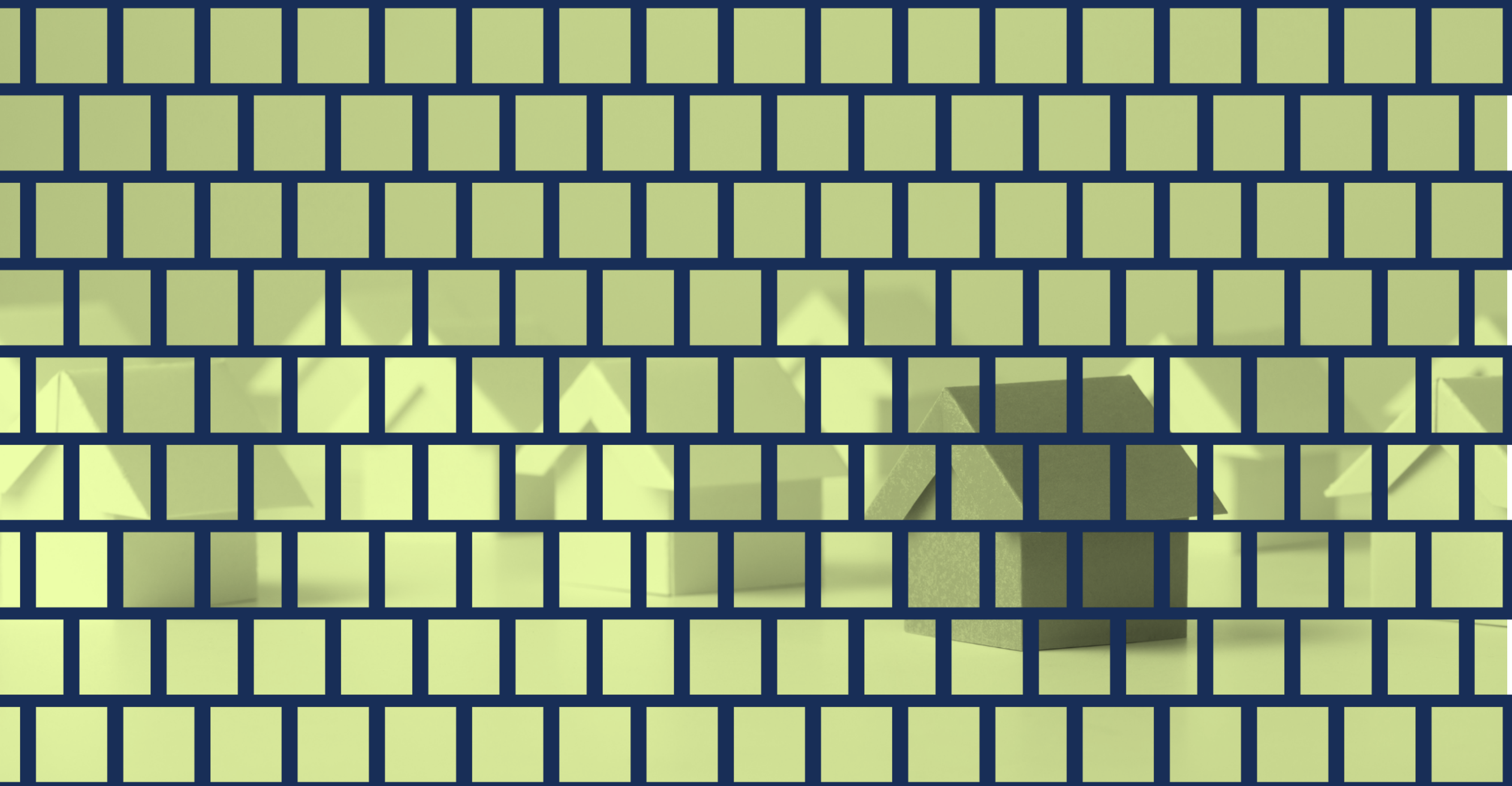
Gan Gan Road Anna Bay

Housing Needs Assessment



Prepared for:

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Reviewer

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Acknowledgement of Country

HillPDA acknowledges the Traditional Custodians of Country throughout Australia and their continuing connection to land, waters, culture and community.

We acknowledge the Gadigal people of the Eora Nation, the Traditional Custodians of the land on which this report is prepared, and the Worimi people of the land on which Port Stephens Council is situated.

We show our respect to elders past and present. We acknowledge that we stand on Country that was, and always will be, Aboriginal Land.

1.0 INTRODUCTION

This housing needs assessment report has been prepared for AB Rise Pty Ltd to accompany a planning proposal for a site on Gan Gan Road on the outskirts of Anna Bay, in Port Stephens local government area (LGA).

1.1 The site

The site covers seven lots in single ownership, covering approximately 125 hectares of land located directly northeast of the Anna Bay Town Centre and existing Anna Bay urban area. It is located within the Anna Bay Precinct on the Tomaree Peninsula. The site is within 800 metres northeast of Anna Bay Town Centre, to the north of Fishermans Bay, northwest of Boat Harbour, and east of the Stockton Sand Dunes.

The site is currently zoned part RU2 Rural Landscape, part C3 Environmental Management and part R2 Low Density Residential under the Port Stephens Local Environmental Plan 2013. The site adjoins land zoned R2 Low Density Residential and R5 Large Lot Residential along its southern and southeastern boundary, and land zoned RU2 Rural Landscape to the north, east and west. Unformed Crown Roads run through the centre of the site and across its northern boundary.

Table 1: Constituent lots of the site

Legal description	Address	Area (approximate)
Lot 963 DP 731955	196 Old Main Road, Anna Bay	27.15 ha
Lot 21 DP 590387	263 Gan Gan Road, Anna Bay	28.58 ha
Lot 23 DP 590387	269 Gan Gan Road, Anna Bay	0.13 ha
Lot 1 DP 536752	271 Gan Gan Road, Anna Bay	19.20 ha
Lot 901 DP 634550	273 Gan Gan Road, Anna Bay	1.00 ha
Lot 902 DP 634550	293 Gan Gan Road, Anna Bay	31.38 ha
Lot 1 DP 503876	321 Gan Gan Road, Anna Bay	11.26 ha
Unformed Crown Road		6.28 ha
Total		125.28 ha

Figure 1: The site

Source: HillPDA; Google (2024)

1.2 The proposal

The proposal would enable subdivision of the site for residential development purposes. It would be developed over 10 stages. In total, it would comprise 476 lots, 58 of which would be dual occupancy, as well as 2 multi dwelling housing lots, producing a total of 584 dwellings.

The intended outcome from the proposal is to achieve the following objectives:

- Design a residential community that responds to the topographical and environmental characteristics and natural hazards on the site
- Establish a fill platform that enables dwellings to be delivered above the flood planning level
- Enable housing supply, diversity and affordability to address demand in the Port Stephens LGA
- Conserve areas of high biodiversity significance
- Provide a green network interconnection between the key natural features and open space areas, with a key focus on the Anna Bay Main Drain
- Conserve areas of Aboriginal significance
- Provide recreational open space opportunities for residents and visitors, including including cycleways and walkways
- Establish a clear road hierarchy and legibility for the safe and efficient movements.

An artist's impression of the proposal is shown in Figure 2.

Figure 2: Artist's impression of the proposal

Source: BKA Architecture (2023)

2.0 STRATEGIC POLICY CONTEXT

This section provides a review of State and local planning policies/strategies. The section further identifies areas where the application assists in achieving the intent of these strategies from a housing and economic perspective.

2.1 Hunter Regional Plan 2041

DPHI published the *Hunter Regional Plan 2041*, covering the LGAs of Cessnock, Dungog, Lake Macquarie, Maitland, MidCoast, Muswellbrook, Newcastle, Port Stephens, Singleton and Upper Hunter, in December 2022.

Of relevance to this study is the expectation that an additional 11,100 dwellings will be required in the Port Stephens LGA by 2041.

2.2 Draft Port Stephens Local Housing Strategy

As of April 2024, Council has publicly exhibited an update to the 2020 local housing strategy (LHS), *Live Port Stephens* and associated *Draft Housing Supply Plan*. This is in response to the housing targets set by the NSW State Government in its *Hunter Regional Plan 2041*.

The strategy has identified that without intervention to identify additional housing opportunities, the housing shortfall will exceed 4,000 dwellings by 2041. This includes a projected requirement of 410 houses in the Anna Bay area. However, according to the Draft Housing Supply Plan, over 50 per cent of the demand for housing in Anna Bay is expected to be realised through developments to existing lifestyle communities catering exclusively to residents aged over 55 years.

The strategy notes that future housing demand will include demand for more diverse housing types, including houses on smaller lots and higher density dwellings, to cater to smaller households. An additional 5,000 dwellings may be required for single and 2 person households in the LGA by 2041. A housing preferences survey of Port Stephens residents also identified demand for small/medium lots (under 500 sqm) and semi-detached, flat and apartment-style dwellings.

2.3 Port Stephens Local Strategic Planning Statement 2020

The *Port Stephens Local Strategic Planning Statement* (LSPS) sets out Port Stephens' vision for future land use planning through a set of broad planning priorities. Of relevance to this study are the following planning priorities:

- Priority 4: Ensure suitable land supply
- Priority 5: Increase diversity of housing choices

The application would support the above planning priorities of the LSPS and contribute to its overall vision. As such, the subject proposal aligns with the LSPS.

2.4 Anna Bay Strategy and Town Plan 2008

The *Anna Bay Strategy and Town Plan* guides the management of future population growth and the building of neighbourhoods in Anna Bay. It establishes a context and policy direction for future rezoning requests and development controls in the Anna Bay area. The Strategy contains a number of Strategic Directions, relating to both land use and recreation and community facilities, that will be implemented to achieve the vision for Anna Bay. The vision for Anna Bay is:

> *Anna Bay has a future as a small and vibrant town offering a mix of dwelling types and business opportunities and a quality natural environment. It will have a pleasant main street with a mix of*

> *retail and office space for local and visitor patronage, and shop top housing or tourist accommodation.*

The site is located within the Anna Bay East neighbourhood. At the time adopted by Council, the plan identified capacity for an additional 94 dwellings in Anna Bay East Neighbourhood.

3.0 JUSTIFICATION FOR INCREASED RESIDENTIAL DEVELOPMENT

The following section undertakes a review of the socio-demographic and housing characteristics in the study area. The intent of this section is to inform the justification of enabling additional residential housing development in the local area to meet the current and future needs of the population.

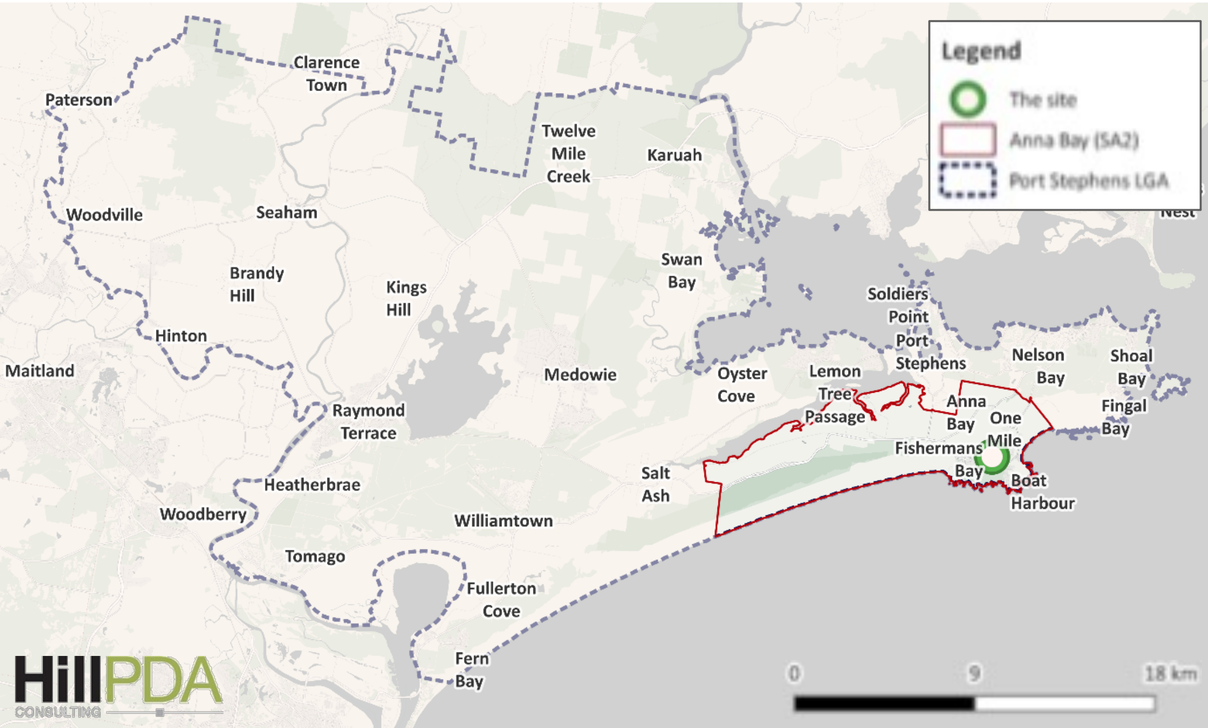
This assessment is based on the principles and findings from various strategic planning policies, including:

- Meeting anticipated residential demand growth in Anna Bay
- Increasing housing density in the LGA (in suitable locations)
- Providing more diverse housing
- Addressing housing affordability concerns
- Providing accessible housing (including for seniors and people with a disability).

3.1 Study area

The study area has been defined as Anna Bay (SA2),[1] with demographic data for the Port Stephens LGA included for comparison (where relevant). Unless otherwise stated, references in this chapter to 'Anna Bay' and 'Port Stephens LGA' should be taken to align with these areas, which are shown in Figure 3.

Figure 3: Study areas



Source: HillPDA, ABS (2021)

[1] SA2 refers to *Statistical Area Level 2*, a geographical unit used by the Australian Bureau of Statistics to represent communities in demographic analysis. Refer to the ABS' Australian Statistical Geography Standard Edition 3 for further information.

3.2 Projections

This section provides population and housing projections for the study area and LGA. These are then used to develop a projection for the future residential population at the site, assuming full development of the proposal as described in Chapter 1.0. The projections used for this section are provided by NSW DPHI.

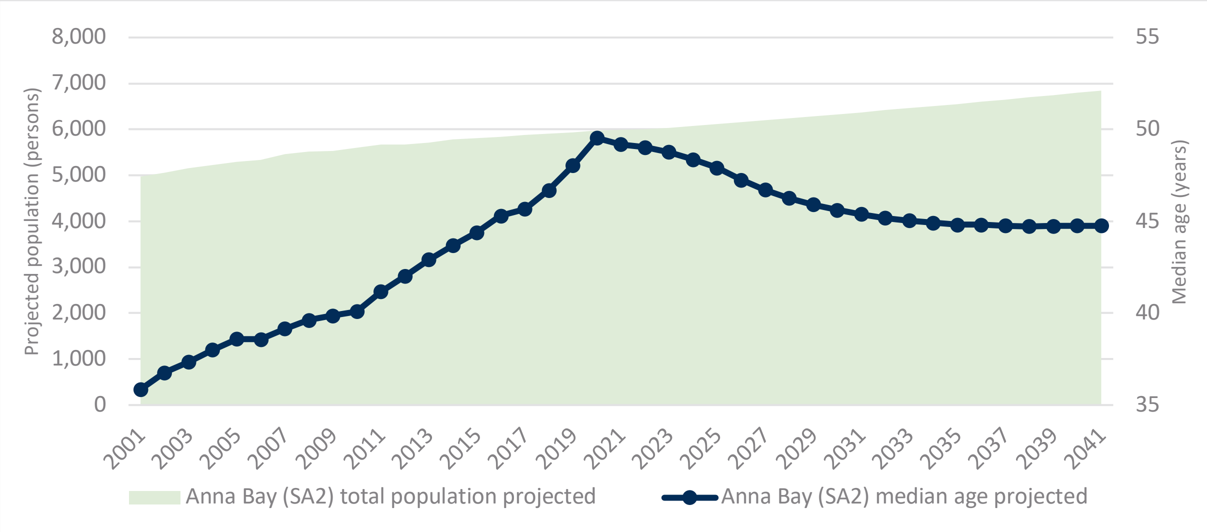
3.2.1 Population

In 2021, Anna Bay was home to approximately 6,449 residents, living in 3,097 dwellings with an average household size of 2.4.

Anna Bay is projected to grow steadily over the twenty years from 2021, increasing in population by approximately 857 residents to a total population of 6,843 by 2041.

Based on DPHI population projections, the median age in Anna Bay is projected to decrease, from 50 years in 2021, to 45 years in 2041. The projected population growth in Anna Bay over the period 2001 to 2041, as well as the concurrent change in median age, is charted below in Figure 4.

Figure 4: Projected population and projected median age, Anna Bay (SA2) 2001-2041



Source: (NSW DPHI, 2022)

3.2.2 Households

Over the 20-year period to 2041, it is projected that the number of households in Port Stephens LGA will reach almost 40,000, representing a net growth of roughly 9,000 households (almost 30 per cent). The number of households in Anna Bay is projected to reach over 2,800 by 2041, a net increase of almost 300 households (or just over 10 per cent) over the 20-year period.

Smaller households are expected to remain the dominant household type, with couple families without dependents and lone person households forecast to represent a combined 57 per cent of households in Anna Bay and 61 per cent of households in Port Stephens LGA in 2041. However, while lone person households will represent the largest proportion of growth in Port Stephens LGA, larger household types – including couples with dependents and one parent families - are expected to represent 59 per cent of net growth in Anna Bay.

These findings are shown in Table 2.

Table 2: Household type projections (2021-2041)

Household type	2021 #	2021 %	2041 #	2041 %	Change #	Change %
Anna Bay						
Couple families with dependents	652	25.7%	769	27.3%	118	6.2%
Couples without dependents	812	32.1%	839	29.8%	26	-7.1%
Group households	57	2.2%	60	2.1%	4	-4.0%
Lone person households	687	27.1%	770	27.4%	83	0.8%
One parent family	277	10.9%	327	11.6%	50	6.3%
Other families	48	1.9%	50	1.8%	2	-6.5%
Total	**2,533**	**100.0%**	**2,816**	**100.0%**	**283**	**11.2%**
Port Stephens (LGA)						
Couple families with dependents	7,948	25.7%	9,462	23.7%	1,514	-7.6%
Couples without dependents	9,879	31.9%	12,892	32.3%	3,013	1.3%
Group households	802	2.6%	989	2.5%	187	-4.3%
Lone person households	8,149	26.3%	11,416	28.6%	3,268	8.7%
One parent family	3,407	11.0%	4,204	10.5%	797	-4.2%
Other families	772	2.5%	926	2.3%	154	-6.9%
Total	**30,957**	**100.0%**	**39,890**	**100.0%**	**8,934**	**28.9%**

Source: DPHI (2022) NSW Common Planning Assumption Projections

The average household size is forecast to decline across the LGA but increase slightly in Anna Bay, as shown in Table 3.

Table 3: Average household size (2021-2041, projected)

Location	Average household size		
	2021	2041	Change
Anna Bay	2.35	2.42	0.07
Port Stephens (LGA)	2.39	2.28	**-0.11**

Source: DPHI (2022) NSW Common Planning Assumption Projections

Despite the small increase in household size above, the average household size in Anna Bay is anticipated to remain relatively small. These smaller households would likely benefit from increased housing choice, such as medium density dwellings, that better align with their needs and provide a comparably more affordable option.

The proposal would contribute to addressing these changes by improving the range of dwellings available in the local area for the large proportion of smaller households across the study area.

3.2.3 Residential population

A projection of the population that may occupy the proposal can be developed by applying the expected yield of the proposal to the average household size for dwellings within the study area.

Using this data, a projected distribution of potential future residents at the site can be developed. Anna Bay has a heavily imbalanced population age distribution compared with the wider LGA, which would likely be exhibited within the proposal. The age structure of a population is important in assessing needs that may arise for social infrastructure.

Table 4 divides the age structure into 'service age groups', which group people into general categories that relate to typical infrastructure demands reflective of the relevant stage of life (profile.id, 2022).

Table 4: Service age groups

Service age group	Port Stephens (LGA) proportion	Anna Bay (SA2) proportion	Projected residential population
Babies and pre-schoolers (0-4)	4.8%	4.2%	59
Primary schoolers (5-11)	8.3%	7.2%	101
Secondary schoolers (12-17)	7.6%	6.7%	94
Tertiary education and independence (18-24)	6.9%	6.5%	91
Young workforce (25-34)	9.4%	7.3%	102
Parents and homebuilders (35-49)	16.6%	14.3%	200

Service age group	Port Stephens (LGA) proportion	Anna Bay (SA2) proportion	Projected residential population
Older workers and pre-retirees (50-59)	13.1%	14.3%	200
Empty nesters and retirees (60-69)	14.8%	17.4%	244
Seniors (70-84)	16.0%	20.2%	283
Elderly (85 and over)	2.5%	1.9%	27
Total	**100.0%**	**100.0%**	**1,402**

Source: ABS TableBuilder (2021)

The table above indicates that the proposal is likely to house a significant number of residents in age groups over 60 years of age, which constitute 39.5 per cent of the projected additional population, or 554 additional people. Residents under the age of 18, by comparison, are projected to form a much lower proportion, constituting only 18 per cent of the population, or 254 residents. Despite the older skew of the anticipated future population, there is likely to be few people in the 'elderly' service age group, comprising only an anticipated 1.9 per cent of the additional population, or 27 additional residents.

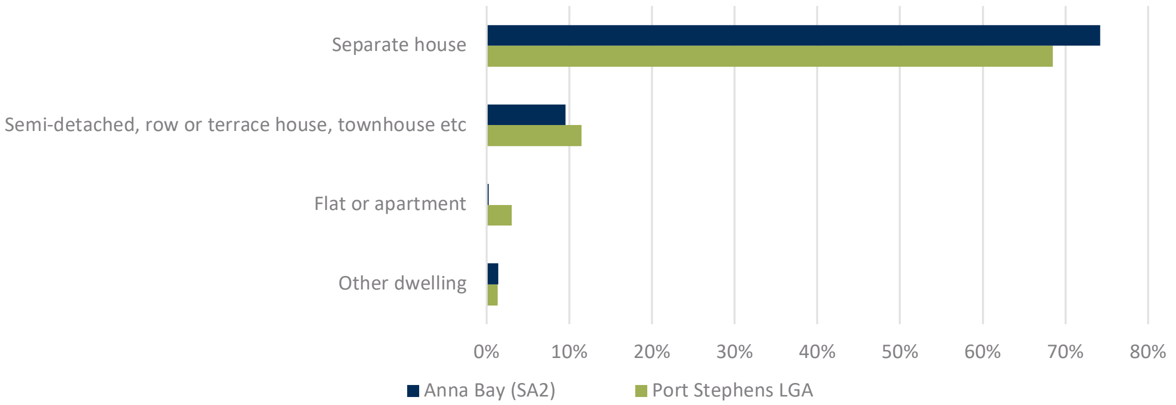
3.3 Improving dwelling diversity

Increasing the supply of different types and sizes of dwellings is important in the study area and across Port Stephens LGA. This would provide housing options that better match people's changing lifestyle preferences, promote social inclusion, increase affordability and enable people to live closer to jobs and services. These outcomes align with key local and State planning objectives.

3.3.1 Dwelling structure

The distribution of dwelling structures in Anna Bay and Port Stephens LGA is notable for its homogeneity. As shown in Figure 5, at the 2021 Census, the vast majority of occupied dwellings in Anna Bay were separate houses, constituting nearly three quarters (74.2 per cent) of the total number of private dwellings. This was a similar proportion to that of the Port Stephens LGA (68.5 per cent), though more pronounced. Other types of dwellings totalled 11.2 per cent of occupied dwellings in Anna Bay, as compared to 15.8 per cent for the Port Stephens LGA.

Figure 5: Distribution of dwelling structure types in Anna Bay (SA2) and Port Stephens LGA at the 2021 Census



Source: ABS (2021)

Tenure structure in Anna Bay differs from that of Port Stephens LGA. In 2021, nearly half of all occupied dwellings in Anna Bay were owned outright, compared to 39.8 per cent across the LGA. Only 15.5 per cent of occupied dwellings in Anna Bay were rented, compared to 24 per cent across Port Stephens LGA. There were few dwellings rented from a public housing authority or community housing provider in Port Stephens LGA (2.9 per cent), and exceptionally few in Anna Bay (0.2 per cent).

The ratio of occupied to total dwellings can be expressed as a 'dwelling occupation ratio', identifying the percentage of dwellings in an area that are currently occupied, based on a person's *usual place of residence* as at Census night. This ratio was somewhat lower in both Anna Bay and Port Stephens LGA, compared to across NSW, as identified in Table 5. This may be indicative of some dwellings in Anna Bay and Port Stephens LGA being in use as holiday homes or short-term rental accommodation.

Table 5: Dwelling occupation ratio, 2011-2021 Censuses (place of residence)

Area	Dwelling occupation ratio 2011	2016	2021
Anna Bay (SA2)	80.9%	81.0%	88.3%
Port Stephens LGA	81.9%	81.9%	84.7%
New South Wales	90.3%	90.1%	90.6%

Source: ABS (2021)

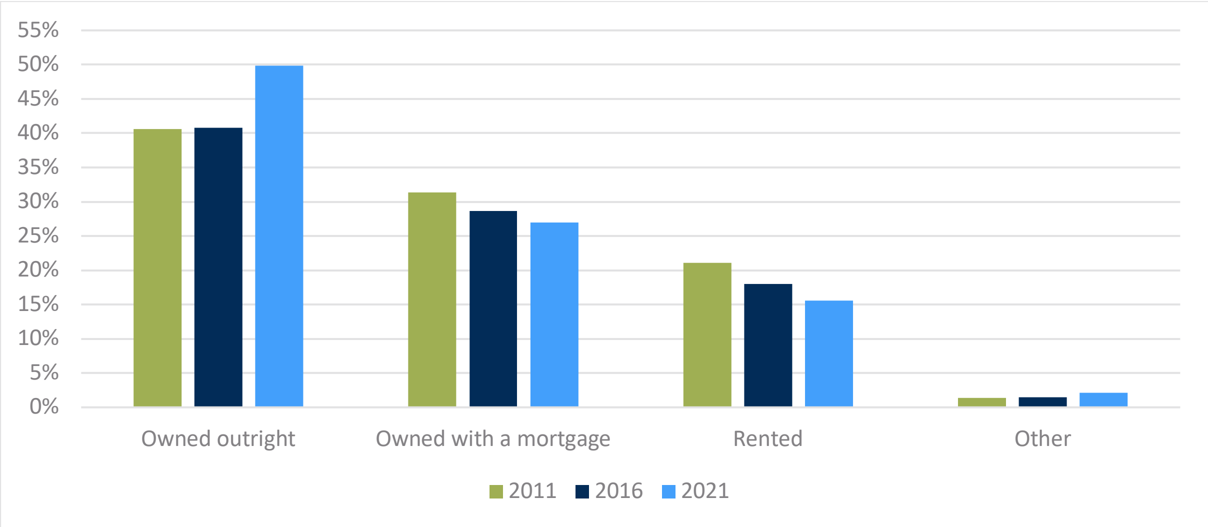
A review of listings on two popular short term accommodation websites (Airbnb and Stayz) indicated that an average of around 170 properties were listed for holiday accommodation in Anna Bay (as at 16 December 2024), with almost all of these being entire dwellings (as opposed to a room within a dwelling).

3.3.2 Tenure

Housing tenure within Anna Bay is skewed toward high levels of home ownership. As Figure 6 shows, while 40.8 per cent of the SA2's private occupied dwellings were owned outright in 2016, this proportion has since risen steeply, reaching 49.9 per cent in 2021. The large increase in homes owned outright may potentially be related in part to the number of short-term holiday rentals present in the area, with houses being bought for the purpose of being used as holiday accommodation.

Over the same period, the proportion of rented dwellings declined, from 18 per cent in 2016, to 15.5 per cent in 2021. If properties available to rent in Anna Bay continue to diminish over following years, an increasingly tight rental market would increase the difficulty for tenants attempting to access housing.

Figure 6: Proportion of tenure types, Anna Bay (SA2), 2011-2021



Source: ABS Time Series Profile (2021)

3.3.3 Residential approval and completion rates

An assessment of residential development approvals in Anna Bay across the period 2016-17 to 2022-23 reveals that new dwelling approvals in Anna Bay have overwhelmingly been for low density dwellings, as shown in Table 6. Across the observed period, around 13 low density dwellings were approved per year in Anna Bay. Approvals for medium density dwellings have exhibited greater variability, with a significant increase observed in the 2020-

2021 and 2021-2022 financial years. There have been no approvals for high-density residential dwellings in the observed period in Anna Bay.

Table 6: Dwelling approval rates in Anna Bay SA2

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Total
Low density	11	17	7	11	14	21	12	**93**
Medium density	0	2	2	0	16	12	0	**32**
Others	0	0	0	1	0	0	0	**1**
Total	**11**	**19**	**9**	**12**	**30**	**33**	**12**	**126**

Source: DPHI (2023)

Table 7 shows dwelling completions in Anna Bay across the same period as the above approvals data. Whilst low density dwellings have maintained a relatively consistent completion rate over the observed period (around 10 per year, slightly fewer completions than approvals), more recently, more medium density dwellings have been completed. This likely reflects the greater number of dwelling approvals for medium density products as shown above, with the completion rates increasing in kind.

Table 7: Dwelling completion rates in Anna Bay SA2

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Total
Low Density	10	12	15	7	12	14	**70**
Medium Density	0	1	0	1	1	11	**14**
Total	**10**	**13**	**15**	**8**	**13**	**25**	**84**

Source: DPHI (2023)

3.3.4 Age structure

Figure 7 compares the population age structures of Anna Bay and Port Stephens LGA as at the 2021 Census.

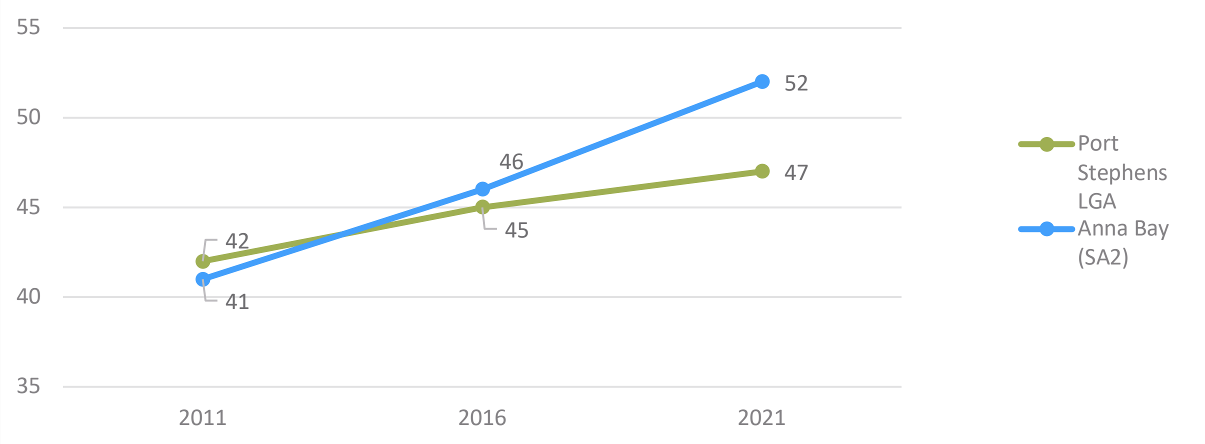
Figure 7: Comparative age structure: Anna Bay (SA2) and Port Stephens LGA as at the 2021 Census

Source: Australian Bureau of Statistics (2022a; 2022b)

The comparison reveals that the population age structures of both Anna Bay and Port Stephens LGA are highly imbalanced. The structure of Anna Bay is very similar to that of Port Stephens LGA, though it is more pronounced in its extremes. Both structures reflect an older population, with few people aged between 20 and 45 years old, and a large proportion of residents aged over 60 years old.

The age structures in Anna Bay and Port Stephens LGA have also changed over the past decade. The median age in Anna Bay has increased significantly over the period 2011-2021, from 41 years to 52 years, as shown in Figure 8. Over the same period, Port Stephens LGA's median age also increased notably, but not as substantially as that of Anna Bay.

Figure 8: Median age, 2011-2021, Anna Bay (SA2) and Port Stephens LGA



Source: ABS Time Series Profiles (2021)

3.3.5 Household composition

As of 2021, the dominant household type in the study area and across Port Stephens LGA was couples without children, accounting for almost one third of all households in both areas. This is followed by lone person households, at over one quarter of all households in both areas. Despite this, couples with children also constitute a significant proportion of households in the study area at almost 26 per cent in both areas.

Table 8: Household composition, 2021

Household type	Anna Bay (SA2)	Port Stephens (LGA)
Couples with children	25.7%	25.7%
Couples without children	32.1%	31.9%
One parent families	10.9%	11.0%
Other families	1.9%	2.5%
Group household	2.2%	2.6%
Lone person	27.1%	26.3%
Total households	**100.0%**	**100.0%**

Source: ABS 2021 Census Community Profiles (2022)

3.3.6 Household composition by dwelling type

As at the 2021 Census, detached dwellings were the predominant dwelling type across all household types in the study area and across Port Stephens LGA.

This is particularly noteworthy in terms of small households (couple only and lone person households). Across Port Stephens in 2021, around 75 per cent of small households resided in separate houses, whereas this figure was over 85 per cent for the study area. Around 13 per cent of small households in the study area lived in a flat, apartment, or semi-detached dwelling, flats or apartments compared to almost 23 per cent across Port Stephens LGA.

Whilst this contrast may reflect preferences to some degree, it also likely relates to affordability and availability, with fewer options available in the local area for smaller households to relocated to. These findings are shown in Table 9.

Table 9: Household composition by dwelling structure (2021)

Dwelling structure	Household composition					
Anna Bay	**Couples with children**	**Couples without children**	**One parent families**	**Other families**	**Group household**	**Lone person**
Separate house	91.3%	88.2%	81.3%	100.0%	90.7%	83.3%
Townhouse	8.3%	9.4%	18.7%	0.0%	9.3%	14.9%
Flat or apartment	0.5%	0.6%	0.0%	0.0%	0.0%	0.0%
Other dwelling	0.0%	1.7%	0.0%	0.0%	0.0%	1.7%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Port Stephens (LGA)	**Couples with children**	**Couples without children**	**One parent families**	**Other families**	**Group household**	**Lone person**
Separate house	93.2%	83.6%	81.9%	81.0%	75.9%	66.3%
Townhouse	5.8%	12.0%	14.2%	11.1%	13.6%	23.3%
Flat or apartment	0.7%	3.2%	2.7%	4.9%	6.2%	7.2%
Other dwelling	0.3%	1.2%	1.2%	3.1%	4.2%	3.1%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: ABS 2021 Census Community Profiles (2022)

3.3.7 Dwelling typology by number of bedrooms

As at the 2021 Census, over 72 per cent of dwellings in the study area consisted of three or more bedrooms, with three bedroom dwellings having the highest share of the total (around 40 per cent of all dwellings). Only around 23 per cent dwellings had two or fewer bedrooms, with the vast majority of these (21 per cent) being two bedroom dwellings; leaving less than two per cent of dwellings as one bedroom or studio.

In terms of separate houses, over three quarters of these in the study area had three or more bedrooms, with around 22 per cent having two bedrooms. The most common configuration for separate houses in the study area was three bedroom dwellings, at almost 40 per cent of all separate houses. Townhouses and other semi-detached dwellings were even more concentrated, with over two thirds of these having three bedrooms, leaving around 21 per cent with two bedrooms, followed by 9 per cent with four bedrooms. Of the handful of households living in flats or apartments, they were fairly evenly spread across two, three, and four bedroom dwellings.

These findings are shown in Table 10.

Table 10: Number of bedrooms by dwelling type (study area, 2021)

Anna Bay	Studio	One	Two	Three	Four	Five	Six+
Separate house	0.2%	1.6%	22.1%	39.1%	29.4%	6.5%	1.2%
Townhouse	0.0%	1.9%	21.1%	67.8%	9.3%	0.0%	0.0%
Flat or apartment	0.0%	30.0%	40.0%	30.0%	0.0%	0.0%	0.0%
Total	**0.2%**	**1.7%**	**21.0%**	**40.3%**	**25.7%**	**5.4%**	**1.0%**

Source: ABS 2021 Census TableBuilder

3.3.8 Dwelling typology by number of persons usually resident

The following provides analysis on the number of persons usually resident in each dwelling typology. This is shown in Table 11.

As at the 2021 Census, approximately 45 per cent of all dwellings in the study area had one or two residents, with a further 14 per cent having three residents. Just over a third of all dwellings had four or more residents.

This trend is relatively steady across the housing typologies, with only around 37 per cent of separate houses having four or more residents; a smaller proportion than the 44 per cent of separate houses with one or two residents. Almost 70 per cent of townhouses had three or fewer residents, whilst almost 60 per cent of flat dwellings had three or fewer residents, suggesting that non-separate house dwellings may be better suited to their households' needs.

Table 11: Dwelling typology by number of persons usually resident in dwelling (study area, 2021)

Dwelling type	One	Two	Three	Four	Five	Six	Seven	Eight+
Separate house	10.0%	33.9%	14.0%	18.9%	10.8%	4.5%	1.4%	1.2%
Townhouse	16.4%	34.4%	17.2%	14.6%	6.0%	4.9%	0.0%	1.1%
Flat or apartment	0.0%	40.0%	25.0%	35.0%	0.0%	0.0%	0.0%	0.0%
Total	**10.7%**	**34.0%**	**14.4%**	**18.5%**	**10.3%**	**4.5%**	**1.2%**	**1.2%**

Source: ABS 2021 Census TableBuilder

3.3.9 Dwelling suitability by typology

The ABS provides an indicator called 'housing suitability'. It compares the number of bedrooms required with the actual number of bedrooms in the dwelling. It can be used to analyse the under or over utilisation of dwellings and the dwelling's suitability for the resident household, based on a selection of criteria that determine the bedroom requirements of a household, including:

- there should be no more than two persons per bedroom
- children less than five years of age of different sexes may reasonably share a bedroom
- children less than 18 years of age and of the same sex may reasonably share a bedroom
- single household members 18 years and over should have a separate bedroom, as should parents or couples and
- a lone person household may reasonably occupy a bed sitter.

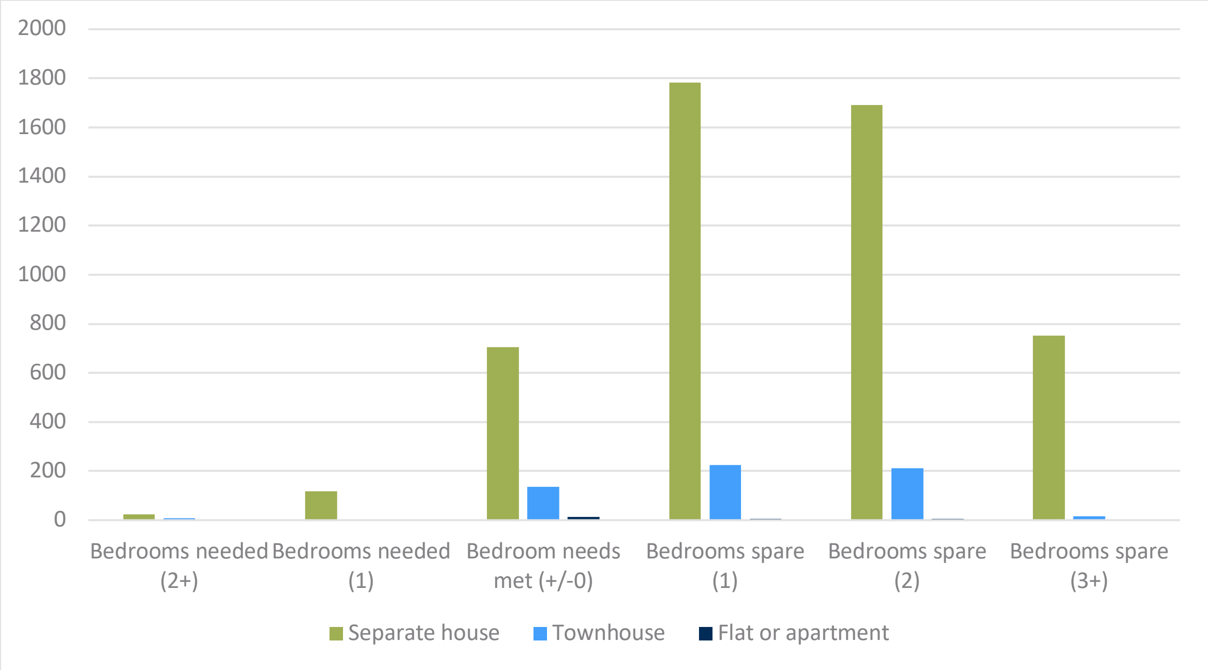
As at the 2021 Census, dwellings in the study area were more likely to have one or more spare bedrooms than to have the 'right' number of bedrooms, or require one or more extra bedrooms. Overall, three quarters of dwellings had one or more spare bedrooms, whilst around 14 per cent of dwellings had the 'right' number of bedrooms, and less than three per cent of dwellings needed additional bedrooms.

For separate houses, around 13 per cent of dwellings had the 'right' number of bedrooms, whilst around 76 per cent had one or more spare bedrooms; with nearly 14 per cent of separate houses in the study area having three or more spare bedrooms.

Smaller dwellings were generally better matched to their occupants' needs, with around one fifth of townhouses and over half of flats having the 'right' number of bedrooms, and only having a handful requiring additional bedrooms. Additionally, a smaller proportion of both townhouses and flats had spare bedrooms than separate houses (70 per cent and 44 per cent, respectively).

These findings are shown in Figure 9 and Table 12.

Figure 9: Dwelling suitability by typology (study area, 2021)



Source: ABS 2021 Census TableBuilder

Table 12: Dwelling suitability by typology (study area, 2021)

Dwelling type	Bedrooms needed					Bedrooms spare			
	4+	3	2	1	+/-0	1	2	3	4+
Separate house	0.0%	0.0%	0.4%	2.1%	12.7%	32.1%	30.4%	10.6%	2.9%
Townhouse	0.0%	0.0%	1.1%	0.0%	21.0%	34.7%	32.4%	2.6%	0.0%
Flat or apartment	0.0%	0.0%	0.0%	0.0%	56.5%	21.7%	21.7%	0.0%	0.0%
Total	**0.0%**	**0.0%**	**0.4%**	**2.1%**	**12.7%**	**32.1%**	**30.4%**	**10.6%**	**2.9%**

Source: ABS 2021 Census TableBuilder

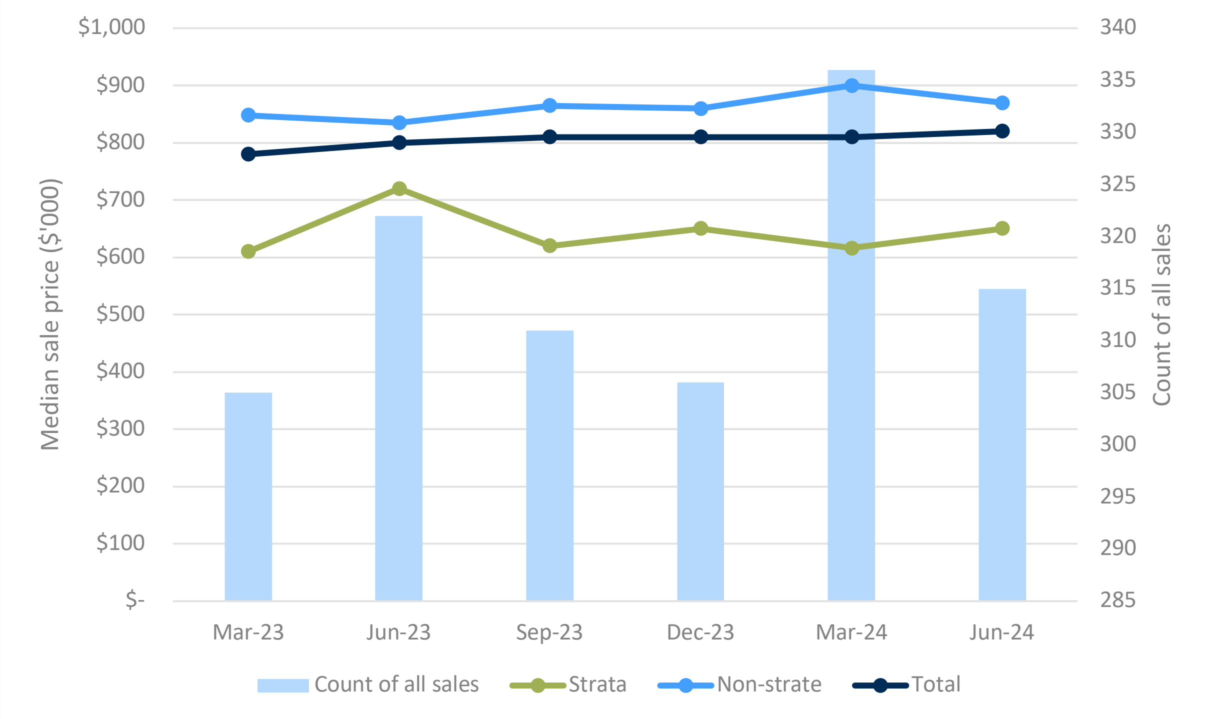
3.4 Supporting housing affordability

Housing affordability is an issue across NSW and many parts of Australia more broadly. Affordability is noted as a key concern for Council in its LHS, particularly for households facing rental or mortgage stress.

3.4.1 Residential sales trend

Figure 10 shows data for the last six quarters for residential property sales for Port Stephens LGA. The data does not indicate any clear price trends. The median sale price of non-strata dwellings remained high during the observed period, remaining around $860,000. Sales prices for strata dwellings have demonstrated more variability, with the median sale price breaching $720,000 in the June 2023 quarter, and reducing to $620,000 in the following quarter. Overall, increasing the amount of smaller dwellings in the market could aid in reducing median sale prices.

Figure 10: Median sale prices by quarter, Port Stephens LGA



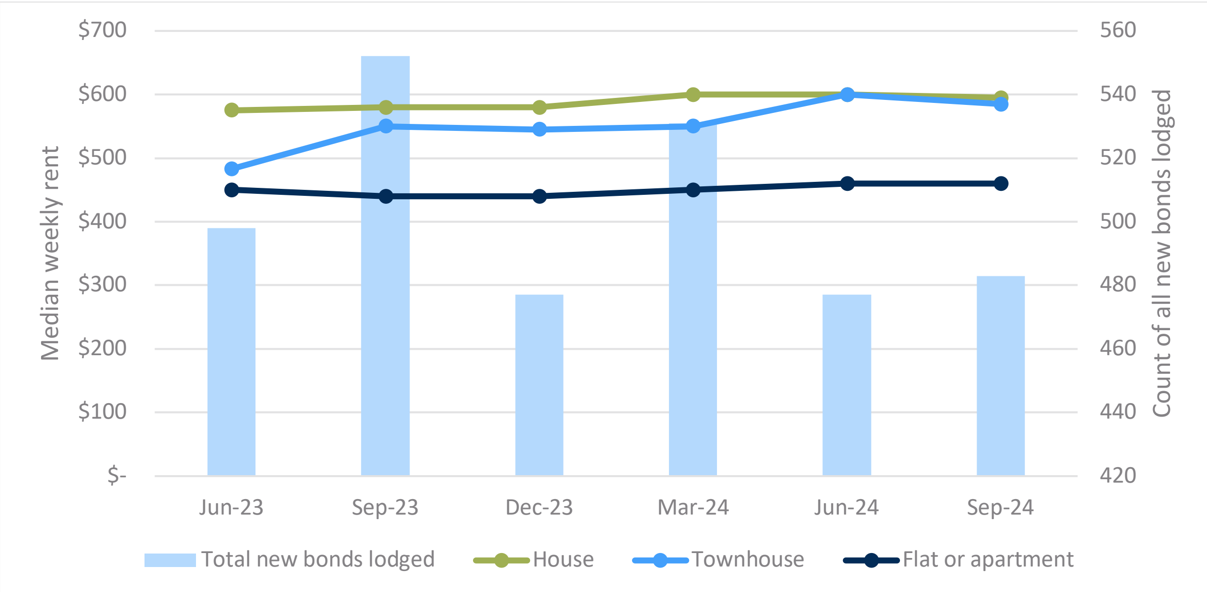
Source: NSW Government Family and Community Services (2024)

3.4.2 Residential rent trend

Figure 11 shows data for the last six quarters for residential property rentals by type in Port Stephens LGA. Whilst there is some variability in the data, all property types have demonstrated small increases in median weekly rent over the 18-month period to September 2024, although median rents for townhouses have decreased slightly in the latest quarter.

Overall, median weekly rent for new bonds in the Port Stephens LGA has increased the most for townhouses, up by $102 per week, whilst rent for houses and flats has increased by $20 and $10 per week over the period, respectively.

Figure 11: Median weekly rent by quarter, Port Stephens LGA



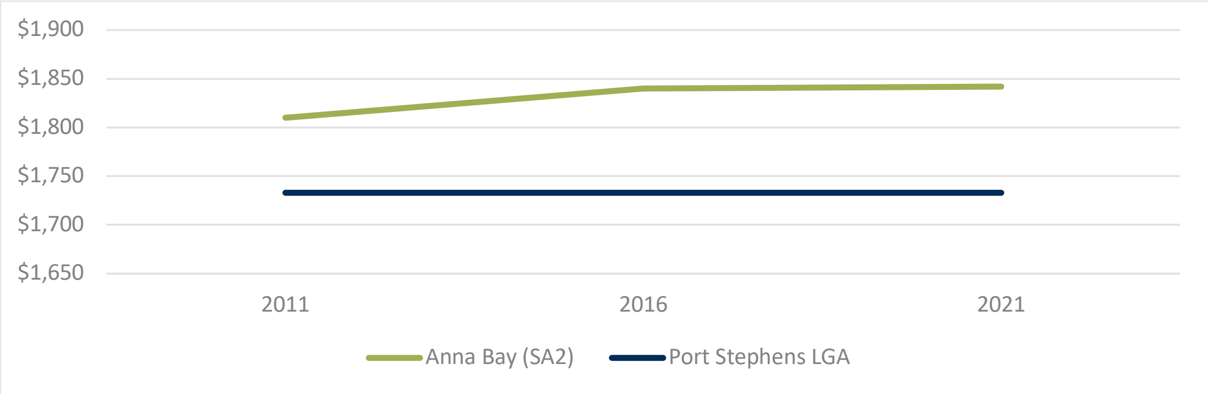
Source: NSW Government Family and Community Services (2024)

3.4.3 Affordability

According to the 2021 Census, housing was slightly less affordable in Anna Bay relative to other areas. The median mortgage repayment for Anna Bay was $1,842 per month in 2021, while the median rent was $400 per week. These were higher than the medians for the Rest of NSW (all of NSW sans Greater Sydney), which had $1,733 for monthly mortgage repayments and $330 for weekly rents.

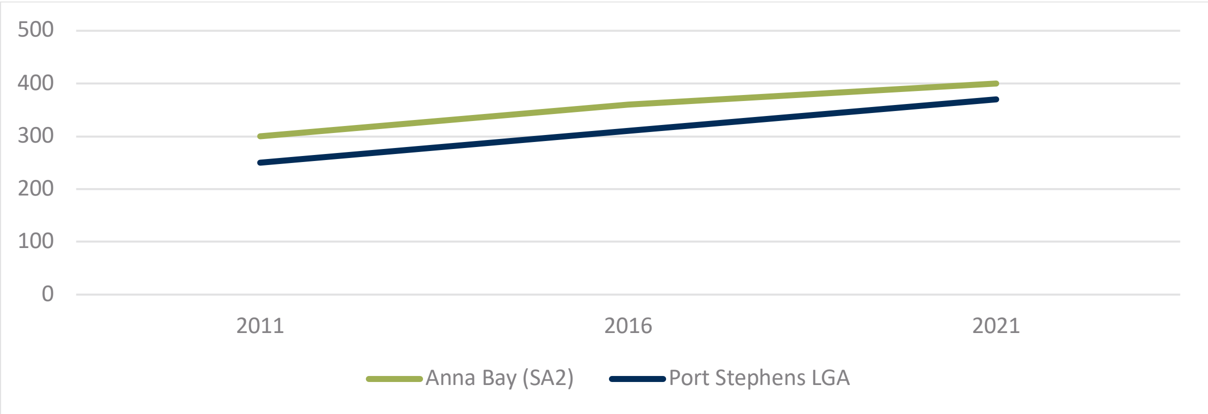
Figure 12 and Figure 13 show changes over time for rent and mortgage prices in Anna Bay and the wider Port Stephens LGA. As they show, housing prices have risen in Anna Bay over a 10-year period, albeit at a slower rate between 2016 and 2021 than during the previous five years. Rents have risen more consistently than mortgages, having climbed by 33 per cent between 2011 and 2021, while mortgages were relatively stable between 2016 and 2021.

Figure 12: Median monthly mortgage repayments in Anna Bay (SA2) and Port Stephens LGA, 2011-21



Source: ABS Time Series Profile (2021)

Figure 13: Median weekly rent in Anna Bay (SA2) and Port Stephens LGA, 2011-21



Source: ABS Time Series Profile (2021)

As Figure 12 and Figure 13 show, Anna Bay and the wider LGA show divergent housing affordability trends. Housing is generally more expensive in Anna Bay than across the Port Stephens LGA overall. While rents have grown more rapidly across Port Stephens over the past five years, mortgages grew more rapidly in Anna Bay over a ten-year period, during which time there was no change to the Port Stephens LGA median monthly mortgage repayment of $1,733.

3.4.4 Rental and mortgage stress

Housing stress is a metric used to describe a situation where the cost of housing is high relative to household income. As a rule of thumb, housing stress is defined as where housing costs (rent or mortgage repayments) are 30 per cent or more of gross household income. While this figure provides a useful benchmark of housing affordability, the definition of affordability varies according to a household's individual circumstances.

Our analysis finds that the study area is subject to a slightly smaller degree of financial stress related to housing compared to Port Stephens LGA as a whole. In both Anna Bay and the LGA as a whole, a larger proportion of renter households were experiencing stress than mortgagee households, with approximately 37 per cent of rental households in Anna Bay experiencing rental stress and over 40 per cent in Port Stephens LGA.

In terms of differentiation in housing stress between dwelling types, a higher proportion of flat or apartment households experienced rental stress across Port Stephens LGA compared to other dwelling types, with over half of all rental households experiencing stress. In both areas townhouse (and other semi-detached dwelling) households recorded a much higher proportion of rental stress than separate house households, with over 45 per cent of such households experiencing rental stress in Anna Bay and almost 48 per cent in Port Stephens LGA.

These findings are shown in Table 13.

Table 13: Mortgage and rental stress, study area and comparator areas (2021)

Locality	Affordability measure/type	Separate house	Townhouse	Flat or apartment	Total
Anna Bay	Mortgage repayments >30% of household income	13.3%	13.4%	0.0%	**13.3%**
	Rent payments >30% of household income	34.4%	45.5%	0.0%	**36.8%**
Port Stephens LGA	Mortgage repayments >30% of household income	13.8%	19.0%	13.3%	**14.1%**
	Rent payments >30% of household income	36.8%	47.9%	53.7%	**40.9%**

Source: ABS Census 2021, Tablebuilder

It is worth noting that the above findings were current as at the 2021 Census, when the official cash rate was around 0.1 per cent. The cumulative and increasing impact of cash rate rises since that time (up to 4.35 per cent at the time of writing) is likely to have increased the proportion of households experiencing stress. Increasing supply is one lever that can contribute to downward pressure on the rental market, and providing alternative dwelling types and sizes (as per the previous sections) can support households experiencing increasing financial stress to find a more affordable home in their local community.

3.5 Meeting strategic planning goals

The Housing Preferences in Port Stephens Report found that there was existing latent demand for more diverse housing types, as shown in Table 14.

Table 14: Housing type preferences

Dwelling type	2019 share	Preferred housing within budget	Change required
Separate house	82.3%	72.8%	-9.5%
Townhouse	3.5%	6%	+2.5%
Flat or apartment	3.5%	6%	+4.7%

Source: SGS Economics & Planning (2019)

This indicates demand for some existing residents to move into smaller homes or homes on smaller blocks. The proposal would support this, providing a larger range of housing types and sizes through an increase in dual-occupancy homes and small/medium lots, thereby helping the Draft LHS to meet its goal of increasing diversity of housing choice. The proposal also responds directly to *Priority 2.1: Respond to housing stress* in the Draft LHS, providing opportunities to improve housing affordability in the area by adding to the local housing supply and allowing existing residents to downsize, positively impacting the supply of larger homes for families looking to live in the area.

4.0 KEY FINDINGS

Key findings include:

- Population projections for the local area and LGA suggest a trend toward smaller household sizes, signalling a need for a greater number of smaller dwellings in the area in the future.
- The surrounds and LGA have a low proportion of medium and high density housing, with separate house overwhelmingly being the dominant typology. The proposal would assist in increasing housing diversity in the local area and LGA, aligning with strategic directions to increase housing diversity.
- By increasing housing diversity, the proposal would assist in meeting a need for a wider variety of dwellings types and sizes, enabling residents to remain part of the community as their requirements change (most particularly, enabling ageing in place).
- Rental data indicates that all property types have demonstrated an increase in median weekly rent, and median rent for townhouses has increased the most. Bonds lodged on flats and townhouses have been consistently lower than separate houses. This suggests that an increased amount of smaller dwellings in the market could aid in improving local affordability, particularly with the local rates of rental and mortgage stress.
- The proposal would assist in improving alignment between housing stock and household size, with small households being overrepresented in separate dwellings, suggesting an unmet demand for smaller sized dwellings. Indeed, at the 2021 Census, almost 14 per cent of separate dwellings within the study area had 3 or more spare bedrooms, again suggesting a mismatch in the size and diversity of dwellings being delivered within the area.
- This misalignment is also highlighted in the *Draft Port Stephens LHS*, with the proposal supporting the delivery of the strategy providing opportunities to improve housing affordability in the area by adding to the local housing supply and allowing existing residents to downsize, positively impacting the supply of larger homes for families looking to live in the area.

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