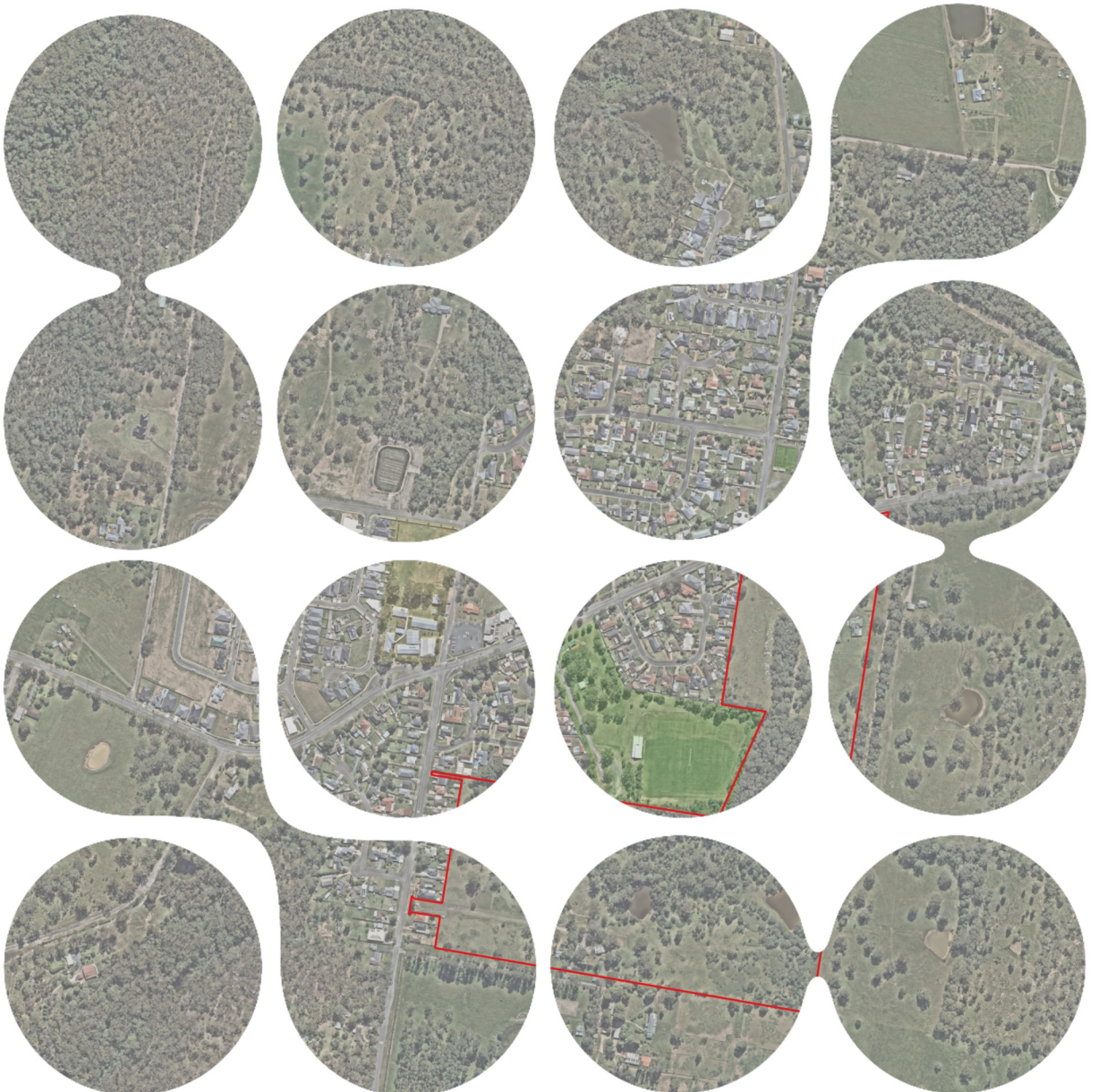


Economic assessment

Planning Proposal Oakdale

Prepared for Morehuman Oakdale ATF MH Property No. 3
4 March 2024



Deep End Services

Deep End Services is an economic research and property consulting firm based in Melbourne. It provides a range of services to local and international retailers, property owners and developers including due diligence and market scoping studies, store benchmarking and network planning, site analysis and sales forecasting, market assessments for a variety of land uses, and highest and best use studies.

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This report should be read in its entirety, as reference to part only may be misleading.

Contents

1	Introduction	1
1.1	Background	1
1.2	Scope	2
1.3	This report	2
2	Context assessment	3
2.1	Location	3
2.2	Oakdale context	5
2.3	Planning context	10
2.4	Summary	12
3	Planning Proposal	13
4	Economic analysis	15
4.1	Introduction	15
4.2	Housing demand-supply context	15
4.3	Population outcomes	23
4.4	Effect on local retail	23
4.5	Other outcomes	24
4.6	Summary	24
5	Conclusions	25

Tables + Figures

Table 1—Population trends	16
Table 2—Projected population and dwellings	17
Table 3—Forecast.id projections	18
Table 4—Local retail potential	24
Figure 1—Location map	4
Figure 2—Centres context	6
Figure 3—Population growth trends	7
Figure 4—Dwelling approvals	8
Figure 5—Development context	9
Figure 6—Proposed lot layout	14
Figure 7—The Oaks dwelling development projections	18
Figure 8—Oakdale dwelling development projections	19
Figure 9—New dwelling approvals	20
Figure 10—Vacant land sales	21

1

Introduction

1.1 Background

Morehuman Oakdale ATF MH Property No. 3 ('Morehuman') has engaged Deep End Services to prepare this Economic Assessment as input to a Planning Proposal to rezone land in Oakdale for urban development.

Oakdale is a community of approximately 1,200 residents located within the Wollondilly Local Government Area (LGA).

The subject site consists of properties at 1455-1475 Burragorang Road and 1838 Barkers Lodge Road, with a combined area of 22.5 ha. The land is currently within the RU1 Primary Production zone.

The Planning Proposal seeks to rezone the land to part R2 Low Density Residential, part C2 Environmental Conservation and part C3 Environmental Management. The C2 and C3 zones would apply to approximately 6.7 ha of the site to preserve areas of native vegetation.

The rezoning of the land would facilitate development of 208 low density residential housing lots.

1.2 Scope

Technical reports are required to accompany the Planning Proposal for rezoning the subject land in accordance with the Local Environment Plan Making Guideline issued by the Department of Planning, Industry and Environment, and any further requirements requested by the Department. With respect to analysis of economic issues, the relevant matters for consideration include the following:

- Review relevant strategic planning policies relating to housing growth
- Demonstrate demand for additional housing in Oakdale
- Examine the economic effects including support for local services and implications on existing facilities.

1.3 This report

This report is presented in the following sections:

Section 2 presents a contextual overview of the subject site and Oakdale more generally, including its role as a location for housing growth in the wider metropolitan and municipal context, and details of Oakdale and the range of economic uses on offer. This chapter also summarises the strategic planning policies relevant to housing growth in Wollondilly.

Section 3 describes the Planning Proposal in terms of the expected rezoning and dwelling yield.

Section 4 analyses the economic issues resulting from the Planning Proposal, and includes consideration of:

- The housing demand and supply balance and the role of the rezoned land to accommodate future housing growth
- The likely population outcomes once the development is completed
- Effects on the local economy including on local retail and other businesses
- Other economic outcomes.

Section 5 summarises our conclusions with respect to the economic effects of the Planning Proposal.

2

Context assessment

2.1 Location

The subject land is located within the small township of Oakdale, a community of about 1,200 residents that is within Sydney's outer south-western per-urban area, close to the urban extent. Native bushland extends further west, protected by a network of national and state parks including the Burragorang State Conservation Area and the Nattai National Park.

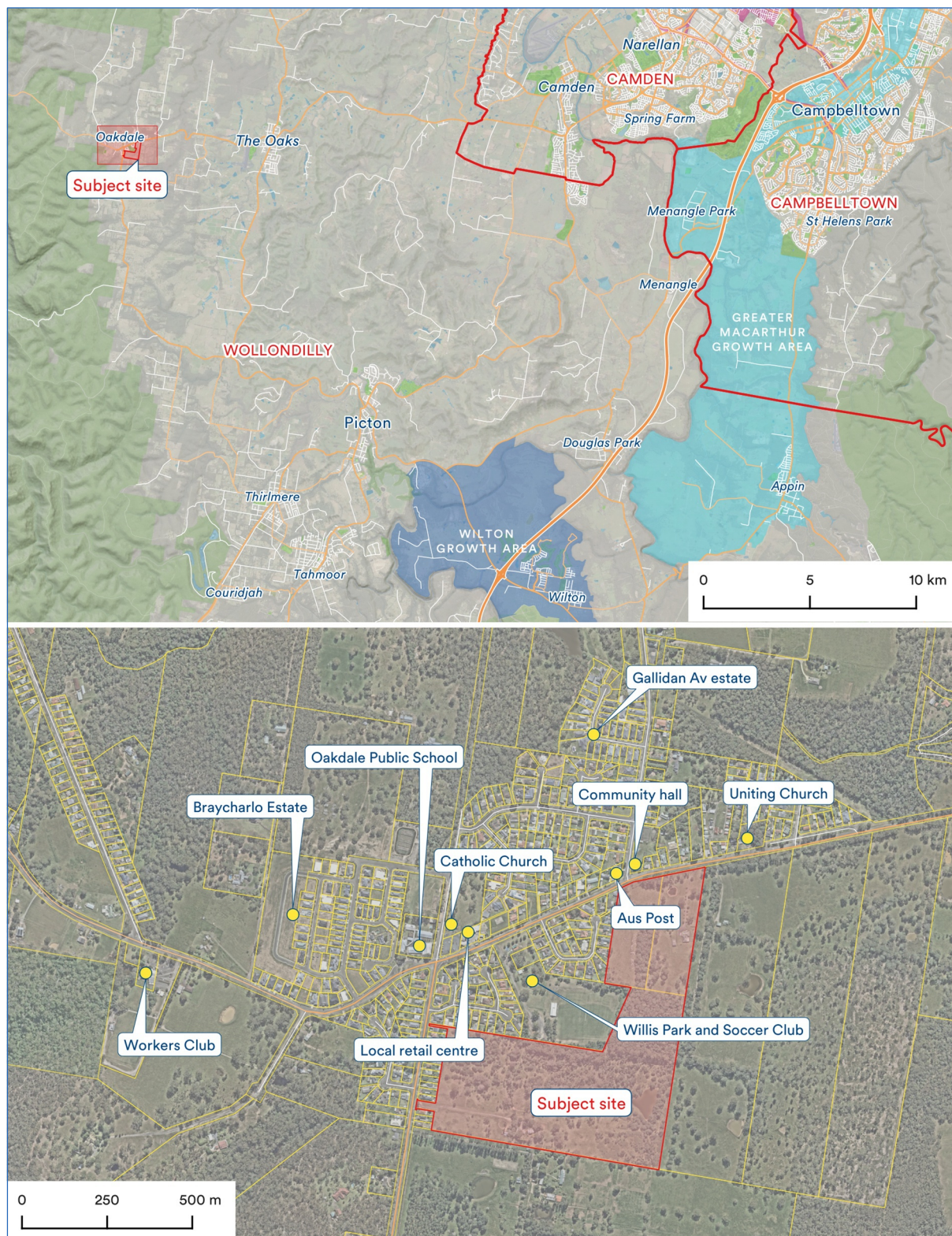
Lake Burragorang, located within these conservation areas, acts as Sydney's largest water supply, regulated by Warragamba Dam.

Oakdale is about 19km north-west of Picton and 23km north-west of Tahmoor, two of the largest townships within Wollondilly LGA. Camden is 20km to the east while Narellan, which provides higher order services, is another 5km further to the north-east.

Wollondilly is characterised by a network of towns and smaller settlements, with housing development occurring mainly as incremental expansions to existing urban areas. Increasingly, however, future development will involve major broadhectare land releases within the Wilton Growth Area around the township of Wilton on the Hume Motorway, and in the Greater Macarthur Growth Area where housing development is occurring or is planned around Appin, Menangle and other locations.

Oakdale itself consists of residential lots mainly centred on Burragorang Road which runs through the town on its way from The Oaks to Nattai. The intersection at Barkers Lodge Road provides a focal point for non-residential land uses including a small commercial centre, primary school and church. The Oakdale Workers Sport and Recreation Club is located a short distance to the west, while other community facilities are located east of the centre at the Egans Road intersection.

Figure 1—Location map



Source: Deep End Services; NSW Government Spatial Services; QGIS; MapBox; NearMap

2.2 Oakdale context

Although Oakdale is a long-established township, there has been more recent subdivision activity, including a 34-lot subdivision on Galidan Avenue, off Egans Road to the north of the township, and the larger Braycharlo Estate (121 lots) which is still underway and located close to the centre of town adjacent to the Oakdale Public School.

Within the township, most residential lots are located north of Burragorang Road, other than along either side of Barkers Lodge Road and a small component on Janette Place, east of Willis Park.

The subject site consists of properties located to the east of these existing residential properties on Janette Place, and south of Willis Park and the Burragorang Soccer Club.

Centres and business uses

The local Oakdale community is supported by a small cluster of retail and business uses located on the north-east corner of Burragorang Road and Barkers Lodge Road. This centre comprises a small independent supermarket with an adjacent liquor store, a diner/café, a rural supplies store, a hair and beauty salon, and a small medical centre.

The centre is branded 'Oakdale Village Centre', with signage that advertises the supermarket as 'Foodworks', although the supermarket is not included on the official Foodworks website and trades as an independent. It is understood that the supermarket was built in around 2011, and that the Foodworks branding was removed by 2019. The store size is around 280 sqm, which means that it acts more as a general store providing day-to-day top-up items for locals.

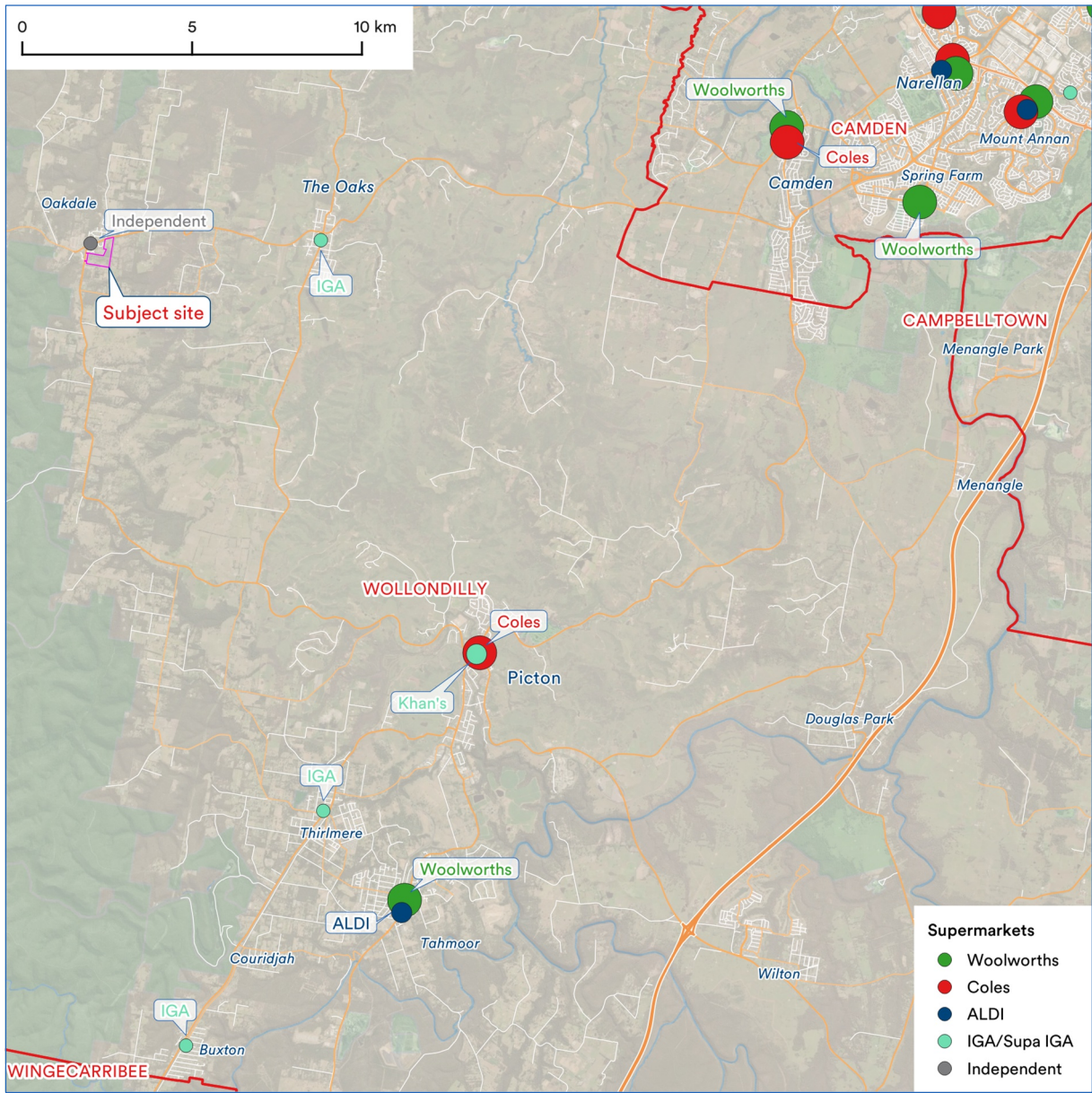
In terms of eateries, the Workers Club also contains a dining option as part of its social club attractions.

Beyond Oakdale, there is a small IGA X-press located at The Oaks, which is of a similar size (around 300 sqm) but supported by a wider array of local businesses including a fruit and vegetable shop, bakery and pharmacy, among other uses.

Most grocery shopping by Oakdale residents would be directed to larger 'full line' supermarkets located further afield, including Woolworths and Coles in Camden. Narellan provides a much more extensive range of shopping options including supermarkets, non-food shops, cinemas and other entertainment uses.

Overall, a large share of spending on retail, local business services and entertainment would be 'escaping' the local community to be spent at centres located outside Wollondilly.

Figure 2—Centres context

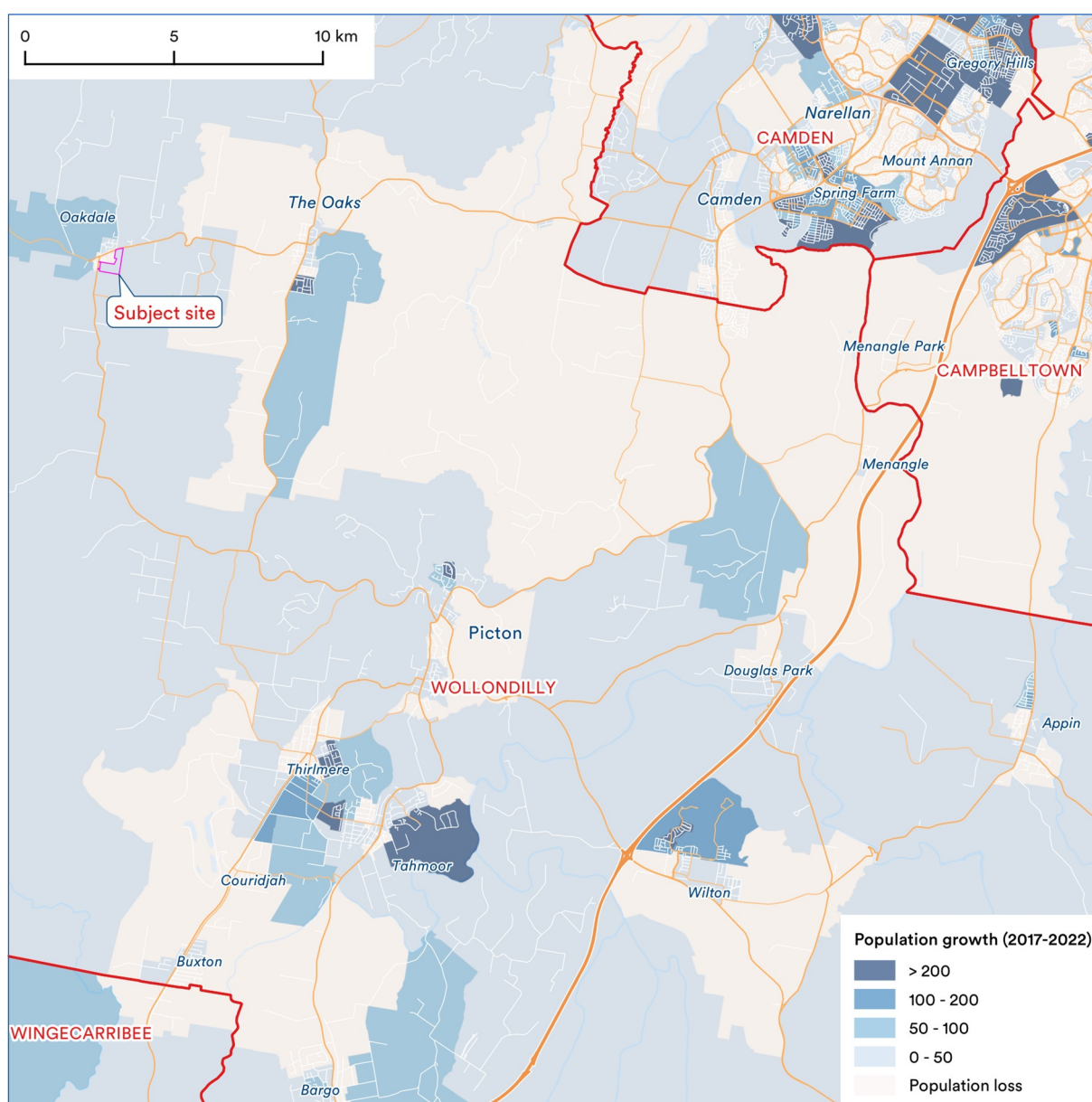


Source: Deep End Services; QGIS

Population trends

Figure 3 demonstrates that most recent population growth in the region is occurring within the South West Growth Centre (Oran Park, Gregory Hills) and around Camden, and is now moving into the Greater Macarthur and Wilton growth areas. Within Wollondilly, population growth is also occurring around Tahmoor and Thirlmere, with small amounts of localised growth associated with new residential subdivisions in The Oaks, Oakdale and Picton.

Figure 3—Population growth trends



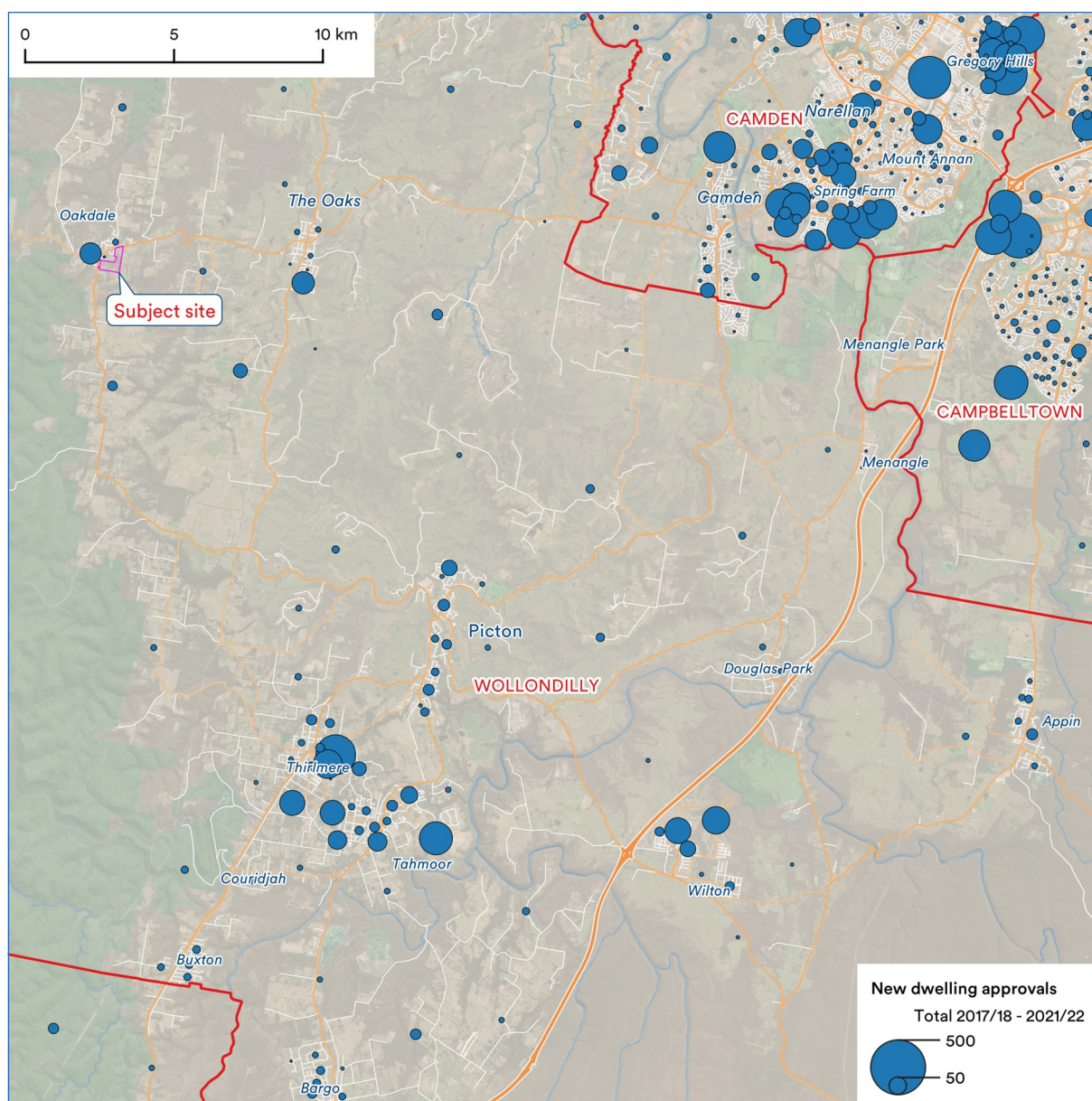
Source: Deep End Services; ABS

Building activity

Building activity trends are shown in Figure 4 which highlights locations where new dwelling approvals have been granted since July 2017. The map shows that while very significant home building is occurring within Camden and Campbelltown, local growth areas include Bingara Gorge at Wilton, and around Thirlmere and Tahmoor.

The map also highlights local areas of residential activity in Oakdale (Braycharlo Estate) and in the southern part of The Oaks.

Figure 4—Dwelling approvals



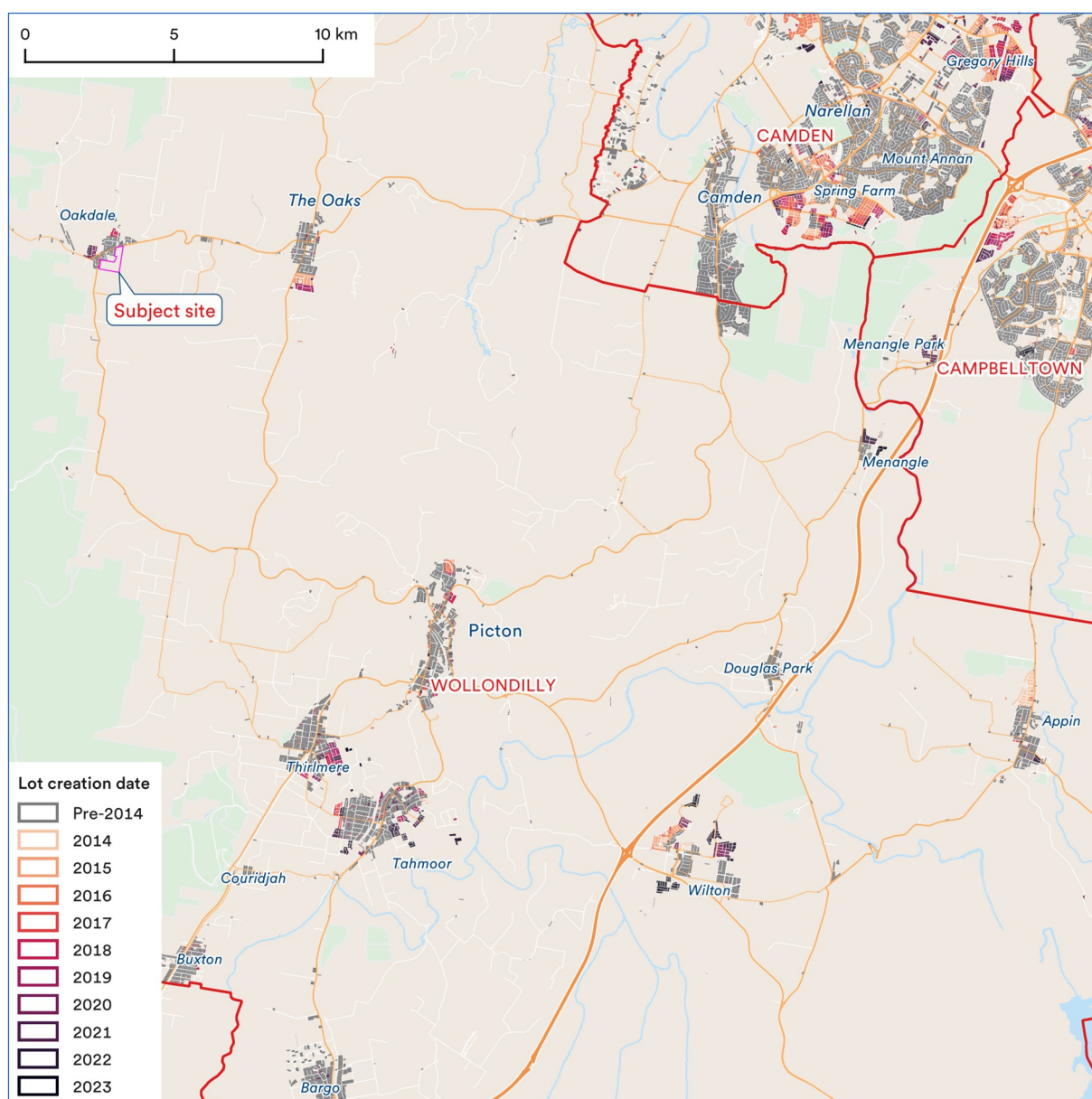
Source: Deep End Services; ABS Building Activity

Lot creation

Figure 5 presents analysis of the creation date of residential lots across the region, highlighting when residential subdivision activity has occurred over the last 10 years. Note that the analysis is restricted to lots defined as ‘urban’ or ‘semiurban’, and only includes lots between 100 sqm and 4,000 sqm.

Overall, the analysis shows the progression of development in greenfield development areas, around Thirlmere and Tahmoor, in The Oaks (in two stages) and in the two new residential subdivisions in Oakdale (Galidan Avenue in 2018 and Braycharlo in 2020 and 2022).

Figure 5—Development context



Source: Deep End Services; NSW Government Spatial Services

2.3 Planning context

Wollondilly 2040: Local Strategic Planning Statement

Wollondilly 2040 is a 20-year plan and vision for land use change and development within Wollondilly which has been developed around the central themes of:

- Infrastructure and collaboration
- Liveability
- Productivity
- Sustainability.

The plan identifies a series of ‘planning priorities’ under these headings, each of which is supported by an action plan.

Under Infrastructure and collaboration –

Planning Priority 3 is to establish a framework for sustainable and managed growth, in which the infrastructure challenges associated with major land release areas in Wilton and, later, Greater Macarthur, are identified. Smaller scale growth within smaller townships is supported where it is consistent with local character, responds to evidence of need, and “demonstrably supports the town or village’s economic and social sustainability” (emphasis added).

Under Liveability –

Planning Priority 4 aims to create vibrant, health and sustainable communities, and makes reference to the need for local jobs for residents.

Planning Priority 5 is to provide housing options that meet local needs and match the local character of towns and villages, with a direction that towns and villages should be expanded where they facilitate local growth. The discussion identifies issues with securing future land for residential expansion in parts of Wollondilly affected by flight paths (eg in the very northern part of the LGA such as Silverdale), strategic mineral resources (Bargo) and servicing issues (Picton, Tahmoor and Thirlmere). Oakdale and The Oaks are identified as places for limited growth.

Planning Priority 8 is in relation to enhancing vibrant, healthy and sustainable local towns and villages that “*provide for local needs*”. With respect to Wollondilly centres, Oakdale is identified as a ‘neighbourhood and local centre’ where the focus is around community centres with limited or no retail services, while The Oaks is identified as a town centre to provide day-to-day services and local businesses.

Under Productivity –

Planning Priority 10 is to attract investment and grow local jobs in order to reduce the need to travel long distances for work or services.

Overall, Wollondilly 2040 provides support for development that retains local character, responds to an identified local need for housing, and helps to grow local economies so that they can sustainably provide services and jobs for residents.

Wollondilly Local Housing Strategy

The Wollondilly Local Housing Strategy (LHS) was completed in January 2021 in response to the requirement under the Western City District Plan and acknowledgement in the LSPS of the need for further direction on housing.

The LHS provides a 20-year vision for housing across the LGA, based on analysis of demand for housing and availability of existing and future residential lot supply.

With respect to demand for housing, the analysis presented in the LHS is reliant on dwelling projections at the local level prepared by .id consulting on behalf of Wollondilly Shire Council, and official state-government projections at the LGA and SA2 level prepared by The NSW Department of Planning, Industry and Environment (DPIE).

Although not stated in the LHS, the latest .id projections for Wollondilly predict an additional 15,267 dwellings over the period 2021 to 2041.

It is relevant to note that the .id projections are based on information supplied to them by Council in relation to likely future subdivision activity within existing residential zones and constraints associated with land supply. That is, they may not fully reflect local demand factors where available land is nearing exhaustion.

The DPIE projections adopted in the LHS are for a requirement for 13,800 additional dwellings over the 20-year forecast period to 2041. These projections have since been altered, with a requirement for 14,259 dwellings over that timeframe. Further analysis of dwelling demand is presented in section 4.2.

A key conclusion in the LHS is that there is sufficient zoned or planned lot supply to accommodate future demand to 2041, with a total lot capacity of 15,661 dwellings by 2041. This calculation has regard for the major greenfield releases at Wilton (and to a lesser extent Appin) and the requirement that smaller towns and villages only meet 'local growth' needs, which is broadly estimated to account for 10% of future demand (although the basis for that proportion is not made clear).

The LHS restricts its local area lot supply analysis to seven specific towns and villages, of which the only relevant one is The Oaks. These main towns have an identified lot supply of 1,543 lots if typical lot sizes are applied, or up to 3,311 if calculated using minimum lot sizes in the LEP (notwithstanding that higher density housing is not a feature of the local market even where supported in the LEP).

Within The Oaks, the LHS analysis identifies 79 available lots, or up to 140 using minimum lot size calculations.

Based on the analysis presented in the LHS, the conclusion is drawn that there are sufficient lots within areas identified for local growth to accommodate demand to 2041.

Development activity and lot potential is not analysed for Oakdale, notwithstanding that there have been two active subdivisions within the last ten years, including one (Braycharlo) that is still active with future stages yet to be subdivided. The .id forecast predicts an additional 170 dwellings within the Oakdale-Nattai local area.

Further review and analysis of the information supporting the LHS, including with respect to availability of lots for local growth in Oakdale and The Oaks, is presented in section 4.2.

2.4 Summary

In summary, the subject site is a parcel of land that is contiguous with existing residential lots and close to the centre of Oakdale where local services are focussed. Residential development activity has been occurring within Oakdale on an incremental basis, with two major active subdivisions over the last 5 years, one of which is still active. Nearby, The Oaks also serves localised housing demand, mainly to the south of the township where subdivision activity occurred in 2015 and 2019.

Although smaller settlements such as Oakdale and The Oaks are expected to continue to cater to local housing growth according to relevant strategies, much more significant broadhectare housing development will occur in major urban release areas including Wilton and the Greater Macarthur Growth Area where Appin will be the initial focus.

3

Planning Proposal

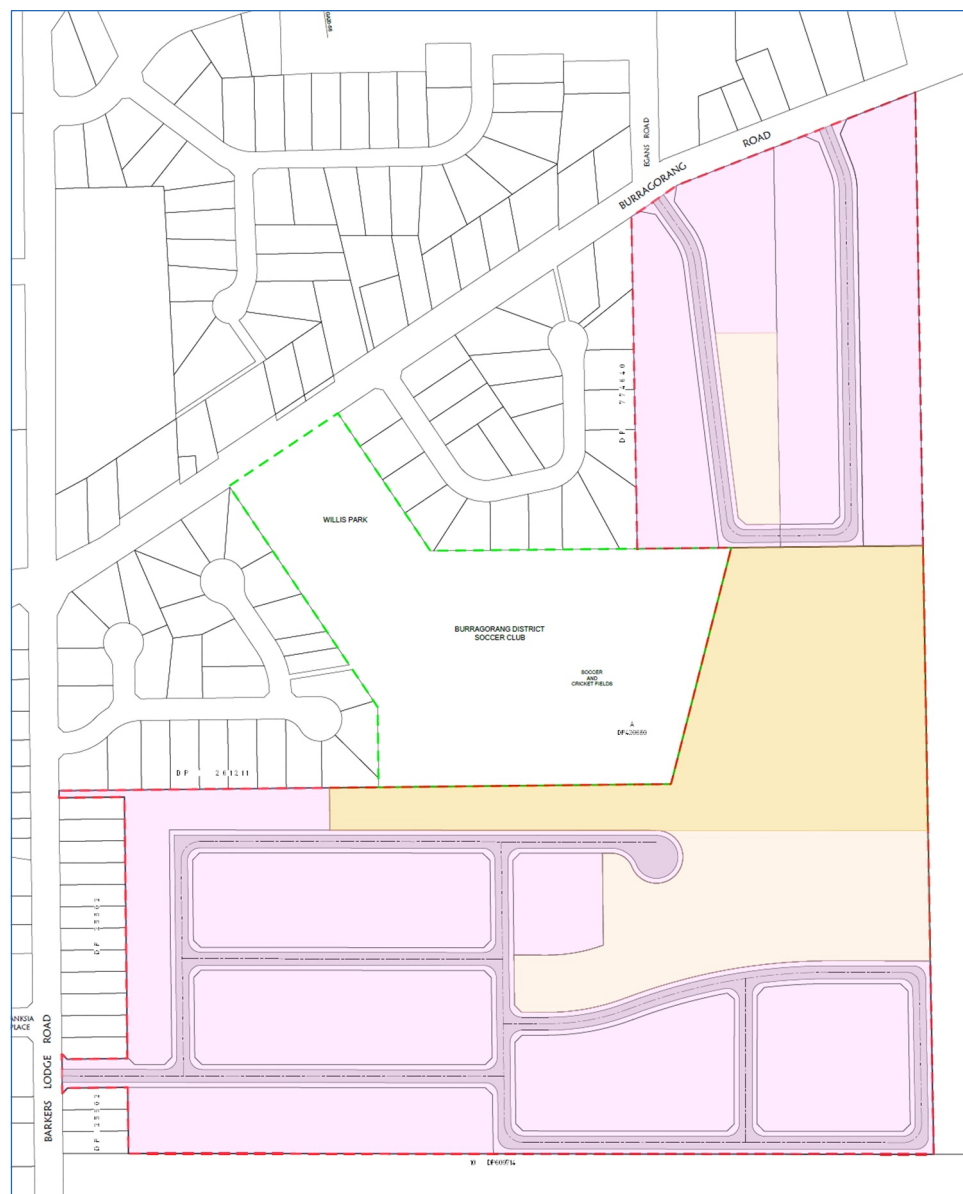
The proposal is to rezone the subject site to a mix of R2, C2 and C3. The R2 component, which will enable local housing development, is spread across two components: one accessed from Burraborang Road, and the other accessed from Barkers Lodge Road.

A concept subdivision anticipates delivery of 208 residential lots across a range of lot sizes. This figure is used as the basis for further analysis.

Development is likely to commence in 2028, with all services and lots created in a single stage. Land sales and housing development would be dependent on market demand, but is expected to occur over a period of approximately 5-8 years based on housing construction rates evident in locations such as Braycharlo Estate and developments within The Oaks.

Figure 6—Proposed rezoning

Source: Colliers



4

Economic analysis

4.1 Introduction

This Chapter presents an examination of the economic effects arising from the proposed rezoning, including consideration of:

- The housing demand and supply context supporting local growth within Oakdale
- The likely population outcomes arising from development of the land
- Local economic effects, including for local businesses arising from the additional population base
- Other economic outcomes.

A key aspect of this analysis is to examine whether the proposed rezoning would serve a localised demand for housing in the context of strategic housing policies described in the LSPS and the Wollondilly LHS.

4.2 Housing demand-supply context

Housing demand

This analysis of demand for housing has regard to official population and dwelling projections prepared by the Department of Planning and Environment (DPE) under the Common Planning Assumptions, and local forecasts prepared by .id consulting on behalf of Wollondilly Shire Council.

Analysis of other demand indicators is also presented, including trends in dwelling approvals, vacant residential land sales and actual housing construction rates as indicated in aerial photography.

Population trends

Table 1 presents estimates of the permanent residential population within the Oakdale township, the surrounding region – defined as the remainder of The Oaks - Oakdale Statistical Area 2 (SA2) – and the remainder of Wollondilly LGA over the

period 2006 to 2022 based on the latest estimates published by the Australian Bureau of Statistics (ABS).

As shown in the table, population growth across Wollondilly has been relatively strong through the period since 2006, but with even more rapid growth having occurred over the period 2021-2022, a large majority of which occurred in places such as Wilton where more significant residential subdivisions are now attracting new residents.

Oakdale itself has experienced relatively slow growth, although noting that these figures do not yet account for new households moving into the Braycharlo Estate, and may not fully account for new houses built in Galidan Avenue.

Importantly, strong growth has occurred in other parts of The Oaks - Oakdale SA2, mainly due to developments in the southern part of The Oaks. Overall, population growth within the surrounding SA2 is at a historic high.

Table 1—Population trends

Source: ABS
Estimated Resident
Population

Year	2006	2011	2016	2019	2021	2022
Population						
Oakdale	1,128	1,173	1,109	1,180	1,180	1,194
Rem. The Oaks - Oakdale SA2	7,193	7,660	8,205	8,601	8,656	8,847
The Oaks - Oakdale SA2	8,321	8,833	9,314	9,781	9,836	10,041
Rem. Wollondilly	32,648	35,774	40,540	43,045	44,360	45,760
Total Wollondilly	40,969	44,607	49,854	52,826	54,196	55,801
Population growth (no. per annum)						
Oakdale		9	-13	24	0	14
Rem. The Oaks - Oakdale		93	109	132	28	191
The Oaks - Oakdale		102	96	156	28	205
Rem. Wollondilly		625	953	835	658	1,400
Total Wollondilly		728	1,049	991	685	1,605

Population and dwelling projections

Official population and dwelling projections are produced regularly by the NSW Department of Planning and Environment (DPE), with the latest issue released in November 2022. The data is released for LGAs and at SA2 geography.

Forecasts for implied dwellings make allowance for projected changes in household formation and household size, as well as accounting for unoccupied dwellings.

Note that the 2022 release relies on historic ABS population data to 2020 but does not incorporate data from the ABS Census 2021. The projections aim to incorporate anticipated effects of the COVID-19 pandemic.

As shown in Table 2, the DPE projections anticipate a significant slowing of population growth in the short term (until 2025) due to the effects of the pandemic. This does not accord with the more recent ABS estimates which identify a significant increase in the population during 2021-22 (refer Table 1).

Also of note is the significant slowing of population growth within The Oaks - Oakdale SA2, with an average of only 7 new residents per year during 2020-22 during a period when historically high growth is recorded by the ABS.

The implication is that while The Oaks - Oakdale SA has historically accounted for around 12% of Wollondilly's growth, the DPE projections assume that the SA2 will only accommodate 1% of the future population growth over the period 2022-2036.

These trends are reflected in the dwelling projections, which are for average dwelling growth of around 25-35 new houses per year into the future, notwithstanding that much more significant growth has been observed in the past – averaging more than 50 new dwellings per year over the period 2016-2021 according to ABS Census data for The Oaks - Oakdale SA2, and even higher in more recent years based on population trends.

Table 2—Projected population and dwellings

Source: Common Planning Assumptions (DPE)

Year	2016	2018	2020	2022	2026	2031	2036
Population							
The Oaks – Oakdale SA2	9,314	9,678	9,841	9,856	9,955	10,112	10,168
Rem. Wollondilly	40,540	42,493	44,164	44,349	48,624	55,483	66,008
Total Wollondilly	49,854	52,171	54,005	54,205	58,579	65,594	76,176
Population growth (no. per annum)							
The Oaks – Oakdale SA2		182	82	7	25	31	11
Rem. Wollondilly		977	836	93	1,069	1,372	2,105
Total Wollondilly		1,159	917	100	1,094	1,403	2,116
Dwellings							
The Oaks – Oakdale SA2	3,094	3,234	3,349	3,411	3,552	3,731	3,856
Rem. Wollondilly	14,508	15,272	15,911	16,153	17,871	20,594	24,560
Total Wollondilly	17,602	18,506	19,260	19,563	21,423	24,326	28,416
Dwelling growth (no. per annum)							
The Oaks – Oakdale SA2		70	57	31	35	36	25
Rem. Wollondilly		382	320	121	429	545	793
Total Wollondilly		452	377	151	465	581	818

An alternative set of population projections has been prepared by .id consulting on behalf of Wollondilly Shire Council, which is available for small areas that generally accord with suburb boundaries. This dataset incorporates information from the ABS Census 2021, but does not (at the time of access) reflect the most recent revised population estimates for 2021 and preliminary estimates for 2022.

As shown in Table 3, the .id projections also anticipate an acceleration in population growth across Wollondilly as major growth fronts are developed. However, as with the DPE forecasts, there is an expectation that growth within settlements such as Oakdale and The Oaks stalls after 2026, with the combined dwelling requirement declining from 38 per annum in 2016-2021 to just 17 dwellings per annum after 2026.

**Table 3—
Forecast.id
projections**

Source:
[forecast.id.com.au/
wollondilly](https://forecast.id.com.au/wollondilly) (Feb
2023)

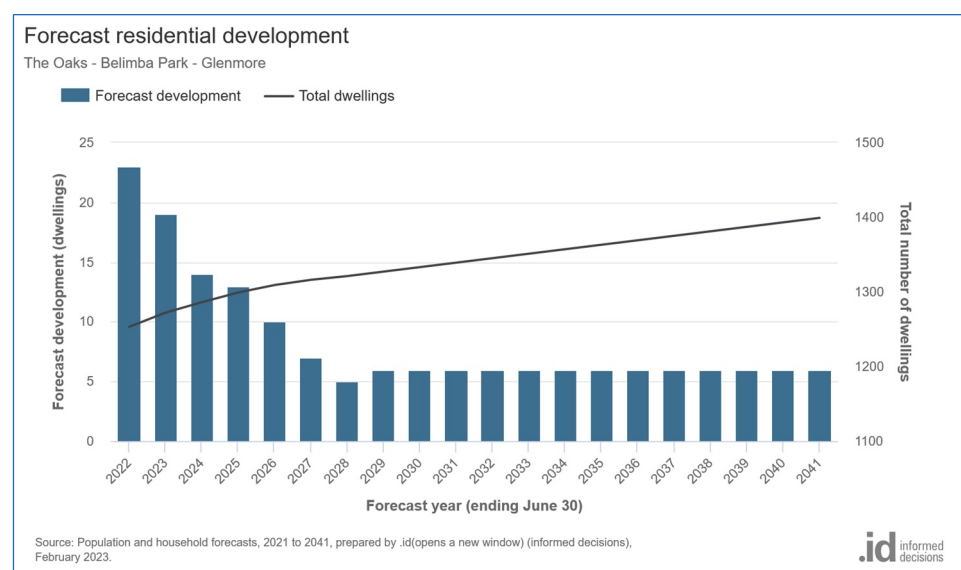
Year	2016	2021	2026	2031	2036	2041
Population						
Oakdale - Nattai	1,918	2,127	2,238	2,357	2,496	2,637
The Oaks - Belimbla Park - Glenmore	3,231	3,667	3,867	3,886	3,947	4,031
Rem. Wollondilly	44,705	48,434	56,415	68,801	80,802	91,733
Total Wollondilly	49,854	54,228	62,520	75,044	87,245	98,401
Population growth (no. per annum)						
Oakdale - Nattai		42	22	24	28	28
The Oaks - Belimbla Park - Glenmore		87	40	4	12	17
Rem. Wollondilly		746	1,596	2,477	2,400	2,186
Total Wollondilly		875	1,658	2,505	2,440	2,231
Dwellings						
Oakdale - Nattai	706	759	808	863	918	973
The Oaks - Belimbla Park - Glenmore	1,095	1,230	1,309	1,339	1,369	1,399
Rem. Wollondilly	14,981	16,918	19,716	23,822	27,916	31,802
Total Wollondilly	16,782	18,907	21,833	26,024	30,203	34,174
Dwelling growth (no. per annum)						
Oakdale - Nattai		11	10	11	11	11
The Oaks - Belimbla Park - Glenmore		27	16	6	6	6
Rem. Wollondilly		387	560	821	819	777
Total Wollondilly		425	585	838	836	794

From the material published in support of the .id projections, it is apparent that the population and dwelling projections are significantly influenced by land development assumptions, with the significant decline in dwelling growth in The Oaks occurring as available land in recent subdivisions in the southern part of the township is exhausted completed. This is shown in the assumed annual dwelling completions displayed in Figure 7, indicating that existing subdivision activity would only continue until around 2028.

As noted later in relation to the existing land supply situation, it is likely that the available residential land in The Oaks will be exhausted sooner than that.

**Figure 7—The Oaks
dwelling
development
projections**

Source:
[forecast.id.com.au/
wollondilly](https://forecast.id.com.au/wollondilly) (Feb
2023)



In relation to future residential development within Oakdale, the .id projections assume that land development will occur in an ongoing fashion throughout the forecast period, averaging around 11 new dwellings per year. The relevant assumptions for individual estates comprise:

- Egans Road - 30 dwellings (2017-2027)
- Oakdale South rezoning - 100 dwellings (2020-2041)
- Land Adjoining Oakdale Primary School - 55 dwellings (2023-2041)
- 1590 Burraborang Road - 28 dwellings (2028-2041)
- Low level of infill (1-2 dwellings per annum).

It appears that the Egans Road dwellings relate to the Galidan Avenue development, where there are only 3 vacant lots.

The Braycharlo Estate is likely described as ‘land adjoining Oakdale Primary School’ where the 55 future dwellings may relate to undeveloped land at the time of the analysis. However, this estate is developing rapidly: of the 90 or so lots released to date, only 14 have yet to be developed. Another 30 lots will be released in a future stage, but these are likely to be fully built within another two years or so.

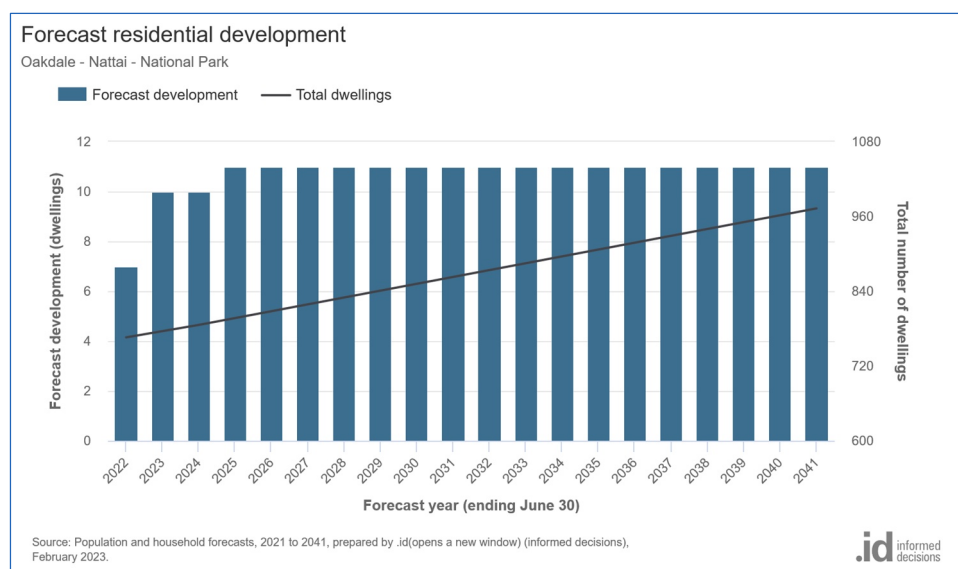
The reference to 1590 Burraborang Road may relate to a future rezoning application known by council at the time. However, the land is within the RU1 zone and no planning proposals are known in relation to this property.

There is a reference to 100 dwellings to be developed in ‘Oakdale South rezoning’. However, it is not clear what land this is referring to unless there is an expectation that the subject site is to be developed during the forecast period. In any case, development is likely to be more rapid and over a shorter period of time than indicated in Figure 8.

Overall, there are several inconsistencies with the .id projections as they relate to Oakdale and surrounding areas.

Figure 8—Oakdale dwelling development projections

Source:
forecast.id.com.au/wollondilly (Feb 2023)



Dwelling approvals

Figure 9 presents information on building approvals for new dwellings granted within The Oaks - Oakdale SA2 and across Wollondilly as a whole for the period 2017/18 to 2022/23.

As shown in the chart and accompanying data table, the number of new dwelling approvals within the local SA2 has been relatively consistent, fluctuating between 50 and 90 new dwellings and averaging 66 per year over the last six years. Peaks in dwelling approval activity coincide with the major subdivisions in The Oaks and Oakdale.

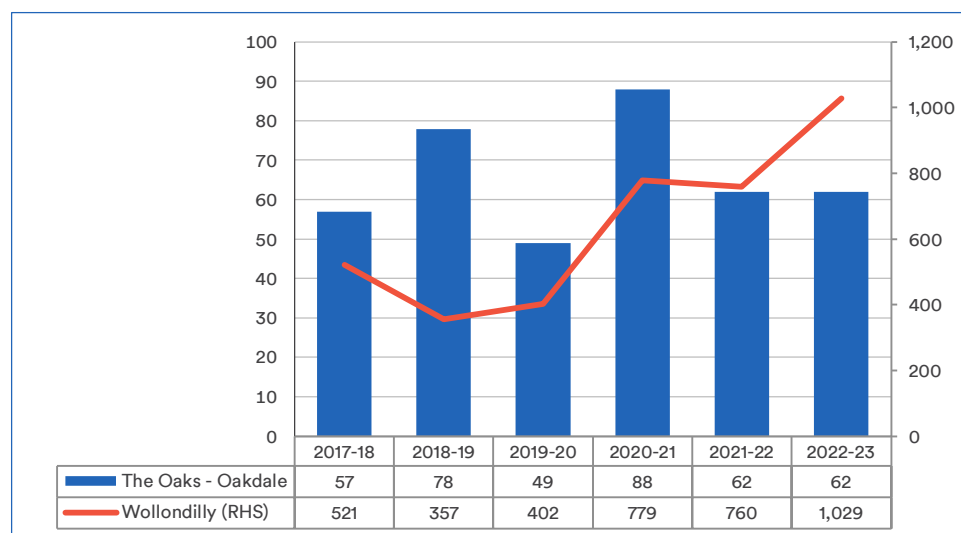
Total dwelling approvals across the LGA have been increasing since 2019-20 as large land subdivision applications have been sought in Wilton and to a lesser extent around Tahmoor and Thirlmere.

The Oaks - Oakdale SA2 has traditionally accounted for around 10-12% of new dwelling approvals, but this figure has declined to around 6% as more significant greenfield development takes place in the Wilton Growth Area.

Overall, the available dwelling approval data indicates demand for around 70 or so new dwellings per year within The Oaks - Oakdale SA2.

Figure 9— New dwelling approvals

Source: ABS
Building Activity



Vacant land sales

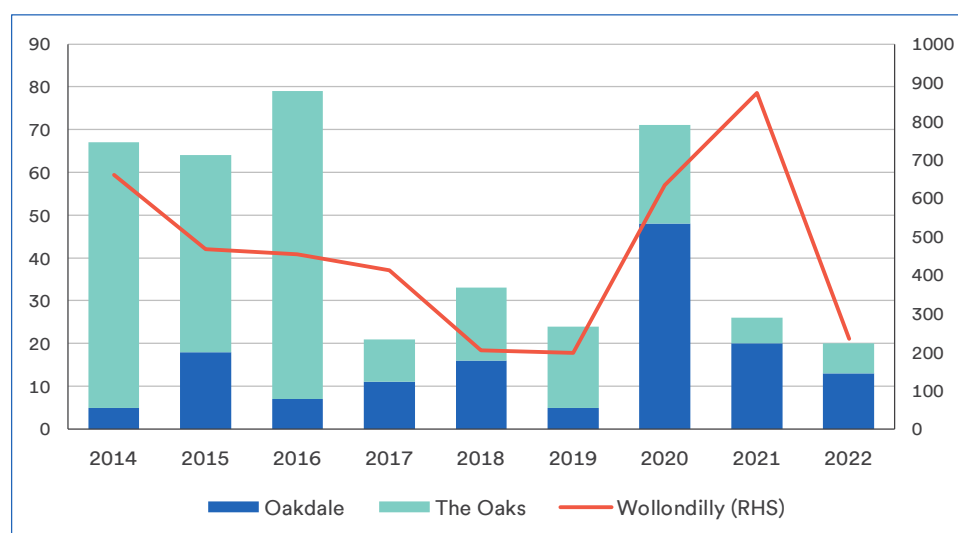
Information on vacant residential land sales in Oakdale and The Oaks, and for Wollondilly as a whole, is presented in Figure 10 based on data extracted from the Pricerfinder subscription service.

Note that the information presented in the chart may not capture all land sales, as some transactions for house and land packages may not be included in all cases. Moreover, sales are only ‘captured’ for large-scale developments at the time of settlement rather than when the contract is signed.

The data shows that the number of vacant land sales across Oakdale and The Oaks has average around 45-50 when combined, but with peak periods in excess of 70 sales in a year when multiple estates are active. Actual yearly sales are influenced by the timing for release of stages within active estates.

Figure 10—Vacant land sales

Source: Pricerfinder



Summary

In summary, the data displayed in this section in relation to housing demand demonstrates that both Oakdale and The Oaks have accommodated relatively rapid population and dwelling growth in recent years, supported by incremental rezonings on the fringe of each settlement that have provided an opportunity to accommodate small-scale local housing demand.

Notwithstanding strong historical growth, dwelling projections by DPE and Wollondilly Shire Council anticipate a slowing in underlying demand, which appears to be mainly based on depletion of local supply rather than lack of underlying demand.

When combined with other land demand indicators such as dwelling approvals and land sales, ongoing demand appears to be for around 70 lots per year spread across Oakdale and The Oaks submarkets. This represents a small fraction of the forecast demand for Wollondilly as a whole, which in the future will be driven by more substantial greenfield development in the Wilton Growth Area.

Housing supply

As noted in Section 2.3, the Wollondilly LHS identifies a total supply of 1,543 lots if typical lot sizes are applied, or up to 3,311 lots if calculated using minimum lot sizes in the LEP. Within The Oaks, the LHS analysis identifies 79 available lots, or up to 140 using minimum lot size calculations. No estimates are supply are presented for Oakdale, although that settlement has been a focus for incremental housing development over the last five years.

Even if the LHS supply estimates are accepted, with underlying local demand for up to around 70 lots per annum across The Oaks and Oakdale, the available lot supply is insufficient to meet future demand.

In The Oaks, the majority of lot supply has been provided within a staged residential subdivision to the south of the township, providing a total of around 175 new housing lots. Of these, only 7 were still available for development according to aerial imagery from 30 March 2023, of which one is currently under construction. In the future, lot supply will only be through infill subdivisions, which in the past has mainly involved subdivisions for dual occupancies.

Lot supply in Oakdale has been created through the Galidan Avenue subdivision (34 lots) and the Braycharlo Estate (121 lots). Of these, only 3 lots on Galidan Avenue were vacant and available for development as at March 2023, while in Braycharlo there were 14 lots on which houses are yet to be constructed (including several still under construction in March 2023 but probably completed since), plus approximately another 30 in a future stage.

Overall, the total available lot supply within The Oaks and Oakdale is estimated at approximately 54 lots within dedicated subdivisions at the time that this analysis was conducted. Once these are exhausted, lot creation will only occur as low-level infill subdivisions.

Housing balance

With underlying local demand for approximately 70 lots per annum across Oakdale and The Oaks (based on a variety of housing demand indicators), and a total lot supply of just 54 lots within residential subdivisions, it is apparent that there is insufficient available residential land to meet ongoing housing demand.

Even if the much lower dwelling projections from DPE are adopted (around 30-35 lots pa), the existing lot supply is only sufficient for around two years of demand.

Based on this analysis, there is a strong argument for additional incremental expansion of housing supply in Oakdale to continue to serve the local housing market.

4.3 Population outcomes

The proposed 208 lots would accommodate a local residential population of approximately 580 residents, based on an average household size of approximately 2.79 persons per household, which is slightly lower than the average of 2.84 presented in local level forecasts by .id consulting.

The addition of 580 residents would represent an appreciable increase in the local residential base when added to the approximately 1,200 existing residents living in Oakdale at present. Population growth will also occur as other residential subdivisions in Oakdale are completed, bringing the local population to nearly 2,000 residents.

4.4 Effect on local retail

An increase in the local residential population of +580 persons would generate appreciable benefits to the local commercial uses currently operating in Oakdale, helping to make these businesses more sustainable and providing potential to attract new businesses to the local area.

The effect can be examined by calculating the additional retail expenditure brought to Oakdale by the new residents, and estimating the share that might be retained within local businesses.

These calculations are shown in Table 4 which presents the following analysis:

- Average per capita spending on retail goods and services by category is based on local spending propensity rates provided by MarketInfo, which models variations in household spending using a range of ABS data. The data shows that in 2030 (which is used as a reference year), local residents in Oakdale are forecast to spend an average of \$20,227 on retail goods and services, of which \$8,447 is on food, liquor and groceries, which is key sector for local centres.
- When applied to a population of 580 persons, the additional spending generated by new residents living on the subject site is forecast to be \$11.7m in 2030.
- A large share of this spending would continue to escape outside the region, either to The Oaks or, in greater volume, to centres such as Camden and Narellan.
- Based on assumptions of the share of spending that might be captured locally for each retail category, nearly \$1m of additional spending might be directed to local commercial uses within Oakdale. Most of this is accounted for by \$725,000 of new spending on grocery-type purchases that might be retained by the local supermarket and bottle shop.

Overall, although the numbers involved are not very large, at the local level they could make an important difference to the sustainability of the local centre. The introduction of up to around \$11m of additional spending at the existing shops would make a strong contribution to the profitability and sustainability of these businesses, and may lead to the attraction of new retail and other businesses into the township.

Table 4—Local retail potential

Source: MarketInfo;
Deloitte Access
Economics; ABS

Retail category	Average per capita spending (2030)	Total spending \$m	Share of spending retained locally	Spending retained in Oakdale
Food, liquor & groceries	\$8,447	\$4.9	15%	\$725,000
Food dining	\$2,608	\$1.5	10%	\$150,000
Non-food & services	\$9,172	\$5.3	2%	\$100,000
Total retail	\$20,227	\$11.7	8%	\$975,000

4.5 Other outcomes

Development of the subject land for 208 lots, accommodating a residential population of approximately 580 persons, would generate a range of other economic outcomes in the local area and wider region:

- Spending by new residents would support for non-retail businesses including those providing personal services (eg medical services, gyms and other recreational and allied health services) and business services (eg local tax agents, real estate agents or other businesses).
- An increase in the local residential base would contribute to the sustainability of social and community services including sports and recreation clubs.
- New home buyers would likely be in family formation years, therefore bringing new children into the area that would help to support the local school and childcare services.
- The 208 new households would contribute to an increase in rates income for Wollondilly Shire Council, along with other local and state charges.
- An increase in the size of the township would help to increase activity levels and the vibrancy of the local centre, creating opportunities for businesses such as cafés that rely on pedestrian traffic.
- Significant local employment would be used during the construction process, including in civil works (construction of roads and services, etc), lot construction and house building. This would help to support the local construction industry which is a key employer in the region.

4.6 Summary

The proposed rezoning of the subject land would represent an incremental expansion in residential zoned land, meeting a need for additional housing lots as existing subdivisions near completion within Oakdale and The Oaks.

The level of development, at 208 lots, is minimal in comparison with large-scale greenfield development that is now commencing in the Wilton Growth Area and which will continue into the Greater Macarthur Growth Area around Appin. The proposed scale of development, with the development built out over around 5-8 years, is consistent with current housing demand projections, and would represent only around half of the annual demand for lots within The Oaks - Oakdale SA2 based on recent demand indicators.

If approved, the development would add approximately 580 persons to the local population base, generating an influx of new spending on retail goods and services of \$11.7m, of which an estimated \$1m could be retained in annual sales at local businesses. Other outcomes include important contributions to the sustainability of other local businesses, sports clubs, recreational facilities, schools and other social and community services, as well as employment generated during development.

5

Conclusions

1. The proposed rezoning of the subject land is consistent with strategic planning policies that seek to facilitate local housing growth within small settlements such as Oakdale.
2. Ongoing demand for local housing within The Oaks - Oakdale SA2 has been averaging in the order of 70 lots per annum, with this demand being met by subdivisions in the southern part of The Oaks and in two subdivisions in Oakdale, one of which is still active.
3. Existing land supply within newly constructed lots is likely to be exhausted within the next couple of years, after which local demand will only be met through small-scale infill development, usually involving the creation of two lots from one existing one.
4. In this context, the proposed rezoning would allow a continuation of residential lot supply to meet local demand through the incremental expansion of an existing settlement. This is consistent with how small settlements such as Oakdale have grown in the past (for example with the Galidan Avenue and Braycharlo subdivisions).
5. If approved, the rezoning would add 208 new families, or an additional residential population of approximately 580 persons. The expansion in the local population would generate a range of positive economic outcomes:
 - a. Contribution to local retail spending, supporting the existing shops and creating potential for new businesses
 - b. Helping to create a sustainable local community through support for local sports and social clubs, community facilities, etc
 - c. Employment generation through site works and home building
 - d. Contribution to the local rates base.