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KIAMA HOUSING SUPPLY ANALYSIS: SUMMARY AND WAY FORWARD

1.1 Analysis

The *Kiama Urban Strategy 2011* (KUS) states that the total new dwellings required up to 2021 is 1,890. This comprises a housing mix of 43% (812) detached housing and 57% (1,078) medium and high density housing. The Strategy indicated that Elambra Estate, Cedar Grove (West Kiama), Spring Creek and the Bombo Quarry could cater for the next 10 years of growth in Kiama.

Cardno have undertaken an analysis of the future supply of housing in Kiama, based on existing zoning provisions and identified greenfield development sites in the KUS. The analysis of housing supply includes:

- > Existing zoned supply including:
 - o Low density infill
 - o Medium density infill and shop top housing
 - o Zoned greenfield development
- > Unzoned greenfield development (sites identified in the KUS).

1.2 Results

The analysis determined that an additional 190 new dwellings could be provided through low density infill development, including larger infill sites at South Kiama Drive and Caliope Street which are currently under construction.

An additional 606 new dwellings could be provided through medium density infill development based on the 'maximum' yield, and 436 new dwellings based on the 'likely' yield. In addition to medium density infill, the analysis determined that an additional 193 new dwellings could be provided through new shop top housing.

In terms of greenfield development, the analysis determined that up to an additional 466 new dwellings could be provided through zoned and identified greenfield sites. This includes 226 new dwellings on existing zoned land (including the recently released Cedar Grove 2) and 240 new dwellings on unzoned land identified in the KUS.

The total anticipated housing supply for Kiama is shown in **Table 1-1** below. The analysis determined that there is a likely supply of 1,045 additional dwellings within existing zoned land and an additional 240 dwellings on unzoned greenfield sites identified in the KUS.

Table 1-1 Table Summary of Housing Supply

Housing Types	Supply (additional dwelling potential)
Zoned Infill Development (R2 and R5 zoned land)	190 additional dwellings
Zoned Greenfield Development (R2 zoned land)	226 additional dwellings
Unzoned Greenfield (KUS)	240 additional dwellings
Medium Density Infill	436 additional dwellings (up to 606 additional dwellings)
Shop-top housing	193 additional dwellings
Total additional dwellings	1,285 additional dwellings (up to 1,455 additional dwellings)

The housing supply analysis undertaken indicates that there is not enough land or 'market ready' infill development in the planning pipeline to meet future housing demand, and this may constrain the mix of housing available to first-home buyers, young families and retirees, and to people who want to age in their homes. To better understand the discrepancy between housing demand and housing supply, a housing gap analysis has been undertaken which involved comparing the dwelling projections outlined in the *Illawarra Shoalhaven Regional Plan 2015* (ISRP) with potential supply. **Table 1-2** below compares the likely and maximum supply of additional dwellings versus the Kiama housing projections.

Table 1-2 Supply and Demand Analysis

	Supply (likely)	Supply (maximum)
Total additional dwellings	1,285	1,455
ISRP Dwelling Demand Projections	2,850	2,850
Supply Gap	-1,565	-1,395

The limited release of land for housing development is likely to be a key reason that housing supply is not keeping pace with demand and dwelling projections. Planning strategies adopted at a local level to limit greenfield development to the west of Kiama and contain urban expansion limits opportunities for new greenfield development sites, causing new comers to the market to shift their buyer activity towards existing dwellings. It has also resulted in a significant increase in medium density development around the Kiama town centre, which has raised concerns in the community about loss of character, and led to calls for more restrictive controls on this form of development.

1.3 The Way Forward

There is an opportunity to increase housing supply through appropriately located, new greenfield development sites. New greenfield sites also provide an opportunity to encourage a greater housing mix through a mix of lot sizes and densities that are not currently available within the existing urban area. However, any new greenfield sites need to be appropriately planned to ensure the increasing housing supply is balanced with the environmental constraints of the land, and is in keeping with the existing and desired future character of Kiama including maintaining separation between urban areas.

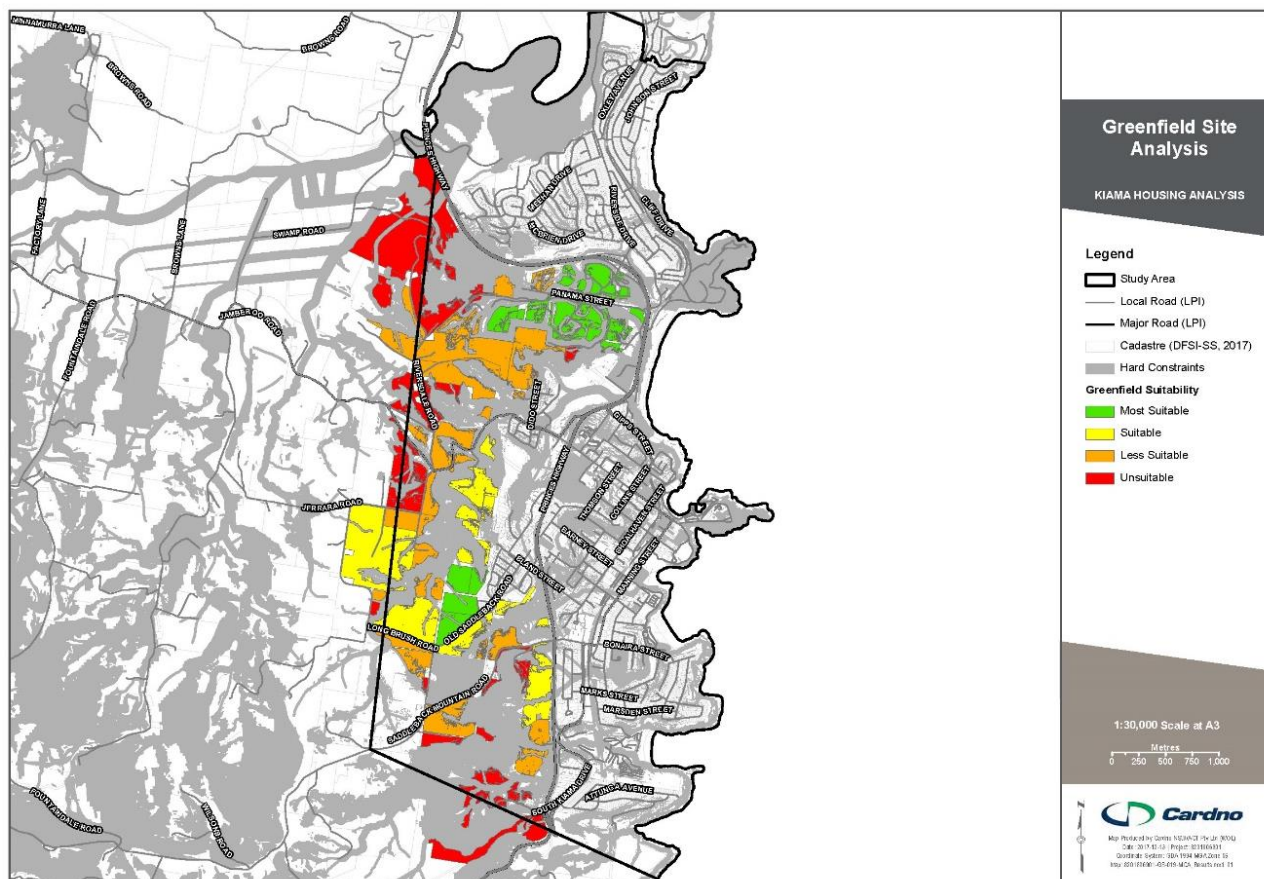
Given the opportunity to rezone land for greenfield land release, Cardno has undertaken an objective site selection analysis to identify suitable land, contiguous with existing urban areas based on a preliminary criterion (outlined in **Section 8** of the *Kiama Housing Supply Analysis* report).

Multi criteria analysis was implemented by first excluding all of the constrained areas. The residual areas of unconstrained lots were individually measured for area. The areas were ranked 1 to 4 in terms of suitability. The five criteria (size, access, proximity to town centre, visual prominence and serviceability) were combined with equal weighting and re-ranked from 1 to 4 resulting in an overall suitability score.

The analysis of potential greenfield sites around the Kiama urban area has found that there is a significant amount of unconstrained land, however, other factors such as visual exposure, serviceability and land fragmentation limit the amount of land considered 'suitable' for urban development. Visual exposure is considered particularly important given the strong desire in the community to maintain the character of Kiama including the green separation between urban areas.

There are a number of large, consolidated land holdings that provide an opportunity to address the housing needs of the community in a planned and organised way, as shown in **Figure 1-1** below. It is important that any new land release in Kiama provides a mix of housing types to meet the changing housing needs of the community.

Figure 1-1 Land Suitability Analysis (Multi-Criteria Analysis)



1.4 Conclusion

The housing supply analysis demonstrates that less than half of the projected housing needs identified in the ISRP are able to be met through existing zoned land and identified greenfield development sites. A significant change in housing policy is required to ensure that the projected housing needs of the community are met.

It is recommended that Council consider the suitable land holdings identified within the GIS analysis undertaken by Cardno for rezoning to permit future greenfield residential development.

If you have any further questions, please do not hesitate to contact me.

Yours sincerely,



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