

Social Impact Statement – Section 75W Amendment

Prepared for Payce Communities Pty Ltd

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urbis

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TABLE OF CONTENTS

1	Introduction	1
1.1	Purpose of this report	1
1.2	The proposal	1
1.3	Methodology	1
2	Review of key policies and documents	3
2.1	Draft Metropolitan Strategy for Sydney to 2031 (2012)	3
2.2	Sydney Draft South Subregional Strategy (2007)	4
2.3	City of Canterbury Community Strategic Plan 2014 – 2023 (2013)	4
2.4	Key findings	5
3	Current and future demographic profile	6
3.1	Population and age profile	6
3.2	Forecast population	7
3.3	Income	9
3.4	Housing tenure and family structure	10
3.5	Migration	12
3.6	Key findings	13
4	Property demand analysis	15
4.1	Review of property data	15
4.2	Current market data from Payce Communities	15
4.3	Key findings	15
5	Analysis and concluding remarks	17

FIGURES:

Figure 1	– The subject site (blue) – highlighting applicable ABS Census 2011 Statistical Area 1	6
Figure 2	– Median weekly individual and household incomes	9
Figure 3	– Tenure type	11
Figure 4	– Household structure	12
Figure 5	– Net migration by age group in Canterbury LGA	13

TABLES:

Table 1	– South Subregion targets	3
Table 2	– Age profile and distribution	7
Table 3	– Overall predicted population growth, Canterbury LGA, 2006 – 2036	8
Table 4	– Predicted population growth (age breakdown), Canterbury LGA, 2006 and 2036	8
Table 5	– Population growth for 65 years and over age cohorts, Canterbury LGA, 2006 to 2036	9

1 Introduction

1.1 PURPOSE OF THIS REPORT

Payce Communities Pty Ltd (Payce Communities) engaged Urbis to prepare a supplementary social impact assessment report to accompany a Section 75W application following modifications to the approved Concept Plan for the Riverwood North Residential Renewal Project.

1.2 THE PROPOSAL

The original Concept Plan approval included:

- Staged redevelopment of the site for residential purposes
- 650 dwellings comprised of a minimum 150 social housing dwellings and 500 privately owned dwellings, with a mix of one, two and three bedroom apartments
- 63,500m² of GFA and building envelopes (including height and floor space ratio)
- Car parking, landscaping, open space, and other necessary infrastructure
- Public domain improvements.

A previous modification to the Concept Plan included the delivery of three retail areas for use as neighbourhood shops, increased the number of dwellings to 723 and amended the overall mix of one, two and three bedroom apartments across the development by approximately 10%, or 73 dwellings. This increased the maximum gross floor area from 63,500m² to 65,681m² without increasing building heights. The number of social housing dwellings remained the same at 150, while the additional dwellings remained privately owned dwellings. The tenure mix was adjusted to accommodate more dwellings overall, with a proportional increase in studios and three bedroom dwellings. The majority of dwellings (90%) continue to be one and two bedroom dwellings.

The new proposed modification to the Concept Plan amends the number of apartments across the development by a further 34 dwellings, increasing the total number of dwellings to 757. This will increase the number of dwellings in Phase 2 to 218, and increase the height of the northern and eastern buildings in Phase 2 Stages 2 and 3 by two additional storeys. As a result, the maximum gross floor area will increase from 65,681m² to 69,470m². The number of social housing dwellings will remain the same at 150. The additional dwellings will be privately owned. It is envisaged that 95% of the 218 dwellings in Building B will be one and two bedroom units with the remaining 5% three bedroom units.

1.3 METHODOLOGY

This report explores the potential social impacts of the proposed increase in dwelling and the minor change in dwelling mix, including demand for different dwelling types in the area. The methodology to undertake this assessment included:

- A discussion with the project manager to understand the proposed changes to dwelling mix
- A review of relevant state and local plans and policies specifically associated with housing, affordability and population trends
- A review of demographic data linked to the existing and predicted future population of Riverwood North. This included an analysis of internal and external migration patterns within the locality and Canterbury Local Government Area (LGA). A review of demographics is specific to reflect the Section 75W modification, including age, household types and occupancy rates, tenure and average weekly incomes (individual and household). The Australian Bureau of Statistics (ABS) Census of Population and Housing (Census) 2011 data has been used to provide the most accurate population profile
- An exploration of current residential market demand within Riverwood (Riverwood North), including demand for particular unit types (one, two and three bedroom units)

- Final analysis and reporting.

2 Review of key policies and documents

This section provides a review of key state and local government policies and documents which may inform the Section 75W application, in the context of social issues, demographic trends and housing supply and affordability. These documents are as follows:

- Draft Metropolitan Strategy for Sydney to 2031 (2012)
- Draft South Subregional Strategy (2007)
- City of Canterbury Community Strategic Plan (2010).

2.1 DRAFT METROPOLITAN STRATEGY FOR SYDNEY TO 2031 (2012)

In 2012 a new Draft Metropolitan Strategy for Sydney to 2031 (the Strategy) was released, which sets out a plan for the city's future over the next two decades. The Strategy builds on concepts developed in the previous strategy (Metropolitan Plan for Sydney to 2036, 2010) but with updated dwelling targets. Key priorities for the plan include to:

- Introduce mechanisms that encourage housing and employment in centres
- Ensure sufficient capacity within planning controls for appropriate growth in office space
- Deliver new housing within existing urban areas in a sustainable manner, located close to jobs, services and infrastructure
- Encourage new medium and high density housing within a five or ten minute walk of existing centres.

The Strategy contains detailed advice for six subregions. The proposed development is located in the South Subregion, which covers Canterbury, Hurstville, Kogarah, Rockdale and Sutherland. The South Subregion population, housing and employment targets are outlined in Table 3 below.

TABLE 1 – SOUTH SUBREGION TARGETS

CATEGORY	CURRENT	TARGET TO 2021	TARGET TO 2031
Population	609,000	655,000	685,000
Housing	241,000	263,000	283,000
Employment	183,000	207,000	226,000

Source: Draft Metropolitan Strategy for Sydney to 2031 (2012)

Key priorities for the South Subregion include to:

- Enhance the role of the South Subregion in housing and jobs delivery through urban renewal around Major Centres and accessible local centres, while maintaining the values of Sydney's fringing bushland, coast and waterways
- Facilitate re-development for more intense housing in appropriate existing areas, particularly in and around centres on the Strategic Transit Network which includes the Illawarra and Airport and East Hills Lines
- Strengthen connections to the Illawarra, including expanding capacity on the M5, investigating the F6 corridor and improving rail capacity on the Illawarra Line
- Emphasise cross-regional transit links from Hurstville to Bankstown and Parramatta
- Protect the health and resilience of environmental assets, including internationally significant wetlands, national parks and the drinking water supply catchment.

2.2 SYDNEY DRAFT SOUTH SUBREGIONAL STRATEGY (2007)

To assist in the delivery of the Metropolitan Strategy, new Subregional Delivery plans will be created in 2014. These plans will provide overarching guidance for local areas. In lieu of current plans, the 2007 Draft Inner South Subregion Strategy (Subregional Strategy) has been considered.

This South Subregion comprises the LGAs of Canterbury, Marrickville, Hurstville, Kogarah, Rockdale and Sutherland and is home to approximately 650,000 people. The Subregional Strategy projects an increase in population size, dwellings and employment capacity within the region to 2031 and sets out a range of objectives to enable growth in a sustainable manner.

The vision for the South Subregion is to:

- Retain its high quality environmental, tourism, and lifestyle attributes
- Provide superior lifestyle and amenity, allowing residents to live, and work in the area
- Support the function of the Global Economic Corridor
- Have a diverse community with a greater range of housing choice
- Have greater public transport use through a series of rail infrastructure improvements and encouragement of walking and cycling.

The Subregional Strategy sets targets for an additional 35,000 dwellings and 29,000 jobs by 2031. A number of key directions outlined in the Subregional Strategy relate specifically to Canterbury LGA, and are consequently of note in relation to the proposed redevelopment. These include:

- Riverwood is identified as an older centre and as part of a renewal corridor
- The importance of recognising and embracing cultural diversity across Canterbury LGA
- The setting of a growth target of 7,100 new homes in Canterbury LGA by 2031, to support projected population growth.

2.3 CITY OF CANTERBURY COMMUNITY STRATEGIC PLAN 2014 – 2023 (2013)

The *City of Canterbury Community Strategic Plan 2014-2023* (Strategic Plan) was adopted on 27 June 2013. It presents a clear vision for the City of Canterbury and builds on previous strategic planning documents, published in 2010. The Strategic Plan identifies the outcomes and long term goals for the City of Canterbury and incorporates the goals of the City of Canterbury Council's (Council) sustainable living initiatives (City of Canterbury, 2012), to achieve its vision.

In 2010, priorities and initiatives were identified during a series of community engagement workshops involving Council representatives and community members, and in 2012, further community engagement was undertaken via telephone surveys. As a result of this extensive community engagement, Council identified five strategic priority areas for strategic planning. These include:

- Attractive City: including attractive streetscapes, balanced development and a prosperous economy
- Stronger Community: including embracing diversity, Health and Safety and access to services
- Healthy Environment: including transport alternatives, responsible use of resources and care for the natural environment
- Strategic Leadership: including engaged community, healthy finances and effective governance
- Improving Council: including efficient services, responsible employer and well-maintained equipment.

2.4 KEY FINDINGS

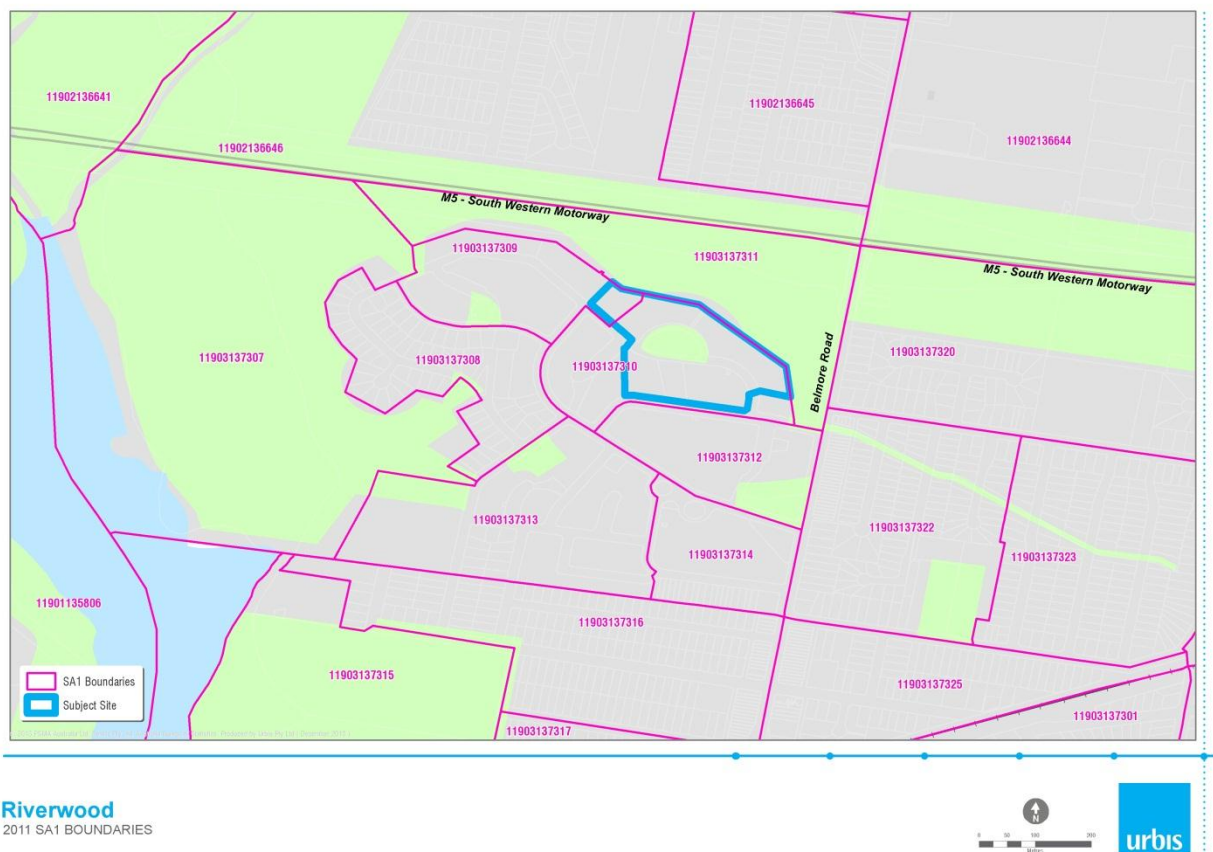
- The Draft Metropolitan Strategy for Sydney to 2031 aims to encourage housing, including new medium and high density housing, in existing urban centres, close to employment, services and infrastructure, in a sustainable manner
- The Sydney Draft South Subregional Strategy (including the LGAs of Canterbury, Marrickville, Hurstville, Kogarah, Rockdale and Sutherland) projects an increase in population size, dwellings and employment capacity in the region to 2031
- Specifically, Riverwood is identified as an older centre and as part of a renewal corridor. The importance of recognising and embracing cultural diversity across the region is acknowledged, and a growth target of 7,100 new homes in Canterbury LGA by 2031 is set to support projected population growth
- The City of Canterbury Community Strategic Plan outlines five strategic priority areas for Council. These are creating an attractive city; stronger community; healthy environment; fostering strategic leadership; and improving Council.

3 Current and future demographic profile

This section provides an overview of the relevant social and demographic characteristics of the local community. It considers the population profile of the urban renewal site based on ABS Census 2011 data using specific Statistical Areas (SA1). The site and SA1s are illustrated in Figure 1 below. This section also considers the characteristics of the community of the suburb of Riverwood, Canterbury LGA, and Sydney Greater Capital City Statistical Area (Greater Sydney).

This analysis focuses on demographic data specifically related with the proposed Section 75W modification. These include: age, household type and composition, tenure type, migration and average weekly incomes.

FIGURE 1 – THE SUBJECT SITE (BLUE) – HIGHLIGHTING APPLICABLE ABS CENSUS 2011 STATISTICAL AREA 1



Source: ABS Census 2011

3.1 POPULATION AND AGE PROFILE

The suburb of Riverwood is an established residential area, which includes additional areas of industrial land uses. The suburb is located in Canterbury Local Government Area (LGA). There are a total of 10,225 residents in the suburb, less than 1% of whom identify as Aboriginal and Torres Strait Islander people. This is lower than the Greater Sydney average.

Table 2 below outlines the age profile and distribution for the site, Riverwood suburb, Canterbury LGA and Greater Sydney. In summary:

- There are a lower proportion of children aged between 0-4 years and a lower proportion of adults aged 25-54 living at the site and in the suburb of Riverwood, when compared with Canterbury LGA and Greater Sydney
- The proportion of children aged 5-14 and young people aged 15-24 is similar across all four areas

- The proportion of older people aged 55 years or more is greater at the site and Riverwood suburb, than in Canterbury LGA or Greater Sydney
- The median age on the site is 44 years, 8 years higher than the Greater Sydney average.

Additional data sourced from the Canterbury City Council website (id, 2011) indicates that Riverwood (35%) has the highest proportion of people aged 55 years within Canterbury LGA (24%), ahead of Narwee (33%) and Kingsgrove (30%). This high proportion of over 55 year olds is also evident at the site (37%).

TABLE 2 – AGE PROFILE AND DISTRIBUTION

CATEGORY	THE SITE (SA1 1137309 AND SA1 1137310)	RIVERWOOD	CANTERBURY LGA	GREATER SYDNEY
Total population	648	10,225	137,454	4,391,674
Median age	44	40	35	36
0-4 years	6%	6%	8%	7%
5-14 years	13%	11%	12%	12%
15-24 years	11%	12%	13%	13%
25-54 years	39%	41%	44%	44%
55-64 years	10%	13%	10%	11%
65 years and over	20%	17%	14%	13%

Source: ABS Census 2011

There is high cultural and linguistic diversity at the site and across the wider area. Almost half of the population at the site (46%) were born overseas, which is consistent with Riverwood suburb (47%) and Canterbury LGA (48%). The proportion of residents who speak English only at home at the site is low (29%), compared with Riverwood suburb (36%) and Canterbury LGA (30%). The average for Greater Sydney is 62%. A high proportion of residents at the site speak Arabic (22%), Vietnamese (7%) and Cantonese (5%). These language groups are also prominent in Riverwood suburb and Canterbury LGA together with Greek and Mandarin speakers (Australian Bureau of Statistics, 2013).

3.2 FORECAST POPULATION

Based on official forecast population growth figures published by the NSW Department of Planning in 2010¹ for the period 2006 to 2031, population growth within the Canterbury LGA is expected to be moderate.

As Table 3 shows, the population is expected to grow very slightly at less than 1% per year during the three decades to 2036, with the overall growth rate expected to be 13%. These findings are consistent with the ageing profile of the population of the estate.

¹ NSW Department of Planning, Population and housing projections, 2010 accessed at: <http://www.planning.nsw.gov.au/Programsservices/Populationandhousingprojections.aspx>

TABLE 3 – OVERALL PREDICTED POPULATION GROWTH, CANTERBURY LGA, 2006 – 2036

YEAR	PREDICTED POPULATION	POPULATION GROWTH RATE
2006	135,600	
2011	139,900	+0.6%
2016	144,000	+0.6%
2021	146,600	+0.4%
2026	149,400	+0.4%
2031	152,600	+0.4%
2036	156,200	+0.5%
Total	+20,600	+13%

Source: ABS Census 2011

Table 4 provides the relative age profile of the projected population of the Canterbury LGA to 2036. The table also provides the increase or decrease per age group at intervals of every five years. High population growth is expected in the 0-24 year age group. This is expected to outstrip that of the 25-54 year age group to 2036, indicating significant growth in the number of children and young people in Canterbury LGA.

Additional key findings include:

- The population of Canterbury LGA is expected to increase across all age groups between 2006 and 2036, most significantly from 2006 to 2011 (+4,300 persons), and 2011 to 2016 (+4,100)
- The greatest increase in population will occur in the over 65 age cohort, an increase of 52% (+9,400). This trend will be most significant between 2021 and 2026 (+1,920)
- There will also be high growth in the 55-64 year age cohort (21%) across the three decades to 2036
- The lowest increase from 2006 to 2036 will be within the working age adult population aged 25 to 54 years (8%)
- It is anticipated that growth in the number of school age children, aged 5-14 years, will be 9%.

TABLE 4 – PREDICTED POPULATION GROWTH (AGE BREAKDOWN), CANTERBURY LGA, 2006 AND 2036

AGE	2006	2011	2016	2021	2026	2031	2036	TOTAL	GROWTH 2006 - 2036
0-4 years	9,780	10,390	10,350	10,300	10,340	10,460	10,610	+830	9%
5-14 years	17,190	17,660	18,190	18,440	18,400	18,540	18,830	+1,640	10%
15-24 years	17,840	18,020	18,550	18,630	18,910	19,180	19,330	+1,490	8%
25-54 years	59,700	60,620	61,040	61,090	61,800	62,740	64,210	+4,510	8%
55-64 years	13,140	14,180	15,280	16,000	15,930	15,810	15,870	+2,730	21%
65+ years	17,960	19,060	20,600	22,100	24,020	25,870	27,360	+9,400	52%
Total	135,600	139,900	144,000	146,600	149,400	152,600	156,200	+20,600	15%

Source: NSW Department of Planning, 2010

As noted above, the Canterbury LGA is expected to see a significant increase in persons aged 65 years and over. The following table indicates high projected population growth from 2006 to 2036 in the cohorts aged 65 years and over.

TABLE 5 – POPULATION GROWTH FOR 65 YEARS AND OVER AGE COHORTS, CANTERBURY LGA, 2006 TO 2036

AGE	2006	2011	2016	2021	2026	2031	2036	TOTAL	GROWTH 2006 - 2036
65-69 years	5,210	5,540	6,140	6,420	6,950	7,090	6,990	+1780	34%
70-74 years	4,440	4,620	4,980	5,500	5,770	6,270	6,430	+1,990	45%
75-79 years	3,840	3,690	3,900	4,230	4,730	5,000	5,480	+1,640	43%
80-84 years	2,600	2,870	2,820	3,020	3,360	3,830	4,110	+1,510	58%
85+ years	1,870	2,340	2,760	2,930	3,210	3,680	4,350	+2,480	133%
Total	17,960	19,060	20,600	22,100	24,020	25,870	27,360	+9,400	52%

Source: NSW Department of Planning 2010

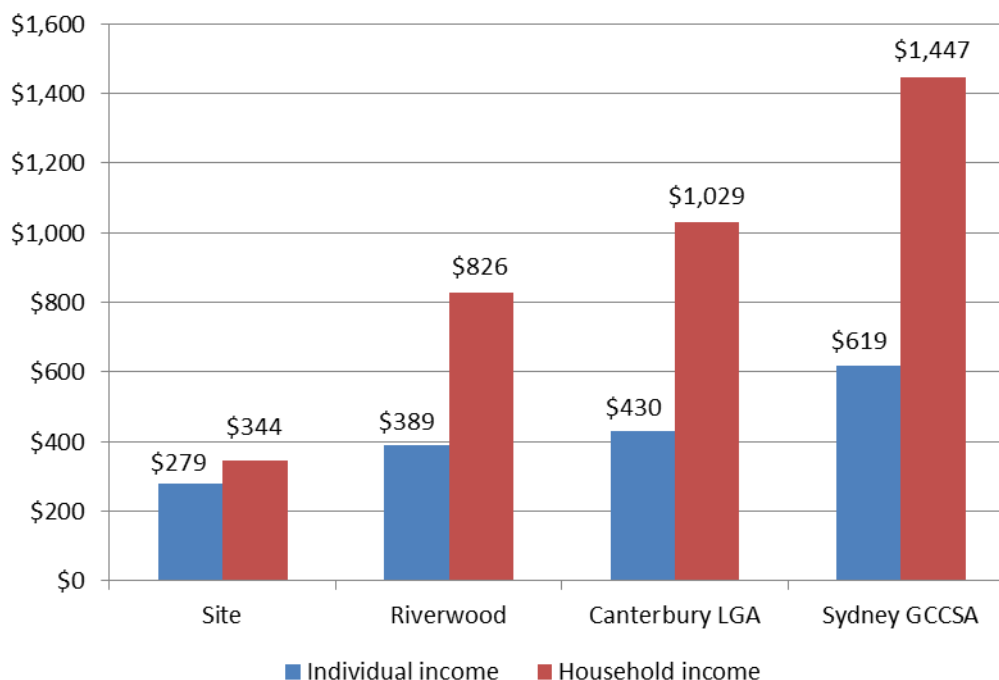
Table 5 shows that growth is expected in each age category. The number of residents aged 85 years and over is expected to more than double by 2036. The strong projected growth in the over 65 age cohort, combined with the existing high proportion of residents in this age cohort at the site, suggests that a large proportion of future residents at the site will be 65 years and over.

3.3 INCOME

Figure 2 below illustrates the median weekly individual and household incomes for the site, compared to the suburb of Riverwood, Canterbury LGA and Greater Sydney.

Note: An average weekly income figure has been applied for the site (SA1 1137309 and SA1 1137310).

FIGURE 2 – MEDIAN WEEKLY INDIVIDUAL AND HOUSEHOLD INCOMES



Source: ABS Census 2011

The following income characteristics are highlighted:

- The median individual and household incomes within the site are far lower than for Riverwood, Canterbury LGA and Greater Sydney. This reflects a population of social housing residents and lone person households, along with high levels of relative socio-economic disadvantage on the Riverwood North Estate. It also reflects an ageing population, and a high proportion of residents who are retired and unlikely to be in full time employment
- The Riverwood suburb and the Canterbury LGA have relatively low average weekly individual and household income levels compared to Greater Sydney. This reflects the relative high levels of socio-economic disadvantage in the area. It also reflects a higher proportion of resident 'blue collar' workers, with a higher than average proportion of persons employed as labourers (11% in Riverwood suburb and Canterbury LGA, compared to 7% for Greater Sydney)
- Data from the Social-Economic Indexes for Areas (SEIFA) (Australian Bureau of Statistics, 2013) index of relative socio-economic disadvantage was used as an indicator of disadvantage at the site. Using this data, the site is in the first decile of the SEIFA index, indicating a high level of disadvantage, when compared to other parts of Australia. Canterbury LGA is ranked in the second SEIFA decile, indicating high levels of disadvantage, but less so than those reported for the site.

3.4 HOUSING TENURE AND FAMILY STRUCTURE

Figure 2 below provides an overview of tenure types for the site, Riverwood suburb, Canterbury LGA and Greater Sydney.

The following points are highlighted:

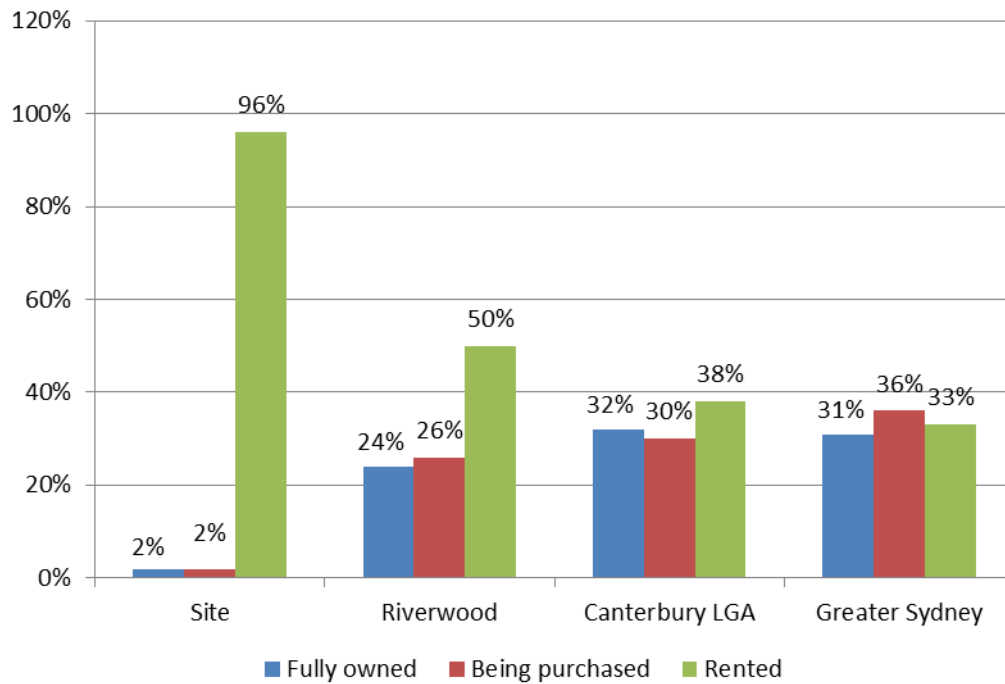
- There is a lower proportion of outright home ownership (24%) in the Riverwood suburb than Canterbury LGA (32%) and Greater Sydney (31%)
- When compared with Greater Sydney (33%) there are a higher proportion of rented dwellings in the Riverwood suburb (50%) and Canterbury LGA (38%).

Average rents² at the site are less than \$100 per week and account for 23% to 31% of weekly household income, depending on location within the estate.

The average weekly rent in Riverwood suburb is \$160 per week. This is much lower than the average for Canterbury LGA (\$300 per week) and Greater Sydney (\$351 per week). The weekly rent to household income ratio is also much lower in Riverwood suburb (19%) than Canterbury LGA (29%) and Greater Sydney (24%). This indicates good rental affordability in the suburb.

² It is important to point out that whilst the 2011 Census data for the site indicates that 96% of households were renting and that 4% of properties on the site were 'fully owned or being purchased,' those 4% will be off the Riverwood North Renewal Project Estate are which is being redeveloped. All of the dwellings on the site are owned by Housing NSW and rented to residents.

FIGURE 3 – TENURE TYPE

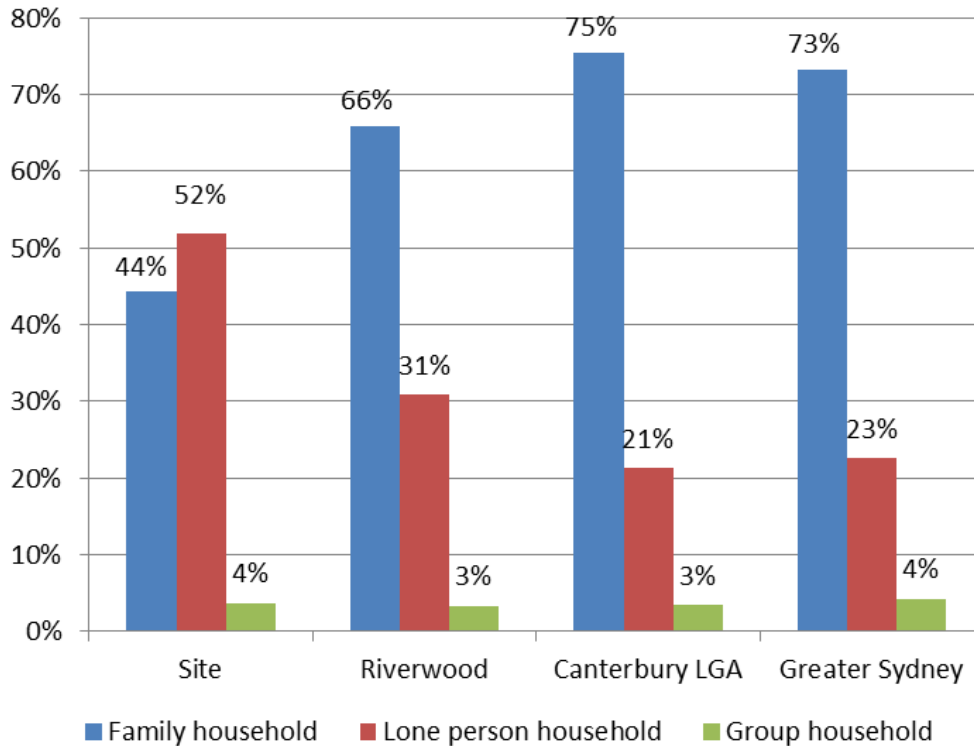


Source: ABS Census 2011

Figure 4 below illustrates the predominant household structures within the renewal area, Riverwood suburb, Canterbury LGA and Greater Sydney at the time of the ABS Census 2011. The following points are highlighted:

- There are a smaller proportion of family households at the site (44%) and Riverwood suburb (66%) compared to Canterbury LGA (75%) and Greater Sydney (73%). This profile is consistent with the ageing profile of the Riverwood North Estate and the suburb
- There are a higher proportion of lone person households at the site (52%) and Riverwood suburb (31%) when compared with Canterbury LGA (21%) and Greater Sydney (23%). This is consistent with the ageing profile of the estate and suburb, and the increasing number of single person households in public sector housing estates.

FIGURE 4 – HOUSEHOLD STRUCTURE



Source: ABS Census 2011

3.5 MIGRATION

The following outlines the patterns of migration to and from the subject site in Riverwood North from 2006 to 2011 (the latest census data available). Since 2006, 69% of the resident population of the site are still living at the same address, with 15% moving to another part of New South Wales, another state or overseas. A small proportion moved out of the site but stayed close to the Canterbury LGA (5%).

In Canterbury LGA, 42,477 residents moved at least once between 2006 and 2011, 13,039 of whom moved within the Canterbury LGA. Net migration statistics for the remainder of residents who moved in this period show that Canterbury LGA experienced a net loss of persons to other parts of New South Wales (-5,712 persons), and other parts of Australia excluding New South Wales (-1,255). Data for net migration to and from other countries is not available.

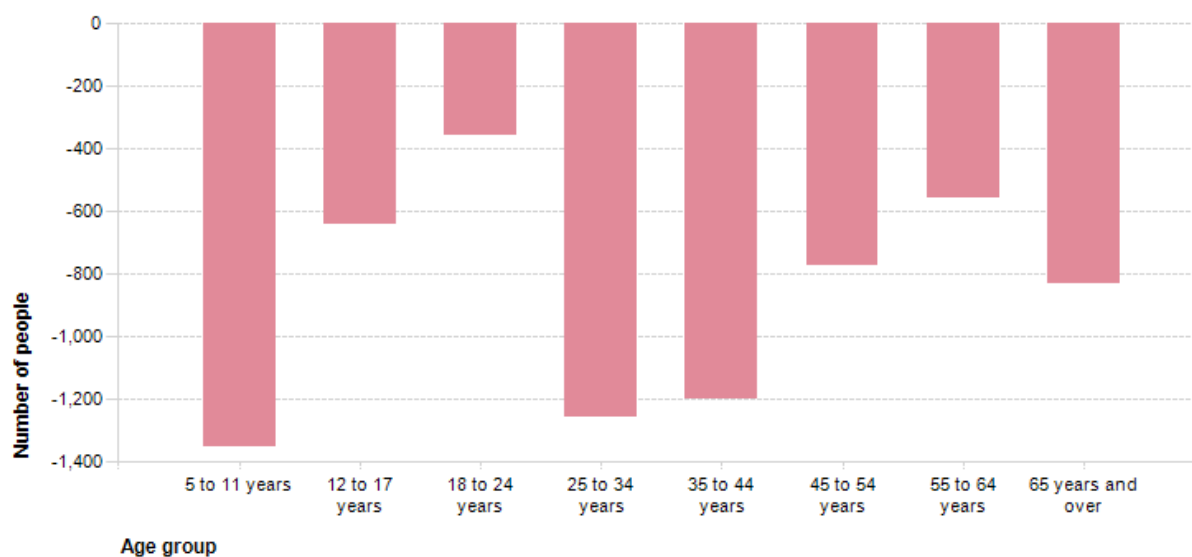
Canterbury LGA experienced an overall loss in population according to net migration data between 2006 and 2011 (See Figure 5), losing a total of 6,967 persons. The largest proportion were persons aged 5-11 years (-1,349) and 25-34 years (-1,259), followed by persons aged 35-44 years (-1,200). While a net loss in population is experienced by all age groups, these trends indicate that the key groups leaving Canterbury LGA are young and older people with families.

The age cohorts where the lowest migration loss is reported include the 18-24 years cohort (-358) and the 55-64 years cohort (-555).

FIGURE 5 – NET MIGRATION BY AGE GROUP IN CANTERBURY LGA

Net migration by age group 2011

Canterbury City



Source: Australian Bureau of Statistics, Census of Population and Housing, 2011 (Usual residents data)
Compiled and presented in profile.id by .id, the population experts.



Source: ABS Census 2011, ID 2012

3.6 KEY FINDINGS

Key findings include:

- The site and Riverwood suburb have a relatively older and ageing population compared to the Greater Sydney average, with a median resident age of 44 and 40 years old respectively, compared to a median age in Canterbury LGA of 36 years and in Greater Sydney of 35 years
- Population growth in Canterbury LGA for the period from 2006 to 2031 is expected to be moderate
- The site is culturally diverse, with 46% born overseas, consistent with Riverwood suburb (47%) and Canterbury LGA (48%), and higher than the population born overseas in Greater Sydney (34%)
- The median individual and household incomes at the site (\$279 and \$344), Riverwood suburb (\$389 and \$826) and Canterbury LGA (\$430 and \$1,029) are low in comparison to Greater Sydney (\$619 and \$1,447). The figures for 2011 represent an increase in individual and household incomes at the site of up to 30% and 33% respectively
- Riverwood suburb is characterised by a relatively high proportion of rented dwellings (50%), when compared with Canterbury LGA (38%) and Greater Sydney (33%)
- Home ownership (mortgaged and non-mortgaged) in Riverwood suburb (50%) is lower than that in Canterbury LGA (62%) and Greater Sydney (67%)
- There are a high number of lone person households at the site (52%) and Riverwood suburb (31%) when compared with Canterbury LGA (21%) and Greater Sydney (23%)
- The level of social and economic disadvantage is high in Canterbury LGA due to a combination of income levels, employment characteristics and cultural barriers. The renewal site ranks in the first decile in the SEIFA index of relative socio-economic disadvantage, indicating that it is among the most disadvantaged parts of Greater Sydney

- According to net migration data, Canterbury LGA reported an overall loss in population of 6,967 persons from 2006 to 2011. While a net loss in population was reported in all age groups, the greatest decrease was in younger and older people with families. The age cohorts where the lowest migration loss is experienced included 18-24 years (-358) and 55-64 years (-555).

4 Property demand analysis

This section outlines the existing property demand profile for Riverwood suburb from a review of property data supplied by RP Data.

4.1 REVIEW OF PROPERTY DATA

According to a Suburb Statistics Report (RP Data, 2013), households in Riverwood suburb were primarily couples with children (40%), childless couples (21%) and lone person households (15%). Single parent families made up 9% of households. Most households rent property (48%) with around with remaining households purchasing property (26%) or owning property outright (23%).

Median unit prices have been rising over the past 10 years to 2013, particularly since 2008, peaking at \$610,000 in August 2013 from a low of \$362,000 in 2004. Unit prices have fluctuated over the past 12 months, with a low in January 2013 of \$395,000, to a peak of \$610,000 in August 2013. The current median price for a unit in Riverwood is \$513,500 and the median price for a unit in Greater Sydney is \$547,500 (RP Data, 2013).

The number of units sold over the last 10 years has also fluctuated. In 2004, 49 units were sold in Riverwood, which represented the starting point for a steady increase in sales to a peak of 89 units in 2009. Demand began to decline from this point reaching a low of 37 sales in 2012. The most recent data suggests a slight recovery in the market with unit sales reaching 42 by December 2013.

This indicates that in general, unit prices have been rising over the past 10 years, but that there is fluctuation in the market.

The current median price for two bedroom (\$455,000) and three bedroom (\$542,500) units indicates that affordability of current unit stock is becoming a challenge for residents earning average household incomes in the Riverwood suburb (\$3,579) and the Canterbury LGA (\$4,459). The average mortgage repayment in Riverwood suburb is from \$1,800 to \$2,400, which indicates that current unit prices are becoming too expensive for residents in the Riverwood suburb and more challenging for residents of Canterbury LGA.

4.2 CURRENT MARKET DATA FROM PAYCE COMMUNITIES

It is understood from discussions with Payce Communities that in previous development projects within Greater Sydney, two bedroom units have been the top selling product. This is due to a high number of small families and investors (looking to rent to two separate occupants – in many circumstances). In addition to the prominence of this buyer profile, Payce Communities expects the investor market to reach around 70% - 75% for the Riverwood North Urban Renewal Area.

One and two bedroom units are currently popular within the Riverwood North Urban Renewal Area at 51m² and 75m² respectively. Payce Communities have indicated that the sale of these unit types will be in the range of \$440,000 to \$465,000 for a two bedroom unit and \$380,000 to \$400,000 for a one bedroom unit. This is far below the current median price of \$513,500 for a unit in Riverwood suburb and provides affordable housing options for one and two bedroom units

4.3 KEY FINDINGS

A review of demand information has found that:

- Demand for units is becoming stronger in Riverwood suburb. The variation in family profiles indicates a range of housing products, but particularly larger two and three bedroom units, is important
- In general, unit prices have been rising over the past 10 years, particularly since 2009
- Buyer sentiment is currently good in Riverwood suburb with prices steadily increasing despite the drop off in the number of sales

- Affordability is becoming an issue in Riverwood suburb at this time, with prices increasing above the level of affordability. This may also become an issue in Canterbury LGA in the future
- Payce Communities proposes to offer one and two bedroom units at price points below the current median in the market. This will meet current demand for these product types at prices which are affordable to the existing community.

5 Analysis and concluding remarks

This section of the report provides an analysis of the findings, with reference to the Section 75W amendment.

The retention of the 150 dwellings for social housing retains the original concept of creating new improved social housing for existing tenants. The changes indicate a preference for one and two bedroom apartments (95% of the overall mix) within the 218 proposed for the modified northern and eastern buildings in Phase 2 Stages 2 and 3, with the remaining allocation for three bedroom apartments. The proposed increase in dwellings at the site is small and aligns with key state and local government policies for Riverwood suburb and Canterbury LGA, and the need to meet the growth target of 7,100 new homes in Canterbury LGA by 2031.

The Riverwood suburb is characterised as a low income suburb with an older and ageing population (median age = 40 years). Riverwood suburb retains high levels of rented dwellings and low levels of home ownership when compared to Canterbury LGA and Greater Sydney. The community profile for the renewal site indicates that incomes are lower and the population is older (median age = 44 years), with almost all housing tenure within the rental market (96%). It also retains a higher level of lone person households (52%). The renewal site has a decile ranking of one in the SEIFA index of relative socio-economic disadvantage, which indicates it is one of the most disadvantaged parts of Greater Sydney.

According to net migration data, Canterbury LGA has experienced an overall loss in population from 2006 to 2011. The total loss is 6,967 persons with net losses across all population age groups. Trends indicate that key groups leaving Canterbury LGA are young and older people with families. The lowest migration loss is experienced in the 18-24 years and the 55-64 years cohorts. The trend is reversed in Riverwood suburb, where the ABS Census 2011 showed the population of Riverwood to have grown to 10,225 persons since 2006.

A key factor influencing population growth may be the affordability of housing in the Riverwood suburb when compared with the median for Greater Sydney. This suggests the location is appropriate for increased development. Research indicates that house prices are rising in Riverwood suburb and affordability in the future may be negatively impacted if this trend continues. Data indicates that this is not impacting at present and the proportion of persons owning their property with a mortgage (25% to 26%) is increasing slightly. The median price of a unit in Riverwood suburb is \$513,500 compared to \$547,500 in Greater Sydney.

Median weekly rent was 18% of median weekly household income in 2006, and rose to 19% in 2011 (Australian Bureau of Statistics, 2013). This indicates a slight impact on rental affordability that may be influenced by rising property prices. This figure remains well below the commonly accepted indicator of housing stress, which is when a household is required to spend 30% or more of household expenditure on housing costs (S. Rowley and R. Ong, 2012). This is reflected in the increase in the proportion of renters (47% to 52%) from 2006 to 2011.

Information provided by Payce Communities indicates that two bedroom units are often in the greatest demand in their development areas. This trend may be influenced by a high number of young families and investors showing interest in this type of product. Payce Communities anticipates the investor market will be strong in the Riverwood North Urban Renewal Area and account for 70% - 75% of sales. Payce Communities anticipates the price points for the new units will be \$440,000 to \$465,000 for a two bedroom apartment and \$380,000 to \$400,000 for a one bedroom apartment. This is below the current median price of \$513,500 for a unit in Riverwood suburb and provides affordable housing for one and two bedroom options.

Demand for these products will be driven by affordable pricing points, a high proportion of childless couples and lone person households, and a high proportion of persons aged 55 years and over at the site and in Riverwood suburb. The continued approach of mixing social housing and private development retains the opportunity to create a strong community within a sustainable and attractive environment.

Overall, the proposed change in dwelling mix and the proposed pricing points meet anticipated demand in the current and predicted demographic population for the immediate area and the Riverwood suburb.

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