

# Lismore Affordable Housing Contribution Scheme

DRAFT



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# Table of Contents

<b>1</b>	<b>Strategic Context and Background .....</b>	<b>1</b>
1.1	Objectives of the Affordable Housing Contribution Scheme .....	1
1.2	Where does the Affordable Housing Contribution Scheme apply? .....	1
1.3	What types of development does the scheme apply to? .....	1
1.4	Overview of Affordable Housing Need .....	2
1.4.1	What is 'Affordable Housing'? .....	2
1.4.2	Why is Affordable Housing important? .....	2
1.4.3	The Growing Affordable Rental Crisis .....	3
1.4.4	Housing Stress, Homelessness and Housing Unaffordability .....	4
1.4.5	The Need for Strong Planning Intervention .....	5
1.5	Legislative Basis for Affordable Housing Contributions .....	6
1.6	Relationship to other affordable housing contributions .....	7
1.7	Affordable Housing Principles .....	7
1.8	Definitions .....	8
<b>2</b>	<b>Affordable Housing Contributions .....</b>	<b>10</b>
2.1	Contribution Rates .....	10
2.1.1	Overview .....	10
2.1.2	Precinct Areas 1 & 3: .....	10
2.1.3	Precinct 2: .....	10
2.2	Dedication of land .....	11
2.3	Equivalent Monetary Contribution .....	14
2.4	Development that is exempt from the Affordable Housing Contribution Scheme ....	15
2.5	Conditions of consent for Affordable Housing .....	15
<b>3</b>	<b>Administration and Implementation .....</b>	<b>17</b>
3.1	How to make a contribution .....	17
3.1.1	Dedication of Land .....	17
3.1.2	Monetary Contribution .....	17
3.2	Indexing of payments .....	17
3.3	Requirements for the distribution & management of funds .....	18
3.4	Implementation and Delivery Policy .....	18
3.5	Monitoring and Review of Scheme .....	19
<b>4</b>	<b>Appendix A – Local Housing Needs Assessment .....</b>	<b>20</b>
4.1	Demographic Analysis .....	20
4.1.1	Population Change .....	20
4.1.2	Population Age .....	20
4.1.3	Dwelling requirements .....	21
4.1.4	Household numbers and types .....	22
4.1.5	Dwelling Structure .....	23
4.1.6	Tenure and Landlord types .....	24
4.1.7	Household Income .....	26
4.1.8	Rental and Mortgage Stress .....	28
4.1.9	Homelessness .....	29
4.1.10	Other forms of accommodation .....	30
4.1.11	Employment Profiles .....	30

4.2	Affordable Housing Supply .....	36
4.2.1	Rental stock .....	36
4.2.2	Rental Vacancies .....	37
4.2.3	Affordable Housing Benchmarks .....	37
4.2.4	Rental Housing Supply .....	38
4.2.5	Purchase Housing Supply .....	43
4.2.6	Capacity with existing land use controls .....	46
4.2.7	Potential displacement of existing houses due to redevelopment .....	46
4.3	Affordable Housing Demand .....	46
4.3.1	Underlying Demand .....	46
4.4	Affordable Housing Gaps .....	47
<b>5</b>	<b>Appendix B – Viability Assessment .....</b>	<b>49</b>
5.1	Precinct 1 .....	49
5.1.1	Description .....	49
5.1.2	Current value of land .....	51
5.1.3	Expected sales price of developed land .....	52
5.1.4	Development Cost .....	52
5.1.5	Viability Assessment .....	53
5.2	Precinct 2 .....	54
5.2.1	Description .....	54
5.2.2	Current value of land .....	55
5.2.3	Expected sales price of developed land .....	55
5.2.4	Development Cost .....	56
5.2.5	Viability Assessment .....	56
5.3	Precinct 3 .....	57
5.3.1	Description .....	57
5.3.2	Current value of land .....	58
5.3.3	Expected sales price of developed land .....	59
5.3.4	Development Cost .....	60
5.3.5	Viability Assessment .....	61
5.4	Other Precincts .....	62
<b>6</b>	<b>Appendix C – Information Sources .....</b>	<b>63</b>
<b>7</b>	<b>Appendix D – Estimate of Development Costs and Assessment of Viability .....</b>	<b>64</b>
7.1	Precinct 1 .....	64
	Precinct 2 .....	66
7.2	Precinct 3a .....	69
7.3	Precinct 3b .....	72

## Figures

Figure 4.1: Lismore LGA population change by age group projection to 2041	20
Figure 4.2: Lismore LGA proportional population change by age group forecast to 2041	21
Figure 4.3: Lismore LGA dwelling forecast to 2041	21
Figure 4.4: Lismore LGA households forecast to 2041	22
Figure 4.5: Lismore LGA household forecast by type to 2041	23
Figure 4.6: Lismore LGA household by type by proportion to 2041	23
Figure 4.7: Lismore LGA Dwelling structure compared to Rest of NSW and NSW	24

Figure 4.8: Lismore LGA Tenure and landlord type compared to Rest of NSW and NSW	25
Figure 4.9: Lismore LGA Total Household income distribution compared to Rest of NSW and NSW	27
Figure 4.10: People counted as homeless in Lismore LGA by operational groups, 2016 & 2021	30
Figure 4.11: Lismore LGA Industry of employment for usual residents compared to Rest of NSW	31
Figure 4.12: Lismore LGA Industry of employment by place of work compared to Rest of NSW.	32
Figure 4.13: Lismore LGA Total individual income for employed residents of Lismore LGA (PUR), those who work in Lismore LGA (POW), those who live and work in Lismore LGA and employed residents of Rest of NSW (PUR).	33
Figure 4.14: Employment Centres around Lismore LGA showing people employed by DZN.	35
Figure 4.15: Median Rent for 1 BR Unit Lismore LGA & NSW (2018-23)	41
Figure 4.16: Median Rent for 2 BR Unit Lismore LGA & NSW (2018-23)	41
Figure 4.17: Median Rent for 3 BR House Lismore LGA & NSW (2018-23)	42
Figure 5.1: Precinct Area 1: Map 1 Trinity Drive Potential Greenfield Residential Area	50
Figure 5.2: Precinct Area 1: Map 2 Lagoons Grass Potential Greenfield Residential Area	51
Figure 5.3: Precinct Area 2: Map 3 Potential Urban Infill site within the North Lismore Plateau Residential Area	54
Figure 5.4: Precinct Area 3: Map 9 Urban residential infill and fringe sites	58

## Tables

Table 4.1: Structure of Occupied Private Dwellings 2011 and 2021	24
Table 4.2: Tenure of Occupied Private Dwellings 2011 and 2021	25
Table 4.3: Proportion of very low, low and moderate income households in Lismore LGA compared to Rest of NSW	26
Table 4.4: Number and proportion of households in rental stress in Lismore LGA compared to Rest of NSW	28
Table 4.5: Number and proportion of Households in mortgage stress in Lismore LGA compared to Rest of NSW	28
Table 4.6: Housing Stress by Income and Broad Housing Type	29
Table 4.7: Rental Stock in Lismore LGA at 2021 Census	37
Table 4.8: Relevant Affordable Housing Income and Cost Benchmarks – Rest of NSW	38
Table 4.9: Rents for Lismore LGA by bedroom number (all dwellings) compared to Rest of NSW, December Quarter 2022	39
Table 4.10: Rents for Lismore LGA by bedroom number and quartile	40
Table 4.11: Median rents for Lismore LGA by Suburb	40
Table 4.12: Median Rents Lismore LGA and NSW March 2018 to March 2023: Annual Increase in Rent (%) adjusted for CPI	42
Table 4.13: Purchase prices for Lismore LGA (all dwellings) compared to Rest of State, September Quarter 2022	43

Table 4.14: Lismore LGA sales of non-flood affected, non-strata properties by bedroom number and quartile	44
Table 4.15: Lismore LGA sales of non-flood affected, strata properties by bedroom number and quartile	44
Table 4.16: Sales for Lismore LGA for vacant land by quartile	45
Table 4.17: Median sales prices for vacant land for Lismore LGA by Suburb	45
Table 5.1: Development potential for residential development, Goonellabah	49
Table 5.2: Possible area for residential development, Goonellabah	49
Table 5.3: Recent sales of similar land in and around the precinct	51
Table 5.4: Multi-variate linear regression analysis for rural property sales in Goonellabah ( $R^2=0.51$ , $n=24$ )	52
Table 5.5: Possible area for residential development, North Lismore	54
Table 5.6: Recent sales of similar land in and around the precinct	55
Table 5.7: Recent sales of similar land in and around the precinct	55
Table 5.8: Possible area for residential development, Urban infill	57
Table 5.9: Recent sales of similar land in and around the precinct	58
Table 5.10: Multi-variate linear regression analysis for rural property sales in Goonellabah ( $R^2=0.51$ , $n=24$ )	59
Table 5.11: Recent sales of vacant land in and around the precinct	59

# 1 Strategic Context and Background

## 1.1 Objectives of the Affordable Housing Contribution Scheme

In accordance with section 1.3(d) and Division 7.2 of the *Environmental Planning and Assessment Act 1979 (NSW)* ('the Act'), the objectives of the Lismore City Council Affordable Housing Contributions Scheme are to:

- Facilitate the provision of affordable housing options within the Lismore City Council area to meet the needs of very low, low and moderate income households so as to promote diversity, equity, liveability and sustainability; and
- Set out how, where and at what rate development contributions will be collected by Lismore City Council to provide fairness, certainty and transparency for the local community, developers and other stakeholders.

## 1.2 Where does the Affordable Housing Contribution Scheme apply?

The Affordable Housing Contributions Scheme ('the Scheme') applies to development applications lodged for land and development within the local government area of Lismore, as shown through the LEP maps.

The Scheme principally applies to the following precincts:

- Precinct 1: Various greenfield sites around the suburb of Goonellabah
- Precinct 2: Lot 1 DP570029 North Lismore Plateau (32 McLeay Road)
- Precinct 3: Various lots along the southern fringe of the Lismore urban area

The area covered by these precincts is shown in maps within **Appendix B**.

The scheme is to be applied to the gross residential floor area of new development that occurs on these sites (not the whole development).

## 1.3 What types of development does the scheme apply to?

The Scheme applies to all residential development within the precincts as permitted by the upzoning of the land listed in Section 1.2 above, including:

- Development and subdivision for residential lots by Torrens Title subdivision;

- Strata subdivision for residential lots;
- Community Title;
- Co-operatives;
- Company Title; and
- Other arrangement facilitating residential development.

Where development partially includes residential development, alongside commercial or community uses, or development types listed in Section 2.4, the scheme is to be only applied to the gross residential floor area of the applicable residential development components.

The scheme excludes the types of development listed in Section 2.4 below.

## 1.4 Overview of Affordable Housing Need

### 1.4.1 What is 'Affordable Housing'?

Housing is considered to be 'affordable' when households can meet their housing costs and still have sufficient income to pay for other basic needs such as food, clothing, transport, medical care, and education.

**'Affordable housing'** has a statutory definition under the NSW *Planning and Environment Act 1979*, being housing for very low, low and moderate income households who pay no more than 30% of their gross household income on their rent or mortgage repayments. Households paying more than 30% of their income on housing costs are deemed to be in **'housing stress'**, and at risk of after-housing poverty.

As Lismore is considered a regional city, the income threshold used to determine whether a household is very low, low or moderate will be based upon Census data collected on what is referred to as 'Rest of NSW' which is an average of all regional areas in NSW and excludes Greater Sydney.

### 1.4.2 Why is Affordable Housing important?

Anyone in the Lismore community could need affordable housing. This includes a young person seeking to live near where they grew up, a recently separated or divorced person with children for whom conventional home ownership may no longer be economically viable, households dependent on one (or even two) low or median-waged key worker jobs, a person reliant on Centrelink payments, or an older person on a reduced retirement income, for example, after the death of a spouse.

Lack of affordable housing affects the **quality of life** of individual families, who may be sacrificing basic necessities to pay for their housing. The displacement of long-term residents reduces social cohesion, engagement with community activities such as volunteering, and extended family support.



As well as impacting on health and wellbeing, the lack of affordable housing also has a serious impact on employment growth and economic development. The loss of young families and key workers in growing sectors like childcare, aged and health care and tourism related industries is adversely affecting local economies, and contributing to labour shortages in Lismore LGA and other regional areas.

Affordable housing is thus an important form of **community infrastructure** that supports community wellbeing and social and economic sustainability, including a diverse labour market and economy, and strong and inclusive communities.

### 1.4.3 The Growing Affordable Rental Crisis

A ‘**perfect storm**’ of housing, funding, economic and environmental factors has resulted in an affordable housing crisis in Lismore LGA and is increasing housing stress and risk of homelessness amongst even those who would once have been able to access private rental, including low income working people and moderate-income families.

These factors include a decreasing rate of long-term **private rental accommodation** and lack of growth in **housing diversity** over the past decade amid increasing demand from an aging population, household formation from young people and relationship breakdown, demand from workers in cyclical and seasonal work, and the increase in lower paid workers in growing service sectors. The higher-than-average rate of people on very low and low incomes in Lismore LGA is also relevant in this regard.

These longer-term or structural factors have been significantly worsened by natural disasters and the COVID-19 pandemic.

The legacy of **natural disasters**, particularly repeated flooding in Lismore and the Northern Rivers continues to have significant impacts on the local rental and purchase market, both in terms of increased pressure on private rental supply, and on lower cost accommodation in caravan parks, motels and older flats and units, thus also adversely affecting those who are most vulnerable in the housing market, including people needing short-term and temporary accommodation. Across the Lismore LGA, 1720 residential dwellings were classified as ‘damaged’ during the 2022 flood events, including 37 that were destroyed, 482 with severe impact, 880 with major impact, 215 with minor impact.<sup>1</sup> In response to the 2022 natural disaster, the NSW Government is rolling out a program of house buybacks where homes in the most flood-prone area are being voluntarily bought by the Government, leading to further losses of housing stock, including what were private rentals.

The lasting effects of the **COVID 19 pandemic** are apparent in the higher-than-average rates of growth in rents related largely to the movement of people on higher incomes from cities to regions, with both short-term and more structural changes in patterns of living and working likely. Lismore Council’s *Affordable and Diverse Housing Strategy* (2022) notes the ‘emergency situation with respect to the lack of housing and affordability in our community’, as well as ‘changes in the housing

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<sup>1</sup> Lismore City Council (2022) Flood Response, June, Pg 29.

market that have seen an increased demand in prices for houses, particularly during the Covid pandemic'.<sup>2</sup>

Real (adjusted for inflation) **rents increased dramatically** in Lismore LGA from March 2020 to March 2022 compared with lower historical growth rates. In the 12 months from March 2020 (just before the first 'lockdown') to March 2021, median rent on a one-bedroom flat in the LGA increased by 19% in real terms compared with a -13% in NSW, with this negative growth in NSW rents largely influenced by people leaving the Greater Sydney rental market. Local rents on a three-bedroom house grew by 17% during this period compared with 7% for NSW. Growth in two-bedroom units was also strong in the LGA, increasing by 6% from 2020-21, and 11% in 2021-22 compared with -5% and -1% for NSW, again strongly influenced by the Greater Sydney rental market.

Interestingly, this trend has reversed in 2022-23 with the end of COVID-19 restrictions, with negative growth in local rents, and positive growth in NSW rents, although the rents in the LGA are still far higher than pre-COVID rents.

Importantly, **social housing supply has failed to keep pace with growing need** over many years, and decreased proportionally from 4.2% of dwellings in 2011 to 3.9% in 2021, with the quantum of supply remaining static in absolute terms. Waiting times for all sizes of dwellings was 5-10 years for Lismore allocation zone in June 2022,<sup>3</sup> although this is likely to be higher at the time of writing due to more recent flood events and pressure on the private rental market.

#### 1.4.4 Housing Stress, Homelessness and Housing Unaffordability

At the lower end of the market, **very low income renters and those with special needs** have been most seriously affected by the lack of affordable rental and the severely inadequate supply of social housing. Very low income renters are by far the largest group in housing stress, and are **unable to affordably rent even a studio or one bedroom apartment in the LGA.**

Almost half of the 2,423 households in housing stress at the time of the 2021 Census were **very low income renting households.** Together, very low and low income renters make up almost 70% of those in housing stress. This is 77% when moderate income renters are added.

There is projected to be a 15.2% increase in population and a 15.7% increase in dwellings from 2021-41. Assuming growth of around 15%, this would mean that an additional 365 households would be in housing stress by this time, most of them very low and low income renters.

As such, the **main target groups for any affordable housing created through the AHCS needs to be very low and low income renting households.** By far, the most serious and urgent need is for affordable rental for smaller very low income renting households (lone persons and couples), likely needing rents set at social housing levels.

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<sup>2</sup> Lismore Affordable and Diverse Housing Strategy, Pg 5.

<sup>3</sup> The most recent time period for which this data is available.

Recent data from the NSW Rent and Sales Report<sup>4</sup> and a rental snapshot by JSA in mid-2023 indicates that even a **studio apartment and one bedroom strata dwelling** is not affordable to any very low income renting household. A median priced studio apartment was affordable to only 60% of low income renters, while a one bedroom strata dwelling was affordable to only the upper 20% of the low income range. It is also noted that there was insufficient data (too few lettings) for data on studio apartments to be published in the Rent and Sales Report, showing a significant gap in supply for lone person low income renters.

The situation was a little better for **moderate income renting households**. Most could affordably rent a two-bedroom dwelling; however median rent on a three-bedroom home was affordable to only the upper 5% of the moderate income range. As such, there is also a significant gap for **very low, low and moderate income families** seeking affordable rental in the LGA.

Overall, around **65% of affordable dwellings** need to be suitable for smaller (lone person and couple only) households, and 35% need to be suitable for families with children, based on current need.

Further information is found at Appendix A.

#### 1.4.5 The Need for Strong Planning Intervention

It is clear that the **private market in Lismore LGA is unable to supply affordable rental accommodation** to the vast majority of very low and low income renting households, or to most moderate-income families; and that deep subsidies will be required to provide affordable housing for most who need it.

Given the quantum and nature of housing stress, and the unaffordability of private rental, it is likely that around 85% of future affordable housing need will **not be met** through the private market. The other 15% *could* be provided through the market, but this would only be for a minority of smaller low income renting households, and for small moderate income renting households, **provided there is an increase in supply** of studio and one-bedroom apartments, and that increases in real rents do not continue at the rate that has occurred in more recent years.

Meeting the remaining 85% of affordable housing need will generally require some form of subsidies and market intervention. This includes intervention through the planning system in the form of **mechanisms to capture an equitable share of land value uplift through the AHCS**, as well as the direct creation of affordable housing on public land through development partnerships, will be required to achieve affordability for the vast majority of relevant target groups.

The significant land value uplift on a number of greenfield sites provides **a real opportunity in the LGA to engage the planning system in the creation of affordable housing contributions** that are not available in many other regional areas of NSW.

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<sup>4</sup> Most recent data DCJ Rent and Sales Report (December Quarter 2022).

## 1.5 Legislative Basis for Affordable Housing Contributions

The legislative basis for affordable housing contributions is provided for in Section 1.3(d) and Division 7.2 of the *Environmental Planning and Assessment Act 1979* (the Act). Specifically, the following provides the legal framework for contributions in this Scheme.

The objective of **Section 1.3(d)** is to ‘promote the delivery and maintenance of affordable housing.’

**Section 7.32(1)** outlines the circumstances under which conditions can be imposed on a development consent requiring land or money for affordable housing, these being that the land that the development application relates to must be located in an area identified as having a ‘need for affordable housing’ in a State environmental planning policy, and the consent authority must be satisfied that the proposal will or is likely to:

- reduce the availability of affordable housing within the area (**s7.32(1)(a)**); or
- create a need for affordable housing within the area (**s7.32(1)(b)**); or
- is allowed only because of the initial zoning of a site, or the rezoning of a site (**s7.32(1)(c)**); or
- the regulations provide for this section to apply to the application (**s7.32(1)(d)**).

In this case, under **section 7.32(2)**, the consent authority may grant consent to a development application subject to a condition requiring the dedication of part of the land, or other land of the applicant, free of cost to be used for the purpose of providing affordable housing (**s7.32(2)(a)**); the payment of a monetary contribution to be used for the purpose of providing affordable housing (**s7.32(2)(b)**); or both.

Subsection (3) requires that a condition may be imposed only if that condition complies with all relevant requirements made by a State Environmental Planning Policy (**s7.32(3)(a)**); is authorised to be imposed by a Local Environmental Plan and is in accordance with a contributions scheme set out in or adopted by such a plan (**s7.32(3)(b)**); and requires a reasonable dedication or contribution having regard to the extent of affordable housing need, the scale of the proposed development, and any other contributions required to be made by the applicant (**s7.32(3)(c)**).

A consent authority must also take into consideration any other previous dedications or contributions to affordable housing within the area otherwise than as a condition of consent (**s7.32(4)**); and also provides for other conditions related to affordable housing, such as covenants or contractual arrangements (**s7.32(5)**).

Finally, the Act provides that such a condition is not to be imposed in relation to development that is within a ‘special contributions area’ if a determination under section 7.23 identifies affordable housing as a class of infrastructure for which development contributions may be required (**s7.32(6)**).

The relevant State Environmental Planning Policy for the purpose of identifying an area as having a ‘need’ for affordable housing is *State Environmental Planning Policy (Housing) 2021* (SEPP

Housing), which identifies that there is a need for affordable housing within each area of the State. This includes Lismore.

## 1.6 Relationship to other affordable housing contributions

Lismore City Council does not currently require contributions for affordable housing.

This scheme does not apply where a Voluntary Planning Agreement has been entered into for the provision of affordable housing prior to the introduction of the scheme.

## 1.7 Affordable Housing Principles

In accordance with **Clause 15** of SEPP Housing, the following principles underpin the Lismore City Council Affordable Housing Contributions Scheme:

- Affordable rental housing in Lismore will aim to create mixed and balanced communities;
- Affordable rental housing in Lismore will be created and managed so that a socially diverse residential population, representative of all income groups, is developed and maintained;
- Affordable rental housing in Lismore will be made available to very low, low and moderate income renting households, or a combination of the households, although the highest priority is for very low income renting households in accordance with local need;
- Affordable rental housing in Lismore will be rented to appropriately qualified tenants at an appropriate rate of gross household income in accordance with *NSW Affordable Housing Ministerial Guidelines*;
- Monetary contributions provided as an affordable housing contribution are to be used for the provision of affordable rental housing;
- Land provided for affordable housing, or the full proceeds from the sale of land provided for affordable housing, in Lismore will be used for the purposes of the provision of affordable rental housing;
- Buildings or dwellings provided for affordable rental housing, or the full proceeds from the sale of buildings or dwellings provided for affordable rental housing, in Lismore will be managed by a Community Housing Provider to maintain their continued use for affordable housing;
- Affordable rental housing in Lismore will consist of dwellings constructed to a standard that, in the opinion of Council, is consistent with other dwellings in Lismore;



- Surplus rent from affordable housing, after deduction of strata levies, management fees, maintenance and other charges, is to be used for the purpose of improving or replacing affordable rental housing or for providing additional affordable rental housing; and
- Affordable rental housing acquired or constructed as a result of contributions under this Scheme will be a mix of dwellings in terms of size/bedroom numbers, with the mix determined by Council based on need and social inclusion considerations. This will also include adaptable dwellings under AS4299.

In addition, affordable rental housing created under this Scheme should be:

- **Appropriate** – the needs of relevant target groups or sub-markets will be explored and provided for in the planning and provision of affordable rental housing in terms of appropriateness of housing type, tenure, design, location, accessibility and price point;
- **Sustainable** – the evaluation of appropriate sites and precincts for affordable rental housing, and the planning for housing type, design and location will take into account key considerations such as whole of life costs, accessibility to transport, services and facilities, reduction of car dependency, and relevant environmental, heritage or other constraints.
- **Kept for purpose** – prohibited from the purpose of being used by the owner or tenant of the dwelling for short term rental accommodation.

## 1.8 Definitions

Terms used in the Scheme are defined as follows:

*Act* means the *Environmental Planning and Assessment Act 1979* (NSW).

*Affordable housing* has the same meaning as in the Act.

*Affordable rental housing* is affordable housing that is rented by a very low, low or moderate income household, for a rent that is affordable to them in accordance with statutory benchmarks, and managed by an eligible community housing provider.

*Community Housing Provider (CHP)* is a Community Housing Provider that is appropriately registered with the Registrar of Community Housing (NSW) or the National Regulatory System for Community Housing.

*Council* means Lismore City Council.

*Development Application* has the same meaning as in the Act.

*development contribution* means the kind of provision made by a developer under a planning agreement under Division 1 Subdivision 2, or an affordable housing contribution under Division 7.2 of the Act, being a monetary contribution, the dedication of land free of cost or the provision of any other material public benefit.

*Guideline* means the NSW Department of Planning and Environment (2019) *Guideline for Developing an Affordable Housing Contribution Scheme*.

**Indigenous Community Housing Organisation (ICHO)** is any Aboriginal or Torres Strait Islander organisation that owns or is responsible for managing community housing.

**Nominee** refers to a Community Housing Provider (CHP) or Indigenous Community Housing Organisation (ICHO) who successfully tenders for the receipt of land or money on a site-by-site basis

**in-kind contribution** refers to the contribution of land.

**in-lieu contribution** refers to monetary contribution towards the provision of affordable housing dwellings.

**Median household income** means the median income for a very low, low or moderate income household as set out in the most recent ABS Census, indexed regularly in accordance with the Consumer Price Index for Australia.

**Planning Agreement** is a voluntary agreement between the Council and a landowner or developer who seeks an amendment to the planning controls for land or who seeks approval for a proposed development. The developer may be required to dedicate land free of cost, pay a monetary contribution, or provide any other material public benefit, or any combination of them, to be used for or applied towards a public purpose under a Planning Agreement.

**public** includes a section of the public.

**public benefit** is the benefit enjoyed by the public as a consequence of a development contribution.

**nominated community housing provider** means those that may receive funds or dwellings resulting from this Scheme, including those that are:

- registered as Class 1 or Class 2 providers on the Register of Community Housing Providers which is managed and maintained by the Registrar of Community Housing; or
- classified as a Tier 1 or Tier 2 providers under the National Regulatory Code

**Regulation** means the *Environmental Planning and Assessment Regulation 2021*

**Residential Lots** means a parcel or parcels of land on which additional residential development can occur, whether facilitated by Torrens Title subdivision, Strata subdivision, dual occupancy, Community Title, Co-operative, Company Title or other arrangement.

**Scheme** means the Lismore City Council Affordable Housing Contributions Scheme.

## 2 Affordable Housing Contributions

### 2.1 Contribution Rates

#### 2.1.1 Overview

A developer may provide land or pay an equivalent monetary contribution to allow affordable housing dwellings to be built or purchased elsewhere in the LGA.

Council prefers that contributions are provided in the form of land within the development to which the contribution applies, and the form of contribution (in-lieu or in-kind) is entirely at the discretion of Council.

The amount of any monetary payment would be equivalent to the market value of the land that would otherwise be required. The monetary contribution required will be calculated based on recent sales of equivalent land in the town in which the Precinct is located, carried out by a registered valuer and agreed to by Council. Council may engage a valuer at the developer's expense to confirm the value of the land.

Determining which option is most appropriate in the context of the development will be negotiated between the applicant and Council at development application stage, and the agreement reached will form a condition of development consent.

For staged development, an affordable housing contribution is to be provided in each development stage or in an agreed consolidated form.

Contribution rates are set out below.

#### 2.1.2 Precinct Areas 1 & 3:

- On-site: 10% of the area of residential lots in the development must be provided as an affordable housing contribution, or
- Monetary: 10% of the area of residential lots in the development must be provided as an affordable housing contribution monetised, or
- Combined: an equivalent of 10% of the area of residential lots in the development must be provided as an affordable housing contribution in a combination of in-kind and in-lieu contributions.

#### 2.1.3 Precinct 2:

- On-site: 7% of the area of residential lots in the development must be provided as an affordable housing contribution, or
- Monetary: 7% of the area of residential lots in the development must be provided as an affordable housing contribution monetised, or



- Combined: an equivalent of 7% of the area of residential lots in the development must be provided as an affordable housing contribution in a combination of in-kind and in-lieu contributions.

## 2.2 Dedication of land

Where an affordable housing contribution is made **in the form of land**, the following applies:

- A land contribution to Council for the purpose of affordable housing requires the land to be fit for purpose;
- Land will be owned by Lismore City Council or its nominee- a CHP or ICHO;
- Land will be developed for affordable housing, or where the land is subsequently sold, the net proceeds of the sale will be used exclusively for the purpose of affordable housing;
- Affordable housing dwellings created will be retained as affordable housing in perpetuity;
- Dwellings will align with the affordable housing principles in Part 1.7 of this Scheme;
- The area to be provided as land is the sum of the area of lots to be provided as an affordable housing contribution;
- For staged development, land is to be provided in each development stage or in an agreed consolidated form.
- Odd shaped or poorly located lots will not be accepted.

### Worked Example – 1 Torrens Title and Company Title

Sum of the area of residential lots within the development = 10,000 m<sup>2</sup>

Contribution Rate = 10%

Affordable Housing Contribution = 10,000 m<sup>2</sup> X 10%

= 1,000 m<sup>2</sup>

In kind affordable Housing Contribution = Two lots at 450 m<sup>2</sup> (900 m<sup>2</sup>)

Balance to be provided as a monetary contribution:

1,000 m<sup>2</sup> - (2 X 450 m<sup>2</sup>)

=100 m<sup>2</sup>.

### Worked Example 2 – Community Title

#### Example 2a

$$\text{Area of lot} = 10,000 \text{ m}^2$$

$$\begin{aligned}\text{Affordable Housing Contribution} &= 10,000 \text{ m}^2 \times 10\% \\ &= 1,000 \text{ m}^2\end{aligned}$$

$$\text{Common property area within the development} = 3700 \text{ m}^2$$

$$\text{Sum of house lot area within the development} = 6,300 \text{ m}^2 \text{ (63\% of area of lot)}$$

$$\text{Number of residential lots within the development} = 14$$

$$\text{Average size of 'house' (H) lot} = 450 \text{ m}^2$$

$$\begin{aligned}\text{Apportionment of Common property (CP)/lot} &= 3700 \text{ m}^2 / 14 \\ &= 264 \text{ m}^2/\text{lot}\end{aligned}$$

$$\text{Average apportionment of land contribution /H lot}$$

$$\begin{aligned}&= \text{H lot (450 m}^2\text{)} + \text{CP lot (264 m}^2\text{)} / \text{lot} \\ &= 714 \text{ m}^2\end{aligned}$$

$$\text{In kind affordable Housing Contribution} = \text{One lot at } 714 \text{ m}^2$$

Balance to be provided as a monetary contribution:

$$\begin{aligned}&1,000 \text{ m}^2 - (714 \text{ m}^2) \\ &= 286 \text{ m}^2\end{aligned}$$

#### Example 2b

$$\text{Area of lot} = 10,000 \text{ m}^2$$

$$\begin{aligned}\text{Affordable Housing Contribution} &= 10,000 \text{ m}^2 \times 10\% \\ &= 1,000 \text{ m}^2\end{aligned}$$

$$\text{Common property area within the development} = 1,000 \text{ m}^2$$

$$\text{Sum of house lot area within the development} = 9000 \text{ m}^2 \text{ (90\% of area of lot)}$$

$$\text{Number of residential lots within the development} = 20$$

$$\text{Average size of 'house' (H) lot} = 450 \text{ m}^2$$

$$\text{Apportionment of Common property (CP) /lot} = 1000 \text{ m}^2 / 20 = 50 \text{ m}^2/\text{lot}$$

$$\text{Average apportionment of land contribution /H lot} = \text{H lot (450 m}^2\text{)} + \text{CP lot (50 m}^2\text{)} / \text{lot} = 500 \text{ m}^2$$

$$\text{In kind affordable Housing Contribution} = \text{Two lots at } 500 \text{ m}^2 = 1,000 \text{ m}^2$$

No balance to be provided as a monetary contribution:

### Worked Example 3 – for development proposing a mix of Torrens and Community

$$\text{Area of lot} = 10,000 \text{ m}^2$$

Equation based on adding the Torren title + Community title worked examples

$$\text{Sum of the area of residential lots within the Torrens development} = 5,000 \text{ m}^2$$

$$\text{Contribution Rate} = 10\%$$

$$\begin{aligned}\text{Affordable Housing Contribution} &= 5,000 \text{ m}^2 \times 10\% \\ &= 500 \text{ m}^2\end{aligned}$$

$$\text{In kind affordable Housing Contribution} = \text{One lot at } 450 \text{ m}^2$$

Balance to be provided as a monetary contribution:

$$\begin{aligned}1,000 \text{ m}^2 - (1 \times 450 \text{ m}^2) \\ = 50 \text{ m}^2.\end{aligned}$$

+

$$\text{Area of Community title lot} = 5,000 \text{ m}^2$$

$$\begin{aligned}\text{Affordable Housing Contribution} &= 5,000 \text{ m}^2 \times 10\% \\ &= 500 \text{ m}^2\end{aligned}$$

$$\text{Common property area within the development} = 500 \text{ m}^2$$

$$\text{Sum of house lot area within the development} = 4500 \text{ m}^2 \text{ (90\% of area of lot)}$$

$$\text{Number of residential lots within the development} = 10$$

$$\text{Average size of 'house' (H) lot} = 450 \text{ m}^2$$

$$\text{Apportionment of Common property (CP) /lot} = 500 \text{ m}^2 / 10 = 50 \text{ m}^2/\text{lot}$$

$$\text{Average apportionment of land contribution /H lot} = \text{H lot } (450 \text{ m}^2) + \text{CP lot } (50 \text{ m}^2) / \text{lot} = 500 \text{ m}^2$$

$$\text{In kind affordable Housing Contribution} = \text{One lot at } 500 \text{ m}^2$$

No balance to be provided as a monetary contribution:

$$\text{Total Contribution equates to: Torrens lots (1 lot) + Community Title Lots (1 lot)}$$

$$\begin{aligned}+ \text{Balance to be of Torrens contribution to be provided as a monetary contribution:} \\ = 50 \text{ m}^2.\end{aligned}$$

## 2.3 Equivalent Monetary Contribution

In certain circumstances, alternative arrangements may be made such that an in lieu monetary payment may be provided so that affordable rental housing can be provided elsewhere within the Lismore LGA. A monetary contribution is also required where provision of part of a parcel of land would be required to achieve the area required to be provided as an affordable housing contribution.

Determining which option is most appropriate will be negotiated between the applicant and Council at development application stage, and the agreement reached will form a condition of development consent. However, the final form of the contribution will be entirely at the discretion of Council.

The amount of the payment will be equivalent to the market value of the land that would otherwise be required or an appropriate proportion of the market value of a block of land where provision of part of a block would be required to achieve the area required to be provided as an affordable housing contribution. The monetary contribution required will be calculated based on recent sales of equivalent land in the town in which the Precinct is located and estimated by an independent valuer nominated by Council.

### Worked Example 4 for an equivalent monetary contribution

Sum of the area of residential lots within the development = 10,000 m<sup>2</sup>

Contribution Rate = 10%

Affordable Housing Contribution = 10,000 m<sup>2</sup> X 10%  
= 1,000 m<sup>2</sup>

Independent Valuation: 450 m<sup>2</sup> lot valued at \$350,000

Monetary contribution = \$350,000 X (1,000 m<sup>2</sup> / 450 m<sup>2</sup>)  
=\$777,700

Payment will be by unendorsed bank cheque to Lismore City Council or its nominee prior to issue of a subdivision certificate. Instructions on how to make payment will be available on the Lismore City Council website.

Prior to granting a subdivision certificate for the development, the principal certifying authority is to ensure that the in lieu monetary contribution has been paid in full.

## 2.4 Development that is exempt from the Affordable Housing Contribution Scheme

Development that will be exempt from contributions are subdivision for:

- Public housing as defined in section 3 of the *Housing Act 2001*; and
- The provision of affordable housing by a registered community housing provider as defined in section 3 of the *Housing Act 2001*.

Actively facilitating the above types of development will make a contribution to affordable rental housing, including for very low income households and those with special needs.

The scheme does not apply:

- if the land listed in section 1.2 is rezoned to R5 Large Lot Residential;
- to development where an Affordable Housing Contribution has previously been applied, or a Voluntary Planning Agreement has been entered into for the provision of affordable housing prior to the introduction of the scheme;
- to development for non-residential floorspace;
- to development of community facilities or commercial uses nor for the development of public roads or public utility undertakings;
- to the refurbishment or repair of buildings that result in residential floorspace less than 100sqm;
- to exempt development;
- to secondary dwellings nor dual occupancies as it is intended that the scheme is applied at subdivision stage.

## 2.5 Conditions of consent for Affordable Housing

Where an **in-kind contribution (land)** is being made, the condition of consent is to contain the following information:

- The area of the land to be dedicated;
- The number of lots to be dedicated;
- the lots must be shown on the approved plans, and referenced in the affordable housing condition;
- the developed area of the development that was used to calculate the contribution; and

- a requirement that prior to the granting of a subdivision certificate evidence be provided of a legally binding agreement to transfer title of the land to Council or its nominee.

Where an **in-lieu (monetary) contribution** is being made, the condition of consent will contain the following information:

- the monetary contribution required;
- the developed area of the development that was used to calculate the contribution;
- the contribution period at the time of determination;
- the amount of the affordable housing contribution; and
- a requirement that the condition be fulfilled to Council's satisfaction prior to the issue a subdivision certificate.

## 3 Administration and Implementation

### 3.1 How to make a contribution

#### 3.1.1 Dedication of Land

Completed **lots** are to be dedicated free of cost to Lismore City Council or its nominee. The development application to Council must identify the lots to be dedicated. The application will be referred to Council to:

- Assess the suitability of the proposed in-kind contribution with reference to the Affordable Housing Principles set out in this Scheme; and
- Receive the lot(s).

Where the proposed lot(s) are not appropriate for the purpose of affordable housing, Council may recommend changes or alternatively may require a monetary contribution.

Where the proposed lots are approved by Council, a condition of consent requiring dedication of the lot(s) will be imposed by the consent authority.

Land will be owned by Lismore City Council and classified as Operational Land, until such time as it can be transferred to its nominee.

#### 3.1.2 Monetary Contribution

In the case of a **monetary contribution in-lieu** of providing land in part or in full, the contribution will be calculated based on an independent valuation of the sales price of equivalent lots.

Payment will be by unendorsed bank cheque to Lismore City Council prior to issue of a subdivision certificate. Instructions on how to make payment are available on the Lismore City Council website.

### 3.2 Indexing of payments

Where a condition requiring a monetary contribution has been imposed, the **contribution amount** will be adjusted over time. For example, if a consent is issued in June of a given year and the applicant does not wish to pay the contribution and develop the site until August of the following year, the contribution amount will be adjusted to the period in which it is paid.

Monetary contributions are adjusted by Lismore City Council and confirmed with the applicant prior to payment being made. The formula for adjusting a contribution amount in a condition if consent is:

Monetary Contribution = Base Contribution Amount x (MDP2/MDP1), where:

- The Base Contribution Amount is the amount obtained from the Notice of Determination and based on the contribution rates at the time of determination of the development application.
- MDP1 is the median dwelling price as published in the NSW Government's Rent and Sales Report for Lismore LGA that applied at the time of consent.
- MDP2 is the median dwelling price as published in the NSW Government's Rent and Sales Report for Lismore LGA that applies at the time of payment.

### 3.3 Requirements for the distribution & management of funds

Funds collected in lieu of affordable housing lots or from the sale of affordable housing lots will be deposited in Council's Affordable Housing Fund, set up to manage and administer Council's affordable housing program. Council will on a site-by-site basis, or as a pool of sufficient funds becomes available, seek proposals from suitable housing providers for the development of new Affordable Rental Housing within the Lismore local government area (LGA). Priority will be given to registered Community Housing Providers (CHPs) with appropriate experience relevant to the size and scale of the site or the amount of funding to be provided.

Dwellings constructed or otherwise financed through the Affordable Housing Contributions Scheme will be owned and managed by the CHP (or other suitable housing provider) at a rental rate that does not exceed a benchmark of 30% of the gross household income for eligible tenants in the Very Low, Low or Moderate income categories. Rental income will be used to cover all reasonable costs of managing and maintaining the dwelling. Any surplus from rental income will be deposited back into Council's Affordable Housing Fund for the purpose of improving, replacing or providing additional affordable housing stock within the Lismore City Council LGA.

Affordable housing contributions transferred to a preferred housing provider will be done so on the condition that the housing be retained in perpetuity for the purpose of affordable rental housing, or that any sale of the asset must be re-invested in new affordable housing rental stock within the Lismore LGA. This requirement is to be registered on the title. In the event of the housing provider being discontinued, any housing stock where Council has provided Affordable Housing Contribution funds is to be transferred to another registered CHP nominated by Lismore City Council.

### 3.4 Implementation and Delivery Policy

Council will develop an Implementation and Delivery Policy that will provide a framework for the processes, procedures and responsibilities for both Council and its nominee for the distribution of Contributions and the delivery and management of Affordable Rental Housing within the Lismore LGA.



The policy will, as a minimum, include provisions that;

- Ensure transparency and accountability for the use of all Contributions collected through the Scheme.
- Establish clear objectives and priorities for the delivery of new affordable housing projects, which may be periodically updated.
- Set out the process for Expressions of Interest (EOI) from CHPs and other suitable housing providers.
- Require EOI proposals to demonstrate how additional funding could be leveraged to maximise the amount of affordable rental dwellings delivered.
- Set out Council's requirements in terms of input into design outcomes prior to the housing provider lodging any Development Application or Complying Development Certificate.
- Set out reporting requirements.

### 3.5 Monitoring and Review of Scheme

The Scheme will be reviewed by Council on an annual basis, or as required, and reported to Council. Key performance indicators will be made available on Lismore City Council's website on an annual basis, including:

- Land holdings and status of development;
- amount of funds received and in waiting;
- surplus rent accumulated;
- allocation of funding in that year; and
- number of delivered affordable housing dwellings acquired by through the Scheme.

## 4 Appendix A – Local Housing Needs Assessment

### 4.1 Demographic Analysis

#### 4.1.1 Population Change

The Population, Household and Dwelling Forecasts prepared by .id (informed decisions) indicate that the population of the Lismore LGA is estimated to increase by 6,748 people between 2021 and 2041, from 44,434 to 51,182. This is a 15.2% increase over the period.

The working age population (aged 15-64) is estimated to grow from 27,688 in 2021 to 30,980 in 2041 – an increase of 3,292 or 12%.

The number of children aged 14 and under is estimated to grow from 7,750 in 2021 to 8,799 in 2041 – an increase of 1,048 children or 13.5%.

The number of people aged 65 and over is estimated to grow from 8,994 in 2021 to 11,405 in 2041 – an increase of 2,410 people or 27%.<sup>5</sup>

#### 4.1.2 Population Age

The figure below shows the population forecast by five-year age groups for from 2021 to 2041.

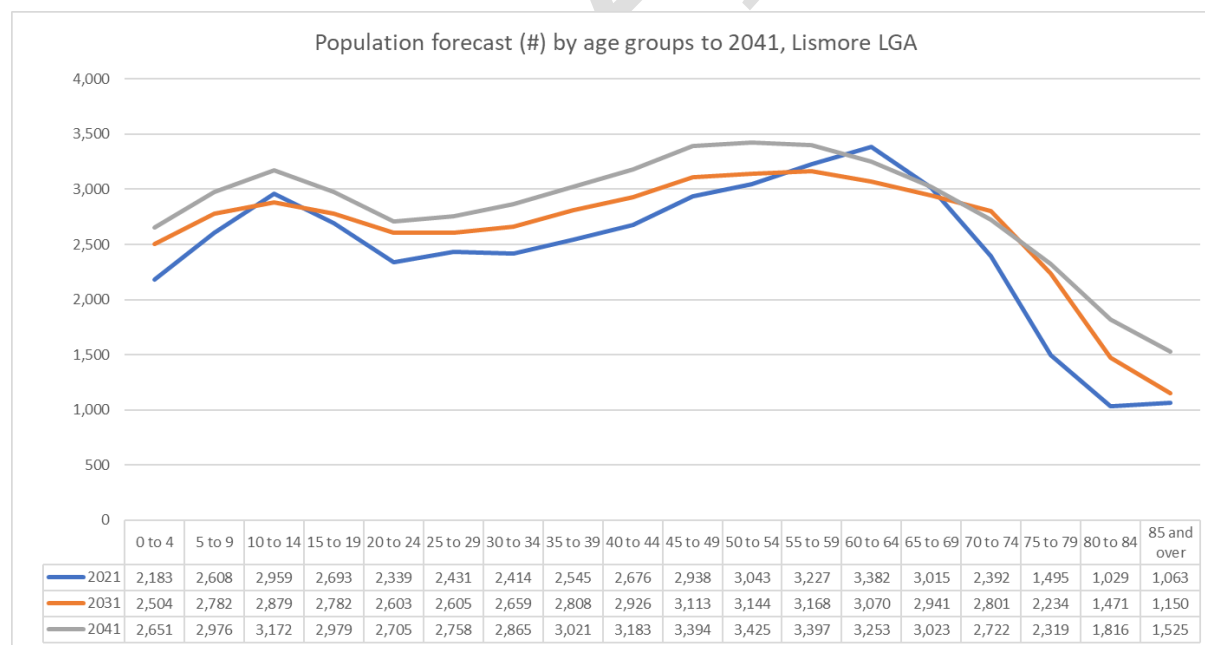


Figure 4.1: Lismore LGA population change by age group projection to 2041

Source: .id 2023, <https://forecast.id.com.au/lismore>

<sup>5</sup> .id (2023) Lismore City population forecast, February, <https://forecast.id.com.au/lismore>, accessed 04/07/2023.

The figure below shows the proportional change in the age distribution of Lismore LGA forecast to 2041. On a proportional basis, Lismore LGA is forecast to age slightly, with the proportion of people aged over 65 increasing from 20.2% in 2021 to 22.3% in 2041.

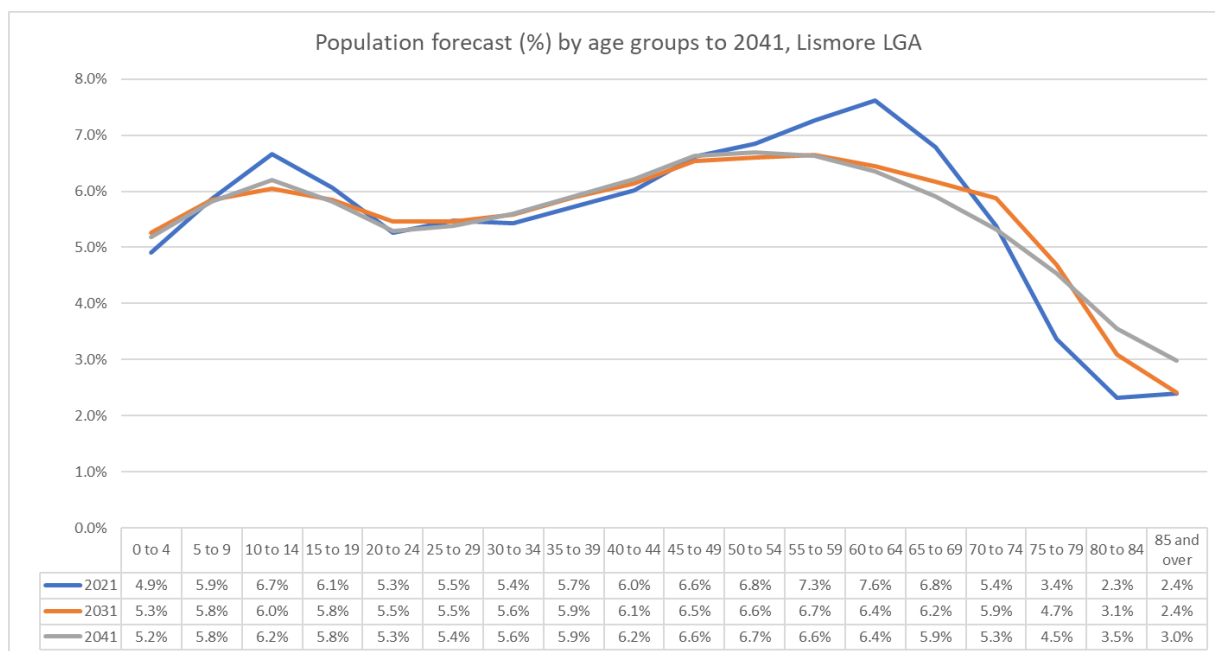


Figure 4.2: Lismore LGA proportional population change by age group forecast to 2041

Source: .id 2023, JSA 2023 calculations

### 4.1.3 Dwelling requirements

The figure below shows the dwelling forecast for the LGA from 2021 to 2041. An additional 3,105 dwellings are forecast to be required between 2021 and 2041, a proportional increase of 15.7%.

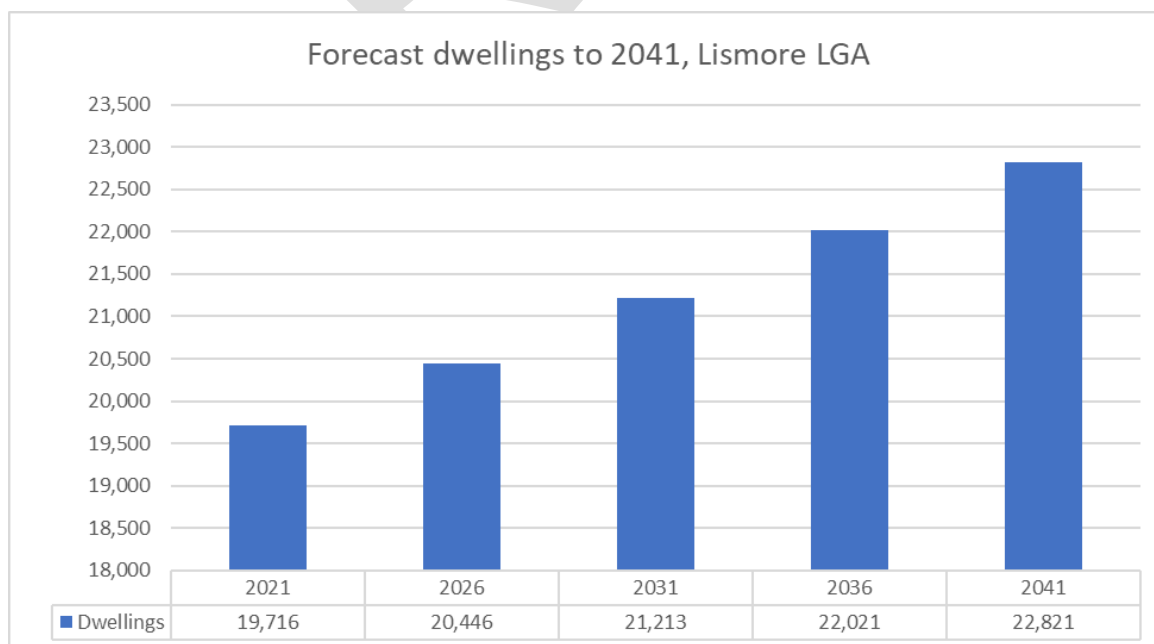


Figure 4.3: Lismore LGA dwelling forecast to 2041

#### 4.1.4 Household numbers and types

The figures below show the forecast change in household numbers and types in from 2021 to 2041. The number of households is projected to increase by 2,903 to 2041. The composition or proportion of households by type is not predicted to change, with a very similar profile forecast to 2041.

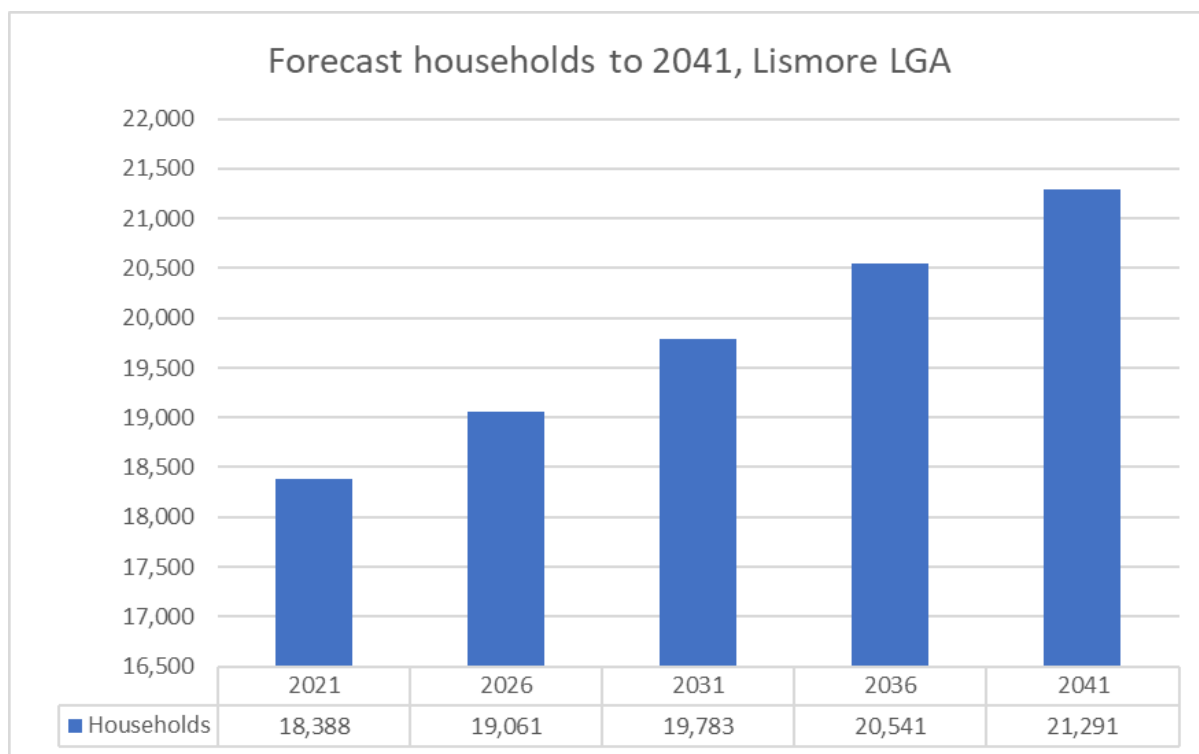


Figure 4.4: Lismore LGA households forecast to 2041

Source: .id 2023, JSA 2023 calculations

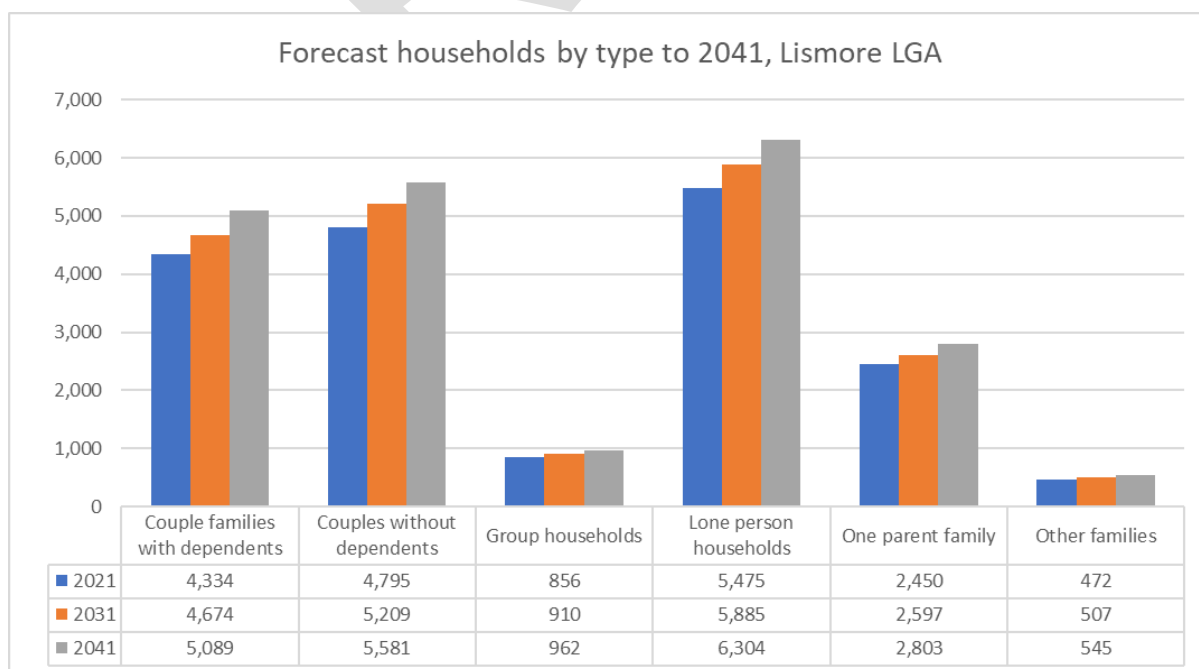


Figure 4.5: Lismore LGA household forecast by type to 2041

Source: .id 2023, JSA 2023 calculations

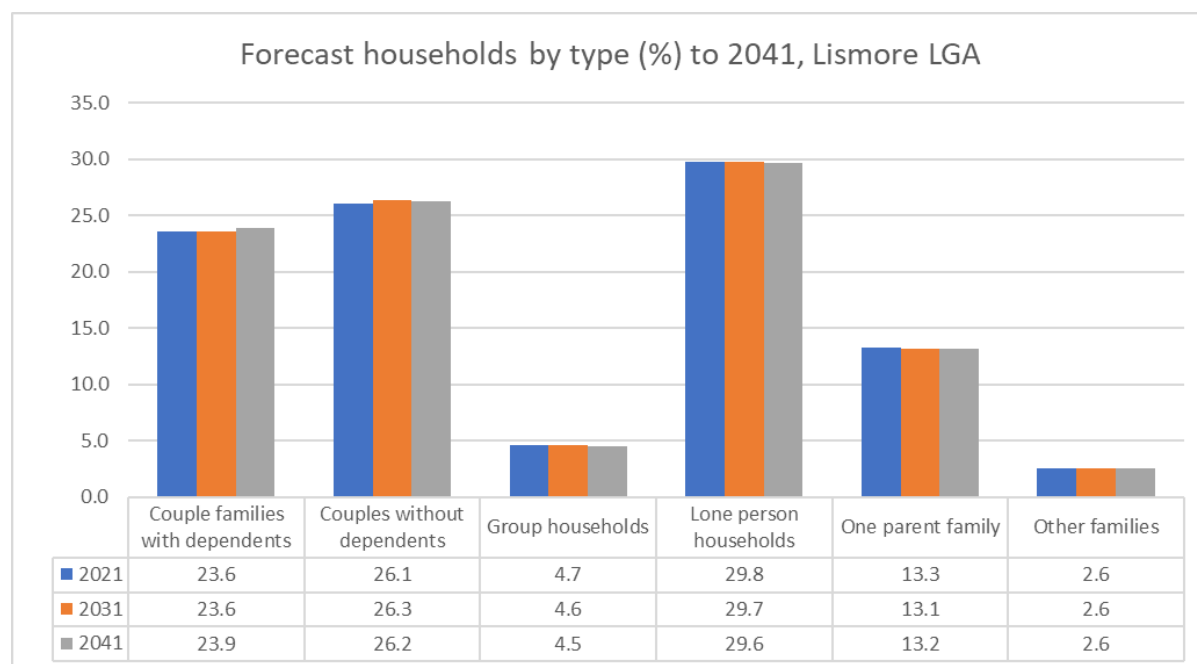


Figure 4.6: Lismore LGA household by type by proportion to 2041

Source: .id 2023, JSA 2023 calculations

### 4.1.5 Dwelling Structure

The mix of dwellings in the Lismore LGA is similar to Rest of NSW (NSW excluding Greater Sydney), predominately separate houses and with a smaller proportion of flats and apartments and slightly larger proportion of other dwelling types. Compared to NSW, Lismore LGA is significantly undersupplied with flats and apartments.

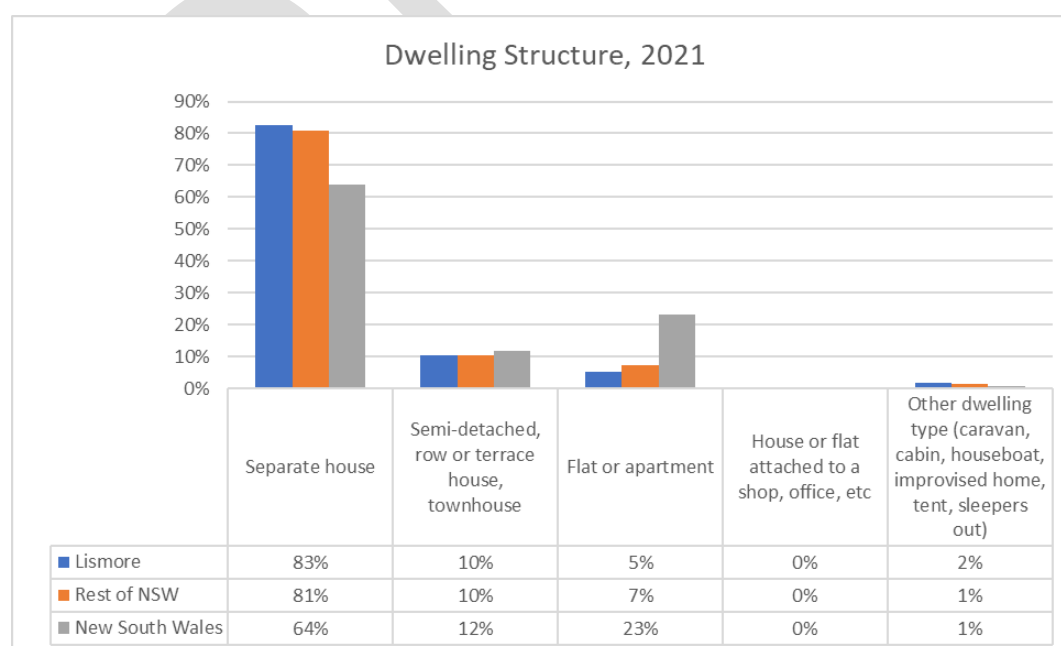


Figure 4.7: Lismore LGA Dwelling structure compared to Rest of NSW and NSW

Source: ABS (2021) Census of Population and Housing, JSA 2023 calculations, excluding not stated and not applicable

There has been a lack of growth in housing diversity in Lismore LGA over at least the past decade, with the supply of 'separate houses' essentially unchanged from 2011 to 2021, as shown below.<sup>6</sup>

Table 4.1: Structure of Occupied Private Dwellings 2011 and 2021

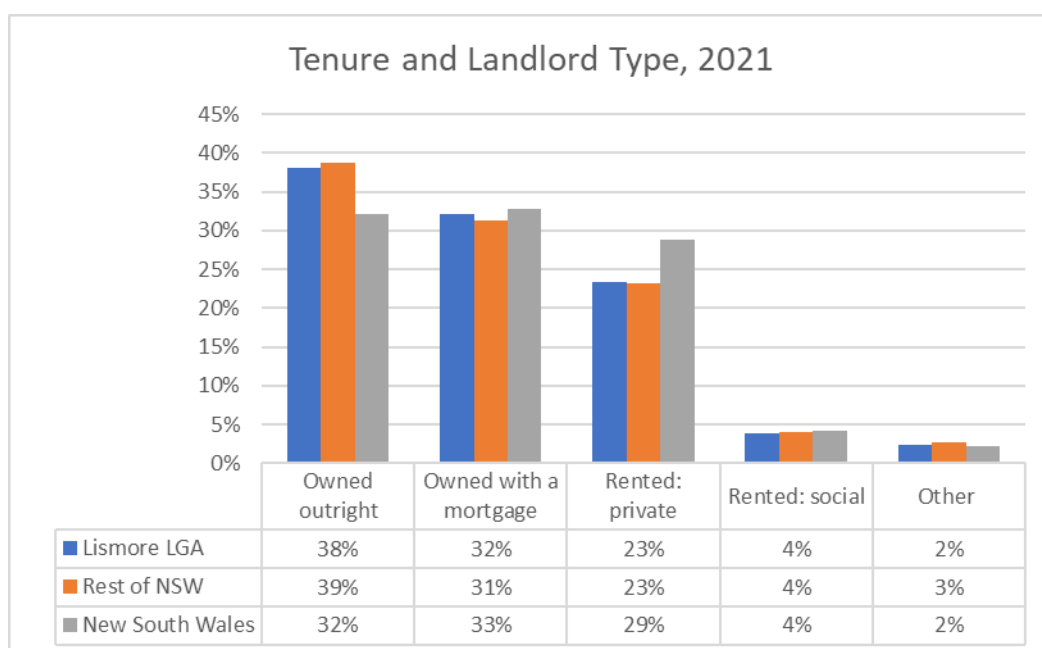
Dwelling Structure	2011		2021		2011-2021	2011-2021
	#	%	#	%	# change	% change
Separate house	15,486	84%	16,218	83%	732	5%
Semi-detached, row or terrace house, townhouse	1,066	6%	2,023	10%	957	90%
Flat or apartment	1,439	8%	1,054	5%	-385	-27%
House or flat attached to a shop, office, etc	82	0%	38	0%	-44	-54%
Other dwelling type (caravan, cabin, houseboat, improvised home, tent, sleepers out)	375	2%	325	2%	-50	-13%
Total	18,456	100%	19,648	100%	1,192	6%

Source: JSA 2023, ABS (2021) & (2011) Census of Population and Housing, TableBuilder Pro.

### 4.1.6 Tenure and Landlord types

The figure below shows tenure and landlord types for Lismore LGA compared to Rest of NSW and NSW. As at 2021, the tenure profile of Lismore LGA was very similar to Rest of NSW with slightly lower proportions of outright ownership and other tenure type, and a slightly higher proportion of purchasing. Compared with NSW, Lismore LGA has higher rates of outright ownership and a lower level of private rental.

<sup>6</sup> Note that changes in the proportions of medium and higher density forms of development are likely due to Census recategorisation, rather than an actual loss of units.



**Figure 4.8: Lismore LGA Tenure and landlord type compared to Rest of NSW and NSW**

Source: ABS (2021) Census of Population and Housing, JSA 2023 calculations, excluding not stated and not applicable

Between 2011 and 2021, there has been a proportional loss of both private rental and social housing, the former likely related to the lack of growth in flats and units, a majority of which generally enter the rental market; and the latter due to the lack of government funding relative to increases in population and demand/need.

**Table 4.2: Tenure of Occupied Private Dwellings 2011 and 2021**

Tenure Type	2011		2021		2011-2021	2011-2021
	#	%	#	%	# change	% change
Owned outright	5,938	37%	6,510	38%	572	10%
Owned with a mortgage	5,317	33%	5,481	32%	164	3%
Rented: private	3,953	25%	4,004	23%	51	1%
Rented: social	672	4.2%	673	3.9%	1	0%
Other tenure type	265	1.6%	420	2.5%	155	58%
<b>Total</b>	<b>16,145</b>	<b>100%</b>	<b>17085</b>	<b>100%</b>	<b>940</b>	<b>6%</b>

Source: JSA 2023, ABS (2021) & (2011) Census of Population and Housing, TableBuilder Pro.

### 4.1.7 Household Income

In 2021, the median weekly household income in Lismore LGA was \$1,319 compared to \$1,434 for 'Rest of NSW' and \$1,829 for NSW.<sup>7</sup> Using the definition of 'affordable housing' in section 13 of Housing SEPP 2021, for Rest of NSW in 2021 very low income households earned less than \$717 per week, low income households earned between \$717 and \$1,147 per week and moderate income households earned between \$1,148 and \$1,721 per week.

The table below shows the distribution of household incomes for Lismore LGA compared to Rest of NSW. Lismore LGA has higher proportions of very low, low and moderate income households and a lower proportion of higher income households compared to Rest of NSW.

Table 4.3: Proportion of very low, low and moderate income households in Lismore LGA compared to Rest of NSW

	<b>Lismore LGA</b>	<b>Rest of NSW</b>
<b>Very low income households (less than \$717 per week)</b>	25.1%	22.4%
<b>Low income households (\$717-\$1,147 per week)</b>	18.1%	17.1%
<b>Moderate income households (\$1,148-\$1,721 per week)</b>	18.3%	17.0%
<b>Higher income households (more than \$1,721 per week)</b>	38.5%	43.5%

Source: ABS (2021) Census of Population and Housing, JSA 2023 calculations

#### Table Notes:

- (1) Excludes Negative and Nil Income, Partial income stated, All incomes not stated, Not applicable
- (2) Results obtained from linear interpolation within Census income bands

The figure below shows the income distribution for Lismore LGA compared to Rest of NSW and NSW.

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<sup>7</sup> ABS (2021) Census All Persons, QuickStats





**Figure 4.9: Lismore LGA Total Household income distribution compared to Rest of NSW and NSW**

Source: ABS (2021) Census of Population and Housing, JSA 2023 calculations

### 4.1.8 Rental and Mortgage Stress

Housing is 'affordable' when very low, low and moderate income households are able to meet their housing costs and still have sufficient income to pay for other basic needs such as food, clothing, transport, medical care and education. This is generally accepted to be where such households pay less than 30% of their gross household income on housing costs. Households paying more than 30% of total household income in mortgage or rental payments are considered to be in housing stress (rental or mortgage stress).

The tables below show housing stress for renters and purchasers in Lismore LGA compared to Rest of NSW as at the time of the 2021 Census. Lismore LGA has higher levels of rental stress among very low and low income renters compared with Rest of NSW, while Rest of NSW has a larger proportion of moderate income renters in stress.

Table 4.4: Number and proportion of households in rental stress in Lismore LGA compared to Rest of NSW

	<b>Lismore LGA</b>	<b>Rest of NSW</b>
<b>Very low income households (less than \$717 per week)</b>	82% (1,263 households)	79%
<b>Low income households (\$717-\$1,147 per week)</b>	60% (562 households)	59%
<b>Moderate income households (\$1,147-\$1,721 per week)</b>	18% (165 households)	25%

Source: ABS (2021) Census of Population and Housing, JSA 2023 calculations

#### Table Notes:

- (1) Excludes Negative and Nil Income
- (2) Results obtained using centres of income and rental payment bands

The table below shows housing stress for purchasers in Lismore LGA compared to Rest of NSW. Lismore LGA has lower levels of housing stress compared with Rest of NSW. Similar to renters in Lismore LGA, there are higher levels of housing stress among very low and low income purchasing households.

Table 4.5: Number and proportion of Households in mortgage stress in Lismore LGA compared to Rest of NSW

	<b>Lismore LGA</b>	<b>Rest of NSW</b>
<b>Very low income households (less than \$717 per week)</b>	49% (190 households)	<b>52%</b>
<b>Low income households (\$717-\$1,147 per week)</b>	41% (243 households)	<b>42%</b>
<b>Moderate income households (\$1,147-\$1,721 per week)</b>	19% (184 households)	23%

Source: ABS (2021) Census of Population and Housing, JSA 2023 calculations

#### Table Notes:

- (1) Excludes Negative and Nil Income

## (2) Results obtained using centres of income and rental payment bands

Almost half of the 2,423 households in housing stress at the time of the 2021 Census were very low income renting households. Together, very low and low income renters make up almost 70% of those in housing stress (77% when moderate income renters are added).

By far, the most serious and urgent need is for affordable rental for smaller very low income renting households (lone persons and couples), likely at social housing rent levels.

In terms of affordable housing dwelling mix, around 65% would need to be for smaller households (lone person and couple only households), whilst 35% would need to be suited to families with children.

Table 4.6: Housing Stress by Income and Broad Housing Type

	Renting Households			Purchasing Households			
	Small households (Lone person & Couples)	Large households (Families w/ children & other families)	Total Renters in Stress (% of all hh in stress)	Small households (Lone person & Couples)	Large households (Families w/ children & other families)	Total Purchasers in Stress (% of all hh in stress)	Total Households in Stress (% of all hh in stress)
<b>Very Low Income Households</b>	869	265	1,135 (47%)	149	39	187 (8%)	<b>1,322 (55%)</b>
<b>Low Income Households</b>	223	307	530 (22%)	124	90	214 (9%)	<b>744 (31%)</b>
<b>Moderate Income Households</b>	46	131	178 (7%)	84	96	180 (7%)	<b>358 (15%)</b>
<b>Total</b>	1,138	704	1,842 (76%)	357	225	581 (24%)	2,423 (100%)

Source: JSA 2023; ABS (2021) Census of Population and Housing, TableBuilder Pro.

As noted, there is projected to be a 15.2% increase in population and a 15.7% increase in dwellings from 2021-41. Assuming growth of around 15%, this would mean that an **additional 365 households would be in housing stress** by this time, most of them very low and low income renters.

### 4.1.9 Homelessness

In 2021, there were 245 people counted as homeless in the Lismore LGA including 109 people counted in supported accommodation for the homeless, 61 staying temporarily with other households and 10 counted as living in improvised dwellings, tents or sleeping out. In addition, there were 156 counted as 'marginally housed' including 122 people living in other crowded dwellings (requiring 3 or more bedrooms to be suitably housed).

The figure below shows change in the number of people counted as homeless by operational group in Lismore LGA in 2016 and 2021. There were 64 fewer people counted as homeless in 2021 compared to 2016. In 2021 compared to 2016, there were far fewer people counted as sleeping

rough and living in boarding houses, and more people counted in supported accommodation, in other temporary lodgings and in severely overcrowded dwellings.

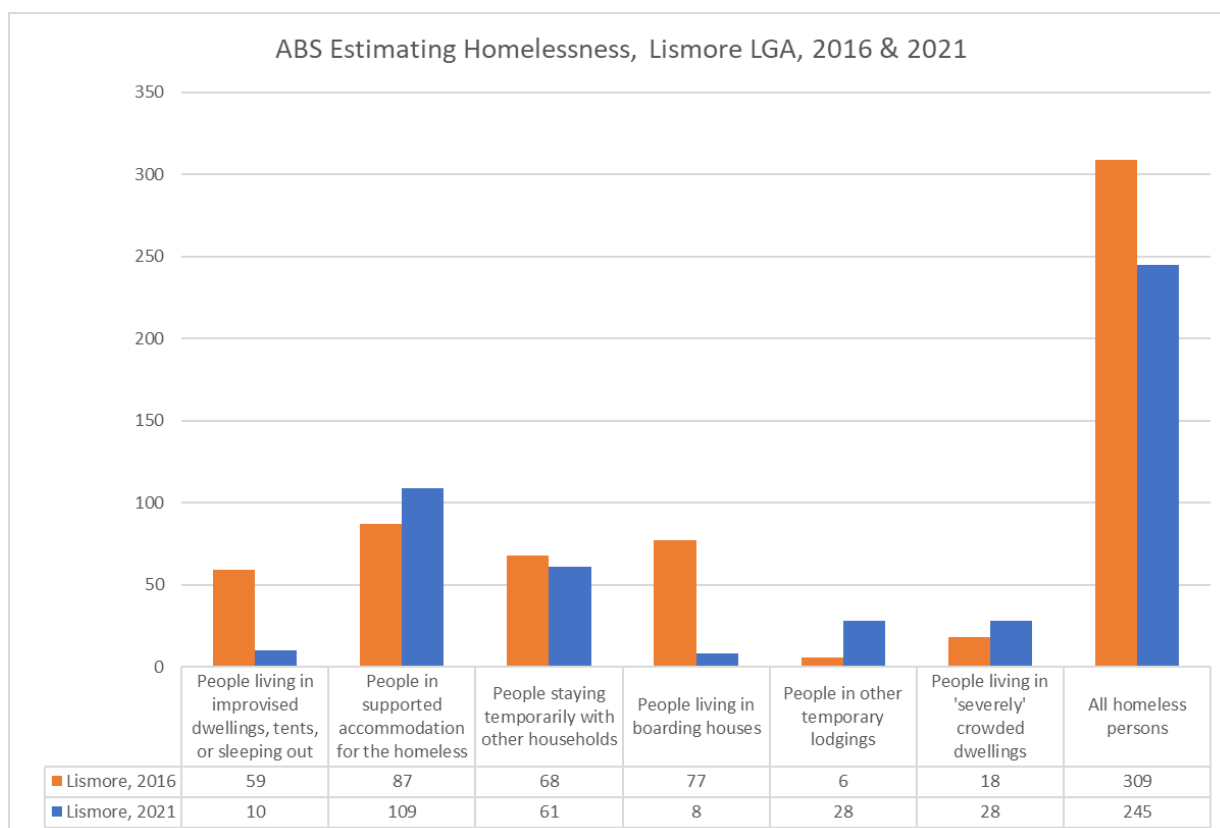


Figure 4.10: People counted as homeless in Lismore LGA by operational groups, 2016 & 2021

Source: ABS (2023) Estimating Homelessness based on ABS 2021 Census; JSA 2023

#### 4.1.10 Other forms of accommodation

In addition, 1.4% of occupied private dwellings in Lismore LGA in 2021 were located in caravan/residential parks or camping grounds,<sup>8</sup> compared with 1.2% for Rest of NSW.<sup>9</sup>

Lismore LGA is also undersupplied with self-contained accommodation in retirement villages with this comprising 1.6% of occupied private dwellings compared to 2.5% for Rest of NSW.

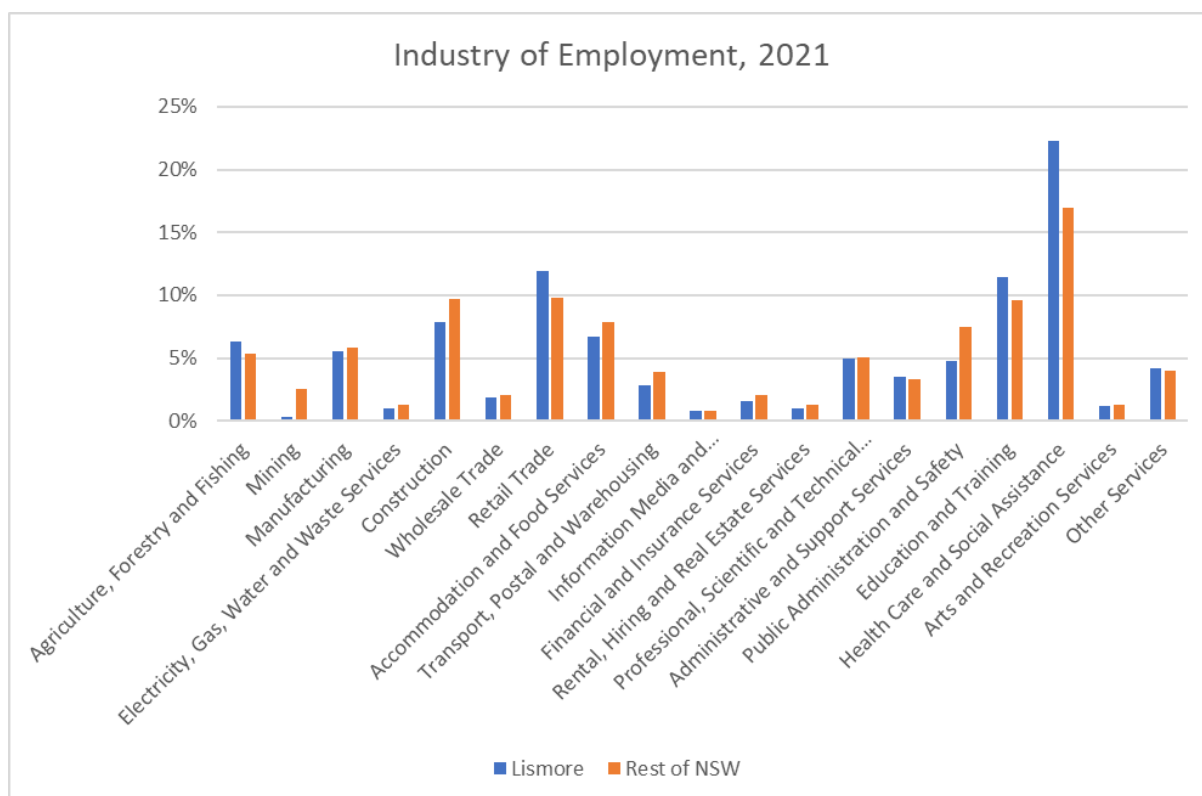
#### 4.1.11 Employment Profiles

##### Employment Sectors

The figure below shows the main industries of employment for people who live in Lismore LGA. The profile is similar to Rest of NSW, however there are higher levels of employment in health care and social assistance and retail trade; and lower levels of employment in mining and construction.

<sup>8</sup> Excluding visitor only households.

<sup>9</sup> This may include some of the improvised dwellings identified under homelessness, such as people living in tents in caravan parks.



**Figure 4.11: Lismore LGA Industry of employment for usual residents compared to Rest of NSW**

Source: ABS (2021) Census of Population and Housing, JSA 2023 calculations

The figure below shows industry of employment for people who work in Lismore LGA. The industry profile of Lismore residents and those who work in Lismore is very similar. Both profiles show a higher than Rest of NSW rate of employment in the health care and social assistance industry.

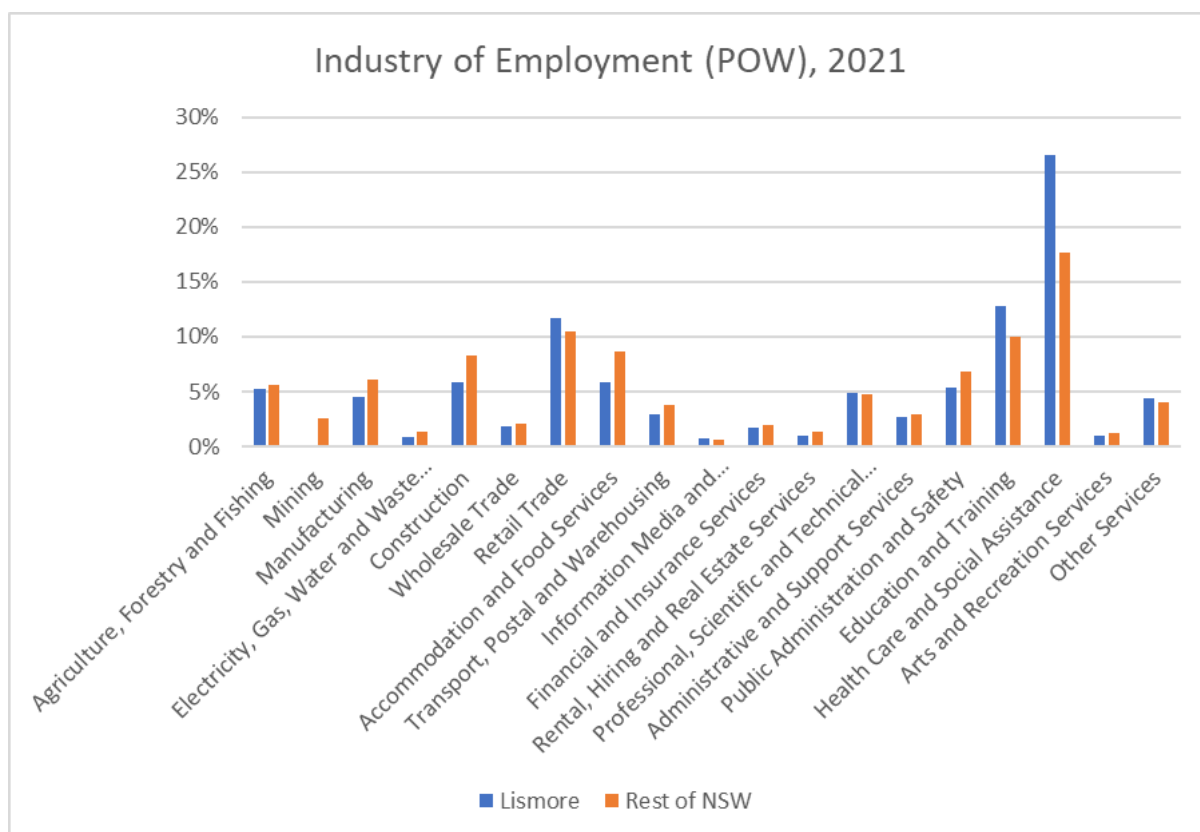


Figure 4.12: Lismore LGA Industry of employment by place of work compared to Rest of NSW.

Source: ABS (2021) Census of Population and Housing, JSA 2023 calculations

## Workforce Containment

At the 2021 Census, 20,736 people were counted as working in Lismore LGA. At the same time, there were 19,241 working people living in Lismore LGA.

Of these, 14,206 lived and worked in Lismore LGA and another 1,129 had no fixed address for place of work,<sup>10</sup> meaning that 80% of the Lismore work force worked within the LGA. Similarly, 69% of those who worked in Lismore LGA also lived there, suggesting a high level of work force containment.

## Income and wages profile

The figure below shows the income and wage profile for those who are employed and live in Lismore LGA, those who work in Lismore LGA and those who live and work in Lismore LGA compared to employed residents of Rest of NSW. Both workers who live in Lismore LGA and those who work in Lismore LGA have lower levels of total personal income compared to Rest of NSW. The wage profile of those who work in Lismore LGA is somewhat higher than that of employed residents who live in Lismore and those who live and work in Lismore LGA, suggesting that workers who travel from outside to work in Lismore LGA are likely to be somewhat better off.

<sup>10</sup> Such as tradesmen who may work out of a van and attend different work sites through the day.

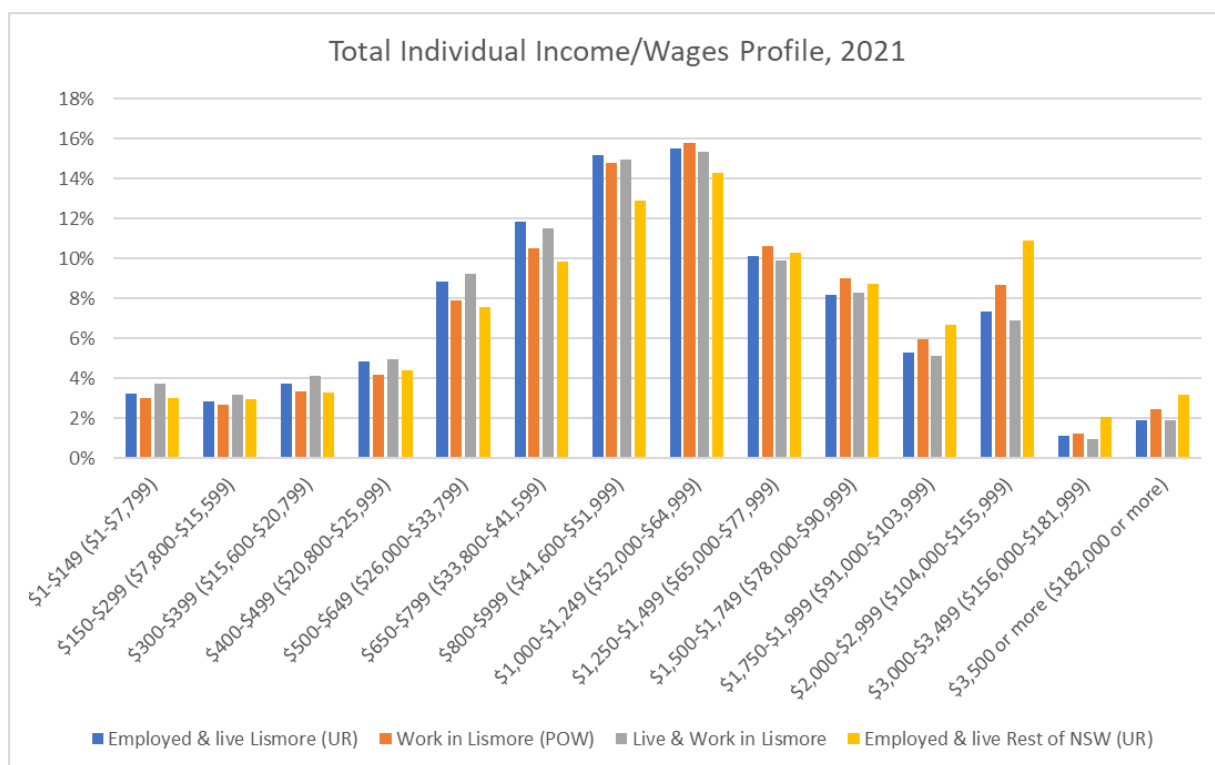


Figure 4.13: Lismore LGA Total individual income for employed residents of Lismore LGA (PUR), those who work in Lismore LGA (POW), those who live and work in Lismore LGA and employed residents of Rest of NSW (PUR).

Source: ABS 2021, JSA 2023

## Affordability and Public Transport

The detailed housing market analysis below shows that there are limited opportunities for the market to meet the demand for affordable housing in Lismore LGA and significant underlying demand for affordable housing, particularly for those on very low and low incomes. In addition to this, there is likely to be demand for smaller dwellings, with around 65% of affordable housing need projected to be for smaller strata dwellings suited to lone person and couple only households.

Many people employed in the growing service sector industries, including aged, disability and health care, food and accommodation services, cleaning and a range of ancillary jobs are on very low and low incomes.

A lone person working as a **barista in a local café**, or as a **sales assistant in a department store**, earning a 'very low' income of \$595 and \$634 respectively per week could affordably pay up to \$190 per week, and could not afford to rent a median one-bedroom unit or studio apartment anywhere in the LGA. A **childcare worker** on a low income of \$772 per week would be able to pay \$231 in rent, and would likewise not be able to rent anything affordably in the LGA. A **personal care worker in aged care or an educational aid** (each on around \$843 per week) would be in the same position.

There is a high level of workforce containment, meaning that local workers are relying upon the accommodation in the LGA. As noted, the LGA is not affordable to most people on very low and

low incomes, including the growing number of essential service workers. The lack of growth in smaller, well located strata dwellings is also important to note in this regard, and indicates a need to create both designated affordable rental housing, as well as more diverse housing that will be 'lower cost' if not 'affordable', close to the LGA's employment centres.

The map below shows employment centres in and around Lismore LGA. The major employment centre in Lismore LGA is centred on Lismore township. Lismore town centre is relatively well serviced by public transport. Considering the morning peak, the following services are noted:

- Route 661 Ballina to Lismore via Wollongbar and Goonellabah – two services arriving before 9 am;
- Route 682 Goonellabah to Lismore – one service arriving before 9 am;
- Route 683 Lismore Heights to Lismore – two services arriving before 9 am;
- Route 684 South and East Lismore to Lismore – one service arriving before 9 am; and
- Route 685 Goonellabah to Lismore – one service arriving before 9am.

It is important that a reasonable proportion of the affordable rental housing created through the AHCS is located within walking distance to employment centres, or with access to good public transport to such centres.



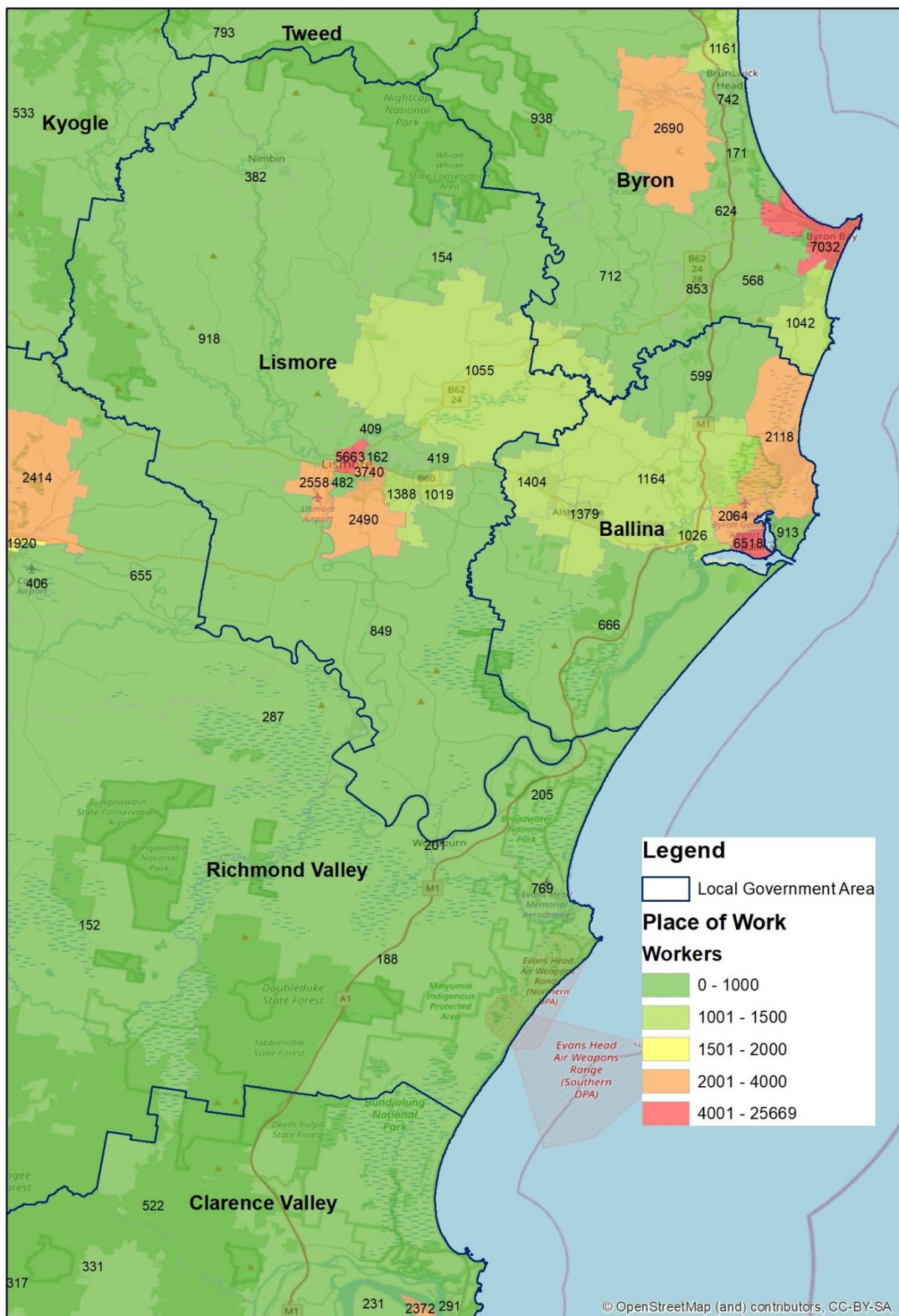


Figure 4.14: Employment Centres around Lismore LGA showing people employed by DZN.

Source: ABS Census 2021

## Potential changes and fluctuations in the community's employment structure & residential real estate market

Lismore City Council prepared its Affordable and Diverse Housing Strategy in 2022. This Strategy responds to Council's resolutions, including declaring 'an emergency situation with respect to the lack of housing and affordability in our community' in May 2021; and to changes in the housing market that have seen an increased demand in prices for houses, particularly during the Covid pandemic.<sup>11</sup> The Strategy also provides a post-flood comment prior to presentation of a statistical overview based on 2021 Census data and other datasets that,

"The impact of the floods is likely to have a significant impact on any 'business as usual' assumptions about Lismore's population and demographic makeup, particularly on the cost and availability of housing. These impacts will not be fully understood for many years."<sup>12</sup>

There are likely to have been, and continue to be, changes and fluctuations to the 'business as usual' employment structure and residential real estate market in the Lismore community following the flooding events of 2022.

The analysis of Purchase Housing Supply using the EAC Redsquare database (at Section 4.2.5) adjusts for the impact of flooding by disregarding sales of homes in areas affected by the floods, as many of these sold for low prices, reflecting the cost required to bring the dwellings to a habitable standard.

A further important factor to consider in relation to future demand for housing is that the main employment growth sectors are generally in jobs where wages growth has been stagnant or low, and where workers are on very low, low and moderate incomes. Again, this points to the need for at least some of the housing created through an AHCS to be offered at discount market rent for low income key workers, although the most serious need is for social housing for very low income households, and low income households eligible for such accommodation.

## 4.2 Affordable Housing Supply

### 4.2.1 Rental stock

The table below shows rental stock and affordability for very low, low and moderate income renters in Lismore LGA at the 2021 Census. Lismore LGA had a greater proportion of renting households in the very low, low and moderate income bands at 74% compared to Rest of NSW at 65%. Lismore LGA also had a greater proportion of private rental stock renting at costs affordable to very low, low and moderate income households at 91% of private rental stock compared to 87% for Rest of NSW.

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<sup>11</sup> Lismore Affordable and Diverse Housing Strategy, Pg 5.

<sup>12</sup> Lismore Affordable and Diverse Housing Strategy, Pg 12.

Table 4.7: Rental Stock in Lismore LGA at 2021 Census

	Lismore LGA			Rest of NSW		
	Proportion of Renting Households	Proportion of private rental stock affordable (excl social housing)	Social housing as a proportion of rental stock	Proportion of Renting Households	Proportion of rental stock affordable (excluding social housing)	Social housing as a proportion of rental stock
<b>Very low income households</b>	33%	12%		27%	13%	
<b>Low income households</b>	20%	40%		18%	32%	
<b>Moderate income households</b>	20%	39%		19%	42%	
<b>Total</b>	74%	91%	14.2%	65%	87%	14.8%

Source: ABS (2021) Census of Population and Housing, JSA 2023 calculations

- (1) Proportions of rental stock are not cumulative, that is housing that is affordable to very low income households is also affordable to low income households but is not included in the total for low income households.
- (2) Households with negative/nil income excluded.

## 4.2.2 Rental Vacancies

A survey was conducted of real estate agents in Lismore Shire in the week of 16 June 2023. Five provided information on the size of their rent roll and the current level of vacancies.

The total rent roll across these agencies was estimated at 974 with 36 vacancies, giving a vacancy rate of 3.7%. Under clause 47(3) of SEPP Housing, vacancy rates below 3% are used to indicate a shortage of rental accommodation. However, as noted later, most of the available rental is not affordable.

## 4.2.3 Affordable Housing Benchmarks

The table below shows affordable housing benchmarks based on no more than 30% of total household income being expended on rent or mortgage payments for very low, low and moderate income households for Rest of NSW.

Table 4.8: Relevant Affordable Housing Income and Cost Benchmarks – Rest of NSW

	<b>Very low-income household</b>	<b>Low-income household</b>	<b>Moderate-income household</b>
<b>Income Benchmark</b>	<50% of Gross Median H/H Income for Rest of NSW	50-80% of Gross Median H/H Income for Rest of NSW	80%-120% of Gross Median H/H Income for Rest of NSW
<b>Income Range (2)</b>	<\$783 per week	\$784-\$1,254 per week	\$1,255-\$1,880 per week
<b>Affordable Rental Benchmarks (3)</b>	<\$235 per week	\$236-\$376 per week	\$377-\$564 per week
<b>Affordable Purchase Benchmarks (4)</b>	<\$201,000	\$201,001-\$323,000	\$323,001-\$484,000

Source: JSA 2023, based on data from ABS (2021) Census and ABS (2023) Consumer Price Index, ANZ online home loan repayment calculator, [www.anz.com.au/personal/home-loans/calculators-tools/calculate-repayments/](http://www.anz.com.au/personal/home-loans/calculators-tools/calculate-repayments/)

(1) All values reported are in December Quarter 2022 dollars

(2) Total weekly household income

(3) Calculated as 30% of total household income

(4) Calculated using ANZ Loan Repayment Calculator, using 19 April 2023 interest rate (6.49%) and assuming a 20% deposit for a 30-year ANZ Standard Variable Home Loan and 30% of total household income as repayments.

#### 4.2.4 Rental Housing Supply

##### DCJ Rent and Sales Report

The table below shows rental data for the December Quarter 2022 for Lismore LGA compared to Rest of State<sup>13</sup> and NSW.

It is noted that newer dwellings and future supply would be rented for at least the median rent, so that this is the most relevant value to consider. The lack of studio apartments, and very low supply of one-bedroom units is also noted, which is a significant gap in the market for smaller low income households.

Recent data from the NSW Rent and Sales Report,<sup>14</sup> set out in the table below, indicates that even a **one-bedroom strata dwelling** is not affordable to a very low income renting household according to the statutory definition. Likewise, median rent on a studio apartment (or bedsit) is unlikely to be

<sup>13</sup> Rest of State refers to LGAs in NSW less the Greater Metropolitan Region which includes all LGAs in Greater Sydney, plus LGAs in the Illawarra (Wollongong, Kiama and Shellharbour) and in the Hunter (Cessnock, Lake Macquarie, Maitland, Newcastle, Port Stephens).

<sup>14</sup> Most recent data DCJ Rent and Sales Report (December Quarter 2022).

affordable to a very low income household, noting in any case that there were insufficient lettings for data to be reported.<sup>15</sup>

A median priced studio apartment would be affordable to only around 60% of low income renters,<sup>16</sup> whilst a **one-bedroom strata dwelling was affordable to only the upper 20% of the low income range**. This means that the vast majority of very low and low income renters in housing stress and in need of affordable housing are unlikely to have their needs met through the private rental market.

The situation was a little better for **moderate income renting households**. Most could affordably rent a two-bedroom dwelling; however, median rent on a three-bedroom home was affordable to only the upper 5% of the moderate income range. As such, there is also a significant gap for **very low, low and moderate income families** seeking affordable rental in the LGA.

Table 4.9: Rents for Lismore LGA by bedroom number (all dwellings) compared to Rest of NSW, December Quarter 2022

	Lismore LGA				Rest of State	NSW (Total)
	First Quartile	Median	Third Quartile	Number of New Bonds	Median	Median
<b>Bedsits</b>	-	-	-	-	\$230	\$378
<b>One Bedroom</b>	\$230	\$295	\$330	<30	\$280	\$499
<b>Two Bedrooms</b>	\$320	\$360	\$400	77	\$370	\$540
<b>Three Bedrooms</b>	\$450	\$495	\$550	117	\$470	\$580
<b>Four or more Bedrooms</b>	\$550	\$620	\$685	51	\$580	\$720

Source: NSW Rent and Sales Report No 142, December Quarter 2022, Rent Tables; JSA 2023.

## Rental Snapshot

A rental snapshot for the Lismore LGA was conducted on 20 April 2023 using domain.com.au. Results are shown in the tables below. Of the 118 dwellings advertised for rent, 10 were boarding house style bedsits at the Metropole Hotel in Lismore that are not fully self-contained with shared bathroom facilities (8% of dwellings advertised).

Again, the lack of affordability for very low and most low income renting households is noted, with a very low income household not able to affordably rent a bedsit or studio apartment; and a median one bedroom unit affordable to only around 20% of low income households. Again, the unaffordability of anything suited to a family with children is noted.

<sup>15</sup> Based on previous research by JSA, it is assumed for the purpose of assessment that a studio apartment would rent for 80% of the rent on a one bedroom unit.

<sup>16</sup> Assuming rent of 80% of a one bedroom apartment.

Table 4.10: Rents for Lismore LGA by bedroom number and quartile

	Lismore LGA			
	First Quartile	Median	Third Quartile	Number of properties
<b>Bedsits</b>	\$275	\$275	\$275	11 (9%)
<b>One Bedroom</b>	\$318	\$340	\$348	6 (5%)
<b>Two Bedrooms</b>	\$350	\$380	\$390	28 (24%)
<b>Three Bedrooms</b>	\$500	\$550	\$650	41 (35%)
<b>Four or more Bedrooms</b>	\$543	\$665	\$750	32 (27%)
<b>All dwellings</b>	\$380	\$500	\$650	118 (100%)

Source: domain.com.au as at 20/04/2023, JSA calculation

Table 4.11: Median rents for Lismore LGA by Suburb

Suburb	Median Rent	Number of Properties
<b>Lismore</b>	\$350	29
<b>Goonellabah</b>	\$600	27
<b>East Lismore</b>	\$390	16
<b>Lismore Heights</b>	\$525	11
<b>Clunes</b>	\$700	7
<b>All dwellings</b>	\$500	118

Source: domain.com.au, 20/04/2023, JSA calculation

## Rent Increases Over Time

The effects of COVID-19 on regional rental markets, like Lismore LGA, are evident from the real (adjusted for inflation) increase in rent from March 2018<sup>17</sup> to March 2023.

Real (adjusted for inflation) **rents increased dramatically** in Lismore LGA from March 2020 to March 2022, compared with generally lower historical growth rates. In the 12 months from March 2020 (just before the first 'lockdown') to March 2021, median rent on a one-bedroom flat in the LGA increased by 19% in real terms compared with a 13% reduction (negative growth) in NSW, with this negative growth in rents largely influenced by people leaving the Greater Sydney rental market. Local rents on three-bedroom houses grew by 17% during this period compared with 7% for NSW. Growth in two-bedroom units was also strong in the LGA, increasing by 6% from 2020-

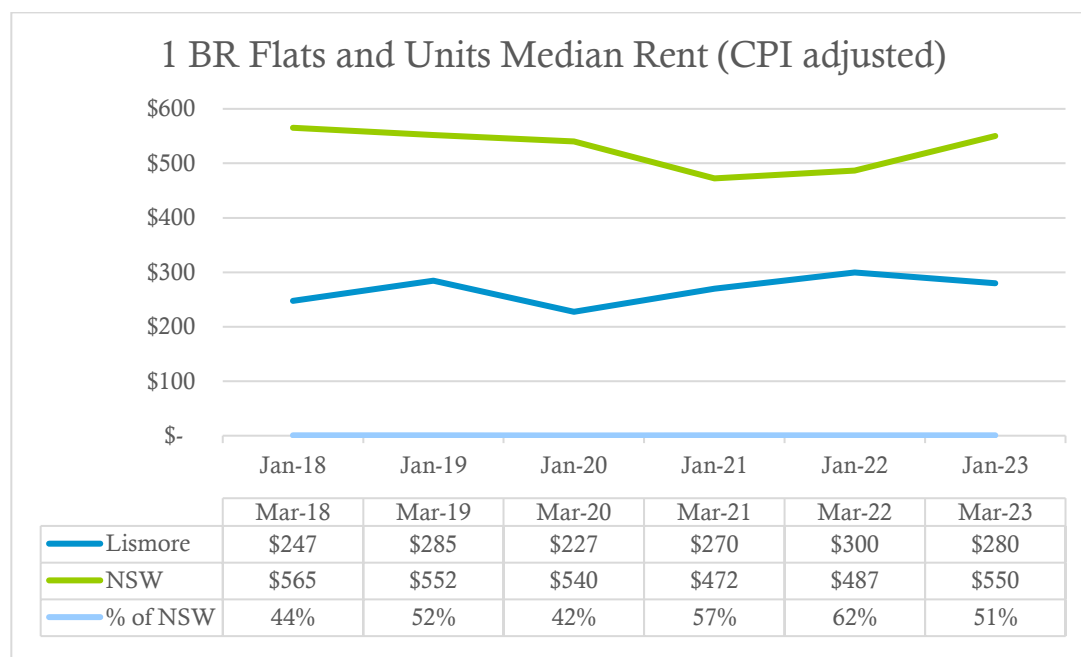
<sup>17</sup> The earliest period for which DCJ Rent and Sales data was available for Lismore LGA as a disaggregated area.



21, and 11% in 2021-22 compared with -5% and -1% for NSW, again strongly influenced by the Greater Sydney rental market.

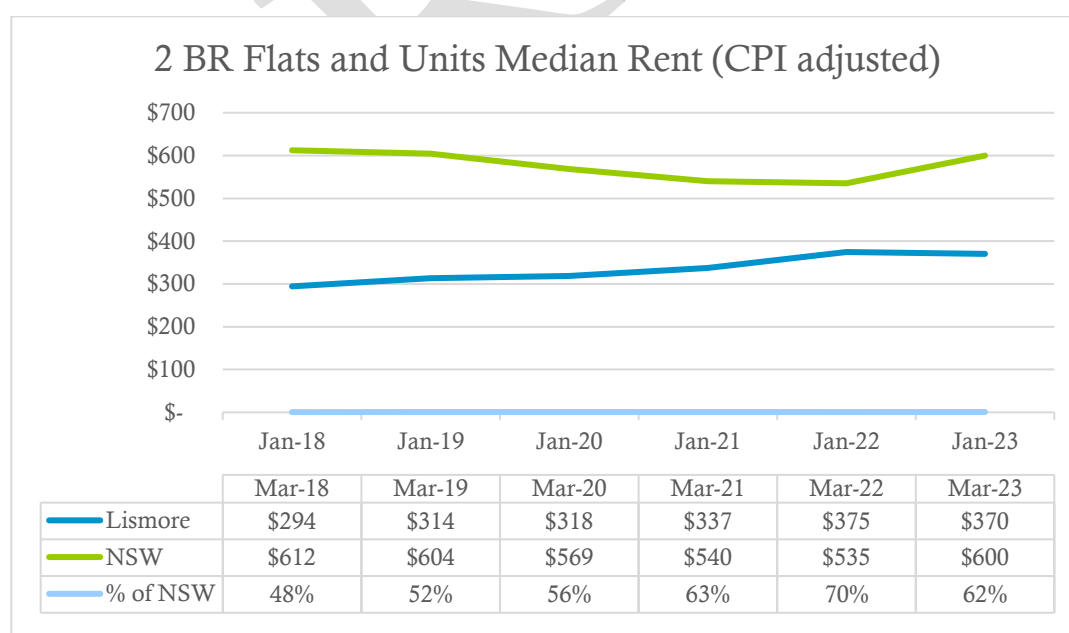
Interestingly, this trend has reversed in 2022-23 with the end of COVID 19 restrictions, with negative growth in local rents, and positive growth in NSW rents, although the rents in the LGA are still far higher than pre-COVID rents.

This is shown for these indicative housing products in the following graphs and tables.



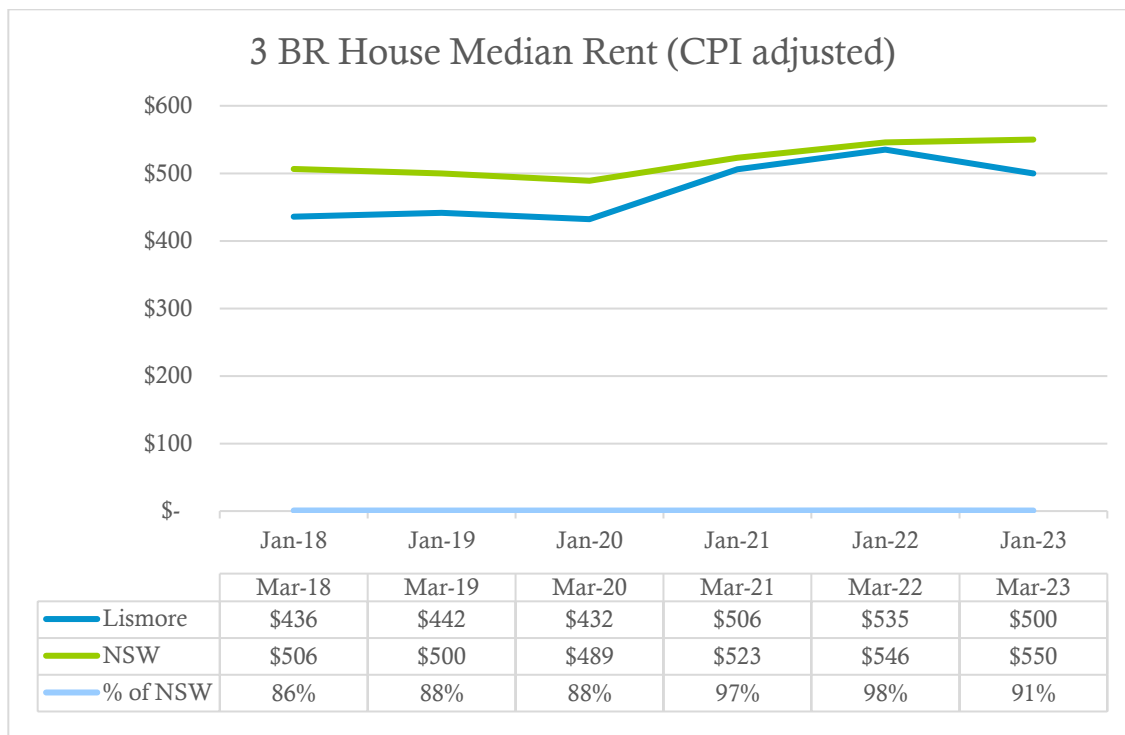
**Figure 4.15: Median Rent for 1 BR Unit Lismore LGA & NSW (2018-23)**

Source: JSA (2023) derived from DCJ Rent and Sales Reports for relevant quarters



**Figure 4.16: Median Rent for 2 BR Unit Lismore LGA & NSW (2018-23)**

Source: JSA (2023) derived from DCJ Rent and Sales Reports for relevant quarters



**Figure 4.17: Median Rent for 3 BR House Lismore LGA & NSW (2018-23)**

Source: JSA (2023) derived from DCJ Rent and Sales Reports for relevant quarters

**Table 4.12: Median Rents Lismore LGA and NSW March 2018 to March 2023: Annual Increase in Rent (%) adjusted for CPI**

Quarter	1 BR Unit		2 BR Unit		3 BR House	
	Lismore	NSW	Lismore	NSW	Lismore	NSW
Mar-18						
Mar-19	15%	-2%	7%	-1%	1%	-1%
Mar-20	-20%	-2%	1%	-6%	-2%	-2%
Mar-21	19%	-13%	6%	-5%	17%	7%
Mar-22	11%	3%	11%	-1%	6%	4%
Mar-23	-7%	13%	-1%	12%	-7%	1%

Source: JSA (2023) derived from DCJ Rent and Sales Reports for relevant quarters



## 4.2.5 Purchase Housing Supply

### DCJ Sales Report

The table below shows DCJ Sales report data for the September Quarter 2022<sup>18</sup> compared to Rest of State. First quartile strata, non-strata and total dwellings were affordable to moderate income households. The median sales price for total dwellings in Lismore LGA was equivalent to Rest of State for the September Quarter 2022; while the median price for a non-strata dwelling in Lismore was 6% higher than Rest of State, a median strata dwelling was 10% less.

Table 4.13: Purchase prices for Lismore LGA (all dwellings) compared to Rest of State, September Quarter 2022

	Lismore LGA				Rest of State
	First Quartile	Median	Third Quartile	Number of sales	Median
<b>Total</b>	\$415,000	\$590,000	\$750,000	161	\$590,000
<b>Non Strata</b>	\$389,000	\$634,000	\$791,000	136	\$600,000
<b>Strata</b>	\$425,000	\$495,000	\$550,000	<30	\$550,000

Source: NSW Rent and Sales Report No. 142

### EAC Redsquare Sales

#### Non-Strata (DP)

Greater detail is available using sales data from the EAC RedSquare database. This provides sales data by strata and non-strata, number of bedrooms, suburb and land size amongst other details.

The two tables below show sales data for Lismore LGA for non-strata properties sold between 1 January 2022 and 20 April 2023, by number of bedrooms and for selected suburbs, **where the property is not located within the March 2022 Flood Inundation Level** in the Lismore City Council online interactive GIS mapping tool.<sup>19</sup> This does not necessarily mean that the dwelling located on the property was adversely affected by flooding. However, it is not possible to ascertain which dwellings were and were not affected by flooding based on sales ads. As such, all properties identified within the flood inundation level were removed from the analysis of sales to better understand the value of non-flood affected properties during this period.

<sup>18</sup> Most recent report available as at 20/04/2023.

<sup>19</sup> There are a number of recent sales in flood affected areas that appear to be heavily discounted, probably reflecting the cost of making good the dwelling. These have not been included in this assessment.

Table 4.14: Lismore LGA sales of non-flood affected, non-strata properties by bedroom number and quartile

# Bedroom	First Quartile	Median	Third Quartile	Number of sales
One and Two Bedrooms	\$502,500	\$544,500	\$623,119	8
Three Bedrooms	\$579,000	\$645,000	\$705,000	153
Four or more Bedrooms	\$680,000	\$762,500	\$872,500	88
Non-Flood Affected Sales	\$600,000	\$670,000	\$760,000	249

Source: EAC Redsquare data base accessed 20 April 2023, JSA calculation

#### Table Notes:

- (1) Search excluded properties greater than 1,000 m<sup>2</sup> in area to exclude rural residential sales.
- (2) Recorded sales from 1 January 2022 to 20 April 2023.
- (3) Data excludes low cost sales between related people and sales with inadequate data e.g. bedrooms or price not stated.
- (4) Data excludes properties identified within the March 2022 Flood Inundation Level

#### Strata (SP)

The table below show sales data for Lismore LGA for strata properties sold between 1 January 2022 and 20 April 2023, by number of bedrooms, **where the property is not located within the March 2022 Flood Inundation Level** in the Lismore City Council online interactive GIS mapping tool. This does not necessarily mean that the dwelling located on the property was adversely affected by flooding. However, it is not possible to ascertain which dwellings were and were not affected by flooding based on sales ads.

Table 4.15: Lismore LGA sales of non-flood affected, strata properties by bedroom number and quartile

# Bedroom	First Quartile	Median	Third Quartile	Number of sales
One Bedroom	-	-	-	-
Two Bedrooms	\$368,750	\$420,000	\$485,000	31
Three Bedrooms	\$500,000	\$560,000	\$670,000	37
Four or more Bedrooms	\$640,000	\$675,000	\$675,000	5

<b>Six room 'unit' Dixon PI sales<sup>20</sup></b>	\$250,000	\$250,000	\$250,000	9
<b>Non-Flood Strata Sales (excl six room 'unit' Dixon PI sales)</b>	<b>\$420,000</b>	<b>\$507,500</b>	<b>\$581,000</b>	<b>73</b>
<b>Non-Flood Strata Sales</b>	\$396,250	\$492,250	\$560,000	82

Source: EAC RedSquare database accessed 20 April 2023, JSA calculations

#### Table Notes:

- (1) Recorded sales from 1 January 2022 to 20 April 2023.
- (2) Data excludes low cost sales between related people and sales with inadequate data e.g. bedrooms or price not stated.
- (3) Data excludes properties within the March 2022 Flood Inundation Level.

### Vacant Land

The tables below show sales data for Lismore LGA for vacant land sold between 1 January 2022 and 20 April 2023, by quartile and suburb. This data excludes the sale of two sites identified as being within the March 2022 Flood Inundation Level.

Table 4.16: Sales for Lismore LGA for vacant land by quartile

	<b>First Quartile</b>	<b>Median</b>	<b>Third Quartile</b>	<b>Number of sales</b>
<b>Vacant land</b>	\$388,500	\$410,000	\$437,500	23

Source: EAC RedSquare data base accessed 20 April 2023, JSA calculation

#### Table Notes:

- (1) Search excluded properties greater than 1,000 m<sup>2</sup> in area to exclude rural residential sales.
- (2) Recorded sales from 1 January 2022 to 20 April 2023.
- (3) Data excludes low cost sales between related people & sales with inadequate data eg. price not stated.
- (4) Data excludes properties within the March 2022 Flood Inundation Level.

Table 4.17: Median sales prices for vacant land for Lismore LGA by Suburb

	<b>First Quartile</b>	<b>Median</b>	<b>Third Quartile</b>	<b>Number of Sales</b>
<b>East Lismore</b>		\$385,000		1
<b>Nimbin</b>		\$327,500		2

<sup>20</sup> Dormitory style student accommodation associated with the University.

<b>Goonellabah</b>	\$401,250	\$412,500	\$439,000	20
<b>Vacant land sales</b>	\$388,500	\$410,000	\$437,500	23

Source: EAC RedSquare database accessed 20 April 2023, JSA calculation

Table Notes:

- Search excluded properties greater than 1,000 m<sup>2</sup> in area to exclude rural residential sales.
- Recorded sales from 1 January 2022 to 20 April 2023.
- Data excludes low cost sales between related people and sales with inadequate data e.g. price not stated.
- Data excludes properties within the March 2022 Flood Inundation Level.

#### 4.2.6 Capacity with existing land use controls

Council has estimated that 2,201 dwellings could be developed within existing controls.

#### 4.2.7 Potential displacement of existing houses due to redevelopment

Many of the proposed redevelopment areas contain houses. It is likely that existing housing on rural land will be sold separately and so retained in the market. Where existing housing is of low quality, it is likely to be demolished, however any loss of housing will be offset by new housing development.

### 4.3 Affordable Housing Demand

#### 4.3.1 Underlying Demand

As noted, there was a need for at least 2,423 affordable dwellings at the time of the 2021 Census based on the number of households in housing stress. Almost half of these households were **very low income renting households**; and 70% were on very low or low incomes in total. Together, very low and low income renters make up almost 70% of those in housing stress (77% when moderate income renters are added).

This is a total of 1,865 renting households that are in need of affordable rental housing. However, the growing unaffordability of home purchase, and increases in real rents over the past few years indicates that this is likely to be an underestimate, and would predict a larger number of renting households that would need affordable housing in the future.

Overall, around **65% of affordable dwellings** are likely to be needed by smaller (lone person and couple only) households, and 35% need to be suitable for families with children based on the current distribution of need. The low rate of studio and one-bedroom apartments in the LGA, and the lack

of growth in housing diversity over at least the past decade, makes increasing the supply of smaller strata dwellings even more important.

As noted, allowing for a 15% increase in households from 2021-41, this would mean that an **additional 365 households** would be in need of affordable housing stress by 2041, most of them very low and low income renters needing smaller strata dwellings. In addition, to maintain the existing rate of social housing (4%), at least 125 of the projected dwellings would need to be funded by government as social housing.

## 4.4 Affordable Housing Gaps

The detailed housing market analysis above shows that there are limited opportunities for the market to meet the existing and projected demand for affordable housing in Lismore LGA, with a significant underlying demand for affordable housing, particularly among all very low and most low income households, and most moderate income families with children. This means that **around 85% of affordable housing need is unlikely to be met through the private market**, although an increase in smaller strata dwellings will be affordable to a minority of smaller low income households, and to smaller moderate income households.

By far, the most serious gap is for **smaller very low income households**, who will require deep subsidies and likely social housing rents, as well as for very low income families, who likewise will require deep subsidies to be able to rent affordably. There are at least 1,345 very low income renting households in this situation, making up almost half of all those in housing stress. This will be at least 1,500 very low income renting households in need by 2041. There is no opportunity for the market to provide for this need, and waiting times for social housing are at least 5-10 years, with only those on the priority waiting list being accommodated in recent years.

**Most smaller low income households, and all low and moderate income family households** are likewise unable to be accommodated through the private market, and are groups that will need subsidies provided through an AHCS to be able to rent affordably in the LGA and bridge the affordability gap.

The relatively high levels of rental stress in Lismore LGA, particularly amongst very low income households, and the relatively high level of workforce containment suggests that people who work in Lismore LGA lack options to rent or purchase in cheaper areas and commute back into Lismore LGA for work. Likewise, low income essential services workers are increasingly in housing stress due to wages not keeping pace with inflation and rising housing costs. Although those at the lower end of the income bands, and larger households, will likely require deeper subsidies, others are likely to require discount market rent to make their housing affordable according to the statutory definition and benchmarks.

There is also likely to be demand for smaller dwellings such as self-contained units in retirement villages, and in well-located residential flat buildings and multi-dwelling housing to meet the needs of an aging population, including those currently living in unsuitable locations, away from services and facilities, and in inappropriate or inaccessible dwellings.

The analysis above concludes that there is a gap between the current needs and supply of affordable rental accommodation for very low and low income renting households in particular that cannot be met through the market, or existing funding streams, so that the development of an affordable housing contribution scheme, if viable, is warranted.

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## 5 Appendix B – Viability Assessment

### 5.1 Precinct 1

#### 5.1.1 Description

Precinct 1 consists of greenfield sites around the suburb of Goonellabah. There are two areas proposed for upzoning and are shown on Maps 1 and 2 of the Lismore Growth and Realignment Strategy. These are shown in the table below.

Table 5.1: Development potential for residential development, Goonellabah

Parcel	Area	Expected Yield
Land at Trinity Drive	68 ha	280 lots
Land at Lagoons Grass	97 ha	175 lots

Source: Lismore City Council 2022

Table 5.2: Possible area for residential development, Goonellabah

Parcel	Area	Lot details	Zoning	Nature	Minimum lot size	Creek?	Flood prone	Acid Sulfate
Land at Trinity Drive	3.4 ha	Lot 2 DP1274220	RU1	Vacant land	40 ha	Yes	No	No
Land at Trinity Drive	5.2 ha	Lot 1 DP1274220	RU1	Vacant land	40 ha	No	No	No
Land at Trinity Drive	2.0 ha	Lot 1 DP584690	RU1	Contains a dwelling	40 ha	Yes	No	No
Land at Trinity Drive	50.8 ha	Part of Lot 3 DP1274220	RU1	Contains a dwelling	40 ha	Yes	No	No
Land at Trinity Drive	32.4 ha	Part of Lots 80 & 140 DP755718	RU1	Contains a dwelling	40 ha	Yes	No	No
Land at Lagoons Grass	16.2 ha	Lot 212 DP755718	RU1	Contains a dwelling	40 ha	Yes	No	No
Land at Lagoons Grass	16.2 ha	Lot 127 DP755718	RU1	Vacant land	40 ha	Yes	No	No
Land at Lagoons Grass	65.6 ha	Part of Lot 2 DP708633, Lot 86, PT 193 DP755718 Lot 1 DP772536 Lot 86 DP755718	RU1	Contains a dwelling	40 ha	Yes	No	No
Land at Lagoons Grass	26.1 ha	Part of Lot 5 DP562740	RU1	Contains a dwelling	40 ha	Yes	No	No



Land at Lagoons Grass	40.7 ha	Part of Lot 21 DP1169818	RU1	Contains a dwelling	40 ha	Yes	No	No
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Source: Lismore City Council 2022, Lismore LEP 2012, EAC RedSquare data base, Google Maps

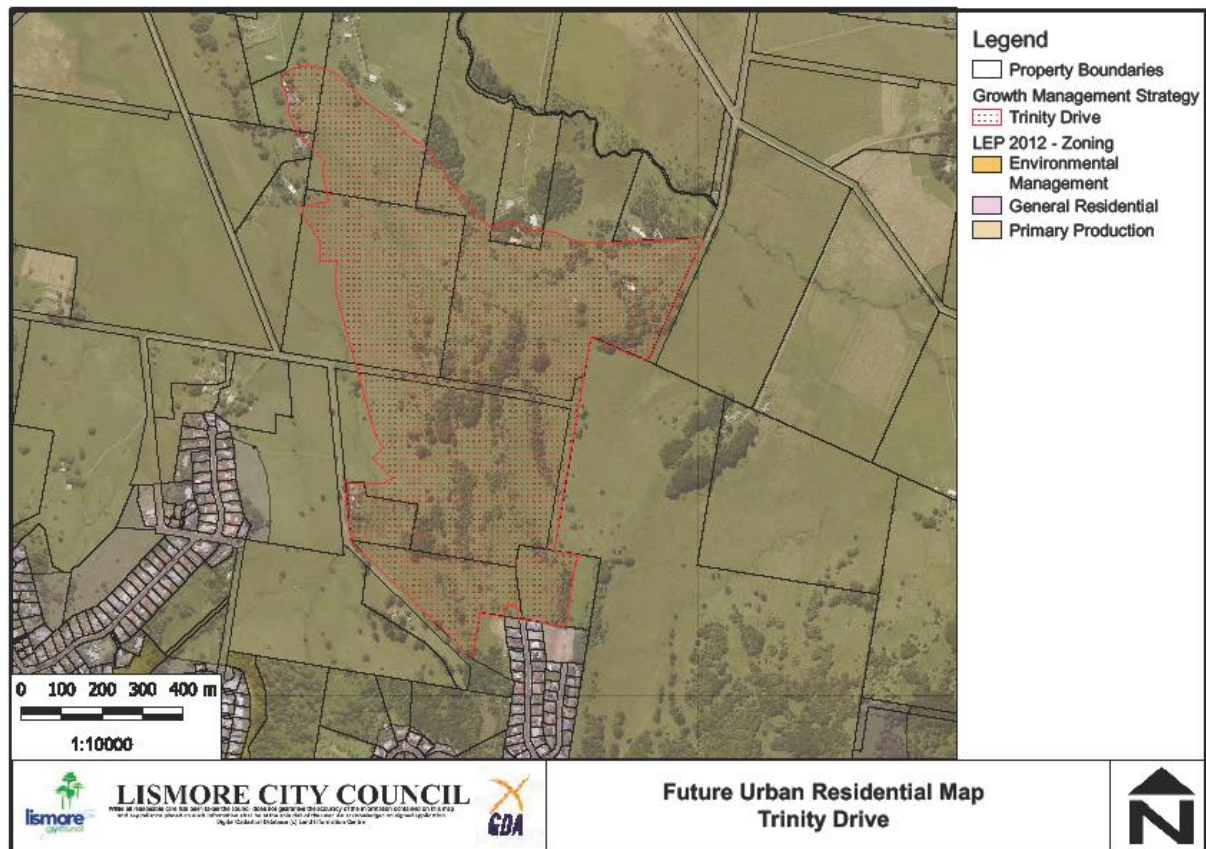


Figure 5.1: Precinct Area 1: Map 1 Trinity Drive Potential Greenfield Residential Area

Source: Lismore City Council 2022



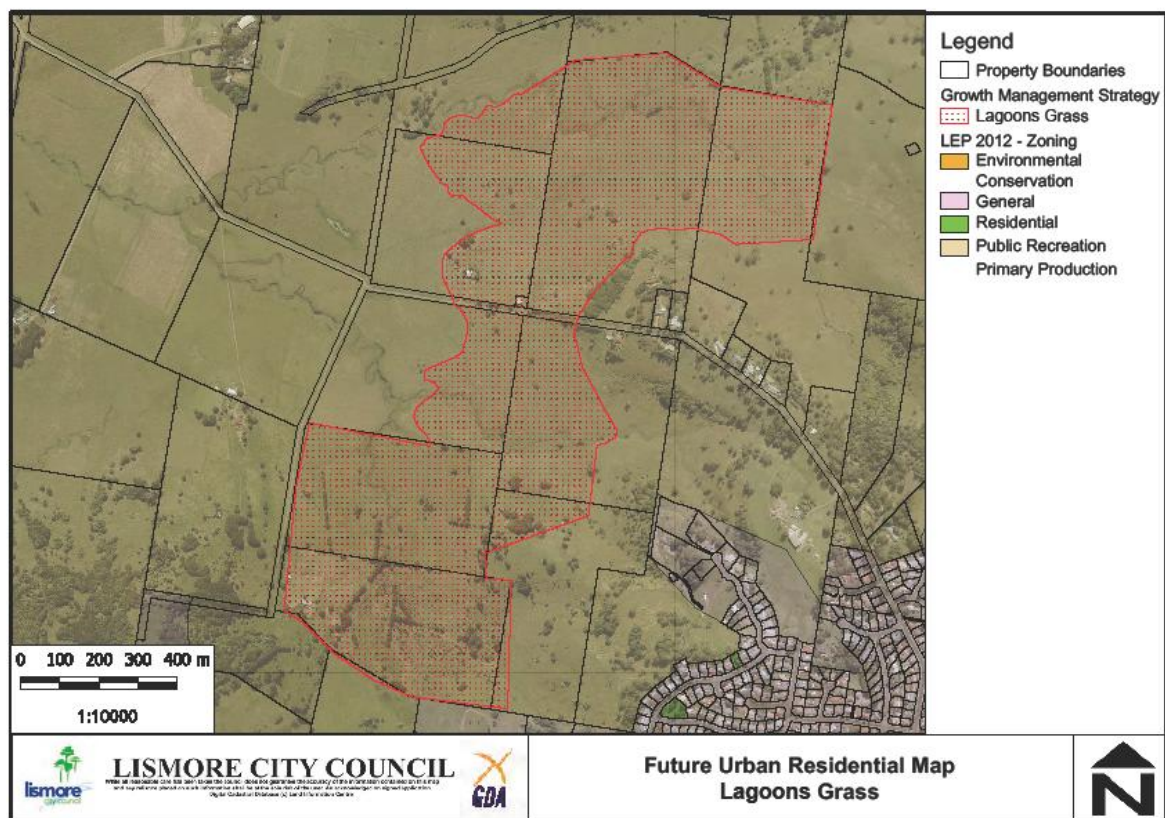


Figure 5.2: Precinct Area 1: Map 2 Lagoons Grass Potential Greenfield Residential Area

Source: Lismore City Council

### 5.1.2 Current value of land

The value of land across all sites within the precinct were found to be similar. Details of sales of rural zoned land in and around the precinct are shown in the table below.

Table 5.3: Recent sales of similar land in and around the precinct

Description	Sales Date	Area	Sales Price	Index (1)	Price per Hectare	Indexed Price per Hectare
Lot 2 DP1017187	1 February 2021	41.72 ha	\$1,200,000	1.20	\$28,763	\$34,516
Lots 1 & 2 DP118465, Lot 1 DP213711 and Lot 3 DP1255084	30 April 2021	51.14 ha	\$1,000,000	1.07	\$19,554	\$20,923

Source: EAC RedSquare data base accessed 20 April 2023, JSA calculation

Table Notes:

- (1) Sales prices have been indexed to most recent values using DOJ median non strata sales data for each quarter for Lismore LGA

Based on recent sales data, the average indexed price per hectare is \$27,720.

To better understand the value of houses on smaller lots, a linear regression analysis was carried out on sales of land in Goonellabah sized larger than 1.0 ha for the four years from 1 January 2019 to date. Results are shown in the table below.<sup>21</sup>

Table 5.4: Multi-variate linear regression analysis for rural property sales in Goonellabah ( $R^2=0.51$ ,  $n=24$ )

Parameter	Value	95% confidence range	'p' value
Number of Bedrooms (Used as a proxy for dwelling size and amenity)	\$199,870	\$86,523-\$313,217	0.002
Area (ha)	\$51,854	\$34,767-\$68,941	0.000

Source: EAC RedSquare data base accessed 9 January 2020, JSA calculation

#### Table Notes:

- Data excluded properties smaller than 1 ha as a proxy for rural residential sales.
- Recorded sales since 1 January 2019.
- Data excludes low-cost sales between related people and sales with inadequate data e.g. price not stated.
- Prices adjusted for change over time.

The results suggest that the marginal cost of reducing the area of a rural block containing a residence in Goonellabah suburb is low. As an example, in the case of a three-bedroom house on a 2 ha block of land, the value of the house is \$600,000 and the value of the land is \$104,000. Modelling for smaller lots is based on subdividing off an existing house to remove the major source of variation in prices, and subdividing the remainder of the block, with a marginal cost per hectare of \$52,000, and a 95% confidence range of \$35,000-\$69,000 per hectare. The sale of the existing house would be expected to recoup much of the current value of the land.

### 5.1.3 Expected sales price of developed land

There were 23 sales of vacant land in Goonellabah Suburb for the year from 1 January 2022, ranging in size from 400 m<sup>2</sup> to 1,340.<sup>22</sup>

The median sales price was \$409,000, with a median area of 867 m<sup>2</sup>.

### 5.1.4 Development Cost

#### Assumptions

The following assumptions have been used in estimating development cost:

<sup>21</sup> The variable of days (showing change over time) and the constant were not significant ( $p=0.922$  and  $0.694$  respectively) so were not included in the modelling.

<sup>22</sup> EAC RedSquare Data Base, accessed 11 April 2023; sales over 1,500 m<sup>2</sup> excluded to exclude rural land sales; data excludes low cost sales between related people and sales with inadequate data e.g. price not stated.

- Based on data in The Lismore Growth and Realignment Strategy,<sup>23</sup> the expected lot yield is 4.17 lots per ha.
- Average lot has a frontage of 15 metres;
- Road reserve 16.0 metres wide with 8.0 metre wide pavements;
- Developed area to be cut and filled on average by 0.5 metres;
- Underground power and phone;
- Extension of sewer and water trunk mains and any amplification works by Council using a Section 64 Contribution Plan; and
- The cost of any land remediation has not been included, however it is argued that there is sufficient contingency in the viability testing and also in the application of the scheme (a 10% levy is proposed despite the testing showing a viability result of 53%).

Modelling has been carried out for a hypothetical 10 ha site yielding 28 lots. The modelling applies the scheme to the gross residential floor area (not the whole development).

The total development cost (excluding finance costs) for a typical 10 ha subdivision has been estimated at \$3.9 million.

Further sensitivity testing has been carried out for a smaller lot, assumed to be 2 ha. It is assumed that the existing dwelling will be sold as is with a parcel of land, and so the cost of the remaining land will be the marginal cost of \$52,000 per ha. Yields based on the Growth and Realignment Strategy are quite low (30% of area is developable), however this is unlikely to be the case for smaller lots. Modelling assumes that undevelopable land will be sold off as part of the lot containing the original dwelling on the land, and so 100% of the remaining land will be developable.

### 5.1.5 Viability Assessment

Viability for the imposition of an affordable housing contribution has been assessed using the method set out in the *SEPP 70 Affordable Housing Viability Tool*.

Details are shown on spreadsheets appended as Appendix D.

Assumptions used in the viability apply to both the Trinity Drive and Lagoons Grass sites due to the similarity across land values, site characteristics and expected final sales costs.

The assessment shows that development of the site for a residential subdivision will be viable with an affordable housing contribution equivalent to 53% of lots.

Modelling on a smaller lot shows that development of the site for a residential subdivision will be viable with an affordable housing contribution equivalent to 49% of lots.

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<sup>23</sup> Lismore City Council (2022) Growth and Realignment Strategy, paragraphs 2.2.2 and 2.2.3 and JSA calculation.

## 5.2 Precinct 2

### 5.2.1 Description

Precinct 2 consists of an infill greenfield area within the North Lismore Plateau Residential Area. The area is shown on Map 3 of the Lismore Growth and Realignment Strategy. Details are shown in the table below.

Table 5.5: Possible area for residential development, North Lismore

Parcel	Area	Lot details	Zoning	Nature	Minimum lot size	Creek?	Flood prone	Acid Sulfate
32 McLeay Road North Lismore	2.02 ha	Lot 1 DP570029	RU1	Contains a dwelling	40 ha	No	No	No

Source: Lismore City Council 2022, Lismore LEP 2012, EAC RedSquare data base

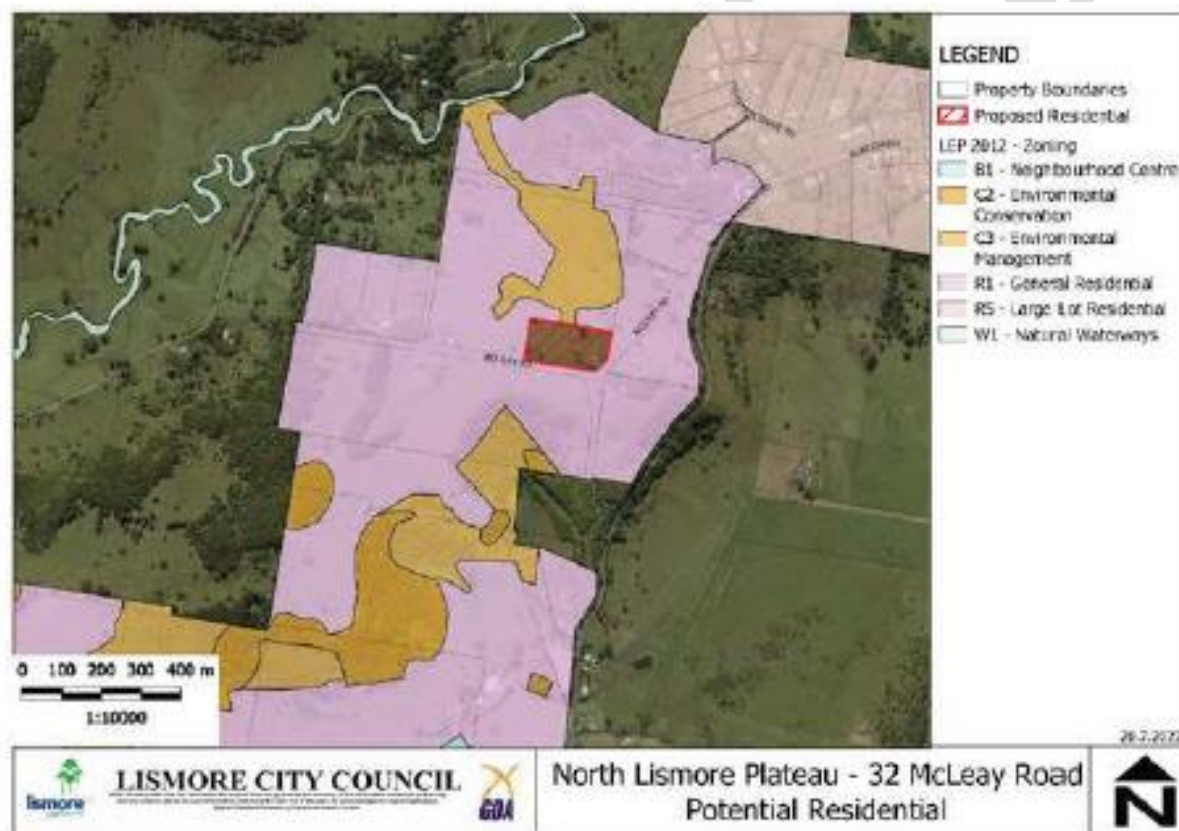


Figure 5.3: Precinct Area 2: Map 3 Potential Urban Infill site within the North Lismore Plateau Residential Area

Source: Lismore City Council



## 5.2.2 Current value of land

There were two recent sales of houses on lots of 1.0 ha or larger in the precinct.<sup>24</sup> Details are shown in the table below. The average sales price was \$1,118,000.

Table 5.6: Recent sales of similar land in and around the precinct

Description	Sales Date	Area	Sales Price	Index (1)	Indexed Price
Lot 5 DP 1080955	8 April 2022	1.05 ha	\$1,500,000	0.89	\$1,335,000
Lot 6 DP 1080955	14 October 2022	1.01 ha	\$900,000	1.00	\$900,000

Source: EAC RedSquare data base accessed 26 April 2023, JSA calculation

To better understand the value of houses on smaller lots, a linear regression analysis was carried out on sales of land in Lismore LGA for the period 1 January 2022 to date. Data included land sized between 1 and 5 ha, and containing a dwelling. For the analysis, excluding non significant variables,  $R^2=0.20$  and  $n=40$ . Of the variables used, the only significant variable was variation over time ( $p=0.004$ ). There was no significant variation with lot area ( $p=0.548$ ) or with number of bedrooms ( $p=0.109$ ). Based on this analysis, the average sales price for such a lot was \$778,000.

As the price of rural land does not vary significantly with lot area or with proxies of dwelling size, the average sales price above is likely to be a good indicator of the likely value of the land.

## 5.2.3 Expected sales price of developed land

There was one recent sale of vacant land in the precinct.<sup>25</sup> Details are shown in the table below.

Table 5.7: Recent sales of similar land in and around the precinct

Description	Sales Date	Area	Sales Price	Index (1)	Indexed Price
Portion 5 Lot 2 DP 22869 (Map shows Portion 2 Lot 1 DP 22869)	5 November 2021	721 m <sup>2</sup>	\$310,000	0.89	\$276,000

Source: EAC RedSquare data base accessed 26 April 2023, JSA calculation

Table Notes:

- (1) Sales prices have been indexed to most recent values using DOJ median non strata sales data for each quarter for Lismore LGA.

Due to the impact on median sales prices of low sales arising from the Lismore floods, and given the higher land prices in Goonellabah (median \$409,000) the actual sales price of \$310,000 has been used. It is likely that serviced lots will sell for a higher amount than this so that the development will be viable with a higher contribution rate than that calculated.

<sup>24</sup> EAC RedSquare Data Base, accessed 9 May 2023.

<sup>25</sup> EAC RedSquare Data Base, accessed 26 April 2023.

## 5.2.4 Development Cost

### Assumptions

The following assumptions have been used in estimating development cost:

- Based on a concept plan provided by the developer, the expected lot yield is 26 lots with an average size of 598 m<sup>2</sup>.
- Road reserve 16.0 metres wide with 7.0 metre wide pavements
- Quantities taken from the concept plan;
- Approximately 2,000 m<sup>2</sup> to be cut and filled on average by 0.5 metres;
- Underground power and phone;
- Extension of sewer and water trunk mains and any amplification works by Council using a Section 64 Contribution Plan; and
- The cost of any land remediation has not been included. Lismore City Council, based on existing knowledge of the area and recent rezonings in the area, don't expect the need for land remediation on this site.

The total development cost (excluding finance costs) for the proposed subdivision has been estimated at \$3.4 million.

The modelling applies the scheme to the gross residential floor area (not the whole development).

## 5.2.5 Viability Assessment

Viability for the imposition of an affordable housing contribution has been assessed using the method set out in the *SEPP 70 Affordable Housing Viability Tool*.

Details are shown on spreadsheets appended as Appendix D.

The assessment shows that development of the site for a residential subdivision will be viable with an affordable housing contribution equivalent to 15% of lots.

## 5.3 Precinct 3

### 5.3.1 Description

Precinct 3 consists of various parcels of land along the southern boundary of the Lismore urban area. The area is shown on Map 9 of the Lismore Growth and Realignment Strategy. Details are shown in the table below.

Table 5.8: Possible area for residential development, Urban infill

Parcel	Area	Lot details	Zoning	Nature	Minimum lot size	Creek?	Flood prone	Acid Sulfate
53 Barham St, East Lismore	19.57 ha	Lot 2 DP1244032	RU1 (Part)	Vacant land	40 ha	No	No	No
20 King George Dr, East Lismore	5.17 ha	Lot 14 DP778277	RU1 (Part)	Vacant land	40 ha	No	No	No
1 Gundurimba Rd, Monaltrie	61.88 ha	Lot 1 DP247801 & Lot 3 DP805680	RU1 (Part)	Vacant land	40 ha	No	No	No
221 Invercauld Rd, Goonellabah	8.65 ha	Lot 104 DP816880	RU1	Contains a dwelling	40 ha	No	No	No
229 Invercauld Rd, Goonellabah	5.29 ha	Lot 17 DP788403	RU1	Contains a dwelling	40 ha	No	No	No
49 Skyline Rd, Monaltrie	29.43 ha	Lot 11 DP602908	RU1	Contains a dwelling	40 ha	No	About 50%	No
94 Skyline Rd, Monaltrie	6.07 ha	Lot 3 DP583666	RU1	Contains a dwelling	40 ha	No	No	No
249 Invercauld Rd, Goonellabah	10.12 ha	Lot 9 DP252856	RU1	Vacant land	40 ha	No	No	No
668 Skyline Rd, Goonellabah	34.32 ha	Lot 2 DP1103669	RU1	Contains a dwelling	40 ha	No	No	No
164 Rous Rd, Goonellabah	1.43 ha	Lot 3 DP1176419	RU1	Vacant land	40 ha	No	No	No
186 Rous Rd, Goonellabah	4.01 ha	Lot 101 DP592235	RU1	Contains a dwelling	40 ha	No	No	No
198 Rous Rd, Goonellabah	4.34 ha	Lot 100 DP592235	RU1	Contains a dwelling	40 ha	No	No	No
123 Taylor Rd, Chilcotts Grass	20.30 ha	Lots 23 & 29 DP704335, Lot 2 DP1185561	RU1 (part)	Contains a dwelling	40 ha	No	No	No

Source: Lismore City Council 2022, Lismore LEP 2012, EAC RedSquare data base

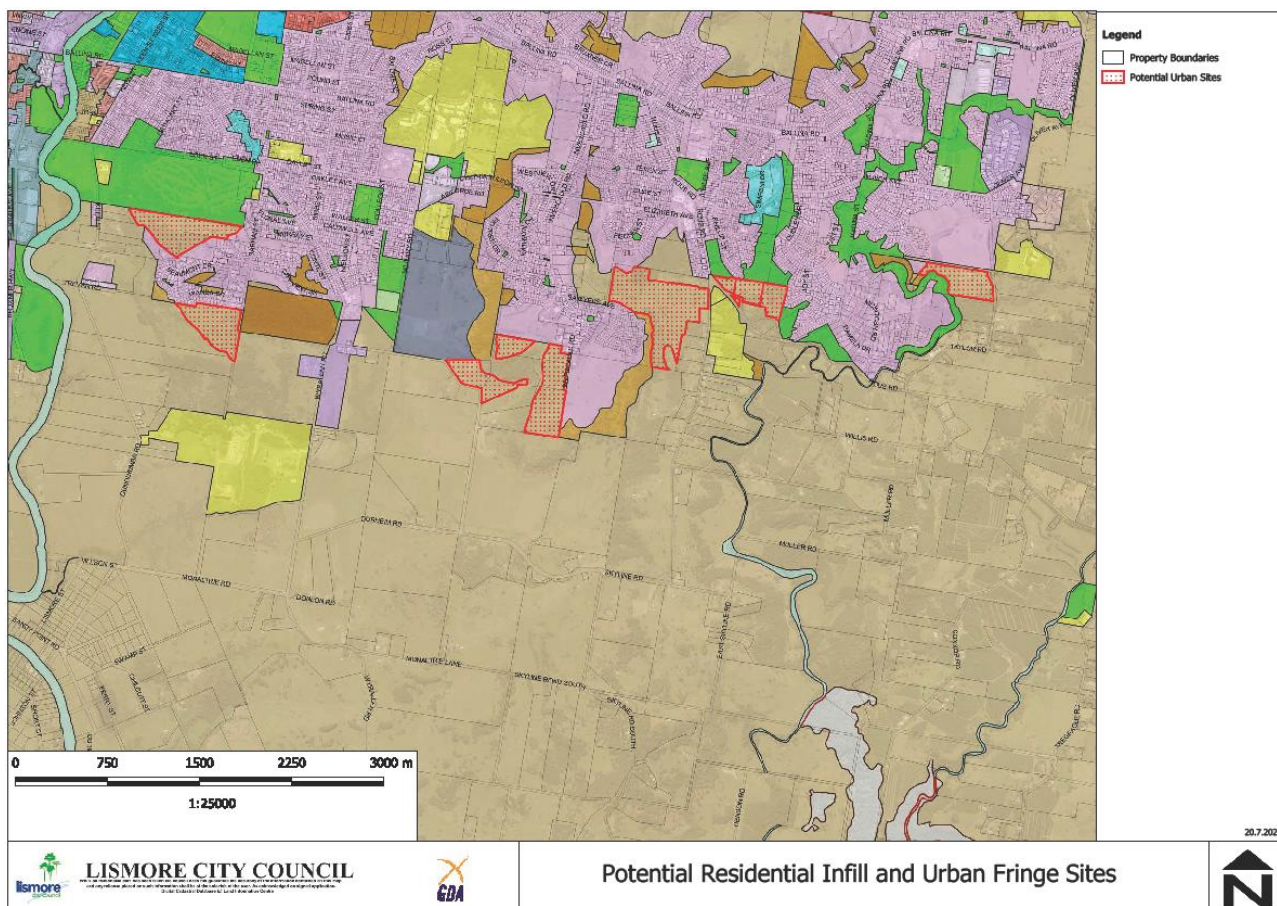


Figure 5.4: Precinct Area 3: Map 9 Urban residential infill and fringe sites

Source: Lismore City Council 2022

### 5.3.2 Current value of land

Details of recent sales of rural zoned land in and around the precinct are shown in the table below.

Table 5.9: Recent sales of similar land in and around the precinct

Description	Sales Date	Area	Sales Price	Index (1)	Price per Hectare	Indexed Price per Hectare	
Lot 12 DP1130877	28 September 2022	43.69 ha	\$1,450,000	1.00	\$33,188	\$33,188	
Lot 10 DP1130877	22 December 2020	11.94 ha	\$1,650,000	1.35	\$138,191	\$186,558	
Lot 103 DP709070	30 October 2020	39.52 ha	\$5,900,000	1.35	\$149,291	\$201,543	

Source: EAC RedSquare data base accessed 20 April 2023, JSA calculation

Table Notes:

- (1) Sales prices have been indexed to most recent values using DOJ median non strata sales data for each quarter

Based on recent sales data, the average indexed price per hectare is \$122,359 however there is significant variation across lots.



To better understand the value of houses on smaller lots, a linear regression analysis was carried out on sales of land in Goonellabah sized larger than 1.0 ha for the four years from 1 January 2019 to date. Results are shown in the table below.<sup>26</sup>

Table 5.10: Multi-variate linear regression analysis for rural property sales in Goonellabah ( $R^2=0.51$ ,  $n=24$ )

Parameter	Value	95% confidence range	'p' value
Number of Bedrooms (Used as a proxy for dwelling size and amenity)	\$199,870	\$86,523-\$313,217	0.002
Area (ha)	\$51,854	\$34,767-\$68,941	0.000

Source: EAC RedSquare data base accessed 9 January 2020, JSA calculation

#### Table Notes:

- Data excluded properties smaller than 1 ha as a proxy for rural residential sales.
- Recorded sales since 1 January 2019.
- Data excludes low-cost sales between related people and sales with inadequate data e.g. price not stated.
- Prices adjusted for change over time.

The results suggest that the marginal cost of reducing the area of a rural block containing a residence in Goonellabah suburb is low. As an example, in the case of a three-bedroom house on a 2 ha block of land, the value of the house is \$600,000 and the value of the land is \$104,000. Modelling for smaller lots is based on subdividing off an existing house to remove the major source of variation in prices, and subdividing the remainder of the block, with a marginal cost per hectare of \$52,000, and a 95% confidence range of \$35,000-\$69,000 per hectare. The sale of the existing house would be expected to recoup much of the current value of the land.

### 5.3.3 Expected sales price of developed land

There were three sales of vacant land in East Lismore suburb and no sales in Girard Hill suburb for the two years from 1 January 2021. Details are shown in the table below.<sup>27</sup>

The average sales price per square metre was \$370, with an average lot size of 890 m<sup>2</sup>, or \$329,000 for an average size lot. These prices are indicative of development in the western end of the precinct.

Table 5.11: Recent sales of vacant land in and around the precinct

Description	Sales Date	Area	Sales Price	Index (1)	Price per m <sup>2</sup>	Indexed Price per m <sup>2</sup>
Lot 17 DP248701	5 March 2021	612 m <sup>2</sup>	\$169,000	1.20	\$276	\$331

<sup>26</sup> The variable of days (showing change over time) and the constant were not significant ( $p=0.922$  and  $0.694$  respectively) so were not included in the modelling.

<sup>27</sup> EAC RedSquare Data Base, accessed 27 April 2023.

Lot 7 DP270567	29 November 2021	1,090 m <sup>2</sup>	\$450,000	0.89	\$413	\$367	
Lot 8 DP270567	31 August 2022	970 m <sup>2</sup>	\$385,000	1.00	\$397	\$397	

Source: EAC RedSquare data base accessed 20 April 2023, JSA calculation

There were 23 sales of vacant land in Goonellabah Suburb for the year from 1 January 2022, ranging in size from 400 m<sup>2</sup> to 1,340.<sup>28</sup>

The median sales price was \$409,000, with a median area of 867 m<sup>2</sup>.

These prices are indicative of development in the eastern end of the precinct.

### 5.3.4 Development Cost

The following assumptions have been used in estimating development cost:

- There are limited constraints on land listed in Table 5.15 above, so that most of the land can be developed;
- Allowance of 70 m<sup>2</sup> per lot for open space (2.83 ha/1000 people and allowing 2.4 people per lot);
- Average lot has a frontage of 15 metres;
- Road reserve 16.0 metres wide with 8.0 metre wide pavements;
- Developed area to be cut and filled on average by 0.5 metres;
- Underground power and phone;
- Extension of sewer and water trunk mains and any amplification works by Council using a Section 64 Contribution Plan; and
- The cost of any land remediation has not been included. Lismore City Council do not expect the need for land remediation to occur on any of the sites included in this precinct. Should any remediation be necessary, it is also argued that there is sufficient contingency in the viability testing and also in the application of the scheme (a 10% levy is proposed despite the testing showing a viability result of 46% and 57% in this precinct).

Modelling has been carried out for a hypothetical 10 ha site yielding 93 lots. The modelling applies the scheme to the gross residential floor area (not the whole development).

The total development cost (excluding finance costs) for a typical 10 ha subdivision has been estimated at \$9.6 million.

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<sup>28</sup> EAC RedSquare Data Base, accessed 11 April 2023; sales over 1,500 m<sup>2</sup> excluded to exclude rural land sales; data excludes low cost sales between related people and sales with inadequate data e.g. price not stated.

### 5.3.5 Viability Assessment

Viability for the imposition of an affordable housing contribution has been assessed using the method set out in the *SEPP 70 Affordable Housing Viability Tool*. Viability for smaller lots has not been separately assessed, as the marginal cost of land per square metre is less than the rate based on recent sales of larger land, hence the economics will be the same as that assessed.

Details are shown on spreadsheets appended as Appendix D.

For the western end of the precinct (assessment 3a), the assessment shows that development of the site for a residential subdivision will be viable with an affordable housing contribution equivalent to 46% of lots.

For the eastern end of the precinct (assessment 3b), the assessment shows that development of the site for a residential subdivision will be viable with an affordable housing contribution equivalent to 57% of lots.

## 5.4 Other Precincts

Viability studies were undertaken for a variety of other parcels and precincts in Lismore as directed by the Lismore Growth and Realignment Strategy 2022. No other sites were found to be viable.

DRAFT

## 6 Appendix C – Information Sources

Information sources are footnoted throughout the document.

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# 7 Appendix D – Estimate of Development Costs and Assessment of Viability

## 7.1 Precinct 1

### Precinct 1 Goonellabah

UPZONED VALUE	Without an Affordable Housing Developer Contribution			VIABLE
	QUANTITY	UNIT	RATE	TOTAL
<b>REVENUE:</b>				
Gross Area (ha)				10.0
Developable Area (ha) (based on Lismore Growth and Realignment Strategy Yields)	43%			4.3
Saleable lots (based on Lismore Growth and Realignment Strategy Yields):	42.0			42.0
Sales price per lot				\$ 409,000.00
Gross Realisation Value				\$ 17,178,000.00
LESS				
Selling Commission and Marketing Costs	4.0%			\$ 687,120.00
GST on Revenue	10.0%			\$ 1,561,636.36
<b>Net Realisation</b>				<b>\$ 14,929,243.64</b>
Profit and Risk Allowance	22.0%			\$ 2,692,158.69
<b>Available funds for project</b>				<b>\$ 12,237,084.95</b>
<b>DEVELOPMENT COSTS:</b>				
Preliminaries:				
Fencing to site	680.0	metre	\$ 44.00	\$ 29,920
Site office	52.0	week	\$ 100.00	\$ 5,200
Lunchroom	52.0	week	\$ 130.00	\$ 6,760
Toilets	52.0	week	\$ 130.00	\$ 6,760
Storage shed	52.0	week	\$ 70.00	\$ 3,640
Allowance for connections power water phone	1.0	Item	\$ 20,000.00	\$ 20,000
Allowance for user charges	52.0	week	\$ 400.00	\$ 20,800
Project Manager	1.0	year	\$ 180,000.00	\$ 180,000
Foreman	1.0	year	\$ 180,000.00	\$ 180,000
Surveyor	1.0	year	\$ 180,000.00	\$ 180,000
Insurance	0.20%	Item	\$ 10,287.80	\$ 7,900
Site preparation and earthworks:				
Clear site	42,840.0	m <sup>2</sup>	\$ 0.59	\$ 25,275.60
Remove trees	100.0	each	\$ 176.00	\$ 17,600.00
Silt fence	630.0	metre	\$ 20.00	\$ 12,600.00
Strip topsoil 150 mm thick	42,840.0	m <sup>2</sup>	\$ 2.00	\$ 85,680.00
Cut and fill site average 0.5 metres	21,420.0	m <sup>3</sup>	\$ 19.60	\$ 419,832.00
Road:				
allow 210 metres of roadway including kerbs	315.0	metre	\$ 565.00	\$ 177,975.00
Stormwater:				
Stormwater drainage 300 dia	630.0	metre	\$ 196.00	\$ 123,480
Pits	21.0	each	\$ 4,205.00	\$ 88,305
Excavate and backfill	378.0	m <sup>3</sup>	\$ 66.00	\$ 24,948
Water:				
Water reticulation 150 diameter	630.0	metre	\$ 215.00	\$ 135,450
Fittings and valves	31.5	each	\$ 700.00	\$ 22,050
Excavate and backfill	378.0	m <sup>3</sup>	\$ 66.00	\$ 24,948
Sewer:				
Sewer reticulation 150 diameter	630.0	metre	\$ 248.75	\$ 156,713
manholes	31.50	each	\$ 2,745.00	\$ 86,468
Excavate and backfill	378.0	m <sup>3</sup>	\$ 66.00	\$ 24,948
Electricity and communications:				
11 KV extension	315.0	metre	\$ 432.75	\$ 136,316
Electricity reticulation 200A underground	630.0	metre	\$ 182.00	\$ 114,660
Transformer pad mounted	1.0	Item	\$ 150,000.00	\$ 150,000
Communications	630.0	metre	\$ 40.00	\$ 25,200
Landscaping:				
Allowance for streetscape	42.0	lot	\$ 2,500.00	\$ 105,000
Allowance for local park	1.0	Item	\$ 300,000.00	\$ 300,000
<b>SUBTOTAL1</b>				<b>\$ 2,898,427.85</b>
Professional fees	10.0%			\$ 289,842.79
Contingency	20.0%			\$ 579,685.57
DA - Subdivision (\$777 + \$65 per lot)	1.0	Item	\$ 3,507.00	\$ 3,507
DA (Excluding Dwellings)	1.0	Item	\$ 8,406.74	\$ 8,407
CC fees	1.0	Item	\$ 18,196.00	\$ 18,196
Long Service Levy	1.0	Item	\$ 7,246.07	\$ 7,246
Integrated development fee	1.0	Item	\$ 164	\$ 164
plan first fee	1.0	Item	\$ 1,841	\$ 1,841
advertising fee	1.0	Item	\$ 2,596.00	\$ 2,596
archive fee	1.0	Item	\$ 136.00	\$ 136
IT Levy 0.1% cost of works	1.0	Item	\$ 2,898.43	\$ 2,898
<b>SUBTOTAL2</b>				<b>\$ 3,812,946.94</b>
Regional index adjustment	103.0			\$ 3,927,335.35
CPJ adjustment	1.00000000			\$ 3,927,335.35
s7.11 contributions	42.0	lots	\$ 5,811.27	\$ 244,073.34
Section 64 Contributions	42.0	lots	\$ 23,295.00	\$ 978,390.00
Current land valuation Lot 212 DP 755718	835,000			
Land Tax	1.6% of every \$1 over \$969k + \$100	2% of every \$1 over \$5,925k		\$ -
Council Rates	1.0	year	\$ 2,000.00	\$ 2,000.00
<b>TOTAL DEVELOPMENT COSTS</b>				<b>\$ 5,151,798.69</b>

<b>FINANCING COSTS:</b>				
Construction finance costs				
Interest rate	6.0%			
Construction period	12.0	months		\$ 154,553.96
Land finance costs				
Interest rate	6.0%			\$ 831,687.88
Project lead in period	12.0	months		
Construction period	12.0	months		
<b>TOTAL FINANCING COSTS</b>				<b>\$ 986,241.84</b>
<b>UPZONED RESIDUAL LAND VALUE</b>				<b>\$ 6,099,044.42</b>
LAND VALUE				\$ 325,000.00
+ PREMIUM	0.0%			\$ 325,000.00
Without an Affordable Housing Developer Contribution				<b>VIABLE</b>
<b>UPZONED VALUE (WITH AFFORDABLE HOUSING)</b>				
Affordable Housing Developer Contribution of 53%				<b>VIABLE</b>
	QUANTITY	UNIT	RATE	TOTAL
Affordable Housing Contribution	53.0%			
Saleable lots (based on Lismore Growth and Realignment Strategy Yields):				
Sales price per lot				19.74
Gross Realisation Value				\$ 409,000.00
LESS				\$ 8,073,660.00
Selling Commission and Marketing Costs	4.0%			\$ 322,946.40
GST on Revenue	10.0%			\$ 733,969.09
<b>Net Realisation</b>				<b>\$ 7,016,744.51</b>
Profit and Risk Allowance	22.0%			\$ 1,265,314.58
<b>Available funds for project</b>				<b>\$ 5,751,429.93</b>
Development Costs				\$ 5,151,798.69
Construction finance costs				\$ 154,553.96
Land finance costs				\$ 53,409.27
Interest rate	6.0%			
Project lead in period	12.0	months		
Construction period	12.0	months		
<b>UPZONED RESIDUAL LAND VALUE WITH AFFORDABLE HOUSING</b>				<b>\$ 391,668.00</b>
Affordable Housing Developer Contribution of 53%				<b>VIABLE</b>

## Precinct 2

### Precinct 2: 32 McLeay Road North Lismore

UPZONED VALUE		1 Affordable Housing Developer Contribution		VIABLE	
	QUANTITY	UNIT	RATE	TOTAL	
REVENUE:					
Gross Area (ha)				2.0	
Developable Area (ha) (based on Lismore Growth and Realignment Strategy Yields)	not applicable			#VALUE!	
Saleable lots (based on concept drawing):	26.0			26.0	
Sales price per lot				\$	310,000.00
Gross Realisation Value				\$	8,060,000.00
LESS					
Selling Commission and Marketing Costs	4.0%			\$	322,400.00
GST on Revenue	10.0%			\$	732,727.27
Net Realisation				\$	7,004,872.73
Profit and Risk Allowance	22.0%			\$	1,263,173.77
Available funds for project				\$	5,741,698.96
DEVELOPMENT COSTS:					
Preliminaries:					
Fencing to site	514.0	metre	\$ 44.00	\$	22,616
Site office	52.0	week	\$ 100.00	\$	5,200
lunchroom	52.0	week	\$ 130.00	\$	6,760
Toilets	52.0	week	\$ 130.00	\$	6,760
Storage shed	52.0	week	\$ 70.00	\$	3,640
Allowance for connections power water phon	1.0	item	\$ 20,000.00	\$	20,000
Allowance for user charges	52.0	week	\$ 400.00	\$	20,800
Project Manager	1.0	year	\$ 180,000.00	\$	180,000
Foreman	1.0	year	\$ 180,000.00	\$	180,000
Surveyor	1.0	year	\$ 180,000.00	\$	180,000
Insurance	0.20%	item	\$ 6,759.70	\$	6,800
Site preparation and earthworks:					
Clear site	20,200.0	m <sup>2</sup>	\$ 0.59	\$	11,918.00
Remove trees	20.0	each	\$ 176.00	\$	3,520.00
Demolish existing house	1.0	each	\$30,000	\$	30,000.00
Silt fence	200.0	metre	\$ 20.00	\$	4,000.00
Strip topsoil 150 mm thick	3,400.0	m <sup>2</sup>	\$ 2.00	\$	6,800.00
Cut and fill site average 0.5 metres	1,900.0	m <sup>3</sup>	\$ 19.60	\$	37,240.00
Road:					
allow 240 metres of roadway including kerbs	240.0	metre	\$ 565.00	\$	135,600.00
Stormwater:					
Stormwater drainage 300 dia	480.0	metre	\$ 196.00	\$	94,080
Pits	16.0	each	\$ 4,205.00	\$	67,280
Excavate and backfill	288.0	m <sup>3</sup>	\$ 66.00	\$	19,008
Water:					
Water reticulation 150 diameter	480.0	metre	\$ 215.00	\$	103,200
Fittings and valves	24.0	each	\$ 700.00	\$	16,800



Excavate and backfill	288.0 m <sup>3</sup>	\$ 66.00	\$ 19,008
<i>Sewer:</i>			
Sewer reticulation 150 diameter	480.0 metre	\$ 248.75	\$ 119,400
manholes	24.00 each	\$ 2,745.00	\$ 65,880
Excavate and backfill	288.0 m <sup>3</sup>	\$ 66.00	\$ 19,008
<i>Electricity and communications:</i>			
11 kV extension	- metre	\$ 432.75	\$ -
Electricity reticulation 200A underground	480.0 metre	\$ 182.00	\$ 87,360
Transformer pad mounted	1.0 item	\$ 150,000.00	\$ 150,000
Communications	480.0 metre	\$ 40.00	\$ 19,200
<i>Landscaping:</i>			
Allowance for streetscape	26.0 lot	\$ 2,500.00	\$ 65,000
Allowance for local park	- item	\$ 300,000.00	\$ -

<b>SUBTOTAL1</b>			<b>\$ 1,706,878.00</b>
Professional fees	10.0%		\$ 170,687.80
Contingency	20.0%		\$ 341,375.60
DA - Subdivision (\$777 + \$65 per lot)	1.0 item	\$ 2,467.00	\$ 2,467
DA (Excluding Dwellings)	1.0 item	\$ 6,690.90	\$ 6,691
CC fees	1.0 item	\$ 18,196.00	\$ 18,196
Long Service Levy	1.0 item	\$ 4,267.20	\$ 4,267
integrated development fee	1.0 item	\$164	\$ 164
plan first fee	1.0 item	\$1,084	\$ 1,084
advertising fee	1.0 item	\$ 2,596.00	\$ 2,596
archive fee	1.0 item	\$ 136.00	\$ 136
IT Levy 0.1% cost of works	1.0 item	\$ 1,706.88	\$ 1,707
<b>SUBTOTAL2</b>			<b>\$ 2,218,941.40</b>
Regional index adjustment	103.0		\$ 2,285,509.64
CPI adjustment	1.0000000		\$ 2,285,509.64
s7.11 contributions	26.0 lots	\$ 17,781.80	\$ 462,326.80
Section 64 Contributions	26.0 lots	\$ 24,415.82	\$ 634,811.41
Current land valuation 32 MacLeay Road	559,000		
	1.6% of every \$1		
Land Tax	every \$1 over \$5,925k		\$ -
Council Rates	2.0 year	\$ 2,000.00	\$ 4,000.00

<b>TOTAL DEVELOPMENT COSTS</b>	<b>\$ 3,386,647.85</b>
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#### FINANCING COSTS:

##### Construction finance costs

Interest rate	6.0%	
Construction period	12.0 months	\$ 101,599.44

##### Land finance costs

Interest rate	6.0%	\$ 270,414.20
Project lead in period	12.0 months	
Construction period	12.0 months	

<b>TOTAL FINANCING COSTS</b>	<b>\$ 372,013.64</b>
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<b>UPZONED RESIDUAL LAND VALUE</b>	<b>\$ 1,983,037.47</b>
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<b>LAND VALUE</b>	<b>\$ 1,118,000.00</b>
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+ PREMIUM	0.0%	\$ 1,118,000.00
Without an Affordable Housing Developer Contribution		<b>VIABLE</b>

<b>UPZONED VALUE</b>	<b>ble Housing Developer Contribution of 15%</b>		<b>VIABLE</b>
	<b>QUANTITY</b>	<b>UNIT</b>	<b>RATE</b>

Affordable Housing Contribution	15.0%		
Saleable lots:			22.00
Sales price per lot		\$	310,000.00
Gross Realisation Value		\$	6,820,000.00
LESS			
Selling Commission and Marketing Costs	4.0%	\$	272,800.00
GST on Revenue	10.0%	\$	620,000.00
<b>Net Realisation</b>		<b>\$</b>	<b>5,927,200.00</b>

Profit and Risk Allowance	22.0%	\$	1,068,839.34
Available funds for project		\$	4,858,360.66
Development Costs		\$	3,386,647.85
Construction finance costs		\$	101,599.44
Land finance costs		\$	164,413.60
Interest rate	6.0%		
Project lead in period	12.0 months		
Construction period	12.0 months		

<b>UPZONED RESIDUAL LAND VALUE WITH AFFORDABLE HOUSING</b>	<b>\$ 1,205,699.77</b>
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<b>Affordable Housing Developer Contribution of 15%</b>	<b>VIABLE</b>
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## 7.2 Precinct 3a

### Precinct 3a Southern Fringe WEST

UPZONED VALUE	hout an Affordable Housing Developer Contribution			VIABLE
	QUANTITY	UNIT	RATE	TOTAL
<b>REVENUE:</b>				
Gross Area (ha)				10.0
Lot size (m <sup>2</sup> )	890			
Developable Area (ha)	82.4%			8.2
Saleable lots:	92.6			92.6
Sales price per lot				\$ 329,000.00
Gross Realisation Value				\$ 30,462,962.96
LESS				
Selling Commission and Marketing Costs	4.0%			\$ 1,218,518.52
GST on Revenue	10.0%			\$ 2,769,360.27
Net Realisation				\$ 26,475,084.18
Profit and Risk Allowance	20.0%			\$ 4,412,514.03
Available funds for project				\$ 22,062,570.15
<b>DEVELOPMENT COSTS:</b>				
<i>Preliminaries:</i>				
Fencing to site	1,264.9	metre	\$ 44.00	\$ 55,656
Site office	104.0	week	\$ 100.00	\$ 10,400
lunchroom	104.0	week	\$ 130.00	\$ 13,520
Toilets	104.0	week	\$ 130.00	\$ 13,520
Storage shed	104.0	week	\$ 70.00	\$ 7,280
Allowance for connections power water				
phone	1.0	item	\$ 20,000.00	\$ 20,000
Allowance for user charges	104.0	week	\$ 400.00	\$ 41,600
Project Manager	2.0	year	\$ 180,000.00	\$ 360,000
Foreman	2.0	year	\$ 180,000.00	\$ 360,000
Surveyor	2.0	year	\$ 180,000.00	\$ 360,000
Insurance	0.20%	item	\$ 19,254.12	\$ 19,300
<i>Site preparation and earthworks:</i>				
Clear site	82,407.4	m <sup>2</sup>	\$ 0.59	\$ 48,620.37
Remove trees	200.0	each	\$ 176.00	\$ 35,200.00
Silt fence	1,264.9	metre	\$ 20.00	\$ 25,298.22
Strip topsoil 150 mm thick	82,407.4	m <sup>2</sup>	\$ 2.00	\$ 164,814.81
Cut and fill site average 0.5 metres	41,203.7	m <sup>3</sup>	\$ 19.60	\$ 807,592.59
<i>Road:</i>				
allow 700 metres of roadway including kerbs	694.4	metre	\$ 565.00	\$ 392,361.11
<i>Stormwater:</i>				
Stormwater drainage 300 dia	1,388.9	metre	\$ 196.00	\$ 272,222
Pits	46.3	each	\$ 4,205.00	\$ 194,676
Excavate and backfill	833.3	m <sup>3</sup>	\$ 66.00	\$ 55,000
<i>Water:</i>				
Water reticulation 150 diameter	1,388.9	metre	\$ 215.00	\$ 298,611
Fittings and valves	69.4	each	\$ 700.00	\$ 48,611
Excavate and backfill	833.3	m <sup>3</sup>	\$ 66.00	\$ 55,000
<i>Sewer:</i>				
Sewer reticulation 150 diameter	1,388.9	metre	\$ 248.75	\$ 345,486
manholes	69.44	each	\$ 2,745.00	\$ 190,625
Excavate and backfill	833.3	m <sup>3</sup>	\$ 66.00	\$ 55,000
<i>Electricity and communications:</i>				
11 kV extension	694.4	metre	\$ 432.75	\$ 300,521

Electricity reticulation 200A underground	1,388.9	metre	\$	182.00	\$	252,778
Transformer pad mounted	1.0	item	\$	150,000.00	\$	150,000
Communications	1,388.9	metre	\$	40.00	\$	55,556
<i>Landscaping:</i>						
Allowance for streetscape	92.6	lot	\$	2,500.00	\$	231,481
Allowance for local park	1.0	item	\$	300,000.00	\$	300,000

<b>SUBTOTAL1</b>					<b>\$</b>	<b>5,540,730.33</b>
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Professional fees	10.0%			\$		554,073.03
Contingency	20.0%				\$	1,108,146.07
DA - Subdivision (\$777 + \$65 per lot)	1.0	item	\$	1,312.65	\$	1,313
DA (Excluding Dwellings)	1.0	item	\$	12,211.65	\$	12,212
CC fees	1.0	item	\$	18,196.00	\$	18,196
Long Service Levy	1.0	item	\$	13,851.83	\$	13,852
integrated development fee	1.0	item		\$164	\$	164
plan first fee	1.0	item		\$3,518	\$	3,518
advertising fee	1.0	item	\$	2,596.00	\$	2,596
archive fee	1.0	item	\$	136.00	\$	136
IT Levy 0.1% cost of works	1.0	item	\$	5,540.73	\$	5,541

<b>SUBTOTAL2</b>					<b>\$</b>	<b>7,202,949.42</b>
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Regional index adjustment	103.0				\$	7,419,037.91
CPI adjustment	1.0000000				\$	7,419,037.91
s7.11 contributions	92.6	lots	\$	5,811.27	\$	538,080.56
Section 64 Contributions	92.6	lots	\$	18,129.00	\$	1,678,611.11
Current land valuation Lot 9 DP252856	1,170,000					
	1.6% of every \$1					
	over \$969k +	2% of every \$1				
Land Tax	\$100	over \$5,925k			\$	6,632.00
Council Rates	2.0	year	\$	2,000.00	\$	4,000.00

<b>TOTAL DEVELOPMENT COSTS</b>					<b>\$</b>	<b>9,646,361.57</b>
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#### FINANCING COSTS:

##### Construction finance costs

Interest rate	6.0%					
Construction period	24.0	months			\$	578,781.69

##### Land finance costs

Interest rate	6.0%				\$	2,130,736.84
Project lead in period	12.0	months				
Construction period	24.0	months				

<b>TOTAL FINANCING COSTS</b>					<b>\$</b>	<b>2,709,518.53</b>
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<b>UPZONED RESIDUAL LAND VALUE</b>					<b>\$</b>	<b>9,706,690.04</b>
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LAND VALUE					\$	1,223,590.00
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+ PREMIUM	0.0%				\$	1,223,590.00
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Without an Affordable Housing Developer Contribution	<b>VIABLE</b>
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#### UPZONED VALUE (WITH AFFORDABLE HOUSING)

Affordable Housing Developer Contribution of 46%	<b>VIABLE</b>
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Affordable Housing Contribution	46.0%					
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Saleable lots:						50.00
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Sales price per lot				\$		329,000.00
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Gross Realisation Value				\$		16,450,000.00
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LESS

Selling Commission and Marketing Costs	4.0%			\$		658,000.00
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GST on Revenue	10.0%	\$	1,495,454.55
Net Realisation		\$	14,296,545.45

Profit and Risk Allowance	20.0%	\$	2,382,757.58
Available funds for project		\$	11,913,787.88
Development Costs		\$	9,646,361.57
Construction finance costs		\$	578,781.69
Land finance costs		\$	303,956.03
Interest rate	6.0%		
Project lead in period	12.0 months		
Construction period	24.0 months		

UPZONED RESIDUAL LAND VALUE WITH AFFORDABLE HOUSING	\$	1,384,688.58
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Affordable Housing Developer Contribution of 46%

**VIABLE**

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## 7.3 Precinct 3b

### Precinct 3b Southern Fringe EAST

UPZONED VALUE				Without an Affordable Housing Developer Contribution	VIABLE
	QUANTITY	UNIT	RATE		TOTAL
<b>REVENUE:</b>					
Gross Area (ha)					10.0
Lot size (m <sup>2</sup> )	867				
Developable Area (ha)	82.0%				8.2
Saleable lots:	94.6				94.6
Sales price per lot				\$	409,000.00
Gross Realisation Value				\$	38,694,418.16
<b>LESS</b>					
Selling Commission and Marketing					
Costs	4.0%			\$	1,547,776.73
GST on Revenue	10.0%			\$	3,517,674.38
<b>Net Realisation</b>				\$	33,628,967.06
Profit and Risk Allowance	20.0%			\$	5,604,827.84
<b>Available funds for project</b>				\$	28,024,139.22
<b>DEVELOPMENT COSTS:</b>					
<i>Preliminaries:</i>					
Fencing to site	1,264.9	metre	\$	44.00	\$ 55,656
Site office	104.0	week	\$	100.00	\$ 10,400
lunchroom	104.0	week	\$	130.00	\$ 13,520
Toilets	104.0	week	\$	130.00	\$ 13,520
Storage shed	104.0	week	\$	70.00	\$ 7,280
Allowance for connections power					
water phone	1.0	item	\$	20,000.00	\$ 20,000
Allowance for user charges	104.0	week	\$	400.00	\$ 41,600
Project Manager	2.0	year	\$	180,000.00	\$ 360,000
Foreman	2.0	year	\$	180,000.00	\$ 360,000
Surveyor	2.0	year	\$	180,000.00	\$ 360,000
Insurance	0.20%	item	\$	19,498.15	\$ 19,500
<i>Site preparation and earthworks:</i>					
Clear site	82,024.6	m <sup>2</sup>	\$	0.59	\$ 48,394.51
Remove trees	200.0	each	\$	176.00	\$ 35,200.00
Silt fence	1,264.9	metre	\$	20.00	\$ 25,298.22
Strip topsoil 150 mm thick	82,024.6	m <sup>2</sup>	\$	2.00	\$ 164,049.20
Cut and fill site average 0.5 metres	41,012.3	m <sup>3</sup>	\$	19.60	\$ 803,841.06
<i>Road:</i>					
allow 700 metres of roadway					
including kerbs	709.6	metre	\$	565.00	\$ 400,898.77
<i>Stormwater:</i>					
Stormwater drainage 300 dia	1,419.1	metre	\$	196.00	\$ 278,146

Pits	47.3	each	\$	4,205.00	\$	198,912
Excavate and backfill	851.5	m <sup>3</sup>	\$	66.00	\$	56,197
<i>Water:</i>						
Water reticulation 150 diameter	1,419.1	metre	\$	215.00	\$	305,109
Fittings and valves	71.0	each	\$	700.00	\$	49,669
Excavate and backfill	851.5	m <sup>3</sup>	\$	66.00	\$	56,197
<i>Sewer:</i>						
Sewer reticulation 150 diameter	1,419.1	metre	\$	248.75	\$	353,004
manholes	70.96	each	\$	2,745.00	\$	194,773
Excavate and backfill	851.5	m <sup>3</sup>	\$	66.00	\$	56,197
<i>Electricity and communications:</i>						
11 kV extension	709.6	metre	\$	432.75	\$	307,060
Electricity reticulation 200A underground	1,419.1	metre	\$	182.00	\$	258,278
Transformer pad mounted	1.0	item	\$	150,000.00	\$	150,000
Communications	1,419.1	metre	\$	40.00	\$	56,764
<i>Landscaping:</i>						
Allowance for streetscape	94.6	lot	\$	2,500.00	\$	236,518
Allowance for local park	1.0	item	\$	300,000.00	\$	300,000
<b>SUBTOTAL1</b>				<b>\$</b>		<b>5,595,981.40</b>
Professional fees	10.0%			\$		559,598.14
Contingency	20.0%			\$		1,119,196.28
DA - Subdivision (\$777 + \$65 per lot)	1.0	item	\$	1,310.16	\$	1,310
DA (Excluding Dwellings)	1.0	item	\$	12,291.21	\$	12,291
CC fees	1.0	item	\$	18,196.00	\$	18,196
Long Service Levy	1.0	item	\$	13,989.95	\$	13,990
integrated development fee	1.0	item		\$164	\$	164
plan first fee	1.0	item		\$3,553	\$	3,553
advertising fee	1.0	item	\$	2,596.00	\$	2,596
archive fee	1.0	item	\$	136.00	\$	136
IT Levy 0.1% cost of works	1.0	item	\$	5,595.98	\$	5,596
<b>SUBTOTAL2</b>				<b>\$</b>		<b>7,274,775.82</b>
Regional index adjustment	103.0			\$		7,493,019.10
CPI adjustment	1.000			\$		7,493,019.10
s7.11 contributions	94.6	lots	\$	5,811.27	\$	549,789.03
Section 64 Contributions	94.6	lots	\$	18,129.00	\$	1,715,137.18
Current land valuation Lot 9 DP252856	1,170,000					
	1.6% of every \$1 over \$969k + \$100	2% of every \$1 over \$5,925k			\$	6,632.00
Land Tax					\$	
Council Rates	2.0 year		\$	2,000.00	\$	4,000.00
<b>TOTAL DEVELOPMENT COSTS</b>				<b>\$</b>		<b>9,768,577.31</b>



FINANCING COSTS:				
Construction finance costs				
Interest rate	6.0%			
Construction period	24.0 months		\$	586,114.64
Land finance costs				
Interest rate	6.0%		\$	3,180,500.51
Project lead in period	12.0 months			
Construction period	24.0 months			
<b>TOTAL FINANCING COSTS</b>			<b>\$</b>	<b>3,766,615.15</b>

<b>UPZONED RESIDUAL LAND VALUE</b>		<b>\$</b>	<b>14,488,946.76</b>
LAND VALUE		\$	1,223,590.00
+ PREMIUM	0.0%	\$	1,223,590.00
Without an Affordable Housing Developer Contribution			<b>VIABLE</b>

<b>UPZONED VALUE (WITH AFFORDABLE HOUSING)</b>	<i>Affordable Housing Developer Contribution of 57%</i>			<b>VIABLE</b>
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	QUANTITY	UNIT	RATE	TOTAL
Affordable Housing Contribution	57.0%			
Saleable lots:				40.68
Sales price per lot			\$	409,000.00
Gross Realisation Value			\$	16,638,599.81
LESS				
Selling Commission and Marketing Costs	4.0%		\$	665,543.99
GST on Revenue	10.0%		\$	1,512,599.98
<b>Net Realisation</b>			<b>\$</b>	<b>14,460,455.84</b>

Profit and Risk Allowance	20.0%		\$	2,410,075.97
Available funds for project			\$	12,050,379.86
Development Costs			\$	9,768,577.31
Construction finance costs			\$	586,114.64
Land finance costs			\$	305,223.83
Interest rate	6.0%			
Project lead in period	12.0 months			
Construction period	24.0 months			

<b>UPZONED RESIDUAL LAND VALUE WITH AFFORDABLE HOUSING</b>		<b>\$</b>	<b>1,390,464.09</b>
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*Affordable Housing Developer Contribution of 57%* **VIABLE**