As presented in the next table, residents travel between 13-20km for all their basic retail goods and services. Bulky goods and durable items (e.g. white goods, appliances and motor vehicles) are purchased either at Cooma (approximately 55km from the subject property) or Canberra (approximately 170km from the subject property). The main concern relates to day-to-day retail needs, as residents and visitors are currently forced to navigate vast distances along roads which are not sealed or well-lit and can be very challenging late at night or when weather conditions are adverse. The proposed development seeks to address this issue by providing proximate convenience retailing.

### Distance Travelled by Residents for Retail and Services - Kalkite

Land use	Location description	Approx. distance from subject property (km)
Convenience retailing	Mobile Service Centre (Kosciuszko Rd) Jindabyne (Friendly Grocer, Woolworths)	13km 20km
Groceries and supermarket	Friendly Grocer Woolworths (Nuggets Crossing Centre)	20km 20km
Food catering (café, restaurant)	Predominantly Jindabyne Town Centre including ad hoc cafes and restaurants, RSL, with some immediate café provision available at Mobil Service Centre, as well as in Jindabyne Town Centre (Gippsland Street)	15-20km
Medical, health and allied services	Snowy River Health Centre which is located at Jindabyne Town Centre on Thredbo Terrace	20km
Other (apparel, equipment, hardware)	Either Jindabyne or Cooma	20km and 55km respectively
Fuel and automotive Services	Mobile Service Centre or Jindabyne	13km and 20km respectively
Bulky goods and other durable items	Either from Cooma or Canberra	55km and 170km respectively

Source: CoreLogic; Google Maps; ABS; Arbor Advisory

A benchmark model that relies on the ostensible relationship between population change and demand has been utilised to quantify floorspace demand. This estimated requirement represents *additional* demand from Hilldowns Estate, as well as other anticipated developments in and around Kalkite. A share of this new demand will be realised by new retail and commercial provision at Kalkite, while the remainder will be absorbed by existing provision in Jindabyne and other towns and centre. In all, the proposed development will add to and not detract from existing retail and commercial provision, as future residents will still need to visit Jindabyne for the majority of their grocery requirements, but also to purchase specialty items and services such as sports apparel, fresh meat, poultry and seafood, dry cleaning, etc.

In all, the specific land uses suggested for the non-residential floorspace in the proposed redevelopment include convenience retail (including some local services such as Australia Post or NSW Lotteries), food catering, primary health services and tourist-related commercial services hub. These recommendations considered:

- The market appropriateness or credentials of the specific land use
- Degree of competition in the marketplace

## Hilldowns Estate – Economic Impact Assessment

- Consumer behaviour patterns i.e. propensity to travel
- Observed mix of retail/commercial provision at other popular regional tourist destinations
- Required features and traits for these businesses to successfully operate

In all, it is estimated the future Kalkite will support approximately 2,700-3,000m<sup>2</sup> of retail and commercial floorspace at the proposed development. The recommended land use mix and floorspace allocations are presented in the next table.

### Proposed Floorspace Allocation by Retail and Service Land Use Type - Kalkite

Land use	Stage 1	Remainder*
Convenience retail	650 - 750	1,500 – 1,600
Food catering	200 - 300	400 - 450
Primary or Allied Health Centre	150 - 200	200 - 250
Specialty	100 - 150	450 - 500
Services, tourism and information centre	150 - 200	150 - 200
Total	1,250-1,600	2,700-3,000

\* Accumulated outcome i.e. includes Stage 1 allocation

Source: Arbor Advisory

The delivery of non-residential floorspace will be staged over time. It is estimated that the full quantum be delivered over a 10 to 15-year timeline, as surrounding development and new short-term accommodation facilities are completed. The proposed stages or sequencing of the non-residential component includes the initial delivery of 1,250-1,600m<sup>2</sup> of non-residential floorspace in conjunction with the proposed development, and the remainder as other nearby developments are completed, and demand thresholds are met.

### JUSTIFICATION STATEMENT

The proposed development represents an opportunity to address some of the pressing issues and challenges being faced in the Snowy Mountain region. Specific issues include:

- Housing affordability at critical levels resulting in significant dwelling price growth, which has 'priced out' many aspiring homeowners from the local housing market;
- The combination of a dwelling shortage and weak housing additions undermining population;
- Mismatch between housing supply and the demand profile;

The proposed development intends to address or mitigate these constraints and issues by:

- Play an important support role to assist the Snowy Mountains region achieve its function as the primary economic and tourism anchor for the region;
- Delivering more housing to alleviate affordability constraints and shortages;
- Improving housing choice and diversity by providing a range of lot sizes and housing options;
- Providing additional long-term rental housing for permanent residents and workers;
- Accentuate tourism by facilitating alternative recreational activities or events outside of peak season;
- Providing overflow or additional tourist and worker accommodation capacity during the high season;
- Activating the lake and its foreshore through enabling infrastructure and better connectivity and access;
- Serve as a catalyst for additional investment in Kalkite and broader region;
- Enhancing the economic resilience of Kalkite by accommodating jobs in non-core industries such as retail, commercial, health and other services;
- Providing convenience retail and service provision for current and future residents and visitors; and
- Leveraging on Kalkite's established agriculture, arts and food industry base.

If left unaddressed, the ramifications from these constraints are expected to be pronounced and will be felt across the broader economy and importantly, the tourism sector. As such, the case for change and the delivery of the proposed development is compelling.

### INTRODUCTION

Arbor Advisory has been commissioned to prepare an Economic Impact Assessment to support a planning proposal for the Hilldowns Estate redevelopment. The objective of this report is to present the rationale supporting the planning proposal from an economic and market-related perspective.

#### Report sections

The report encompasses the following sections:

- Section 1: Subject Property and Hilldowns Estate Overview
- Section 2: Literature Review
- Section 3: Housing and Demographic Overview
- Section 4: The Case for Change
- Section 5: Justification Statement
- Appendix Item 1: Exemplar Analysis

#### Data sources

Australian Bureau of Statistics  
Census 2006, 2011 and 2016  
Department of Planning, Infrastructure and Environment  
CoreLogic  
Domain  
Realestate.com.au  
Stayz  
Airbnb  
Satellite Pro  
Six Map (NSW Government)  
Google Maps

This section entails an overview on the subject property, as well as an outline of the Hilddowns Masterplan and its key features and attributes.

Situated in the Snowy Monaro Regional LGA, the subject property is in the township of Kalkite, which is approximately 170km south of Canberra and 450km south of Sydney (driving distances).

## A detailed map of New South Wales, Australia, showing major roads, towns, and national parks. A red pin marks Jindabyne, located south of Canberra and west of the Snowy Mountains Highway. The map includes labels for Sydney, Wollongong, Canberra, and various national parks like Blue Mountains, Namadgi, and Kosciuszko.

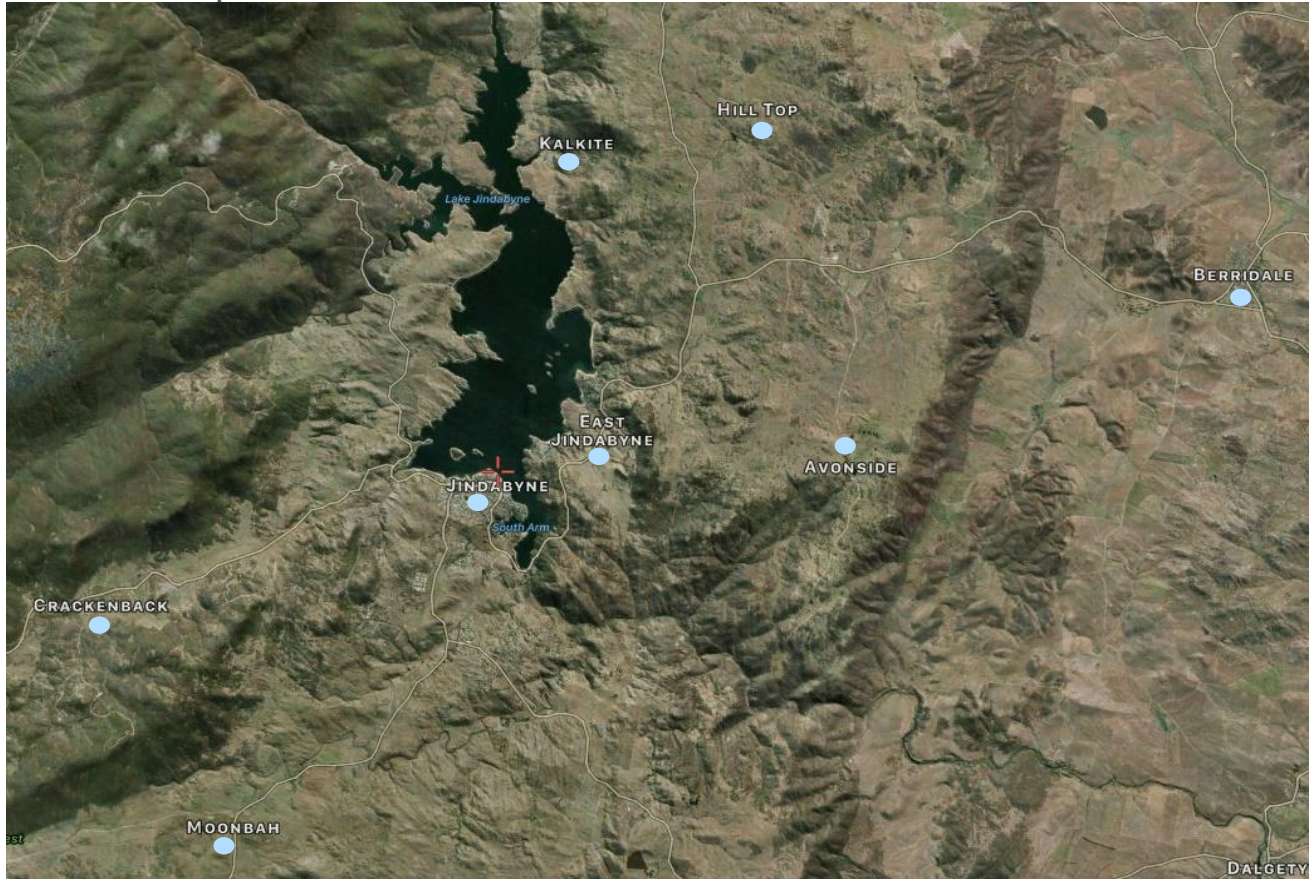
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The nearest urban settlement is East Jindabyne, being situated 6km south of Kalkite (straight-line distance). The other major centres of Jindabyne and Cooma are located approximately 18km and 55km respectively from Kalkite (by vehicle). A connection to these centres is achieved via Kalkite Road and Kosciuszko Road, which are the main east-west arterial roads for this region.

### Local Context Map



Source: Satellites Pro

In all, the subject property is strategically located to benefit from relocation, visitation and investment from Sydney and Canberra, as well as from an active and established tourism sector in the Snowy Mountains Alpine region.

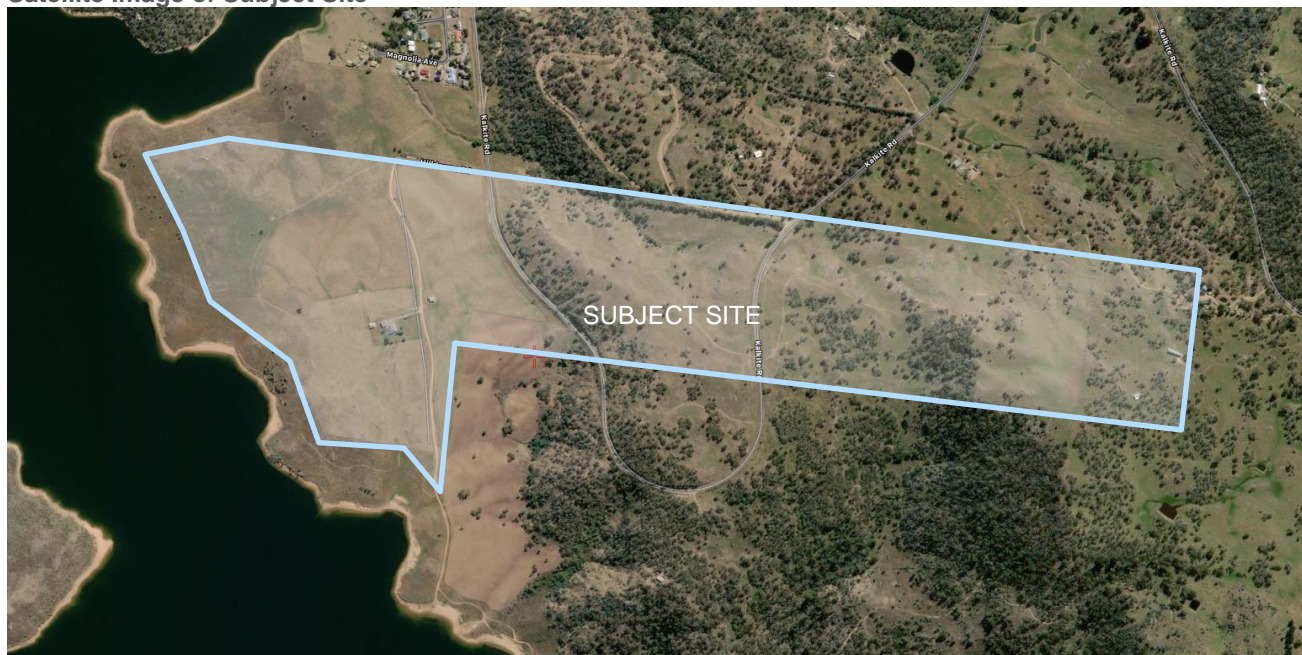
### 1.2 Subject site particulars

The subject property has a street address of 56 Hilldowns Road, Kalkite NSW 2627 which spans across two separate lots, being Lot 190 DP 756727 and Lot 5 DP 529579. It encompasses approximately 77 hectares of land, which is equivalent to the land mass of Sydney CBD. It is in close proximity to the existing Kalkite township. The western perimeter of the site abuts the foreshore of Lake Jindabyne.

Other key features pertaining to the subject property include:

- Current improvements include a detached homestead/residence, garage and several working sheds;
- Access to the site is achieved from Kosciuszko Road via Kalkite Road and Hilldowns Road; and
- The subject property is set in pristine natural setting, with sloping escarpment from the East towards Lake Jindabyne (which creates the vistas).

Satellite Image of Subject Site

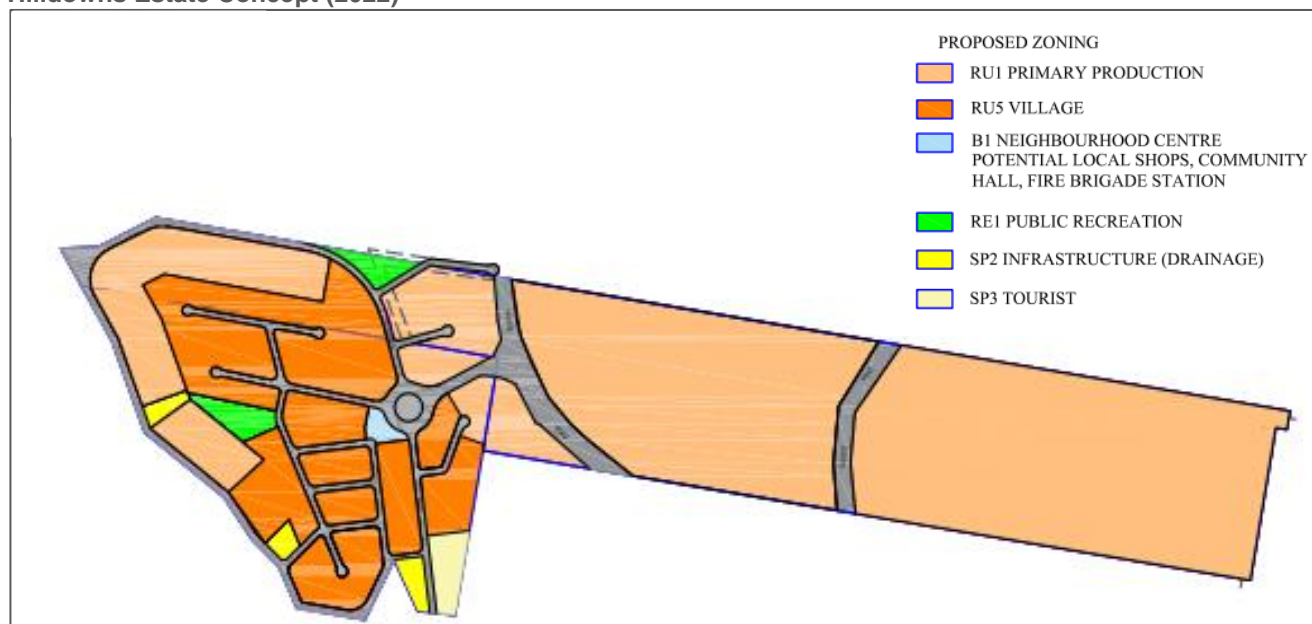


Source: Satellites Pro

## 1.3 Hilldowns Estate Proposed Development

While just a concept and subject to variation, the scheme below includes a combination of rural, business, environmental and special infrastructure land use zones. The intention of this scheme (which is subject to change) is to deliver a combination of market-appropriate and complementary residential and non-residential land uses, new local roadways, lake-enabling infrastructure, public access links, community/social facilities and active public space. The focal point of the new township is the Main Street and Hilldowns Road intersection and adjoining new community hub. In all, the intended objective is to deliver an interconnected, market-relevant and functioning new estate.

Hilldowns Estate Concept (2022)



Source: United Surveyors



## Hilldowns Estate – Economic Impact Assessment

While subject to change, the proposed Hilldowns Estate development is intended to deliver a variety of residential lots sizes (range in size from range 600m<sup>2</sup> to in excess of 3,000m<sup>2</sup>) and potentially, a mix of housing typologies. The current scheme (which is in concept form only), also allows for approximately 3,000m<sup>2</sup> of non-residential floorspace capacity in a consolidated hub, which will be delivered over time.

### Development Yield (approximate) – Hilldowns Estate (Indicative Concept Only)

	Value
<b>Residential (no.)</b>	
Standard lots	
(600-700m <sup>2</sup> )	87
(701-850m <sup>2</sup> )	15
Medium lots	
(851-1,000m <sup>2</sup> )	4
(1,001-1,500m <sup>2</sup> )	49
Large lots (1,501-3,000m <sup>2</sup> )	54
Rural lots (+3,001m <sup>2</sup> )	5
<b>Total residential (lots)</b>	<b>214</b>
<b>Non-residential floorspace (m<sup>2</sup>)</b>	<b>3,000m<sup>2</sup></b>

Source: United Surveyors, Gyde Consulting

## SECTION 2: LITERATURE REVIEW

This section comprises a literature review of the housing and economic studies prepared for the Go Jindabyne Masterplan and the Snowy Mountains Special Activation Precinct. This review has focused on the trends, findings and recommendations relevant to the Hilldowns Estate and this assessment.

### 2.1 Snow Mountains Special Activation Precinct

#### 2.1.2 Housing and Accommodation Study (April 2021)

A Housing and Accommodation Study was prepared by Ethos Urban to inform the Snowy Mountains Special Activation Precinct from a market perspective. The overarching objective of the study was to:

- Establish current and prevailing housing supply and market context;
- Identify potential constraints and opportunities to inform the future housing solution;
- Predict and assess future demand and sources of supply for new dwellings and accommodation; and
- Provide a new housing supply solution for the Snowy Mountains SAP to meet the future housing requirements of permanent residents, visitors and seasonal workers.

Key trends, constraints and opportunities in the local housing market include:

- Housing and accommodation for tourists is the dominant influence on the local housing market;
- Sustained period of weak housing supply and negligible population growth (permanent resident)
- Lack of housing diversity and subsequent mismatch between permanent household profile and housing stock e.g. low supply of one and two-bedroom dwellings despite high representation amongst lone person households in selected townships i.e. Kalkite, Numbla Vale and Jindabyne;
- A deterioration in housing affordability pushing home ownership beyond the reach of locals;
- Significant potential supply identified at the periphery of urban fringe of existing centres and townships;
- Combination of low income earning capacity and rising house costs for renters and owner-occupiers resulting in elevated levels of housing stress; and
- Limited opportunity for permanent renters as investment stock is set aside exclusively for seasonal rentals.

The proposed solution involves the rezoning of land to enable a combination of densification (infill), greenfield and rural residential development. Based on population projections prepared by The Centre for International Economics (October 2020), Ethos Urban estimated 1,868 new dwellings will be required for the study area by 2061. The projected outcome was derived having regard for projected growth amongst permanent residents, visitors and temporary workers, standardised by housing preferences and formation tendencies. As such, the recommended development format is as below:

- Up to 40% infill development (747 dwellings);
- At least 50% greenfield development (934 dwellings); and
- Up to 10% rural residential development (187 dwellings).

Other recommendations suggested by Ethos Urban include:

- Incentivise urban renewal in Jindabyne (the majority of rezoning in Jindabyne);
- Greenfield development earmarked mainly for Jindabyne and East Jindabyne;
- Rural development to occur beyond the urban fringes of Jindabyne and East Jindabyne, but not at any specific location or township;
- Promote housing diversity through appropriate planning controls;
- Provide more purpose-built facilities for seniors; and
- Provide places and spaces to encourage Return to Country.

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### 2.2 Go Jindabyne Masterplan Technical Studies

#### 2.2.1 Housing Study

A Housing and Demographic Study was prepared by City Plan Strategy and Development in collaboration with Alpha Demographics and EMAP Consulting for the Go Jindabyne Masterplan.

The objective of this study was to:

- Provide a clear understanding of Jindabyne's current housing situation
- Review competing interests between permanent residents, casual workers and short-term visitors for housing
- Identify the catalyst sites aimed at addressing housing needs and improving choice within the study area

Some of the key settlement and socio-demographic trends influencing housing needs in the region include:

- Low population growth in the Snowy Monaro Regional LGA
- Disproportionate local growth distribution – considerable growth registered outside established centres in surrounding townships and villages (which is considered as important for determining future dwelling demand)
- High proportion of unoccupied and non-private dwellings
- Overseas migration the largest contributor to population growth in Jindabyne
- Outright loss in interstate and intra-state migration for Jindabyne
- Young households representing the most mobile group
- Significant surge in peak season visitation, despite a reduction in day trippers from peak levels
- Substantial rise in international visitation, with stay durations averaging 14 nights
- Significant representation amongst workers who usually reside outside the region

The key issues identified and considered relevant to the Hilldowns Estate include:

- Conflict between residential, key workers and visitor for accommodation in Jindabyne
- Insufficient housing diversity in established townships, in particular higher density formats such as apartments and townhouses
- Lack of housing capacity in Jindabyne to accommodate visitors during peak season
- High construction costs and constrained financing have impeded new housing development in Jindabyne
- Current development controls are considered unfeasible, which has prohibited urban renewal
- Low levels of senior and social housing
- Market dynamics favouring investors of seasonal rentals over owner-occupiers and long-term rental investors
- Limited services in Jindabyne - additional services provided at Cooma (45-minute drive) and higher-order medical, educational, shopping and entertainment services at Canberra (2+ hour drive).

To address the deficiencies and issues identified, the following recommendations were made:

- Amend current planning controls to:
  - Facilitate feasible development
  - Enhance urban renewal in infill locations
  - Encourage delivery of a range of housing typologies
  - Foster provision of medium density development in centres
  - Deliver for more accommodation for permanent workers and residents, but also alleviate shortages during peak season visitation
- Balance development with protection of Jindabyne's unique scenic rural character by:
  - Retain the scenic quality of Lake Jindabyne and surrounding area
  - Retain the rural quality of Jindabyne
- Encourage and facilitate shoulder and non-peak seasonal tourism
- Provide incentives to encourage additional seniors housing in appropriate locations
- Enhance local service provision in Jindabyne and surrounds to reduce outflows to other destinations offering higher-order retail, education, health and entertainment services.

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The attributes and features the proposed Hilldowns Estate, as well as its consolidated ownership structure means it is well positioned to assist in addressing and alleviating some of the issues and constraints identified in the housing and demographic study for the Go Jindabyne Masterplan.

### 2.2.1 Economic Study

In July 2019, Hill PDA prepared an Economic Development Study to inform the Go Jindabyne 2036 Masterplan.

The objective of the review was to ascertain an understanding of the role and function of Jindabyne from a local, state, national and international perspective, and moreover, evaluate against international trends and submarkets to determine the town's ability to respond to current, impending and potential opportunities.

The key trends identified in the study include:

- Significant increase in the worker population
- Sharp rise in part-time employment
- With an industry profile dominated by accommodation and food services, arts and recreational services and rental, hiring and real estate services, Jindabyne's economic profile is akin to a tourist destination
- Significant under-representation in traditional and non-tourism industries and sectors
- The population of Jindabyne is subject to significant fluctuation owing to seasonal visitation
- At peak (September), the number of visitors is 2-3 times larger than the permanent resident population
- The main reason for visitation is skiing (46%), with fishing the next most frequent at just 4%
- Lack of affordable accommodation has resulted in a worker shortfall
- Little in way of new retail, commercial and industrial development in the pipeline, with the majority of activity being refurbishment and renovations

The study identified the following key issues and challenges affecting the region and specifically Jindabyne:

- Insufficient housing for worker, permanent residents and visitors (coercing deteriorating housing affordability)
- Heavy dependence on the Alpine Season, with minimal activation and visitation outside peak season
- Too many plans and not enough implementation (the need to focus and deliver)
- Sub-standard marketing and promotion of the green season
- Better promotion of other industries, services and experiences during the Alpine season (in addition to skiing)
- Not capitalising on other natural features such as Lake Jindabyne, bike trails and natural terrain
- Lack of public transport provision (highly car dependent)
- Lack of plan in preparation for climate change

In response to the findings which included exemplar and empirical research on major global tourist destinations, the following recommendations were put forward:

- Establish Jindabyne's Urban Identity by promoting its art, history and food products
- Introduction of luxury short-term accommodation to augment the image of Jindabyne as a premiere Alpine destination in Australia
- Promote local town provision and services to increase awareness and limit escape expenditure
- Better utilising Lake Jindabyne as a recreational asset and in turn, diversifying the experience tourism base in Jindabyne
- Invest in the public realm and entice more foreshore activity (additional lifestyle, retail and commercial service provision)
- Increased marketing and promotion of the area i.e. promote out-of-season experience and adventure tourism
- Enhanced transport links

The Hilldowns Masterplan seeks to address some of the recommendations presented in the Economic Development Study by delivering lake-enabling infrastructure which will better utilise the lake and enhance out-of-season visitation, invest in the public realm and foreshore activation and enhancement of transport links and access.

## SECTION 3: HOUSING AND DEMOGRAPHIC OVERVIEW

This section entails an overview on the socio-demographic attributes and local housing market drivers, trends and conditions relevant to Kalkite (State Suburb) and major centres of Jindabyne (Urban Centre and Locality) and East Jindabyne (Urban Centre and Locality). The objective of the overview is to establish market context, which in turn will inform the proceeding justification section.

### 3.1 Housing related

The next table presents the housing indicators referred to in this sub-section.

**Housing Indicators – Kalkite, Jindabyne and East Jindabyne**

	Kalkite	Jindabyne	East Jindabyne
<b>Private dwelling stock (2016)</b>			
Number	123	1,147	266
Occupied (%)	62.6%	56.3%	77.1%
Unoccupied (%)	37.4%	43.7%	22.9%
<b>Housing typology (2016)*</b>			
Detached or separate houses	96.1%	42.1%	90.7%
Other incl. t/houses, units, etc.	3.9%	57.9%	9.3%
<b>Tenure arrangement (2016)*</b>			
Owned outright	34.7%	22.0%	32.2%
Owned with mortgage	40.0%	26.6%	42.0%
Renting	20.0%	45.0%	21.5%
Other or not stated	5.3%	6.4%	4.3%
Total	100.0%	100.0%	100.0%
Dwelling additions (no)* (2006-2016)	17	177	73
Median house price (\$) (Nov-21)	\$710,000	\$1,220,000	\$1,465,000
Price growth (% p.a.) (2019-2021)	29%	37%	35%

Source: Census 2016; realestate.com.au; domain.com.au; CoreLogic

\* Count of occupied private dwellings

#### 3.1.1 Stock of private dwellings

The State Suburb of Kalkite is a rural community characterised by a combination of large-lot rural and standard lot housing provision. The resident population of approximately 211 persons is accommodated by a housing stock of just 123 private dwellings.

Jindabyne is the major activity node for this region. With a resident population of 1,777 (accommodated across 646 private occupied dwellings), it is substantially larger than Kalkite. According to The Centre for International Economics, the seasonal population influx results in a population increase of 16,216 overnight visitors at any one night during peak season (i.e. August). Jindabyne encompasses the majority of the region's social, retail and commercial infrastructure. With 619 permanent residents and 205 private occupied dwellings, East Jindabyne is also larger than Kalkite, however, substantially smaller than Jindabyne.

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### 3.1.2 Occupation status

Synonymous with seasonal housing markets, the proportion of unoccupied dwellings is high across all three sub-markets. It is estimated just over one-third of dwellings in Kalkite were unoccupied, while 43.7% and 22.9% of dwellings in Jindabyne and East Jindabyne respectively were also unoccupied on Census 2016 evening. In all, the three suburbs exhibit a considerably higher ratio of unoccupied dwellings relative to the state average, which was 9.9% as at Census 2016.

### 3.1.3 Tenure arrangement

Of private occupied dwellings in Kalkite, approximately 75% were occupied by owners, 20% by renting households and 5% under an alternative tenure arrangement or not stated (likely to be an anomaly of the survey). The proportion of owner-occupiers in Jindabyne is significant lower relative to Kalkite, owing to higher rates of investor ownership – 45% of dwellings are occupied by renters in Jindabyne compared to just 20% in Kalkite and 21.5% in East Jindabyne.

### 3.1.4 Typology mix

The dominant housing typology in the region is detached or separate houses. Of the three sub-markets, the share of detached housing is most pronounced in Kalkite (96.1%), followed by East Jindabyne (90.7%) and then Jindabyne (42.1%).

According to Census 2016 data, Jindabyne accounts for the majority of medium and high-density housing in the region, with 57.9% of its housing stock in the form of a townhouse, villa, duplex or apartment. Jindabyne has remained as the epicentre for medium density housing in the region, owing to the delivery of new stock in the Highview Estate development.

Overall, East Jindabyne resides in the middle of the sub-markets from a medium density dwelling perspective, with a higher presence relative to Kalkite but less than Jindabyne. Over the past decade, there has been some medium density development in East Jindabyne, but not to the same extent as Jindabyne.

### 3.1.5 Median price

Jindabyne is by far the most expensive sub-market of the three, followed by East Jindabyne and then Kalkite. According to CoreLogic data, the median house price in Jindabyne, East Jindabyne and Kalkite is \$1,220,000, \$1,465,000 and \$710,000 respectively (November 2021). For permanent residents who are sensitive to affordability, Kalkite presents as the optimal choice – the trade-off is not being proximate to retail and other amenities.

Notably, the median price indicator for Kalkite is the least reliable, owing to extremely low turnover rates and significant variation in land size. A review of transaction data since August 2021 suggests sale prices for houses have typically exceeded \$885,000 (sample presented in the next table), which is markedly higher than the CoreLogic median price.

#### Sample of Recent Property Sales in Kalkite (since July 2021)

Date	Address	Price (\$)	Dwelling type & land area	Bed, bath & car spaces
Dec 2021	3 Nemesia Court	\$920,000	House, 810m <sup>2</sup>	4,1,2
Dec 2021	2/13 Magnolia Avenue	\$587,500	Townhouse	3,2,2
Oct 2021	3 Lantana Drive	\$405,000	Vacant land 861m <sup>2</sup>	n/a
Aug 2021	17 Magnolia Avenue	\$885,000	House 1,015m <sup>2</sup>	6,2,4
Jul 2021	50 Lotus Avenue	\$892,000	House 1,004m <sup>2</sup>	4,3,3
Jul 2021	32 Lotus Avenue	\$670,000	House 957m <sup>2</sup>	4,2,1
Jul 2021	1/13 Magnolia Avenue	\$675,500	Townhouse	3,3,3

Source: [domain.com.au](http://domain.com.au); [realestate.com.au](http://realestate.com.au)



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It must also be noted that each market is quite unique and therefore subject to different drivers and price pressures. For example, strong demand from investors has underpinned higher price points in Jindabyne; it is favoured by this group as it is closer to the snowfields, but also possesses the most social, retail and commercial infrastructure within the region. Also, the impact from planning controls and locational attributes/amenities (i.e. vistas and proximity to foreshore) is also significant.

Overall, price growth has been insatiable in this region. According to CoreLogic data, median house prices in Kalkite, Jindabyne and East Jindabyne have appreciated by 29%, 37% and 35% per annum respectively over the two years to November 2021. Feedback from local agents suggest the real rate of growth is closer to 40%, which is strong by historical standards.

### 3.1.6 Housing additions

Housing additions have been minimal across all three sub-markets, with just 267 dwelling stock additions over the decade to 2016. During this period, Jindabyne accounted for over two-thirds of the expansion, and East Jindabyne 27%. In all, the dwelling stock Kalkite increased by just 17 dwellings during this period.

### 3.2 Socio-demographic profile

The next table presents the socio-demographic indicators referred to in 3.2.1 to 3.2.3.

**Selected Socio-Demographic Indicators – Kalkite, Jindabyne and East Jindabyne**

	Kalkite	Jindabyne	East Jindabyne
<b>Population (no.)</b>			
2006	167	1,280	368
2016	211	1,777	619
Δ (2006-2016)	44	497	251
<b>Age composition (2016) %</b>			
0-14	17%	14%	21%
15-19	6%	6%	5%
20-34	14%	34%	15%
35-49	18%	20%	24%
50-64	21%	18%	23%
65-84	24%	9%	9%
85+	0%	1%	2%
Median age (2016), years	44	32	42
<b>Household composition (2016) %</b>			
Couple family with no children	37%	24%	28%
Couple family with children	32%	20%	37%
One-parent family	10%	9%	10%
Other family	0%	1%	0%
Lone person household	16%	33%	21%
Group household	5%	13%	5%

Source: Census 2016

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### 3.2.1 Population

Of the three sub-markets, Jindabyne possesses the largest resident population base (1,777 persons as at 2016), followed by East Jindabyne (619 persons). With just 211 persons, the resident population in Kalkite is minute in comparison.

Jindabyne also accommodates the majority of short-term visitors and workers during peak season. However, the introduction of Airbnb would have changed this dynamic, as some seasonal workers and visitors would opt for alternative locations for reasons including and not limited to price, availability, desire for tranquillity, etc.

Population growth was negligible across all three submarkets, with the resident population expanding by just 792 persons over the decade to 2016. This weak rate of growth is attributed to limited dwelling additions over the same period. Population growth was mainly confined to Jindabyne and East Jindabyne (94.4% of total change).

### 3.2.2 Age distribution

Collectively across the three sub-markets, the dominant age cohort was 20-34 years (28%), followed by 35-49 years (21%) and 50-64 years (19%). This outcome was influenced by Jindabyne; working adults (20-49 years) comprised 54% of Jindabyne's population, compared to just 32% and 39% in Kalkite and East Jindabyne respectively. Accordingly, the number of dependent children (i.e. below 19 years) was also high in Jindabyne, exhibiting a connection between age profile and higher incidence of couple or family households with dependent children.

It is evident that there is a skew to older age cohorts in Kalkite, with those aged 50 years and above comprising 45% of total population (in comparison, the proportion in Jindabyne and East Jindabyne was 28% and 34% respectively in 2016). To an extent, this is confirmed by Census 2016 median age data – with a median age of 44 years, Kalkite has the oldest age profile, followed by East Jindabyne (42 years) and Jindabyne (32 years). The ageing demographic dynamic in Kalkite is anticipated to have implications on housing preferences, needs and demand in the future.

Of importance, is the rate of growth amongst cohorts. Collectively across the three submarkets, the rate of growth was highest amongst older cohorts, with the increase in persons aged 50 years and above accounting for the majority of total population change between 2006 and 2016. This is consistent with the broader ageing demographic trend throughout Australia. Moreover, it is anticipated that growth in this cohort would have accelerated post 2016, given the large outflow of senior households from capital cities in search of lifestyle changes (sea and tree change). Notably, gains in the senior cohorts mitigated an outright reduction (-142 persons between 2006-2016) in the number of working adults (35-49 years) and dependent children (0-14 years) in the region – most likely due to a pronounced deterioration in housing affordability and weak jobs growth.

### 3.2.3 Household composition

Census 2016 data indicates lone person households is the dominant household structure in the region (29%), followed closely by family couple without and with children (26% and 25%) respectively. Collectively, smaller household types (i.e. lone person, couple family with no children and one-parent households) accounted for 63%, 66% and 58% of the total households in Kalkite, Jindabyne and East Jindabyne respectively. Notably, the higher proportion of smaller household types in this region is indicative of an ageing population.

The change in household composition is important, as it provides insight into prevailing and future housing requirements. Across the sub-region, the number of households expanded, with the majority occurring in Jindabyne – an expected outcome given that most of the dwelling stock additions were in Jindabyne. By household type, significant increases were registered in lone person and couple family with no children – consistent with an ageing demographic dynamic, which will have implications on housing preferences, formation rates and housing demand in the future.

### 3.2.4 Employment and mobility

Census place of work or jobs data is only available at a SA2 geography level. As such, the following analysis is based on the Jindabyne-Berridale SA2 region, which includes Jindabyne (UCL), East Jindabyne (UCL) and Kalkite (SSC).

According to Census 2016 data, the Jindabyne-Berridale SA2 accommodated 4,520 jobs. Other major employment destinations in the broader region include Cooma (3,399 jobs) and Bombala (1,029 jobs). It is apparent that some of the residents of Kalkite, Jindabyne and East Jindabyne work in Cooma.

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In the Jindabyne-Berridale SA2 region, the main employing industries were Accommodation and Food Services (1,465 jobs), Arts and Recreational Services (770 jobs) and Education and Training (328 jobs), with these three industries providing over 56% of total jobs. Barring Education and Training, the major employment industries are connected with tourism. Notably, Agriculture, Forestry and Fishing is the fifth largest employing industry in the SA2 (201 jobs).

In regional locations, self-containment tends to be higher, with fewer workers travelling beyond the LGA or even immediate suburb for work. The main workplace destination for residents in Kalkite was Jindabyne (not including those working on their place of residence).

### 3.3 Conclusion

Overall, there are some similarities and differences in the housing and socio-demographic profiles of Kalkite, Jindabyne and East Jindabyne. These include and are not limited to:

#### Housing-related

- Dwelling stock in Kalkite (123 private dwellings) is smaller relative to Jindabyne (1,147 private dwellings) and East Jindabyne (266 private dwellings);
- Housing in Kalkite is predominantly rural in nature and situated on large lot provision, as opposed to Jindabyne and East Jindabyne, which have a higher portion of standard urban housing options;
- The skew to low-density housing is most pronounced in Kalkite (96.1%), followed by East Jindabyne (90.7%). Other dwellings (medium and high-density dwellings) dominate in Jindabyne (57.9%);
- The rate of home ownership in Kalkite (74.7%) is comparable to East Jindabyne (74.2%), but higher than in Jindabyne (48.6%);
- The median house price in Kalkite (\$710,000 as at November 2021) is significantly lower than in Jindabyne and (\$1,220,000) and East Jindabyne (\$1,465,000).

#### Socio-demographic

- Smaller resident population in Kalkite (211 persons) versus 619 in East Jindabyne and 1,777 persons in Jindabyne as at Census 2016;
- Older age profile (Kalkite median age of 44 years) relative to Jindabyne (median age of 32 years), albeit comparable to East Jindabyne (median age of 42 years);
- Proportion of residents aged 50 years and above is higher in Kalkite (45%) compared to East Jindabyne (34%) and Jindabyne (28%);
- Tourist visitation is significantly lower in Kalkite and therefore subject to less fluctuation.

The point of difference offered by Kalkite (and therefore the Hilldowns Estate) is important because it can unlock new markets and segments, generate new opportunities, minimises competition within the region, reduces the risk of cannibalisation within existing markets and supports specialisation or point of advantage for the region.

The Snowy Mountains SAP is anticipated to provide a valuable source of growth and change for the region, with Kalkite or Hilldowns Estate strategically positioned to capitalise and assist Jindabyne with its intended evolution and trajectory. Through redevelopment, Hilldowns Estate could play a vital role in supporting the major urban and tourist centres in the region – in particular, providing a valuable source of affordable housing for local key workers and accommodate overflow housing requirements during the peak season (for visitors and workers).

## SECTION 4: THE CASE FOR CHANGE

This section presents a case for change. It examines the market-based rationale supporting the proposed redevelopment of Hilldowns Estate, being:

- Kalkite to play an important role/function in supporting the Snowy Mountains SAP objectives and outcomes;
- Reducing housing shortages and improving housing diversity;
- Alleviating housing affordability constraints and pressures; and
- Providing convenience retail and local services for current and future residents, workers and visitors.

### 4.1 Kalkite to play an important support role/function

The proposed development is anticipated to deliver a multitude of benefits to Kalkite and the broader Snowy Mountains region. During the construction phase, the redevelopment will underpin output, jobs and income in several industries including and not limited to professional, technical and scientific services, construction, other services, manufacturing, wholesale and transport, most of which will be realised in the Snowy Mountains region. From this initial injection, indirect benefits will flow into other sectors and industries throughout the region i.e. retail, food services, education and health. The proposed development will also underpin an operational workforce once completed, which will then generate onflow benefits to other industries and sectors throughout the broader economy. The proposed redevelopment is also anticipated to serve as a catalyst for investment in Kalkite, engage and activate the eastern foreshore of the lake, promote all-year round visitation and deliver new infrastructure capacity to the local community.

While the benefits from the proposed development are important, the main objective of the proposed development (and by extension Kalkite) is to support the broader Snowy Mountains Region (and Special Activation Precinct) in achieving its role and function as the primary economic and tourism anchor. By supporting the region, the proposed development will enable the region to capitalise on its established tourism specialisation, in turn generating employment and accommodate expenditure, which according to Tourism Research Australia data from Austrade was estimated at \$544 million in gross value add (direct and indirect), \$613 million in gross regional product (direct and indirect), 6,900 jobs (full-time equivalents) and in excess of \$1 billion in consumption in 2017-18 (the last season not impaired by the COVID pandemic).

It is envisaged that the proposed development will fulfil its intended support or ancillary role by:

- By providing a point of difference and therefore not undermining existing businesses and industry in Jindabyne and other centres in the Snowy Mountains region;
- Delivering more housing to alleviate affordability constraints and shortages in the local housing market;
- Improving housing choice and diversity by providing a range of lot sizes and housing options;
- Providing additional long-term rental housing for permanent residents and workers who prefer to rent or have been priced out from home ownership;
- Accentuate tourism by facilitating alternative recreational activities or events during the off-peak season;
- Providing overflow or additional tourist and worker accommodation capacity during the high season;
- Activating the lake and its foreshore through enabling infrastructure and better connectivity/access;
- Enhancing the economic resilience of Kalkite by potentially accommodating jobs in non-core industries such as retail, commercial, health and other services; and
- Leveraging on Kalkite's established agriculture, arts and food industry base.

In the absence of the proposed development, the implications on the local economy are anticipated to be significant. Failing to provide more affordable housing options will more likely result in an outflow or exodus of young working adults in search of a location with better priced housing and sufficient employment opportunities. The resultant reduction in labour supply in the Snowy Mountains region will then cultivate labour shortages, which will have direct and immediate implication on the operating capacity of businesses (particularly during peak season when seasonal rentals are highest), and therefore their earnings. In all, accommodation shortages for workers will limit the extent of economic benefit realised by the region.

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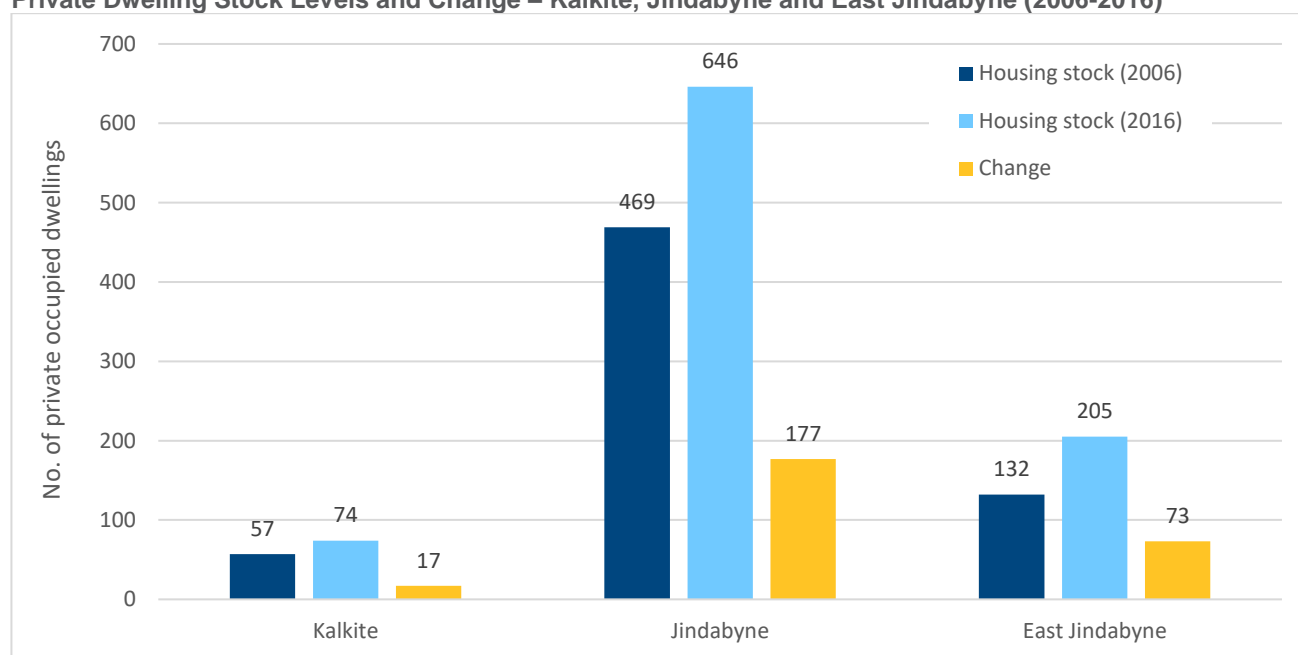
### 4.2 Reduce housing shortages and improving housing diversity

One of the core objectives of the proposed development is to alleviate some of the deficiencies and challenges faced by local residents and workers in the Jindabyne and broader Snowy Mountains region housing markets.

At present, there is a pronounced housing shortage in Jindabyne and East Jindabyne. While it is difficult to quantify the extent of the shortage as the outcome from failing to provide adequate housing is lost or forgone population growth, there are indicators or signs which suggest the presence of a potential housing shortage. In the Snowy Mountains region, the indicators observed include:

- Limited additions to housing stock – according to Census data, the count of private occupied dwellings in Jindabyne, East Jindabyne and Kalkite increased by just 267 dwellings over the ten years to 2016 i.e. 26.7 dwellings per annum only;
- Negligible population growth over an extended period of time – according to ABS data, the resident population of the Jindabyne/Berridale SA2 increased on average by just 0.6% per annum between 2010 and 2020. In comparison, the population of New South Wales expanded by 1.3% per annum (on average) over the same period; and
- Rampant dwelling price growth – according to CoreLogic median data, the median house price in Jindabyne, East Jindabyne and Kalkite appreciated by 29%, 37% and 36% respectively over the two years to November 2021.

**Private Dwelling Stock Levels and Change – Kalkite, Jindabyne and East Jindabyne (2006-2016)**



Source: Census 2006 & Census 2016

The housing shortage is adversely affecting both owner-occupiers and renting households. The housing shortage is underpinning rampant house price growth, therefore effectively 'priced-out' aspiring (local) homeowners. Moreover, it is also affecting the rental segment (which is a critical source of housing for low-income local households and new settlers), evidenced by a resident vacancy rate of just 0.1% for the postcode of 2627 as at January 2022 – notably, a low rate of vacancy has been observed since January 2018.

Housing shortages and weak population growth are expected to have ramifications on the stability and performance of the local Snowy Mountains economy. As noted in the previous section, failure to generate more housing is anticipated to result in an outflow of working residents to other towns and locations (regional and metropolitan), and therefore reduce the amount of labour supply available for local businesses. This in turn will impair the operating and earning capacity of businesses in the Snowy Mountains region, and ultimately affect the tourism sector. Any impact

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on this sector will be felt throughout the broader economy. While not covered in this EIA, there are also social implications associated with housing shortages, which can have a long-term impact on current residents, as well as future generations of local residents.

It is envisaged that the proposed development will partially address the housing shortage via the provision of more housing. There is also an intention to provide a selection of lot sizes and housing types to accommodate groups who have either been priced out of the market (i.e. aspiring homeowners), unable to find long-term rental housing (i.e. resident worker households) or require specific housing formats and types (i.e. mature or senior households).

Another issue the proposed development seeks to target is the mismatch between housing stock and requirements. The main features of existing housing provision which are not overly suitable include:

- Housing choice and diversity is limited in the Snowy Mountains SAP; a pronounced skew in detached or low-density dwellings in the region (approximately 58% of private occupied dwellings were detached or separate houses as at Census 2016) means current housing stock is not necessarily commensurate with the region's ageing demographic profile (population growth has been most pronounced amongst older age cohorts), but also the rapidly expanding number in small household typologies i.e. family couples with no children and lone person households have accounted for an increasing share of recent growth. Notably, Department of Planning, Infrastructure and Environment population by age and household projections suggest that ageing (accentuated by an outright reduction in all age cohorts with the exception of those aged 65 years and above) and growth in smaller household formats (lone person and couple only households – as per next table) will intensify over the forecast period.

### DPIE Household Projections – Snowy Monaro Regional Council (2021-2031)

	2021	2031	Change
Couple only	2,673	2,770	97
Couple with children	1,782	1,581	-201
Single-parent family	812	761	-52
Other and multiple family	149	143	-6
<b>Total family households</b>	<b>5,417</b>	<b>5,255</b>	<b>-162</b>
Lone person household	2,925	3,051	126
Group household	350	307	-44
<b>Total non-family households</b>	<b>3,276</b>	<b>3,358</b>	<b>82</b>
<b>Total households</b>	<b>8,692</b>	<b>8,613</b>	<b>-80</b>

Source: Department of Planning and Environment Projections

- The existing dwelling stock is ageing, with the majority of private dwellings built prior to 2000. As such, these dwellings may require substantial renovations and/or upgrades and are unlikely to be configured to current living standards and requirements. In addition to the significant initial entry costs when acquiring the property, the additional costs of renovations is likely to extend the cost beyond the budgets of some aspiring homeowners, particularly younger, price-sensitive households. Moreover, the need to renovate may deter senior or mature households from acquiring the property. In all, this current circumstance favours investors, who are more likely to renovate and then pursue seasonal or short-term rentals.
- While there has been a slight pick-up in housing development in Jindabyne, new dwellings (some of which take the form of medium density housing) are located at or near the urban fringe, which is not suitable for all households. For example, mature or senior households are receptive to medium density housing (i.e. smaller, low-maintenance and commensurate with specific lifestyle needs) and have the financial capacity to purchase new dwellings, however, would also have a strong preference for a location proximate to the centre, where retail, local service provision and amenities are most abundant. A considerable number of new medium density dwellings are located at the urban periphery or fringe.



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The proposed development intends to provide a variety of lot size configurations and housing typologies, potentially incorporating some attached or medium density dwellings in and around the local activity hub. Moreover, given that the subject property is smaller than the urban footprint of Jindabyne, housing is likely to be closer to retail, local service provision and other amenities, which will be attractive to some senior households. The lower cost base (discussed in detail in the next sub-section) and more affordable end price at Kalkite is likely to accommodate some households who have been 'priced out' of established housing markets in Jindabyne and East Jindabyne.

### 4.3 Alleviate housing affordability pressures

Affordability has emerged as a major impediment in the local housing market. This is evidenced by low ownership rates, with just 55% of dwellings in Jindabyne occupied by owners compared to 64.5% across New South Wales and 65.5% in Australia.

House price levels are elevated and restricting aspiring homeowners from entering the market. According to CoreLogic, the median house price in Jindabyne and East Jindabyne was \$1,220,000 and \$1,465,000 respectively (as at November 2021), which is on-par with Sydney (\$1,360,543). In all, aspiring homeowners are unable to finance at current price levels, and as such are incapable of competing against purchasers who have relocated from metropolitan housing markets or investors seeking seasonal rental stock and/or secondary dwellings. When wages are considered, the housing affordability constraint in Jindabyne and East Jindabyne appears somewhat more pronounced. Based on the Corelogic house price and ATO wages data, the median house to income multiple in Jindabyne and East Jindabyne is 15.4 and 18.5 times respectively, compared to just 6.8, 6.2, 7.8 and 7.6 times in Bathurst, Wagga Wagga, Orange and Nowra respectively (as below).

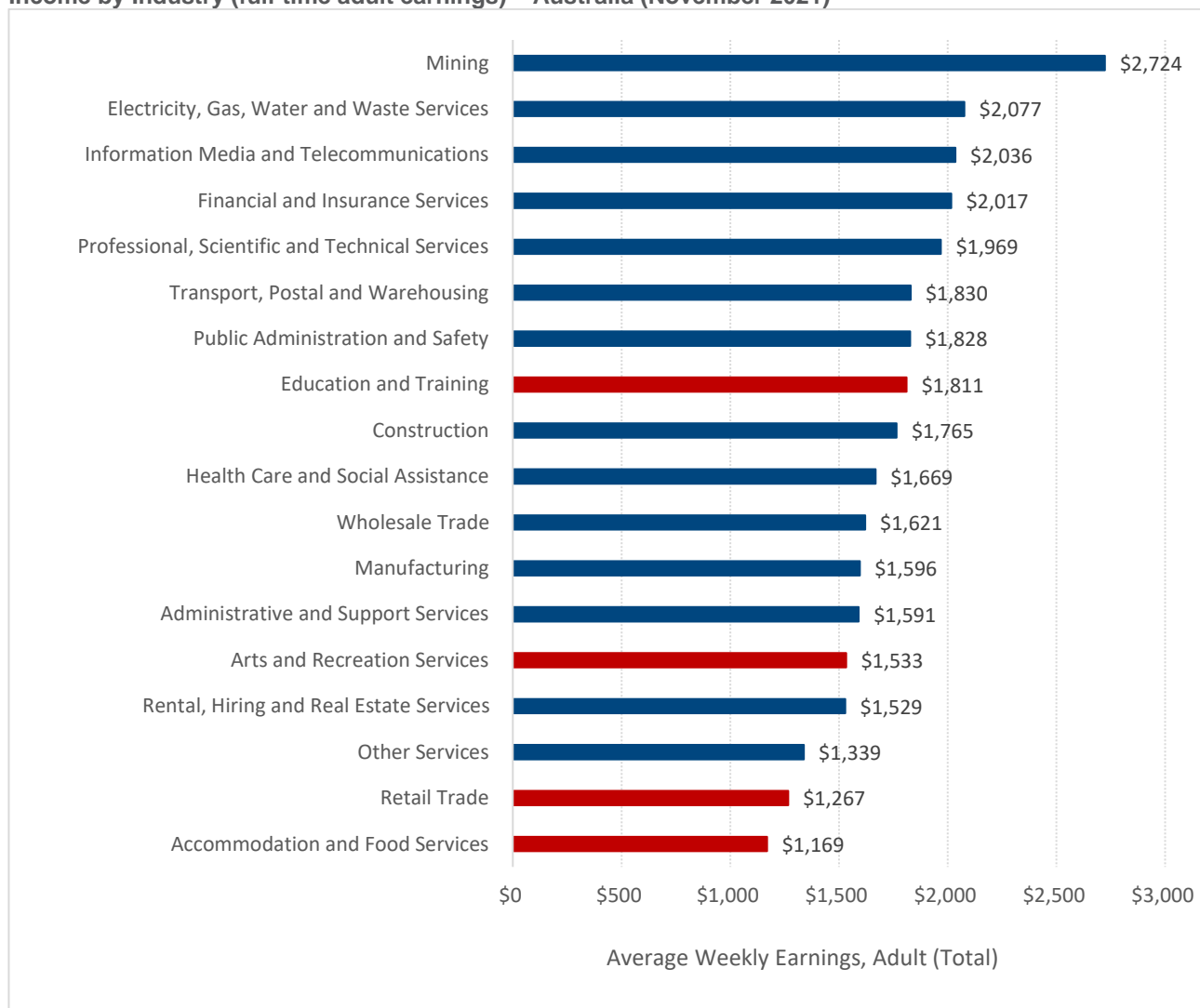
#### Median House Price to Household Income Multiple – Selected Regional Locations (November 2021)

Postcode	Median house price	Est. household income*	Multiple
<b>Jindabyne (2627)</b>	\$1,220,000	\$79,167.97	<b>15.4</b>
<b>East Jindabyne (2627)</b>	\$1,465,000	\$79,167.97	<b>18.5</b>
Nowra (2541)	\$550,000	\$72,467.96	7.6
Orange (2800)	\$586,000	\$74,812.61	7.8
Wagga Wagga (2650)	\$485,000	\$77,606.90	6.2
Bathurst (2795)	\$540,000	\$78,951.78	6.8

\* Household income derived using average number of workers per household

Source: CoreLogic; ATO Data; ABS; Arbor Advisory

A more granular examination which considers the relative wages of main employing industries in the Snowy Mountains Regional LGA suggests homeownership is in fact a more difficult proposition than first considered. A large portion of resident workers in the LGA are engaged in Accommodation & Food Services, Arts and Recreational Services and Retail Trade which are generally lower paying relative to other industries in Australia (as shown in the next chart). As such, it can be inferred homeownership for households who are employed in the lower income industries in the Snowy Mountains Regional LGA would be even more challenging – hence the importance of delivering lower priced housing options and a variety of lot configurations.

**Income by Industry (full-time adult earnings) – Australia (November 2021)**


Source: 6302.0 Average Weekly Earnings, Australia (ABS)

A major concern is the rate at which house prices have appreciated over the past few years, which would have accentuated the housing affordability predicament. It is evident that rampant house price growth in Jindabyne and East Jindabyne (37% and 35% respectively over the two years to November 2021) has put home ownership beyond the reach of many local prospective buyers. Moreover, it is unlikely to be rectified by income growth, which over the past three years has been negligible in Australia, rising by less than 2.0% per annum. Over the concurrent period the median house price in Jindabyne and East Jindabyne surged by 25% and 27% per annum (on average) respectively, which has widened the gap between dwelling prices and wages. With minimal growth anticipated for wages in the future (the NSW Government First Half 2021-22 Budget projections indicate the wage price index will increase by just 1.50-1.75% per annum over the next few years), housing affordability constraints are anticipated to intensify.

Affordability challenges and issues are not confined to owner-occupiers; market conditions are also challenging for long-term or permanent rental households. On average, seasonal or short-term rentals achieve higher returns for investors – as per table below, gross returns from holiday rentals assuming 16 weeks of occupancy<sup>1</sup> are between \$7,600-8,000 higher than under a long-term rental arrangement. Rents for holiday rentals are paid in advance, which eliminates the prospect for rent arrears or default.

<sup>1</sup> Jindabyne Housing and Demographic Study (July 2019) – Page 90

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### Permanent vs. Holiday Returns – Jindabyne (2021)

Arrangement	Value
Permanent rental income	
Occupation rate (%)	100%
Median weekly gross rent	\$500-600
Annual gross rent income	\$26,000-31,200
Holiday rental income	
Overnight rate*	\$300-350
Occupation period (weeks)	16 weeks
Annual gross rent income^	\$33,600-39,200
Difference (annual)	\$7,600-8,000

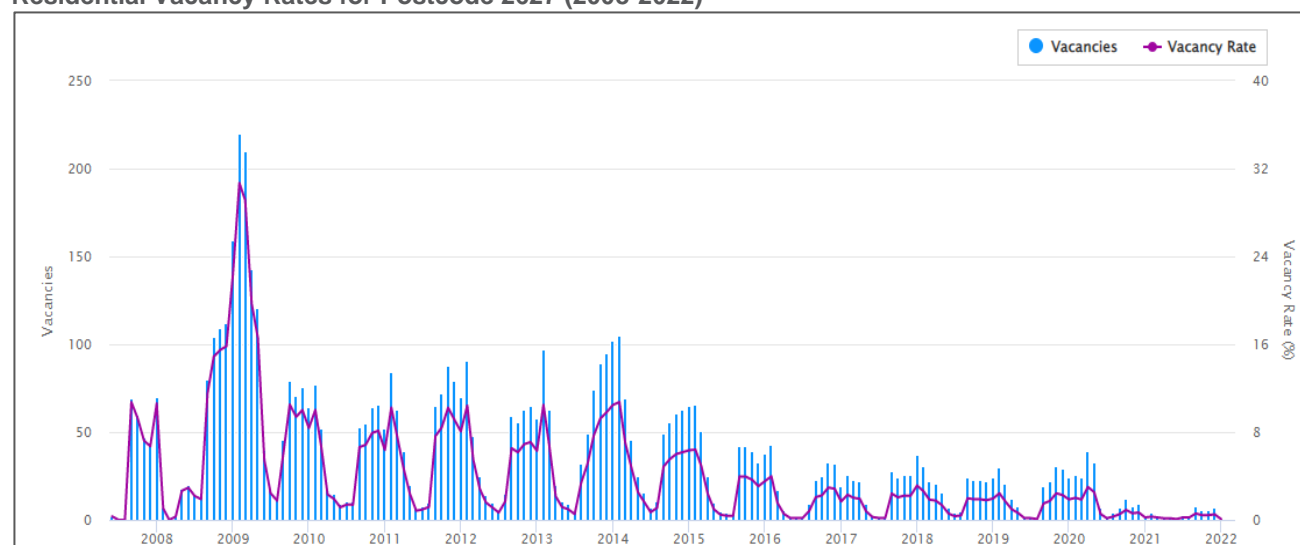
\* Weighted average used to derive overnight rate, with a bias to peak season rates

^ Assume occupied seven days per week

Source: Airbnb; Stayz; Arbor Advisory

The superior returns from short-term rentals are incentivising investors to withdraw housing stock from the long-term rental market. As a result, the residential vacancy rate in the 2627 postcode area is 0.1% (as at January 2022), which essentially means there is no availability in the market. Moreover, the residential vacancy rate has been below the natural vacancy rate of 3% since January 2018 (the natural rate allows for turnover in the rental market), which has compounded the issue of availability. Owing to shortages, long-term renters are forced to either compete with seasonal renters i.e. pay a significant premium on usual long-term rent rates, or alternatively, seek alternative housing options. Notably, the impact has been most pronounced on lower income households and new settlers, who tend to rely on the rental markets initially (particularly in unaffordable housing markets).

### Residential Vacancy Rates for Postcode 2627 (2008-2022)



Source: SQM Research (March 2022)

The presence of housing affordability issues was attested to in the Housing and Demographic Study prepared by Ethos. In addition to acknowledging the presence of a housing affordability issue, it identified Households in the Jindabyne- as being subject to housing stress if 30% or more of their income was spent on accommodation. Using Census data, the study estimated that 14% of households in the SA2 region were enduring mortgage (5.8%) or rental (8.2%) stress. Based on future household and dwelling projections for the SA2 region, it was projected approximately 859-897 households will be under housing stress by 2036. Evidently, housing affordability is an issue which affects both owner-occupiers and renters.

The proposed development presents as an opportunity to deliver much needed housing supply and diversity for the region. It is anticipated that the price point of residential lots will be lower than for a comparable development in Jindabyne or East Jindabyne for the following reasons:

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- At \$770,000 (as November 2021), the median house price in Kalkite is materially lower than Jindabyne (\$1,220,000) and East Jindabyne (\$1,465,000);
- Owing to its rural zoning, the base price of raw land at Kalkite is lower than in Jindabyne and East Jindabyne, which increases the probability of feasible development;
- Ownership is consolidated which provides time and cost efficiencies. The need to consolidate properties for the purpose of development often attracts a premium on the price of land, which can compromise the feasibility of the underlying development;
- The owner intends on delivering the development, which presents significant cost efficiencies (for the owner and planning authorities), as each subsequent purchaser (or developer) would seek a profit on the initial land acquisition. Moreover, there would be considerable time synergies for both the developer and relevant stakeholders (i.e. planning authority, NSW Government, Sydney Water, RMS, etc), given that the owner intends to develop the project themselves, reducing the probability of engaging in multiple rounds of DAs for the same project;
- The supply of multiple lots in release stages will provide prospective buyers (including locals) with the best opportunity to secure a residence in Kalkite given that the opportunity to acquire dwellings has been historically constrained – there have just been 20 dwelling sales in CY 2021 to date; and
- The proposed development intends to incorporate a variety of lot sizes and potentially, housing typologies in pursuit of relative affordability.

From a feasibility standpoint, the certainty around delivery of the proposed development is significantly higher than for an equivalent development in Jindabyne or East Jindabyne. Even for high density development, these established markets require a significant uplift in the planning controls (and therefore land value) to incentivise developers and owners to interact.

Notable, the provision of more and smaller dwellings has not yielded a conclusive solution to date. For example, the Highview Estate in Jindabyne entails some medium density dwellings, however the price of these properties is comparable to the price for established dwellings in Jindabyne (and closer to the town centre). This is because the price of land in Jindabyne is higher owing to its location. In contrast, the proposed development will be developing on land with a significantly lower cost base, which should assist in achieving relative affordable housing outcomes.

### 4.4 Provide convenience retailing and service provision for current and future residents and visitors

The proposed development seeks to incorporate some non-residential floorspace capacity, which can be utilised to accommodate convenience retailing and local service provision for the existing and future residents, visitors and workers of Kalkite.

At present, residents of Kalkite travel vast distances for basic goods and services. As presented in the next table, residents travel between 13-20km for all their basic goods and services. Bulky goods and durable items (e.g. white goods, appliances and motor vehicles) are purchased either at Cooma (55km from the subject property) or Canberra (170km from the subject property). The main concern relates to day-to-day retail needs, as residents and visitors are forced to navigate considerable distances along roads which are not sealed or well-lit, which can be extremely challenging late at night or when weather conditions are adverse. The proposed development seeks to address this issue by providing proximate convenience retailing.

#### Distance Travelled by Residents for Retail and Services - Kalkite

Land use	Location description	Approx. distance from subject property (km)
Convenience retailing	Mobile Service Centre (Kosciuszko Rd) Jindabyne (Friendly Grocer, Woolworths)	13km 20km
Groceries and supermarket	Friendly Grocer Woolworths (Nuggets Crossing Centre)	20km 20km

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Food catering (café, restaurant)	Predominantly Jindabyne Town Centre including ad hoc cafes and restaurants, RSL, with some immediate café provision available at Mobil Service Centre, as well as in Jindabyne Town Centre (Gippsland Street)	15-20km
Medical, health and allied services	Snowy River Health Centre which is located at Jindabyne Town Centre on Thredbo Terrace	20km
Other (apparel, equipment, hardware)	Either Jindabyne or Cooma	20km and 55km respectively
Fuel and automotive Services	Mobile Service Centre or Jindabyne	13km and 20km respectively
Bulky goods and other durable items	Either from Cooma or Canberra	55km and 170km respectively

Source: CoreLogic; Google Maps; ABS; Arbor Advisory

To ensure the proposed quantum is commensurate with market need, a benchmark model that relies on the ostensible relationship between population change and demand has been utilised. The estimated requirement represents *additional* demand from Hilldowns Estate, as well as other anticipated developments in and around Kalkite. A share of this new or additional demand will be realised by new retail and commercial provision at Kalkite, while the remainder will flow to existing retail/commercial provision in Jindabyne and other established centres and towns. In all, the proposed development will add to and not detract from existing retail and commercial provision as future residents will still need to visit Jindabyne for the majority of their grocery needs, but also to purchase specialty items and services such as sports apparel, fresh meat, poultry and seafood, dry cleaning, etc. As such, the proposed development is not expected to undermine existing retail and commercial provision in Jindabyne and other towns and centres in the Snowy River region.

A host of assumptions and inputs have been used to determine supportable demand in a future Kalkite setting, being:

- In total, there will be 2,670-2,970 residents in the future Kalkite comprising of:
  - 250 existing residents
  - 500-560 residents in the proposed development (based on indicative scheme)
  - 1,600-1,800 residents in comparable redevelopments
  - 320-360 visitors residing in unoccupied private dwellings (seasonal rental stock), the proposed 100-room eco-tourist facility or equivalent new short-term accommodation facilities
- The benchmark rate for retail demand is 2.2m<sup>2</sup> of floorspace per capita, which includes all retail and service provision;
- An average household size of 2.2 persons per dwelling (as at Census 2016 the average household size in Kalkite was 2.6 persons – the lower formation rate allows for ageing and growth in smaller household typologies);
- The occupation dwelling rate at Kalkite is expected to trend upwards as it evolves into a permanent place of residence or settlement (80% as opposed to 63% at the time of Census 2016) – owing to the provision of more affordable housing options and long-term rental housing stock;
- A portion of expenditure and supportable retail and local service demand will be retained in Kalkite. However, the remainder is expected to be serviced by existing provision in either Jindabyne, Cooma or Canberra (contingent on the type of service or good consumed) e.g. bulky goods, other durable items, motor vehicles, etc. will continue to be purchased outside of Kalkite;
- It is anticipated that there will be an additional 3-4 developments similar in yield and scale to the proposed development over the next 10-15 years;
- It is anticipated that the activation and commercialisation of Lake Jindabyne at Kalkite will support a higher level of demand beyond that generated by residents. Additionally, the retail/commercial hub could also

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accommodate providers from local food, beverage and art producers, which in turn would then bolster café and food catering provision at Hilldowns Estate; and

- The proposed development presents as the ideal location to accommodate the bulk of commercial/retail provision in the suburb. Visitors and residents will be drawn to the lake and its foreshore, which is predominantly situated on the subject property.

The needs of the permanent resident base, and secondly visitors will dictate the type and scale of retail and local service provision. In all, the specific land uses suggested for the non-residential floorspace in the proposed redevelopment include convenience retail (including some local services such as Australia Post or NSW Lotteries), food catering, primary health services and tourist-related commercial services hub. These recommendations have considered:

- The market appropriateness or credentials of the specific land use
- Degree of competition in the marketplace
- Consumer behaviour patterns i.e. propensity to travel
- Observed mix of retail/commercial provision at other popular regional tourist destinations (Appendix Item 1)
- Required features and traits for these businesses to successfully operate

### Land Use Suitability Matrix – Hilldowns Estate Development

Land use	Anticipated likelihood	Observations and comments
Convenience retail	Likely	Small-line format providing day-to-day groceries and potentially some local services i.e. newsagent, post. It is anticipated 1-2 petrol bowzers could be stationed
Food catering	Likely	Café or niche restaurant plausible, however will be highly reliant on peak season visitation, as well as drawing year-round trade from surrounding suburbs i.e. East Jindabyne (as the resident population at Kalkite will not be sufficient).
Primary or Allied Health Centre	Likely	Sufficient market capacity – Department of Health data indicates there are 107.1 GPs for every 100,000 residents in regional locations in New South Wales (as at 2017/18) i.e. 1 GP for every 930 persons. Allied health thresholds are higher i.e. 1,050 persons per practitioner
Tourism and information centre	Likely	Combined tourism and information hub i.e. co-located information and experience services centre.  Experience services to include cruises, tours, fishing charters, recreation and marine vessel hire (houseboat, boat, sailing yacht, kayak), cycling tours (road and MTB) and trail/hiking/eco tours.
Professional services	Possible	Remote possibility that one of the future residents of the new estate may require a local office – albeit, more likely to select Jindabyne owing to greater trade potential & exposure.



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Service station (standalone)	Unlikely	<p>There was an expectation that a service station could benefit from visitation and usage of proposed recreational boat ramp.</p> <p>However, it is unlikely a standalone centre could be supported as the permanent population base is too small to support a full offering. Moreover, recreational boat users acquire some of their fuel prior to the destination, so a fuel station nearby the boat ramp would only capture a portion of demand i.e. return trips.</p> <p>It is expected that there will be insufficient commercial presence to support a full-service station, but that there may be enough demand to potentially support a single or dual pump offering as part of a convenience retail offer. Notably, Brooklyn is significantly larger i.e. comprises a resident population of 750 persons, a large marina with multiple jetties and a cluster of commercial marine businesses and is currently serviced by a dual pump offering at Brooklyn Central Boat Hire.</p> <p>From an operator's perspective, the preferred location for a service centre is on Kosciuszko Road (to capture trade from passing trade).</p>
Bulky goods and other durable items	Unlikely	<p>Insufficient market capacity or demand – requires a minimum catchment of 50,000-80,000 residents to support a bulky goods offering or cluster.</p>

Source: ABS; Arbor Advisory

In all, it is estimated the future Kalkite will support approximately 2,700-3,000m<sup>2</sup> of retail and commercial floorspace at the proposed development. The recommended land use mix and floorspace allocations are as follows:

### Proposed Floorspace Allocation by Retail and Service Land Use Type - Kalkite

Land use	Stage 1	Remainder
Convenience retail	650 - 750	1,500 – 1,600 (expansion)
Food catering	200 - 300	400 - 450
Primary or Allied Health Centre	150 - 200	200 - 250
Specialty	100 - 150	450 - 500
Services, tourism and information centre	150 - 200	150 - 200
Total	1,250-1,600	2,700-3,000

Source: Arbor Advisory

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The delivery of non-residential floorspace will be staged over time. It is estimated that the full quantum be delivered over a 10 to 15-year timeline, as surrounding development and new short-term accommodation facilities are completed. The proposed stages or sequencing of the non-residential component includes the initial delivery of 1,250-1,600m<sup>2</sup> of non-residential floorspace in conjunction with the proposed development. Latent capacity or land will be temporarily utilised for the purpose of car parking or outdoor seating. This allocation will be supported by the Hilldowns Estate development, existing resident population base and visitors. The remainder of the floorspace balance is to be developed as other nearby developments are completed and demand thresholds are met.

In all, the proposed development will seek to provide a selection of market-supported retail and local service provision for the current and future residents, workers and visitors of Kalkite. The intention is not to undermine the retail and commercial hierarchy, but rather provide the inhabitants and visitors of Kalkite with practical, convenience-based retail and service options for some of their daily requirements.

## SECTION 5: JUSTIFICATION STATEMENT

The proposed development represents an opportunity to address some of the pressing issues and challenges being faced in the Snowy Mountain region. Specific issues include:

- Housing affordability at critical levels resulting in significant dwelling price growth, which has ‘priced out’ many aspiring homeowners from the local housing market;
- The combination of a dwelling shortage and weak housing additions undermining population;
- Mismatch between housing supply and the demand profile;

The proposed development intends to address or mitigate these constraints and issues by:

- Play an important support role to assist the Snowy Mountains region achieve its function as the primary economic and tourism anchor for the region;
- Delivering more housing to alleviate affordability constraints and shortages;
- Improving housing choice and diversity by providing a range of lot sizes and housing options;
- Providing additional long-term rental housing for permanent residents and workers;
- Accentuate tourism by facilitating alternative recreational activities or events outside of peak season;
- Providing overflow or additional tourist and worker accommodation capacity during the high season;
- Activating the lake and its foreshore through enabling infrastructure and better connectivity and access;
- Serve as a catalyst for additional investment in Kalkite and broader region;
- Enhancing the economic resilience of Kalkite by accommodating jobs in non-core industries such as retail, commercial, health and other services;
- Providing convenience retail and service provision for current and future residents and visitors; and
- Leveraging on Kalkite’s established agriculture, arts and food industry base.

If left unaddressed, the ramifications from these constraints are expected to be pronounced and will be felt across the broader economy. As such, the case for change and the delivery of the proposed development is compelling.

## APPENDIX ITEM 1: EXEMPLAR ANALYSIS

The next table provides insight into the relationship between resident population and quantum retail/commercial space in state suburbs subject to seasonal visitation. In general, most of the suburbs are larger than the subject, and some serve as a retail/commercial destination/hub for neighbouring towns – as such, they are not intended to be direct comparisons for future Kalkite, rather a measure for benchmarking and establishing relativity between population and retail/commercial provision.

State Suburb	Retail & commercial (m <sup>2</sup> ) Persons, visitors, dwellings (no.)	Land uses	Other details
Curragong NSW	600m <sup>2</sup>  452 residents 558 private dwellings (165 occupied, 368 unoccupied)	General/convenience store 300m <sup>2</sup>  News agency, fast food, café 300m <sup>2</sup>  Bowling and recreational club with Bistro 1,600m <sup>2</sup>	Boat ramp with no commercial/retail offer  Nearest service station is in Culburra (23km)  Nearest retail provision – Callala Bay IGA (16km) and Culburra Beach Woolworths and ancillary retail (23km)  Medical centre/GP provision at Culburra Beach (20km) and Callala Bay (16km)
Lake Conjola NSW	700-800m <sup>2</sup> (not including Lake Conjola Bowling Club)  437 residents 402 private dwellings (196 occupied, 182 unoccupied)  Significant seasonal visitation owing to holiday parks (i.e. Ingenia Holidays Lake Conjola, Holiday Haven Lake Conjola) and private rental accommodation	General/convenience store 300-400m <sup>2</sup>  Lake Conjola LPO Aust Post and general convenience 300m <sup>2</sup>  Miscellaneous 100m <sup>2</sup>  Lake Conjola Bowling Club with 'The Entrance' Brasserie 800m <sup>2</sup>	Multiple boats ramps – Ingenia boat ramp, The Steps Boat Ramp, Launch Ramp (Small Craft), Deep Water Boat ramp, Conjola Boat Ramp (@ Holiday Haven)  Boat and kayak hire available from Lake Conjola LPO  Nearest service station is 12km BP Truck Station and Milton Petrol @ 13km  Nearest retail is at Milton Town (14km) – extensive range of specialty, food and services; Mollymook (18km), Ulladulla (19km)  Nearest GP and medical centres at Milton (14km)
Kangaroo NSW Valley	1,600-2,000m <sup>2</sup> (primarily street strip)	General store (Moss Vale Rd) 300m <sup>2</sup>	Kangaroo River – mainly recreational i.e. kayaking

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	<p>879 residents 494 private dwellings (321 occupied, 130 unoccupied)</p> <p>Significant seasonal patronage – accounts for about 10% of Shoalhaven visitors – Shoalhaven visitors nights estimated at 4.3 million in 2019/20, and 1.4 million day-visitors in the same year</p>	<p>IGA as part of Mobil Petrol KV Service Station (near Hampden Bridge) 200m<sup>2</sup></p> <p>Food catering - café, dining, restaurant (including The Friendly Inn) 800-1,000m<sup>2</sup></p> <p>Specialty (art/crafts, homeware,) 200-300m<sup>2</sup></p> <p>Multiple kayak hire stores + Kangaroo Valley Adventure Company (150m<sup>2</sup> – operates from a house) which offers bush walking, kayaking, mountain biking, rock climbing/abseiling tours</p> <p>Kangaroo Valley Medical Centre (2 Broughton Street)</p>	<p>Other recreational uses include bush walking, mountain biking, rock climbing, etc.</p> <p>Nearest service station is Mobil Kangaroo Valley</p> <p>Nearest major retail destination is Berry 20km – groceries, specialty, food and services; Bomaderry (18km) – primarily groceries, Nowra (24km) is the major regional retail destination – triple anchor supermarket, specialty, services, bulky/durable goods.</p>
Callala Bay NSW	<p>Approx. 3,000m<sup>2</sup> including retail and services</p> <p>Serves Callala Bay, Callala Beach, Myola and Currarong as local retail destination (along with Culburra Beach).</p> <p><u>Callala Bay</u> 2,196 residents 1,239 private dwellings (836 occupied, 374 unoccupied)</p> <p><u>Callala Beach</u> 803 residents 998 private dwellings (306 occupied, 654 unoccupied)</p> <p><u>Myola</u> 107 residents 105 private dwellings (45 occupied, 34 unoccupied)</p> <p><u>Currarong</u> 452 residents 558 private dwellings (165 occupied, 368 unoccupied)</p>	<p>Retail complex with IGA anchor 2,600m<sup>2</sup> with 450-500m<sup>2</sup> of retail on adjacent block</p> <p>Complex comprises IGA (800m<sup>2</sup>), food catering – café, take away, restaurant, liquor store, butcher, bakery, pharmacy, real estate agency (x2)</p> <p>Callala surgery - GP operating from private residence at 6 Chisholm Street</p>	<p>Boat ramp – Callala Bay Jetty and Myola Boat Ramp</p> <p>No service station (previously pump at Callala Beach but not viable)</p> <p>Nearest service station is at Culburra Beach (12 km), South Nowra (&lt;18km)</p> <p>Nearest local retail provision Culburra Beach (12km) – supermarket, food catering, services, butcher, fuel</p> <p>Nearest major regional retail and commercial services at Nowra (&lt;20km)</p>
Culburra Beach NSW	<p>Retail/commercial 8,000-10,000m<sup>2</sup></p> <p>Serves as a local retail destination for surrounding</p>	<p>Woolworths (half-line) 2,000m<sup>2</sup></p> <p>Street strip retail/services primarily</p>	<p>Boat ramp – not at Culburra Beach. Nearest ramps are Crookhaven Heads Boat Ramp and Orient Point Boat Ramp</p>

## Hilldowns Estate – Economic Impact Assessment

	<p>suburbs including Orient Point, Callala Bay, Greenwell Point, Callala Beach, Myola, Currarong, Kinghorne</p> <p><u>Culburra Beach</u> 2,874 residents 2,134 private dwellings (1147 occupied, 903 unoccupied)</p> <p><u>Orient Point</u> 611 residents 369 private dwellings (237 occupied, 112 unoccupied)</p> <p>Population almost doubles during peak season i.e. additional 3,000-3,500 persons across 1,000 dwellings</p>	<ul style="list-style-type: none"> <li>- Prince Edward Avenue west of Fairlands Street (2,600-3,000m<sup>2</sup> pharmacy, food/café/take away, liquor, pathology)</li> <li>- Prince Edward Avenue east of Fairlands Street (750-800m<sup>2</sup>)</li> <li>- Fairlands Street north of Prince Edward Avenue (1,200m<sup>2</sup>)</li> </ul> <p>Service station (Metro Petroleum), combined fuel, news agency and convenience (400m<sup>2</sup>)</p> <p>Culburra Beach Bowling and Recreational Club with Burra Beach Bistro (3,000m<sup>2</sup>)</p> <p>Culburra Medical Centre (300m<sup>2</sup>) and Culburra Beach General Practice (14 The Lake Circuit)</p>	<p>Commercial primarily medical (GP and pathology), professional services (accounting, etc) from private residence</p> <p>Nearest regional retail centre is Nowra (19km) Nearest fuel alternative (&lt;20km) Nowra</p>
Culburra Beach NSW	<p>Retail/commercial 8,000-10,000m<sup>2</sup></p> <p>Serves as a local retail destination for surrounding suburbs including Orient Point, Callala Bay, Greenwell Point, Callala Beach, Myola, Currarong, Kinghorne</p> <p><u>Culburra Beach</u> 2,874 residents 2,134 private dwellings (1147 occupied, 903 unoccupied)</p> <p><u>Orient Point</u> 611 residents 369 private dwellings (237 occupied, 112 unoccupied)</p> <p>Population almost doubles during peak season i.e. additional 3,000-3,500 persons across 1,000 dwellings</p>	<p>Woolworths (half-line) 2,000m<sup>2</sup></p> <p>Street strip retail/services primarily</p> <ul style="list-style-type: none"> <li>- Prince Edward Avenue west of Fairlands Street (2,600-3,000m<sup>2</sup> pharmacy, food/café/take away, liquor, pathology)</li> <li>- Prince Edward Avenue east of Fairlands Street (750-800m<sup>2</sup>)</li> <li>- Fairlands Street north of Prince Edward Avenue (1,200m<sup>2</sup>)</li> </ul> <p>Service station (Metro Petroleum), combined fuel, news agency and convenience (400m<sup>2</sup>)</p> <p>Culburra Beach Bowling and Recreational Club with Beach Bistro (3,000m<sup>2</sup>)</p> <p>Culburra Medical Centre (300m<sup>2</sup>) and Culburra Beach General Practice (14 The Lake Circuit)</p>	<p>Boat ramp – not at Culburra Beach. Nearest ramps are Crookhaven Heads Boat Ramp and Orient Point Boat Ramp</p> <p>Commercial primarily medical (GP and pathology), professional services (accounting, etc) from private residence</p> <p>Nearest regional retail centre is Nowra (19km) Nearest fuel alternative (&lt;20km) Nowra</p>