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## 1.0 Executive Summary

This social and economic impact assessment (SEIA) accompanies an Environmental Assessment Report (EAR) for a proposed S75W Modification Application to the Calderwood Concept Plan Approval (MP09\_0082) (Approved Concept Plan) for the Calderwood Urban Development Project (CUDP). A modification is sought to the Approved Concept Plan to allow for increased and more diverse housing supply at Calderwood. The increase in housing supply is proposed to ensure that the existing area of urban zoned land at Calderwood is efficiently used for the continued supply of a range of housing types and sizes that both meet market demand and will help to alleviate regional housing affordability pressures.

The SEIA has been prepared by Ethos Urban on behalf of Lendlease in response to the Secretary's Environmental Assessment Requirements (SEARS) dated 1<sup>st</sup> February 2018 issued by the Department of Environment and Planning (DPE).

The approved Concept Plan provides for the development of a total of approximately 700 hectares of land. Condition A1(1) of Schedule 2 of the Concept Plan determination states that approval is granted to the carrying out of development of approximately 4,800 residential dwellings and 50ha of mixed use employment land, open space and protection of environmentally significant lands, internal roads, service infrastructure and community facilities (including three schools). Notably, the approved Concept Plan provides for new town and village centres with a mix of retail, employment, community and mixed use dwellings including terraces, small lot detached homes, apartments, live work dwellings, shop top housing and retirement living. A summary of the current approval, and the proposed concept plan, is provided in the table below with context from the analysis provided in this report.

**Table 1 Summary of Approved Concept Plan Components and Proposed Amendments**

Product Mix	Current Approval	Proposed (Modification)	Affordable Housing	Social housing	Employment	Services / facilities	Comments on CPA impacts
Detached	4,800 dwgs	6,500 dwgs	More affordable housing & reduces upward pressure on regional rentals	Provision for investor product next to town centre - suitable for rental to social housing tenants	Additional 180 construction jobs (FTE p.a. for project life)		Facilitates workforce growth - <b>cumulative 2% growth</b> in gross regional product by 2030
Medium density						Scope for work from home	
Apartments							
Retirement Living	280	280 ILU	Yes		20 jobs	Yes	Potential RL site nominated
Aged Care	N/A	110 bed facility	Yes		60 jobs	Yes	As above
TC retail	20,000 m <sup>2</sup>	25,000 m <sup>2</sup>		Retail services make social housing tenancy viable	150 additional jobs	Additional amenity	Local jobs for young adults
TC Non retail	20,000 m <sup>2</sup>	20,000 m <sup>2</sup>			No change	Maintained services	
VC retail	5,000 m <sup>2</sup>	5,000 m <sup>2</sup>			No change		
VC non- retail	1,000 m <sup>2</sup>	1,000 m <sup>2</sup>			No change		
Open space	33.2 ha	47.4 ha				Additional 14.2 ha	
Passive open space	17.36 ha	23.7 ha				Additional 6.34 ha	Supports work from home
Active space	15.84 ha	23.7 ha		Greater facilities for local schools & work from home		Additional 7.86 ha	Supports work from home
Community space	900 sqm	1,200 sqm				Additional 300 sqm	Scale economies for functions & events
Contributions to Library (equiv m <sup>2</sup> )	625 sqm	845 sqm				Additional 220 sqm	
Schools	2 primary	2 primary		Local schools make social housing tenancy viable		1,000 students per primary schools and 2,000 students per high school	
	1 high school	1 high school					

Source: Lendlease; Elton (2018); Ethos Urban

\* As indicated in the Concept Plan, there is an indicative mix of housing. 60 - 85% detached dwellings, attached dwellings, semi attached dwellings and dual occupancies; and 15-40% other, including multi dwelling housing and residential flat buildings. The actual dwelling mix and yield for each dwelling type will be determined as part of the future detailed applications for each stage.

Since its inception, Lendlease's Calderwood project has provided a critical role in supplementing the Illawarra-Shoalhaven regional housing needs. The shortages of housing supply across the Illawarra region remain in place, particularly for new small lot detached houses that represent affordable price points. The proposed amendment in project yield will contribute to long-term relief from persistent under-supply of greenfield and infill housing supply.

### 1.1 A need for additional lot production during the 2020s

The Illawarra Shoalhaven Regional Plan identifies a need for an additional housing supply of close to 1,200 per annum from the combined Wollongong and Shellharbour LGAs over the 2016-2036 period. Total building approvals for new dwellings have been close to 1,800 per annum over the three years to calendar 2017. Many of these building approvals require demolitions (including knockdown-rebuilds) or relate to holiday houses.

Notably, supply from new subdivisions has been very low. Calderwood has proved to be in very high demand since its first day of marketing, reflecting substantial pent-up demand. When combined with lot production from the West Dapto Urban Release Area and other projects, Calderwood has accounted for approximately most of the region's new lot sales over the past three years, with affordability being the project's clear point of difference.

In an environment of very strong conditions for the housing market, the recent past years were when **above** average supply should be expected, led by investor purchases. This outcome has been clearly evident in Sydney. Consequently, it should be expected that as the property price cycle weakens into the 2020s, supply will drop to be well below the target average of 1,200 per annum for the combined Shellharbour and Wollongong region. This environment will be reliant on owner-occupier purchases. The proposed increase in project yield will be critical to achieving the Strategy target during the 2020s.

## **1.2 Calderwood – providing consistent housing supply with product to meet the market**

Calderwood now plays a fundamental role in the provision of affordable land and housing across the Illawarra-Shoalhaven region. Across greenfield projects, Calderwood building approvals have accounted for approximately 40% of additional supply of new detached houses. Calderwood has been trading for 3 years and Lendlease now seeks to adapt its product mix to respond to the needs of the market.

This project is clearly well positioned to supply a greater rate of affordable and diverse housing during the 2020s.

Over this period, Calderwood can raise its contribution to the Regional Strategy target, whilst stages in WDURA resolve infrastructure and planning approvals. Progress of WDURA remains within the constraints of critical investment in services infrastructure. The cost base within this release area may prove to be onerous, as the respecified Section 94 contributions combine with a Special Infrastructure Contribution that is yet to have a defined value.

This state of play means the ongoing competitive role that Calderwood plays is even more important than it was at the project origin. Based on an IPART assessment of infrastructure delivery, the risk is that a scattering of projects from WDURA result in housing delivery that is well below the strategy targets throughout the 2020s.

The proposed increase in Calderwood's project yield would considerably sustain the regional supply of affordable lots over the next decade, until major projects across WDURA can combine to eventually supplement the market. In addition, the plans for Calderwood allow for a diverse offering combined with a new town centre, which is relevant to delivering well-located rental properties that are suitable for meeting social objectives.

### 1.3 Motive for action - current conditions in the local housing market

The historical aspirations for infill housing that existed in previous strategies require careful consideration. The Illawarra-Shoalhaven strategy argued the case that there is planned capacity for 24,100 additional new homes from established urban areas.

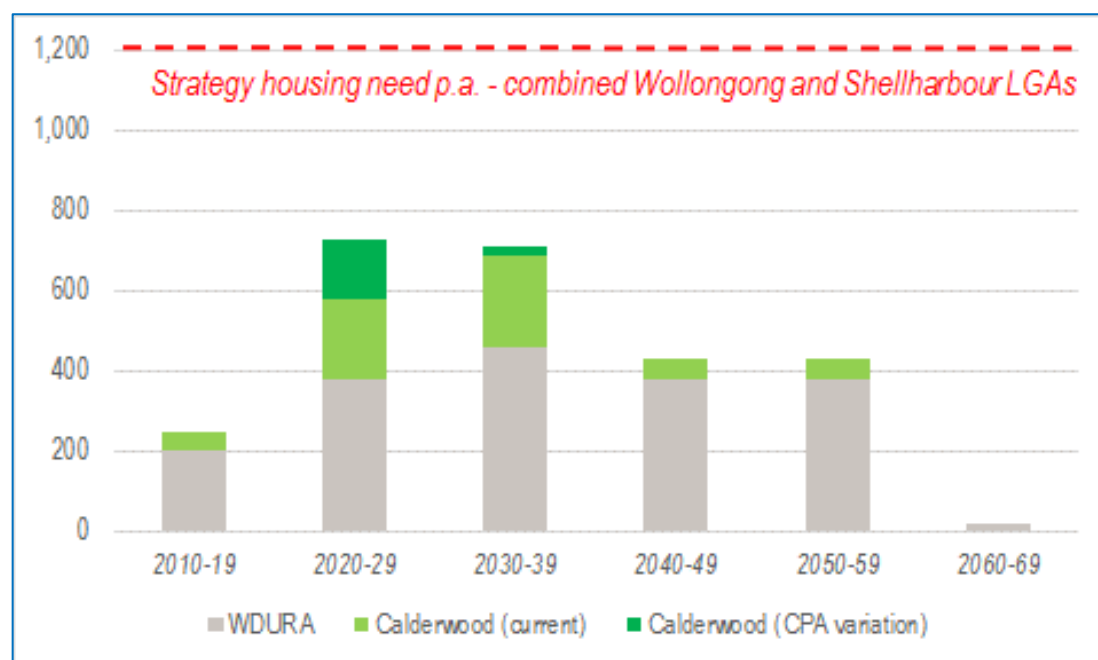
However, the rate of progression on infill supply remains very low. A very strong apartment market cycle has come and gone in Sydney since the initial project approval. There has been a boom in apartment development across Sydney, and into Newcastle. In contrast, there were just 358 building approvals for apartments and townhouses in Wollongong LGA in 2016/17. With allowance for the demolitions that are required for most infill projects, and holiday homes, the net increase is estimated to be closer to 250.

Yet the wider housing market has been very strong, and this should be boosting redevelopment at close to peak levels, which has been the case across Sydney. Lack of apartment development during peak conditions requires considerable doubt that the scale of delivery will meet the identified community needs over the long-term.

The shortages of housing supply are clearly evident in the rental market. Rental growth remains high. Based on 2016 Census data, the average rental paid for a 3-bedroom house increased by 25% between 2011 and 2016 (for both LGAs). NSW Government data indicates that rental growth for 2-bed units continued at 6% in both LGAs during 2017. Clearly the regional rental markets remain very tight. In contrast, Sydney's rental growth has softened, as the boom in dwelling completions has begun to gradually erode the city's stock deficiency.

Regional rental market trends reinforce the argument that housing supply remains well below underlying needs. Again, this evidence supports the proposed additional yield at Calderwood as a sound risk management response to the Illawarra-Shoalhaven strategy on the delivery of overall housing need by 2036, delivering in concert with development within WDURA.

The proposed increased yield from Calderwood can deliver swiftly. As shown in the chart below, with the proposed modification to the approved Concept Plan our projections of housing supply are that Calderwood can achieve sales of 300 per annum during the 2020s (compared with 378 per annum from the WDURA region based on IPART's 2016 outlook for delivery of infrastructure across this area).



**Figure 1 Calderwood & WDURA - projected annual dwelling yields**

Source: Housing Needs: Department of Planning (2015); Calderwood: Ethos Urban; WDURA: IPART (2016)



The combined total would be well short of the Strategy target for the Wollongong and Shellharbour LGAs but improving from the outcomes observed during the 2010s. The proposed modification to the approved Concept Plan would allow for accelerated supply at Calderwood to meet market needs during the 2020s, provides greenfield supply that is on par with WDURA. Into the 2030s, infrastructure delivery within WDURA should reach critical mass and enable this release area to reach its potential as the dominant source of new house & land across the Strategy plan region.

#### **1.4 Implications of the Proposal for Affordable and Social Housing**

The proposed modification to the approved Concept Plan would allow for a larger number of properties that are attractive to investors, in the form of small lot detached homes and apartments, with density located close to the town centre. This housing would be ideal as a mode for rental properties, to meet the needs of tenants who qualify for rental assistance under FACS social housing programs.

A recent surge in local house prices represents a major challenge to affordability for first home buyers. An extended period of high rental growth and lack of new supply provided the stimulus to property prices, in a similar sequence to the conditions in Sydney. However, unlike Sydney, the Illawarra region remains impacted by low rates of lot production, so rental growth remains solid, which is creating another round of strain for lower income households. The proposed increase in the project yield will be modulated by greater provision of small lot housing. Lower price points are highly beneficial for first home buyers, and also attract investors. Calderwood can deliver affordable housing through small lots, at a production rate that can be quickly increased during the next decade.

The historical requirement of minimum lot size set at 450 sqm for WDURA projects has been a limitation on delivery of affordable new housing. Most recently, developers are seeking to obtain tracts of land with minimum lot sizes at close to 300 sqm, which are gradual steps in the right direction for increasing overall housing supply from WDURA. The development of Neighbourhood Plans for individual sub-precincts has been required, due to the variations in developable land and the need for investment in urban services infrastructure.

This reference point underlines the need for greater yield of small lot housing at Calderwood as a means of directly delivering affordable options over the short-term, which is critical to reducing upward pressure on rental values as soon as possible.

In addition, the concept plan amendment would raise the yield of terraces, apartments and other integrated housing product adjacent to the town centre. As investor grade product, these specific dwelling formats would be highly suitable for rental under social housing programs, given the direct access to retail and household services.

#### **1.5 Delivery of retirement living and aged care at Calderwood**

The proposed amendment provides certainty on the scale of retirement living and residential aged care facilities (RAGF) within the project.

Housing tailored to the needs of older residents represents an important way to indirectly improve affordability for young families. Greater occupation of established houses by young families is a vital way to best utilise the housing stock that is located close to employment centres. Capacity for downsizing is very substantial, with approximately 12,000 detached houses being occupied by just one person.

Retirement living and RACF represents Lendlease's commitment to enable downsizing which allows young families to move into established dwellings that are close to business centres.

Consequently, the proposed retirement living component has overlapping merit in terms of affordable housing (direct) and economic growth (indirect). This outcome reflects a sophisticated strategy by Lendlease to create communities that are tailored to anticipate the best fit of yield against the broader region's long-term needs.

## 1.6 Contribution to Employment and Economic Activity

Direct effects of the proposed modification to the approved Concept Plan consist of two elements:

- An additional 150 jobs would be created by the proposed additional town centre floorspace yield, combined with the RACF and retirement living components. In addition, there is a substantial proportion of households where working from home is the primary mode of activity. In total, employment within the project boundary is projected to comprise a further 445 ongoing jobs as a result of the proposed modification.
- Construction activity is a vital form of employment associated with subdivision development, albeit limited to the project's delivery phase. During the 2020s, additional building and civil works are projected to add close to 180 FTE jobs per annum.

Indirect effects of the proposed modification to the approved Concept Plan on the regional economy will be vital as new housing is needed to support growth of the workforce age population. Unemployment in the Illawarra region is now very low, and growth in the workforce has slowed to a halt. An ageing population will create an ongoing drain on the local workforce.

The regional economy will become more and more reliance on inward migration to sustain workforce growth. In turn, new housing that facilitates inward migration is critical. Current NSW Government projections are for the regional workforce age population to increase by just 0.5% per annum during the 2020s. This outcome would mean far weaker economic growth in the Illawarra region than in Sydney (where workforce age population is projected to growth at 1.3% per annum).

Under the proposed modification to the approved Concept Plan, the greater rate of housing supply from Calderwood would boost regional economic growth rate by 0.2 percentage points per annum throughout the 2020s – taking into account the gradual cumulative effect of the project delivery, the regional economy would be close to 2% larger as at 2030. This outcome is substantial relative to the conditions embedded in the proposed modification, which underlines the considerable opportunity facing the local community.

The wider economic benefits from housing supply are considerable for a community that is increasingly comprising retirees who create demand for health and retail services but are no longer active in delivering working hours. The proposed modification represents a very significant opportunity to fortify the future workforce, so that the existing residents do not face under-supply of services in the form of service delays, longer waiting times and higher costs of living.

## 2.0 Introduction

### 2.1 Study Aims and Objective

The primary objective of this SEIA is to identify, investigate, inform, assess, mitigate and enhance any meaningful potential impacts to the social environment associated with the proposed modification. To achieve this objective this report must:

1. Address the SEARS requirements:

**“Assess the social and economic impacts of the proposed modification, including potential impacts on employment opportunities, access to services and facilities and provision of affordable and social housing.”.**

The report elaborates on the SEARS requirements with the following focal issues:

2. Develop a detailed understanding of the existing community and current economic environment, particularly balancing the ageing population against the need for net inward migration of the future workforce;
3. Develop a detailed understanding of the recent rate of housing supply, with an emphasis on the mix between infill and greenfield housing;
4. Assess and predict the impact of how the proposed modification to the development will impact the pressures within the regional rental markets and the affordability for tenants;
5. Consider the cumulative impacts of other proposed and committed projects within the community, and the contribution of the proposed modification to meeting social housing policy objectives as defined by the Department of Family and Community Services.
6. Define the direct employment opportunities associated with the project, including non-residential floorspace and construction activity.
7. Consider the impact of the additional retail floorspace in the Town Centre.

### 2.2 Methodology

Defining a uniform social and economic environment of a community, town or region is difficult to do. The social environment of a community represents the values, beliefs, characteristics, people and social capital that makes a community unique and helps demonstrate the community's way of life. Elements that make up the social environment of a community don't always have tangible qualities and can be described differently by each member of the community.

For the purpose of this SEIA factors used to describe and shape the social environment include:

- Distinguishing population dynamics and demographic characteristics of the local community.
- The economic profile of the local community, and the implications of ageing and migration for workforce growth.
- The community needs for housing, both in terms of new dwellings by number and variety of built-form;

To ensure the social environment of communities impacted by the proposed development are accurately accounted for and recorded, the following methodology has been employed:

1. Define study areas which represents those likely impacted by the proposed development.
2. Undertake a review of the Australian Bureau of Statistics (ABS) Census of Population and Housing and other relevant data sources to compile an existing and future community profile.
3. Determine potential impacts to the economic and social environment of the study area that may arise from the proposed modification to the approved development having regard to the Calderwood Concept Plan s75W Modification.

4. Assess the level of impact to the community from the proposed modification to the approved development occur, with a focus on housing need and the site's location attributes.
5. Identify non-residential land uses within the study area and investigate their existing role, function performance and how this might change over time and change the social environment with the study area.
6. Compile mitigation and enhancement strategies for issues that have been assessed to have a meaningful impact on the community.

It is noted that no assessment of impact or demand for local community infrastructure has been completed as part of this report. These property formats are addressed by Elton Consulting as part of its Social Infrastructure Assessment Report (Elton, 2018).

## 2.3 Information and Data Sources

Information and data sources used to compile this SEIA include:

- ABS Household Census - 2006, 2011 and 2016 (ABS, 2006, 2011, 2016);
- ABS Building Approvals – 2011/12-2016/17, and 2018 FYTD; (ABS, 2018)
- Department Family & Community Services. 2018a. Social Housing Delivery Framework. (Accessed via [www.facs.nsw.gov.au/resources/statistics/social-housing-delivery/metadata](http://www.facs.nsw.gov.au/resources/statistics/social-housing-delivery/metadata)).
- Department Family & Community Services. 2018b. FACS Housing Rental and Sales
- Department of Planning and Environment. 2018. Population forecasts;
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- Bureau of Transports Statistics Employment and Industry Forecasts – 2014;
- Elton Consulting. 2018. Calderwood Social Infrastructure Yield Review.
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- Wollongong City Council. 2018. Neighbour Plans.
- Wollongong City Council. 2018. West Dapto Release Stages. (accessed via: <http://www.wollongong.nsw.gov.au/services/majorprojects/westdaptourbanrelease>)

## 2.4 Definition of Study Areas

To facilitate the review of the social environment and characteristics of the local community, a study area needs to be defined. A study area geographically represents the communities that are likely to experience varying impacts of the proposed development.

Factors that define the boundary of the catchment areas include:

- Location of the site;
- The existing and future road and rail networks;
- The location of natural and engineered boundaries

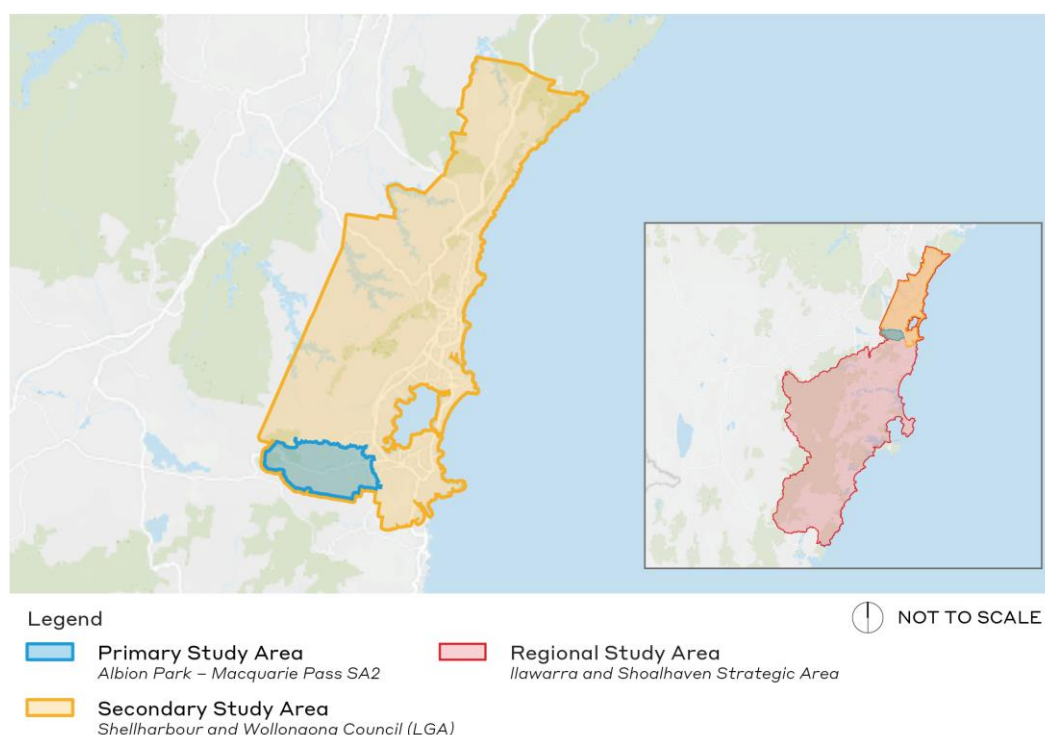
- Perceptual and psychological boundaries which affect perceptions of convenience, accessibility and relationship to the site;
- The location and nature of existing centres and surrounding key land uses; and
- The ABS statistical areas for collecting and reporting Census data.

For the purposes of this SEIA three study areas have been defined as the 'primary', 'secondary' and 'tertiary' study areas:

1. The **Primary Study Area (PSA)** represents the immediate statistical geography surrounding the site, as represented by the Albion Park – Macquarie Pass SA2 area. Due to ABS defined geographic boundaries an SA2 boundary was required to facilitate meaningful statistical analysis – however this region primarily consists of old established dwellings at Albion Park, which represent a distinct household mix from the one expected to develop at Calderwood. For this reason, a broader study is used for most of the analysis.
2. The **Secondary Study Area (SSA)** represents both the Shellharbour and Wollongong Council Local Government Area (LGA) region. Both geographies are likely to benefit from the economic benefits generated by the proposed development; however, will not be directly impacted by the construction and operation of the proposed development.
3. The **Regional Study Area (RSA)** matches the defined Illawarra and Shoalhaven Strategic Area which represents the social and economic boundary of the project. This is the combined area of Wollongong, Shellharbour, Kiama and Shoalhaven LGAs. Whilst the RSA excluding the SSA is unlikely to be directly impacted by the proposed development, it forms the foundation of the State Government planning strategy (DPE, 2015).

The key focus of this SEIA will be on the SSA, which reflects the high degree of economic integration between the workforces in these regions (as well as the project's primary housing market comparative which is the WDURA). Impacts to the TSA are expected to be of a second order nature. As such, changes to the social and economic impacts from the proposed development will most likely be observed in the SSA and is taken as the focus for most parts of this SEIA.

We note that most components of community infrastructure are located within the PSA, and subject to analysis by Elton Consulting. The figure below illustrates the boundaries of the PSA, SSA and RSA.



**Figure 2 The Primary, Secondary and Regional Study Areas**

Source: Ethos Urban



### 3.0 Project Boundary - Context of the Subject Site

This report accompanies an Environmental Assessment Report (EAR) for a proposed S75W Modification Application to the Calderwood Concept Plan Approval (MP09\_0082) (Approved Concept Plan) for the Calderwood Urban Development Project (CUDP).

A modification is sought to the Approved Concept Plan to allow for increased and more diverse housing supply at Calderwood. The increase in housing supply is proposed to ensure that the existing area of urban zoned land at Calderwood is efficiently used for the continued supply of a range of housing types and sizes that both meet market demand and will assist address housing affordability pressures in the Illawarra region.

#### 3.1 Site Description

The CUDP site is located within the Calderwood Valley in the Illawarra Region. It is approximately 700 hectares in area with approximately 107 hectares of land in the Wollongong LGA (15%) and the balance in the Shellharbour LGA (85%). An aerial photograph of the site is provided at **Figure 1**.

Calderwood Valley is bound to the north by Marshall Mount Creek (which forms the boundary between the Shellharbour and Wollongong LGAs), to the south by the Macquarie Rivulet, to the south-west by Johnston's Spur and to the west by the Illawarra Escarpment. Beyond Johnston's Spur to the south is the adjoining Macquarie Rivulet Valley within the locality of North Macquarie. The CUDP site extends south from the intersection of North Marshall Mount Road and Marshall Mount Road to the Illawarra Highway.



**Figure 1 – The site**  
Source: Nearmap, December 2017

### 3.2 Background to Project Approvals

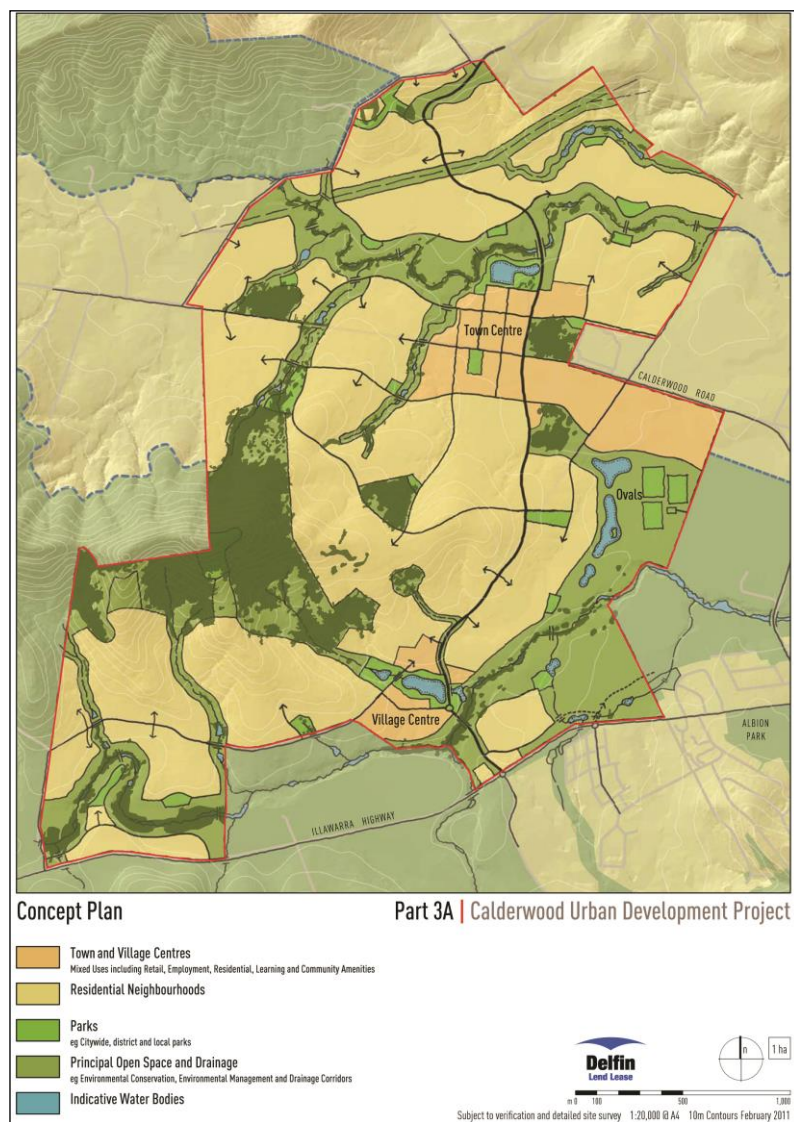
Lendlease is the proponent of the CUDP. On 8 December 2010 the Minister for Planning determined (with modifications) the Approved Concept Plan. Following approval of the Concept Plan, on 14 January 2011 Schedule 3 of State Environmental Planning Policy (Major Development) 2005 (now the State Significant Precincts SEPP) was amended to establish zoning and other planning controls for the CUDP.

The Approved Concept Plan comprises the plans, drawings and documents cited by the proponent in its Environmental Assessment, Preferred Project Report and Statement of Commitments, subject to the modifications and further assessment requirements set out in Schedule 2 of the Concept Plan notice of determination. A Consolidated Concept Plan was prepared in March 2011 that includes the approved Concept Plan documentation.

Together, the planning controls at Schedule 3 of the State Significant Precincts SEPP and the Approved Concept Plan establish the statutory planning regime for the development of the CUDP.

The Approved Concept Plan provides for the development of a total of approximately 700 hectares of land. Relevantly, Condition A1(1) of Schedule 2 of the Concept Plan determination states that approval is granted to the carrying out of development of approximately 4,800 residential dwellings and 50ha of mixed use employment land, open space and protection of environmentally significant lands, internal roads, service infrastructure and community facilities (including three schools).

The approved Calderwood Concept Plan is at **Figure 2**.



**Figure 2 – Approved Calderwood Concept Plan**

Source: Lendlease Communities

Lendlease is the developer of the majority of the CUDP (i.e. it is the developer of approximately 600 ha of the overall 700 ha site). The component of the overall CUDP owned/controlled by Lendlease and to be developed by Lendlease in accordance with the Approved Concept Plan is illustrated at **Figure 3** below. Other areas of land within the boundaries of the Approved Concept Plan are owned by and to be developed by separate entities.

Lendlease has commenced the development of its component of the overall CUDP and will continue to develop the project in stages over an approximately 15+year period. To date Lendlease has obtained development consents for some 1,200 dwellings within Stages 1, 2a, 2b and 2c and 3a, and lodged development applications for another 650 dwellings in Staged 3b south and 3c of the overall project. Other developers have also lodged development applications for a further 824 lots on land within the Concept Plan boundary that Lendlease does not own or control. **Figure 3** illustrates the indicative subdivision development pattern and the status of the ISDP.

### 3.3 Proposed Concept Plan Modification

The proposed modification to the Approved Concept Plan seeks to increase the total provision of housing (approximate number of dwellings) within the overall CUDP to respond to market demand for the provision of smaller housing types / lot sizes at affordable price points and to ensure the efficient use of urban zoned land within this context for the supply of housing.

It is proposed to increase the overall number of dwellings to be delivered (within the existing area of land zoned R1 General Residential and B4 Mixed Use and approved for urban development as shown on the Approved Concept Plan) from approximately 4,800 to approximately 6,500 dwellings. It is also proposed to provide an additional 5,000m<sup>2</sup> retail GFA in the town centre (total 25,000m<sup>2</sup>).

### 3.4 Composition of Project Yield from Proposed Development

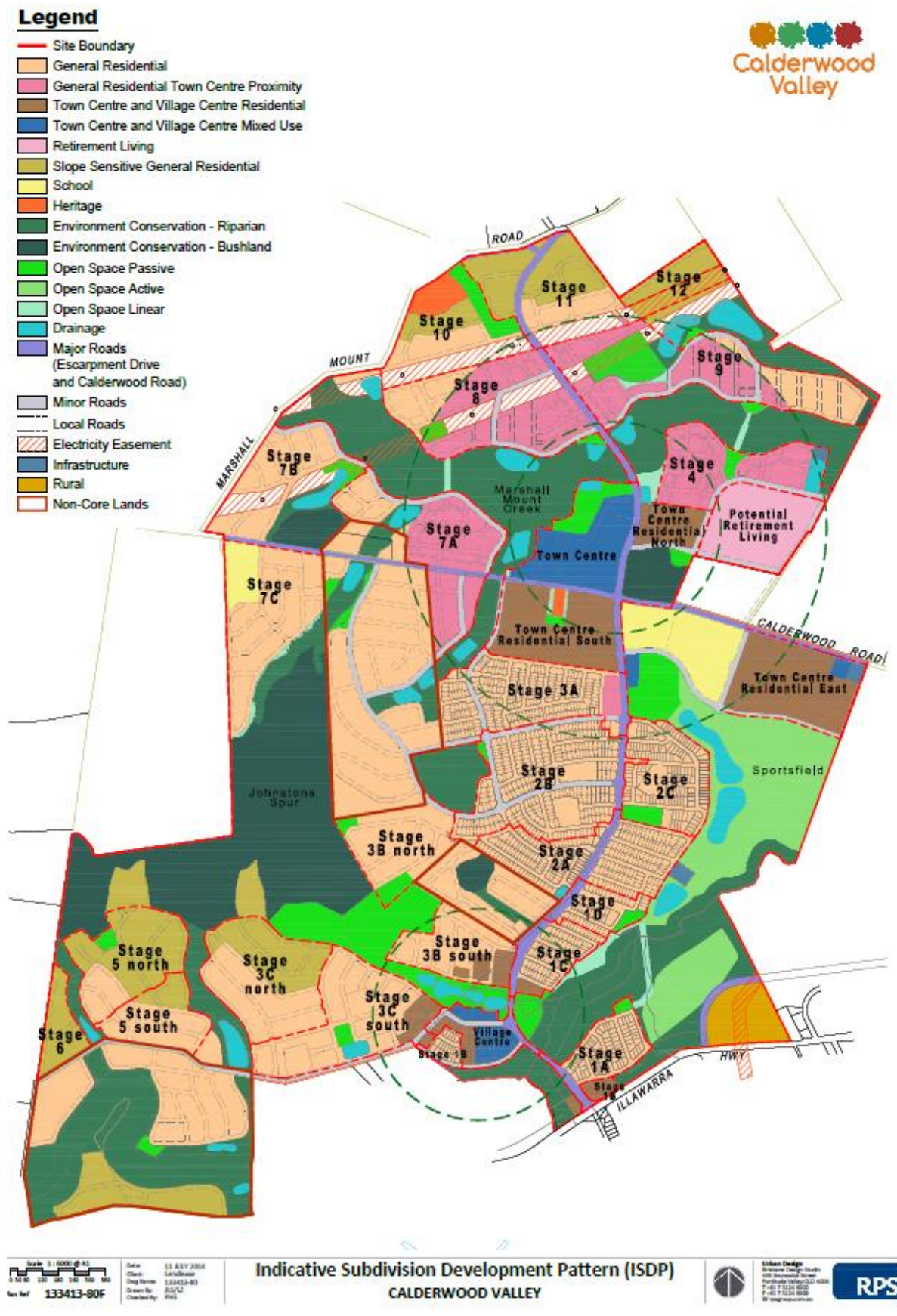
Lendlease is proposing to target revisions, with a central purpose being to achieve a 6,500 dwelling concept plan. A key objective of an increased residential yield is meet stronger demand for smaller and more diverse housing types. Those stages of development already approved at Calderwood include a more diverse mix of housing types and lot sizes than was supported by the market at the time the concept plan was approved in 2010, both in the Lendlease holdings and those developments being progressed by others.

If current trends in lot sizes and dwelling types continue, the overall yield anticipated by the concept plan will be reached without some stages of the Calderwood masterplan being developed. If this occurs, the currently approved yield would also constrain the delivery of low rise apartments and other medium density housing in the town centre. This would mean opportunities for housing close to shops, jobs and services, and to provide housing suitable for smaller households, will be missed. Allowing for increased housing supply will support the delivery of more integrated housing product in appropriate locations within the CUDP.

The increase in housing supply for the CUDP is proposed without any expansion of the footprint of urban zoned land (residential and mixed use zoned land) and without any change to the minimum lot sizes permitted under State Environmental Planning Policy (State Significant Precincts) 2005 (State Significant Precincts SEPP). It is also proposed without any change to the areas of land already approved for residential and other urban development under the existing Concept Plan Approval.

No substantive changes are proposed to the Approved Concept Plan in respect of approved land uses, the urban structure of the development, the road and pedestrian network within the site, the overall range of minimum lot sizes/dwelling types/lot types to be provided, nor the scope of environmental protection outcomes for the land including the quantum and configuration of environmental corridor and environmental reserve lands.





**Figure 3 – Indicative Subdivision Development Plan**  
Source: RPS and Lendlease Communities

Within the Approved Concept Plan framework, the proposed increased dwelling yield will be achieved via the delivery of a greater diversity of dwelling types and lot sizes within the R1 General Residential and B4 Mixed Use zones generally as follows:

- Within the R1 General Residential zone, additional yields will be achieved through the delivery of a more diverse range of housing types such as seniors housing and integrated housing, and by a shift in the mix of lot sizes to respond to the changing and more diverse market expectations and housing affordability pressures.
- Within the B4 Mixed Use zone, the number of dwellings to be provided will be increased through the provision of a combination of more shop top housing, mixed use development and stand-alone residential development.

A range of new provisions are proposed to be incorporated into the Development Control Strategy to allow for the broader range of housing typologies, lot sizes and affordable housing options that are proposed to meet current market demand.

Related changes to the Approved Concept Plan are proposed to ensure the Calderwood development meets the needs of residents, namely:

- an increase in the area of land required for open space within the site;
- an increase in the provision of retail floor space within the new town centre;
- additional local and regional transport infrastructure, and
- delivery of more capacity in local community infrastructure including the planned community centre.

## 4.0 Illawarra-Shoalhaven Regional Strategy

The Illawarra-Shoalhaven Regional Plan is the 20-year NSW Government strategy for land use planning in the Illawarra-Shoalhaven. It was released in 2016. This region spans Wollongong, Shellharbour, Kiama and Shoalhaven Local Government Areas. The plan has five main goals (DPE 2015, p11) to provide:

- A prosperous Illawarra-Shoalhaven.
- A variety of housing choices, with homes that meet needs and lifestyles.
- A region with communities that are strong, healthy and well-connected.
- A region that makes appropriate use of agricultural and resource lands.
- A region that protects and enhances the natural environment.

By 2036, the Illawarra Shoalhaven region is expected to incur a significant increase in population from natural increase along with migration of retirees and young families looking to take advantage of the lifestyle the south coast has to offer. A growth rate of at least 35,400 new homes will be required to meet the demands of this increasing population.

The plan aims to provide for a variety of housing choices, that meet the market's demand, needs and lifestyles.

A wider range of housing is required to meet the changing needs of the community. One in four residents will be 65 years or older, and there will be more one and two person households.

For the purposes of this report, we are using the combined Wollongong and Shellharbour LGAs as a Secondary Study Area (SSA). For the SSA, the strategy goals his equates to an average of 1,200 homes per annum.

**Table 2 Projected Housing Need by Local Government Area 2016-2036**

LGA	Housing Need – 20 Years	Average Annual Need
Wollongong	14,600	730
Shellharbour	9,350	468
Kiama	2,850	143
Shoalhaven	8,600	430

Source: Illawarra – Shoalhaven Regional Strategy – P34

There is enough potential with the release lands already identified with the exception of Kiama where additional greenfield land release is required. The West Lake Illawarra and Nowra-Bomaderry release areas have capacity for 37,600 lots. The table below summarises just over half has already been rezoned leaving a remaining 18,500 lots to fulfil the available capacity. It's noted that these figures will become updated as new areas become rezoned. For instance, the recently announced stage 5 Marshall Mount and Yallah urban release at West Dapto

**Table 3 Summary of release areas rezoned**

Release Area	No. of Lots
West Dapto	6900
Calderwood	4800
Tallawarra Site	1000
Nowra - Bomaderry	6400
Total	19100

Source: Illawarra – Shoalhaven Regional plan p38

## 5.0 Demographic and Employment Trends and Implications

In this section of the report, we review the socio-demographic trends that are expected to influence demand for potential residential and non-residential uses in the catchment area.

Census 2016 data is used to undertake detailed decomposition of recent social and economic trends. More recent data is used to supplement the Census data where appropriate.

The key findings from this section are as follows:

- It is evident that skilled labour and families are tending to leave the catchment area. Weak growth is projected to continue for the 35-64 year cohort.
- Inward migration from Sydney represents the primary source of growth in the workforce age population, with the region's housing affordability having been more attractive than Sydney. Most of the flow has been into the rental market, leading to an acceleration of rental growth.
- Government projections for population growth indicate a slowing in the pace of workforce growth, and this outlook underlies the projected need for 1,200 new dwellings per annum across the SSA.
- If this target is not met, then the region risks a 'hollowing out' of the labour force, which would ensure that businesses struggle to service the expanding retiree cohort.

### 5.1 Historical population growth

As at 2016, the population for the Shellharbour LGA was approximately 68,460 persons with the population growing by approximately 4,856 people since year 2011. While different age cohorts saw growth and decline in their relative population's sizes the overall average population growth rate was 1.48%. By comparison, population growth in the Wollongong LGA was weak at just 1.14% per annum.

**Table 4 Population in 2011 and 2016 by Age Group in Shellharbour and Wollongong LGAs**

Age Group	2011			2016		
	Shellharbour	Wollongong	Combined	Shellharbour	Wollongong	Combined
0 to 19	18,364	48,495	66,859	18,319	49,564	67,883
20 to 34	10,992	38,639	49,631	12,284	41,557	53,841
35 to 49	13,510	38,875	52,385	13,143	38,869	52,012
50 to 64	11,658	34,927	46,585	13,225	37,708	50,933
65 and above	9,078	31,471	40,549	11,485	35,934	47,419
<b>Total</b>	<b>63,604</b>	<b>192,419</b>	<b>256,023</b>	<b>68,460</b>	<b>203,630</b>	<b>272,090</b>

Source: ABS Census (2011 and 2016); Ethos Urban

**Table 5 Historical Population Change and Growth in Shellharbour and Wollongong LGAs, 2011 – 2016**

Age Group	Change p.a.			AAGR (%)		
	Shellharbour	Wollongong	Combined	Shellharbour	Wollongong	Combined
0 to 19	- 9	214	205	- 0.05	0.44	0.30
20 to 34	258	584	842	2.25	1.47	1.64
35 to 49	- 73	- 1	- 75	- 0.55	- 0.00	- 0.14
50 to 64	313	556	870	2.55	1.54	1.80
65 and above	481	893	1,374	4.82	2.69	3.18
<b>Total</b>	<b>971</b>	<b>2,245</b>	<b>3,216</b>	<b>1.48</b>	<b>1.14</b>	<b>1.22</b>

Source: ABS Census (2011 and 2016); Ethos Urban

Key observations pertaining to our examination of historical population growth include:

- The 20-34 age group grew substantially from 49,631 to 53,841 persons over the 5 year period and recorded growth of 1.64% p.a. A large portion of this growth will be due to University of Wollongong students. There is also a component that youth and young professionals are remaining in the area, given the trend towards a very low unemployment rate.
- The middle segment of the population comprising of 35-49 years olds saw some decline over the 5 year period as it decreased from 52,385 to approximately 52,012 persons. This outcome is concerning, because these are crucial young families who provide stability to the workforce and generate demand for local services (such as child care, schooling and discretionary retail).
- Growth has been led by the 65+ age cohorts in the catchment area. Over the five years to 2016, this age cohort expanded by 3.18% per annum. This rate of increase reflects ageing of the local residents, supplemented by an inward movement of retirees from Sydney.

Older segments of the workforce (50-64 years) appear to be remaining in the catchment, as low unemployment means that there are many job opportunities matching their experience and their competencies.

This most recent evidence on the composition of population growth is concerning because it is highly unfavourable for business growth. While demand for services is increasing from retirees, the available local workforce is tending to show only marginal increases. As we show later, the regional unemployment rate is now very low, and the number of unemployed persons has trended down.

The RSA will become dependent on attracting young families from Sydney, as a means of supplementing the local workforce. In turn, the range and value of housing opportunities represents a critical part of the consideration to move into this region. Data presented later in this section shows that the rental market remains very tight, and this indicates that housing supply is not keeping pace with an only moderate rate of population growth.

## **5.2 Net migration data**

Over the 2011-2016 period, the SSA achieved a large proportion of its population growth from Sydney. The tables below show the net flows for both the Wollongong and Shellharbour LGAs, focusing on the largest 5 locations for net inflow or net outflow. Persons aged 65 years or less account for a large majority of the net inflow

Wollongong achieves a net population inflow from Greater Sydney, with the adjacent Sutherland Shire being a dominant source. The reach of net gain extends broadly across Sydney. There is also a net movement of people out of Wollongong and into Shellharbour. This trend probably reflects the superior housing affordability in the latter LGA.



**Table 6 Net Flow into Wollongong LGA – Selected Regions and Total (2011-2016 cumulative)**

Less than 65 years		65 years and above	
LGA	Flow	LGA	Flow
Top 5		Top 5	
Sutherland Shire (A)	1,518	Sutherland Shire (A)	115
Campbelltown (C) (NSW)	365	Campbelltown (C) (NSW)	41
Canterbury-Bankstown (A)	315	Canterbury-Bankstown (A)	36
Northern Beaches (A)	205	Georges River (A)	36
Shoalhaven (C)	190	Northern Beaches (A)	35
Bottom 5		Bottom 5	
Shellharbour (C)	-736	Shellharbour (C)	-89
Gold Coast (C)	-162	Shoalhaven (C)	-72
Sydney (C)	-130	Mid-Coast (A)	-32
Brisbane (C)	-121	Gold Coast (C)	-24
Sunshine Coast (R)	-82	Tweed (A)	-22
<b>Total</b>	<b>2,346</b>	<b>Total</b>	<b>203</b>

Source: ABS Census (2016); Ethos Urban

**Table 7 Net Flow Shellharbour – Selected Regions and Total (2011-2016 cumulative)**

Less than 65 years		65 years and above	
LGA	Flow	LGA	Flow
Top 5		Top 5	
Wollongong (C)	736	Wollongong (C)	89
Sutherland Shire (A)	220	Sutherland Shire (A)	51
Kiama (A)	182	Kiama (A)	41
Blacktown (C)	133	Blacktown (C)	26
Penrith (C)	105	Liverpool (C)	26
Bottom 5		Bottom 5	
Shoalhaven (C)	-144	Shoalhaven (C)	-16
Gold Coast (C)	-89	Lithgow (C)	-13
Brisbane (C)	-41	Goulburn Mulwaree (A)	-10
Sydney (C)	-41	Sunshine Coast (R)	-9
No Usual Address (NSW)	-40	Unincorporated ACT	-8
<b>Total</b>	<b>1,083</b>	<b>Total</b>	<b>393</b>

Source: ABS Census (2016); Ethos Urban

In order to sustain even marginal growth, the regional economy is now highly dependent on retaining its young adults and attracting households from Sydney. The 2016 Census data shows that this net gain was sustained in recent years, but at a moderate level in Wollongong LGA.

However, rental growth in the SSA has accelerated over the past three years, due to low rates of net additions to the dwelling stock. In contrast, rental growth in Sydney has slowed over the same period. If these trends continue, then it is unlikely that the Illawarra region will sustain its affordability attractiveness to Sydney households. This represents a major threat to economic growth across the overall region, given the need to supplement the local workforce to compensate for a greater rate of local retirements.

It is a critical point for delivery of new housing, in order to achieve the most attractive affordable possible in respect of prices and rentals. With a rapidly aging population and more locals entering retirement, the proposed increase in dwelling yield from Calderwood represents a major strategic opportunity to fortify the regional economy.

### 5.3 Projected Population Growth - DPE

According to Department of Planning and Environment (DP&E), the resident population of the Shellharbour LGA is expected to increase to 76,200 persons by 2021 and 90,450 persons by 2036. This represents a 14,250 person increase between 2021 and 2031, at an average rate of 1.2% per annum.

**Table 8 DPE Population Projections by Age Cohorts, SSA (Wollongong and Shellharbour LGAs)**

Area	0 to 24	25 to 59	60 and above	Total
2016				
Shellharbour LGA	22,700	32,900	15,600	71,200
Wollongong LGA	67,300	96,100	48,350	211,750
Combined	90,000	129,000	63,950	282,950
2036				
Shellharbour LGA	25,500	37,650	27,300	90,450
Wollongong LGA	73,700	103,500	67,250	244,450
Combined	99,200	141,150	94,550	334,900
Average Persons per Annum				
Shellharbour LGA	140	238	585	963
Wollongong LGA	320	370	945	1,635
Combined	460	608	1,530	2,598
CAGR				
Shellharbour LGA	0.6 %	0.7 %	2.8 %	1.2 %
Wollongong LGA	0.5 %	0.4 %	1.7 %	0.7 %
Combined	0.5 %	0.5 %	2.0 %	0.8 %

Source: DP&E NSW 2018, *Ethos Urban*

Addressing Shellharbour LGA alone, the Government projections represent a considerable slowing from the recent trend of almost 1.5% in population growth.

This outlook is concerning, due to the dominance of the retiree age population. The projections hold that population growth in the dominant workforce age population (20 to 60 years) would be just 0.45% per annum between 2016 and 2036 – down from close to 1.0% over the most recent 2011-2016 period.

This outcome implies that the regional economy will weaken sharply. Notably, the dwelling target of 1,200 per annum for the SSA is required to just sustain this weak growth in the workforce age population. We show later that the rate of recent net increase in the dwelling stock has been approximately 1,200 per annum, so the market has been keeping pace with the projected need – yet the rental market has tightened.

This situation indicates that population growth has been sustained at a higher level than the conservative numbers set out in the DPE Strategy.

Lastly, growth projections for the elderly further indicate that the relative provision of health and aged care services may need to be increased in the catchment as the population ages. The proposed retirement living village in the project scope would be a major contributor to enabling downsizing as a means of helping to fund retirement.

## 6.0 Housing Market Conditions and Outlook

In this section of the report we consider current housing market conditions.

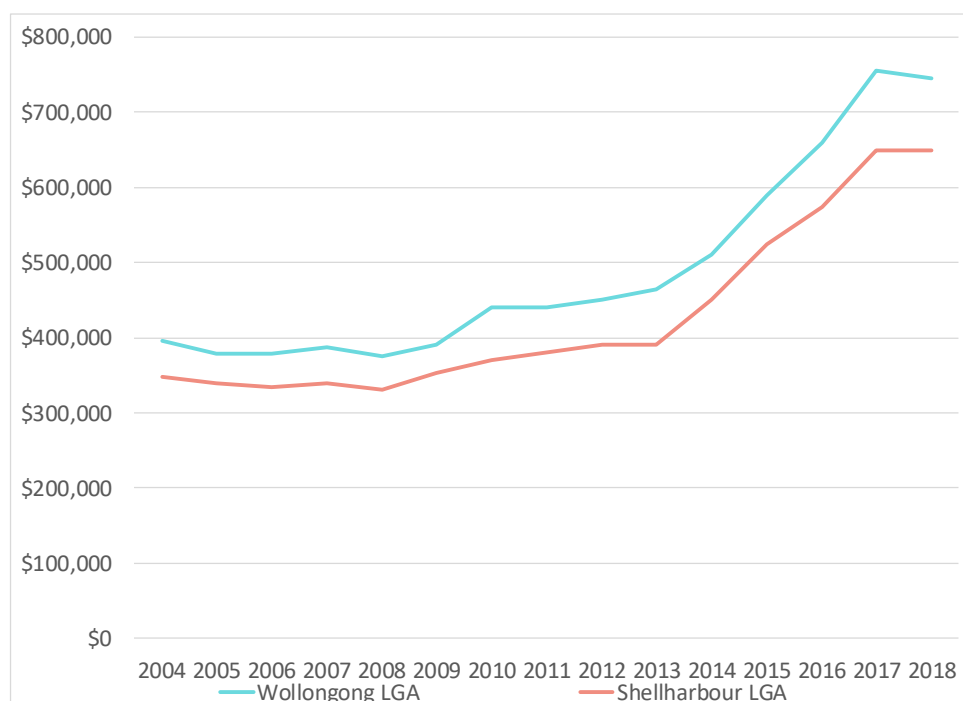
The key findings from this section include:

- Suburbs within the Shellharbour catchment saw substantial increases in their median house prices
- Elevated housing values suggest that many retirees and empty nesters in the catchment area have the wealth capacity to partake in retirement and trade-down activity into new and smaller dwellings.
- This lack of sufficient supply is affecting housing affordability within the area by placing upward pressure on house prices and rents.
- Calderwood now plays a fundamental role in the provision of affordable lots across the Illawarra-Shoalhaven region. Evidence in the market supports the proposed additional yield at Calderwood as a sound risk management response to the Illawarra-Shoalhaven strategy on the delivery of overall housing need by 2036.

### 6.1 Recent House Price Trends

Suburbs within the Shellharbour catchment saw substantial increases in their median house prices, particularly the sea side suburb of Shell Cove. Our analysis of residential sales between 2004 and 2018 indicates that the median price of a detached house in Shellharbour LGA increased by 30-40%. With Shell Cove as a stand out performer being close to the ocean likely responsible for this jump.

Elevated housing values suggest that many retirees and empty nesters in the catchment area have the wealth capacity to partake in retirement and trade-down activity into new and smaller dwellings. This action, however, is much more likely to be undertaken by residents of the Wollongong suburbs than by residents of Shellharbour as property prices have maintained a premium of \$50,000.



**Figure 3 Median Prices for Detached Houses, Wollongong and Shellharbour LGAs, 2004 - 2018**

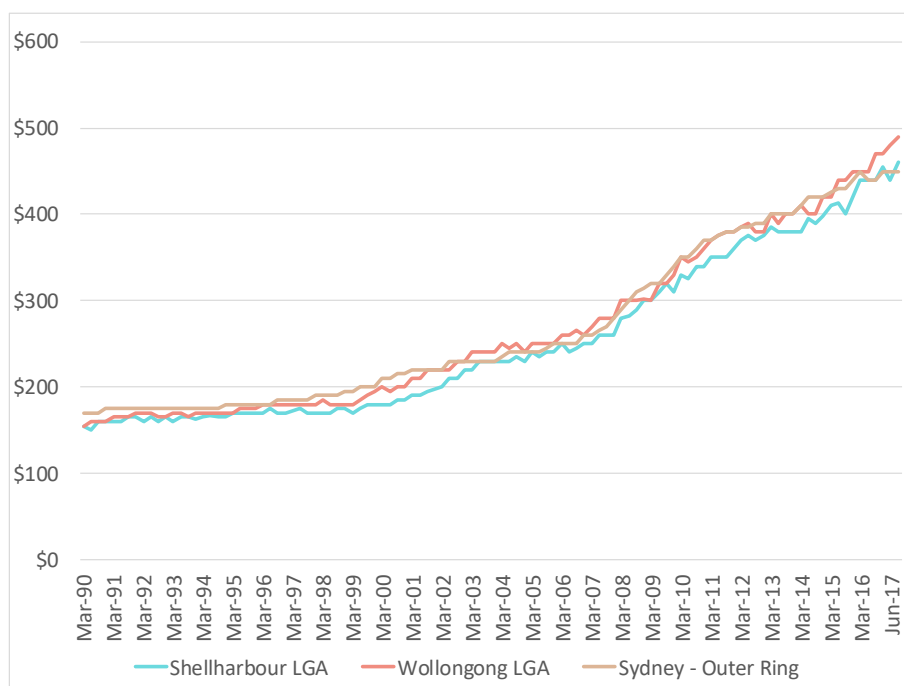
Source: Pricfinder Data (2018), Ethos Urban



## 6.2 Housing Affordability – Rental Market

Shortages of housing supply are clearly evident in the rental market. Rental growth remains high. Based on 2016 Census data, the average rental paid for a 3-bedroom house surged by 25% between 2011 and 2016 (for both LGAs). While NSW Government data indicates that rental growth for 2-bed units continued at 6% in both LGAs during 2017.

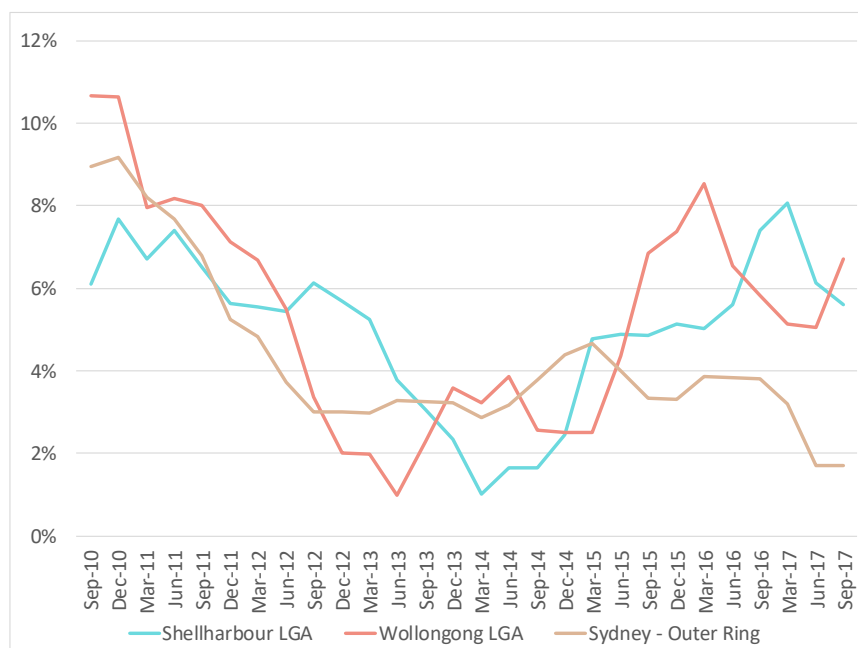
The median rental for a three-bedroom house (Wollongong LGA) is set to breach the cost of \$500 per week, which is now well above the median observed across the Outer Ring of Sydney. In short, the relative affordability of rental properties in the SSA has clearly deteriorated in the past three years, which indicates that housing supply is not keeping pace with population growth.



**Figure 4 Median 3-bedroom house rentals**

Source: FACS Housing Rental and Sales

The regional rental markets remain very tight. The chart below shows that rental growth in both Wollongong and Shellharbour has picked up to a range of 5% to 7% over the past three years. In contrast, Outer Sydney's rental growth has softened, as the boom in dwelling completions has begun to gradually erode the city's stock deficiency.



**Figure 5 Median 3-bedroom house rentals, annual growth rates**

Source: FACS Housing Rental and Sales Report

Over the 2011-16 period, due to its relatively attractive rental affordability, the Illawarra region has benefitted from inward migration out of Sydney. However, if the high rate of growth in local rentals continues then the region's relative attractiveness will rapidly be eroded.

In turn, population inflow will slow, and the region's population growth will revert to very low levels. Strong growth in private rentals will also create excessive pressure on low-income households and generate more demand for social housing. This topic is explored in detail in a subsequent section.

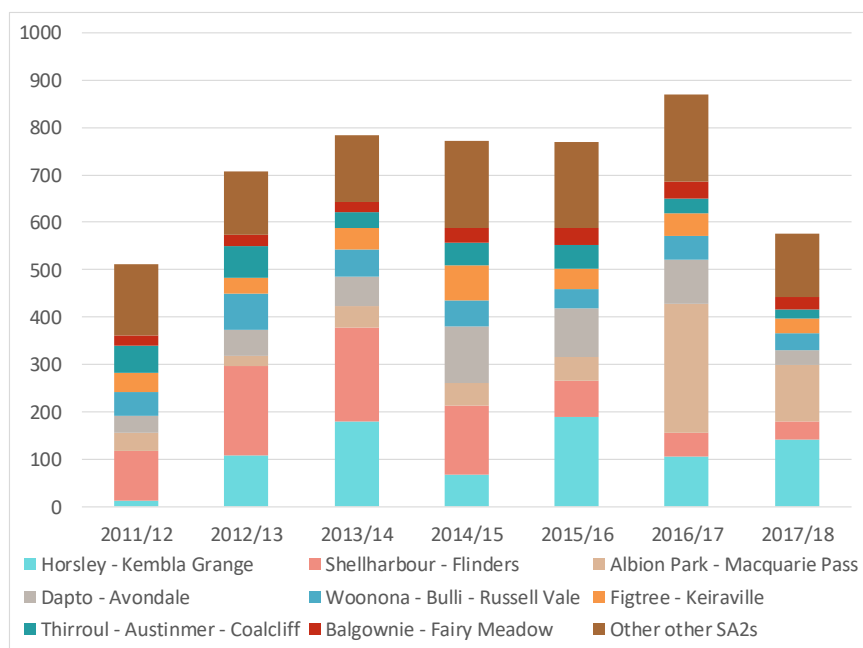
At present, Calderwood's greatest benefit is to accelerate the production of small lot and integrated housing, and thereby make a major contribution to the regional housing supply and availability of older properties for rental purposes. The proposed modification to the approved Concept Plan including proposed changes to the Development Control Strategy can allow the SSA to develop at a higher rate over the short-term, and thereby track closer to the improvements in rental affordability that are now evident in Sydney.

### 6.3 Recent Supply of New Housing – Evidence from Building Approvals

Building approvals in the region provides insights into how the supply and demand for housing is changing and might evolve in the future. Such insights can determine if there are shifts to smaller or larger sized housing and what changes may occur in the level of density of residential dwellings.

Calderwood now plays a fundamental role in the provision of affordable lots across the Illawarra-Shoalhaven region (in the chart below, Calderwood's contribution is located in the Albion Park-Macquarie Pass SA2 region). Across greenfield projects, Calderwood building approvals have accounted for approximately 40% of the additional supply of new detached houses.

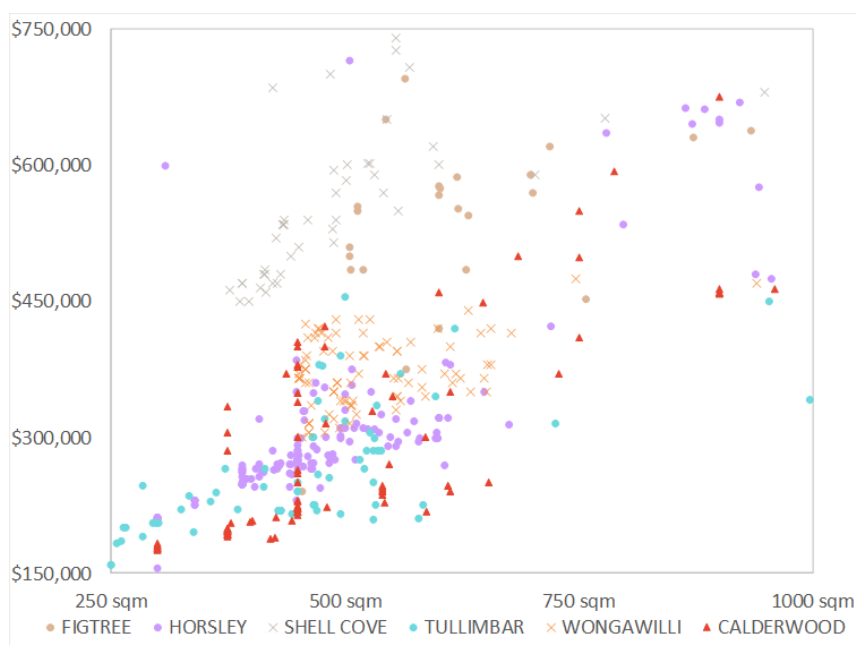
Notably, many of the detached house building approvals recorded by the ABS are for knockdown-rebuilds. These buildings do not add to the stock of housing and need to be deducted from the overall net supply of dwellings. This topic is addressed further below.



**Figure 6 Building Approvals, Houses - SA2 Area**

Notes: 2017/18 data is to March 2018; Calderwood is located in Albion Park-Macquarie Pass SA2 region  
Source: Ethos Urban; ABS 2018

The chart below shows the recorded sales (settlements) on vacant lots from the major release areas across Shellharbour and Wollongong LGAs. It is evident that Calderwood is tending to deliver affordable lots, particularly in respect of small lots. We note that these sales are for vacant lots only, and there can be some cases where a house and land package is transacted so that the lot price is not recorded separately. Moreover, the data records settlements, which occur after lot production (and typically after building approvals).

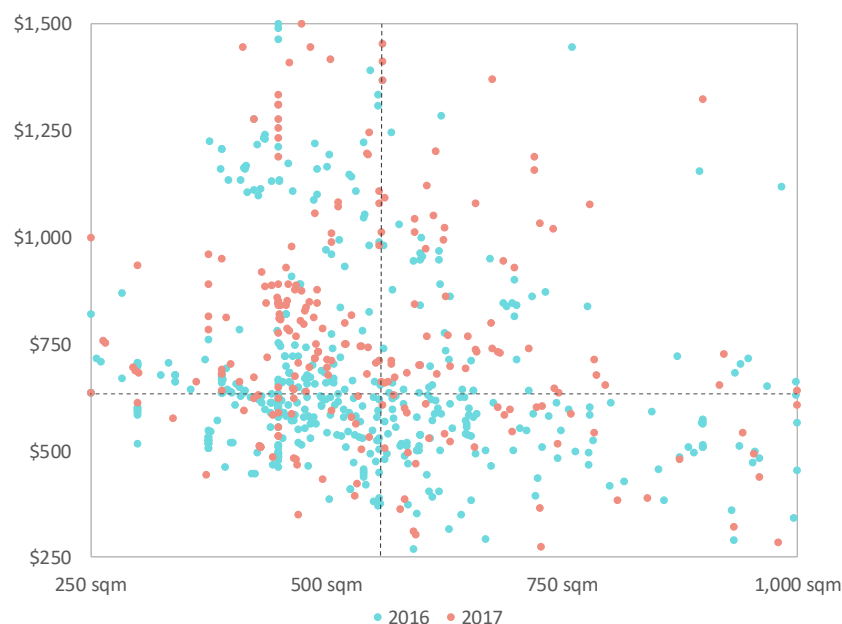


**Figure 7 Individual vacant lot sale prices for selected suburbs (data for 2016 and 2017 combined, defined by date of settlement)**

Source: Ethos Urban; Pricerfinder.com

The chart below shows the distribution of lot sales when they are divided between 2016 and 2017. It is evident that lot prices tended to appreciate in 2017, following in the wake of the jump in house prices in 2015 and 2016. This latest upward pressure on lot prices has diminished affordability, particularly for lots in the 450 to 500 sqm range.

This price momentum has led to a greater production of small lot housing across Western Sydney. The SSA is following in the wake of this shift in market conditions, and it appears incumbent on policy makers to allow for greater proportion of small lots to deliver affordable and diverse new dwellings. The proposed increase in project yields is a logical response to the wider pressures within the regional housing markets.



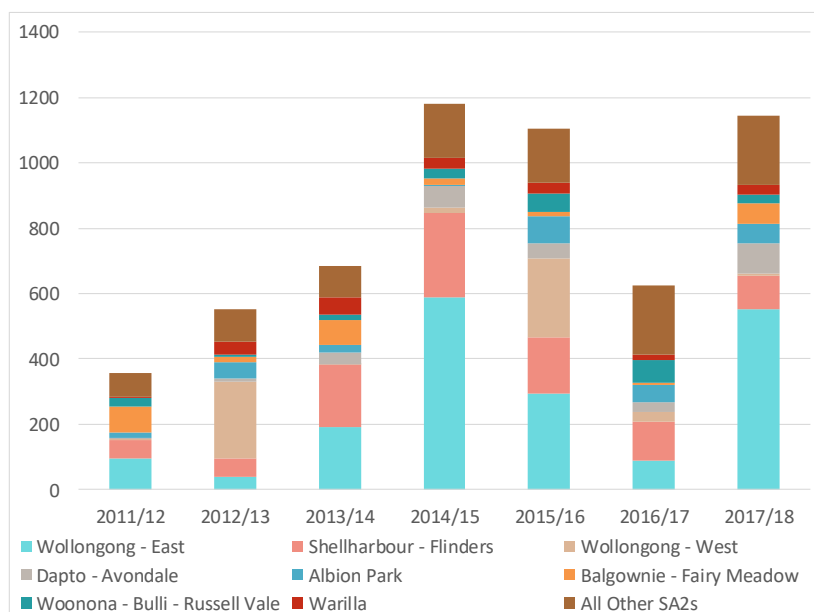
**Figure 8 Individual vacant lots, pricing momentum for combined Wollongong and Shellharbour LGAs**

Source; Ethos Urban; Pricerfinder.com

The historical aspirations for infill housing that existed in previous strategies require careful consideration. The Illawarra-Shoalhaven strategy argued the case that there is planned capacity for 24,100 additional new homes from established urban areas.

However, the rate of progression on infill supply remains very low. A very strong apartment market cycle has come and gone in Sydney since the initial project approval. There has been a boom in apartment development across Sydney, and into Newcastle. This cycle has been only moderate in the Illawarra region.

There were just 358 building approvals for apartments and townhouses in Wollongong LGA in 2016/17. With allowance for the demolitions that are required for most infill projects, and holiday homes, the net increase is estimated to be closer to 250.



**Figure 9 Building Approvals, Dwellings excluding Houses - SA2 Area**

Notes: 2017/18 data is to March 2018

Calderwood is located in Albion Park-Macquarie Pass SA2 region

Source; Ethos Urban; ABS 2018

Yet the wider housing market has been very strong, and this should be boosting redevelopment at close to peak levels, which has been the case across Sydney. Lack of apartment development during peak conditions requires considerable doubt that the scale of delivery will meet the identified community needs over the long-term.

Apartment development is founded on property price growth, due to the participation of investor buyers. During the last cycle, house prices in Wollongong LGA were close to flat for close to 8 years. In this context, the prospect of continuing low rates of infill housing development remains a central case. Given this recent experience, it seems unlikely that there will be a major shift in favour of infill housing over the next 5 to 10 years, as the pricing cycle moderates.

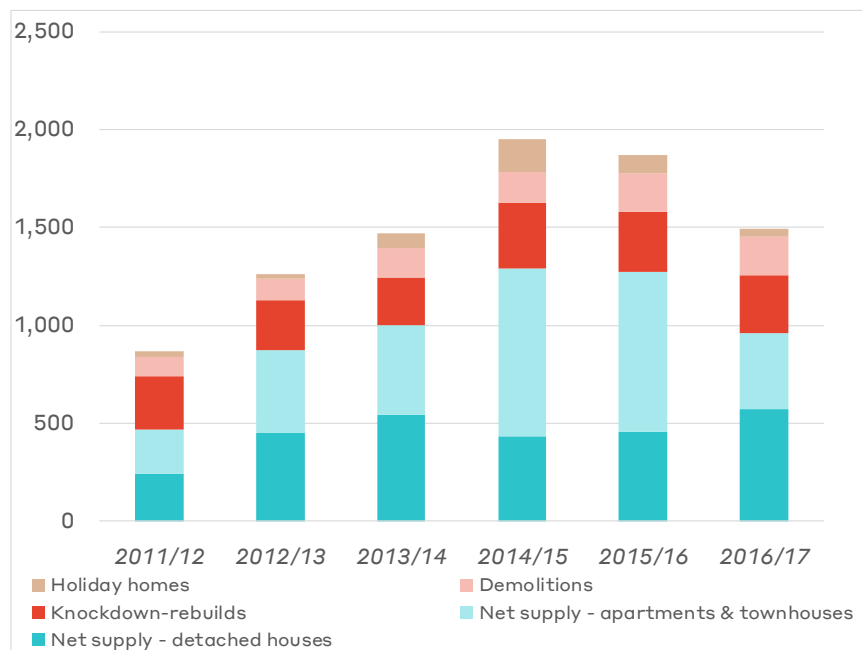
Again, this evidence supports the proposed additional yield at Calderwood as a sound risk management response to the Illawarra-Shoalhaven strategy on the delivery of overall housing need by 2036.

The chart below shows our estimation of how total building approvals (houses, apartments & townhouses) flow as net dwelling supply, which can meet the underlying demand needs set out in the Illawarra-Shoalhaven Regional Strategy.

The net supply of detached houses and apartments & townhouses combine to an average of **close to 1,200 dwellings** over the five years to 2016/17. From the reported detached house approvals, there is a deduction for knockdown-rebuilds. These numbers are estimated based on approvals for established suburbs where there is no scope for new housing.

There are also dwellings demolished to enable many apartment and townhouse projects. A simple example is the dual occupancy building format, where one building is demolished to make way for two new dwellings (counted as townhouses). In this case the net addition is one dwelling, and not two. Similar adjustments are needed for larger townhouse and small scale apartment projects.

As a final adjustment, we remove holiday homes from the net additions to the dwelling stock. These properties may be available for casual rental (including AirBnB), but do not facilitate population growth of new residents.



**Figure 10 Composition of Building Approvals by Purpose**

Source: ABS (2018); Ethos Urban

## 7.0 Outlook for Supply from the West Dapto Urban Release Area

In conjunction with Calderwood, the rate of development across the West Dapto Urban Release Area (WDURA) represents the dominant source of new housing supply within the Illawarra-Shoalhaven strategic area.

The West Dapto Urban Release Area was endorsed in 2010. The rate of progress on WDURA has been very limited, with the need for extensive investments in urban services infrastructure including water and sewerage and road upgrades.

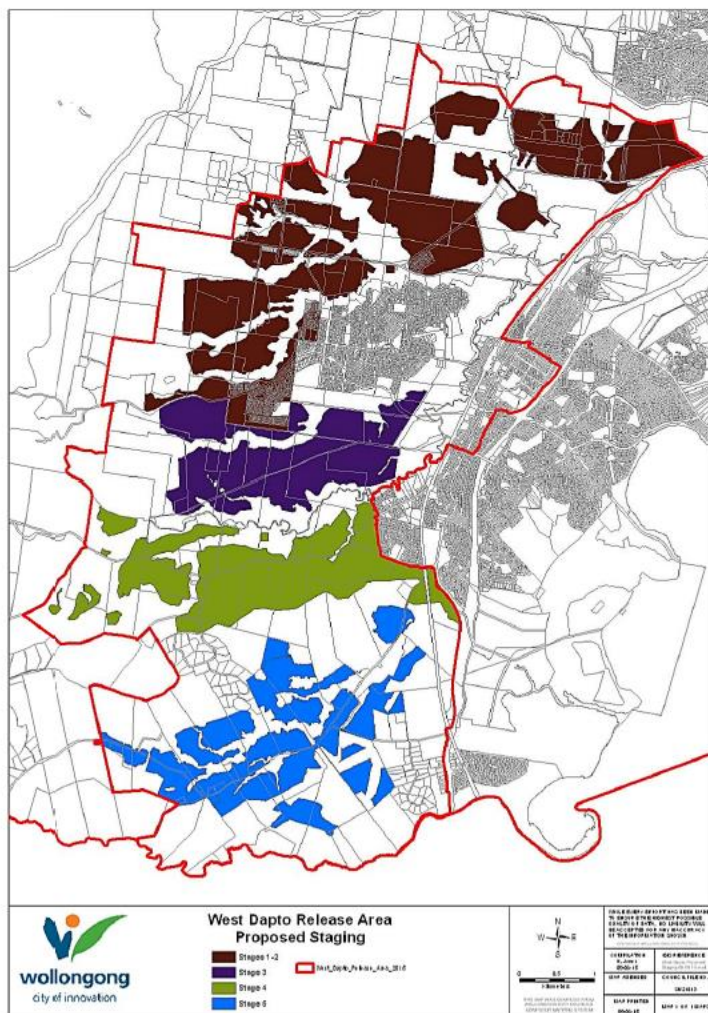
Given the need for some degree of cost recovery of urban services infrastructure investment, the market pricing across projects remains fundamentally uncertain. The flow through of the cost base into pricing will substantially influence the affordability of new housing from this release area.

This situation will very likely lead to a slow rate of contribution from WDURA to actual supply of new housing. It is not possible to speculate on when the progression of WDURA will improve to meet the average annual rate of housing need as defined in the Regional Strategy.

Overall, the rate of lot production from the West Dato Urban Release Area appears to have numerous challenges over the short-term. This environment underlines the importance of the proposed increase of yield from Calderwood as a means of boosting housing supply over the short-term.

## 7.1 West Dapto Urban Release Area

The West Dapto Urban Release Area spans an area of approximately 4,700 hectares and is projected to provide 19,000 new dwellings. It will also provide 183 hectares of employment land once fully developed.



**Figure 11 West Dapto Release Area**

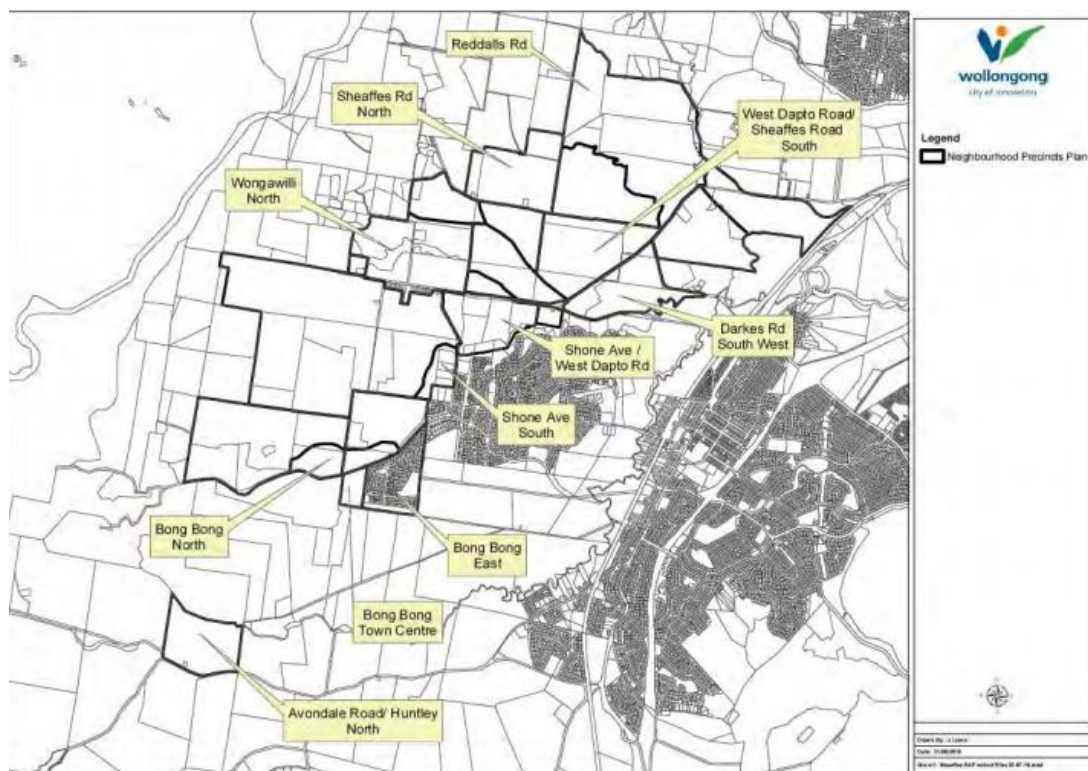
Source: Wollongong City Council

As a method of progression for residential development, Wollongong Council has established a Neighbourhood Plan process to allow for progression of planning for numerous sites.

Council has now adopted a number of Neighbourhood Plans for West Dapto. These plans ensure future development occurs in a cohesive manner and encourages the integration of development sites and timelines for delivery. Current plans adopted by Council are as follows:

- Bong Bong East & North;
- Bong Bong Town Centre;
- Wongawilli North;
- Shone Avenue South;
- Reddalls Road Industrial;
- Sheaffes Road North;
- Darkes Road South West;
- Avondale Road, North Huntley;
- Shone Avenue/West Dapto Road; and
- West Dapto Road & Sheaffes Road (south).





**Figure 12 Map of WDURA Neighbourhood Plans under development**

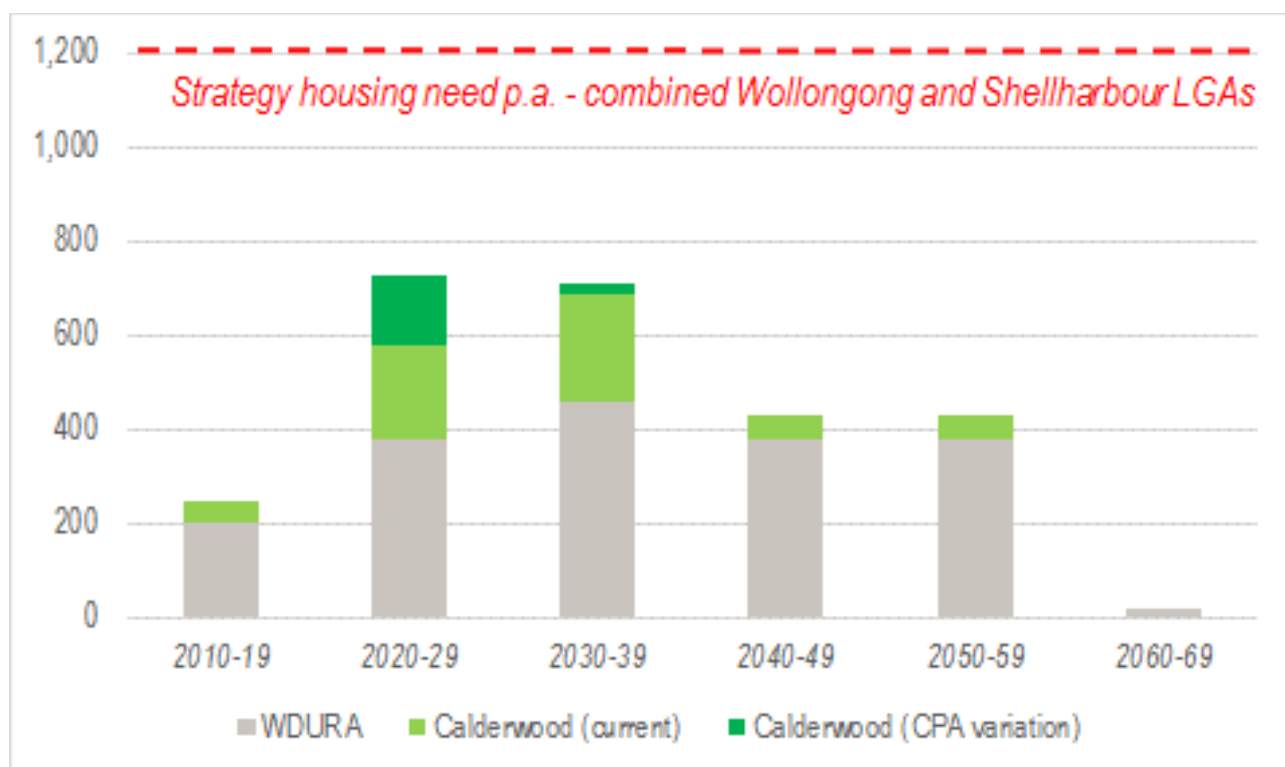
Source: Wollongong City Council

Lot sizes vary within each Neighbourhood Plan with 450 sqm lots being the most predominant for land zoned residential. It is noted however under West Dapto Road and Sheaffes Road (south) and Wongawilli North Neighbourhood Plans that reference is made to amending lot sizes to minimum 299 sqm. The Council has endorsed the notion of smaller lots of 300 sqm however to be limited in number around Village town centres such as Bong Bong Road and Darkes Road.

## 7.2 Projected Contribution of WDURA and Calderwood to future lot production

Projecting the level of lot production from WDURA is difficult as the pace of infrastructure development is unclear. IPART (2017) undertook a detailed evaluation of the infrastructure investment pipeline and provided projections for lot production over the next fifty years.

Projections were provided on a decade-by-decade basis. These projections have been converted to an annual average basis and reproduced in the chart below (WDURA only). Based on IPART's analysis, the peak yield from WDURA would occur in the 2030s, with lot production of close to 500 per annum. During the 2020s, the yield would be limited to 380 lots per annum. This outcome from WDURA would be less than one-third of the strategic goal for 1,200 dwellings per annum.



**Figure 13 Calderwood & WDURA - projected dwelling yields by developable area p.a.**

Source: Housing Needs: Department of Planning (2015); Calderwood: Ethos Urban; WDURA: IPART (2016);

Factoring in the additional yield from the proposed modification to the approved Concept Plan, the region would benefit considerably from Calderwood's capacity during the next decade, with an average of 300 lots per annum. The proposed greater yield from Calderwood would make a vital contribution to regional supply in the 2020s, as investment in infrastructure is gradually made so that WDURA emerges strongly during the 2030s. Part of this outlook is the diversity of housing from Calderwood, as townhouses and apartments deliver a more affordable product.

In accordance with the Section 94E Direction dated 17 July 2017 the amount that can be levied on residential development is capped. In accordance with Planning Circular PS17-002 the cap is currently \$40,000 per lot/dwelling (from 1 July 2018). The portion of the rate above the relevant cap will be funded through the *Local Infrastructure Growth Scheme* (LIGS) (Wollongong City Council, 2018).

## 8.0 Project Effects on Affordable and Social Housing

The key findings in this section include:

- The location of social housing is best suited to areas with good access to public transport. This is because social housing households tend to be more constrained in their choice of modes of transport. Access to public transport reduces barriers for social housing households in accessing employment opportunities and government services.
- The most fundamental way to address the region's needs for affordable and social housing is to expand the rate of greenfield development. The concept plan modification can help in this objective by addressing the areas current shortage of housing.
- The planning proposal will help achieve the Department Family and Community Services Dashboard 3: *Supporting Pathways to Independence* measure within its social housing delivery framework.

### 8.1 Current social housing conditions in the SSA

As identified in section 6, there is evidence of housing shortages across the SSA. In particular, a lack of new greenfield and infill housing has reduced options for upgraders, and thereby limited the availability of old properties for rental. In addition, the limited number of apartments being constructed has not been sufficient to place downward pressure on rents within the rental market.

Consequently, the demand for social housing has progressively expanded. As affordable rental properties have become much more difficult to find, many households have sought relief through social housing.

An overview of the current stock of social housing (as at 2016) is listed in the table below. Most of the social housing is located in suburbs that are on the rail line.

**Table 9 Number of Social Housing Dwellings (2016 Census Data)**

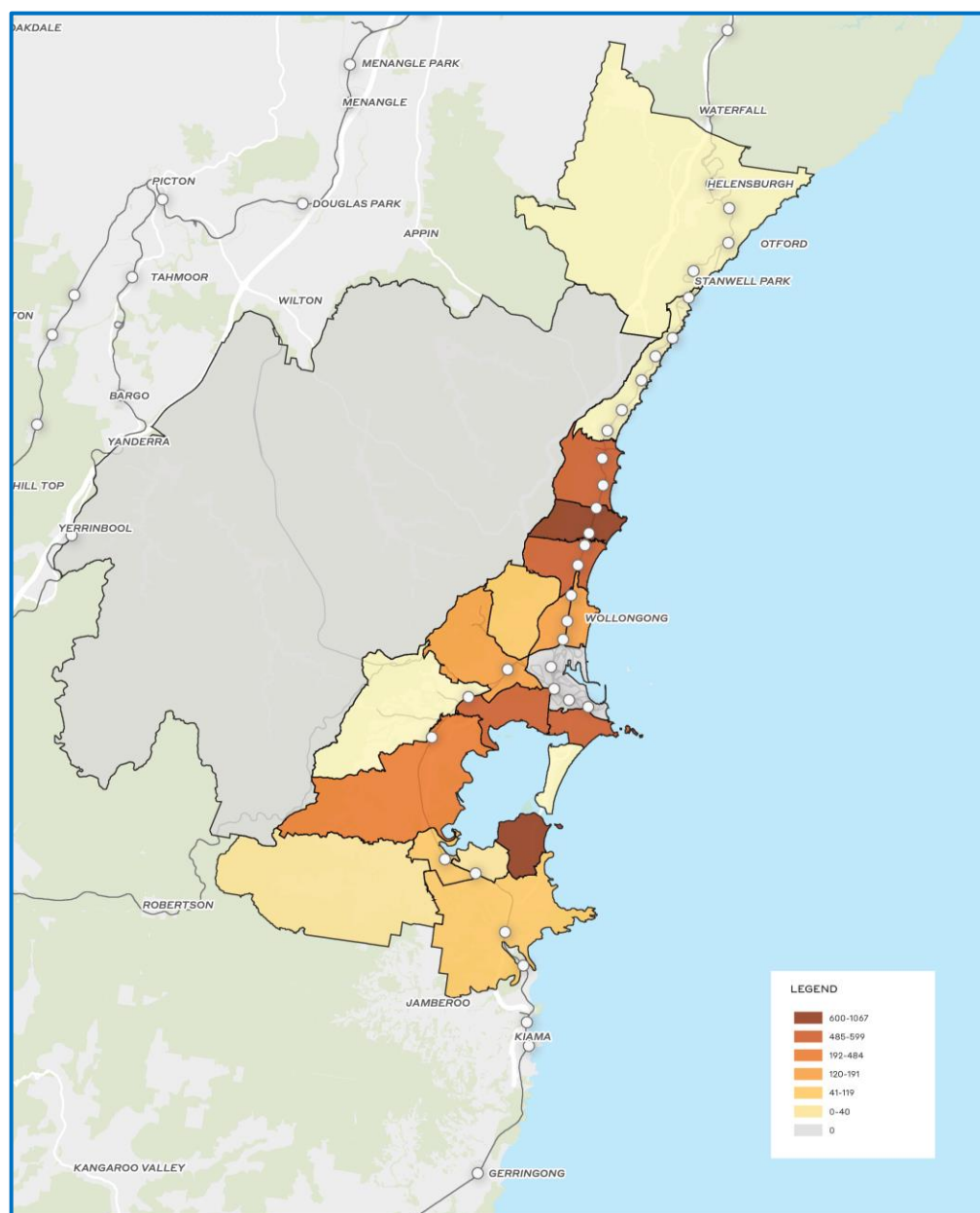
SA2 Region	Detached	Semi-detached	Flat/Apartment	Total
Warilla	811	139	117	1067
Corrimal - Tarrawanna - Bellambi	297	465	97	859
Berkeley - Lake Heights - Cringila	456	28	115	599
Balgownie - Fairy Meadow	192	338	51	581
Woonona - Bulli - Russell Vale	208	163	183	554
Dapto - Avondale	347	127	69	543
Port Kembla - Warrawong	128	183	206	517
Unanderra - Mount Kembla	348	52	84	484
Wollongong - West	67	94	315	476
Wollongong - East	3	17	382	402
Shellharbour - Flinders	61	125	5	191
Figtree - Keiraville	80	49	31	160
Albion Park Rail	97	60	0	157
Shellharbour - Oak Flats	40	62	17	119
Albion Park - Macquarie Pass	45	44	0	89
Windang - Primbee	11	21	8	40
Helensburgh	32	0	0	32
Thirroul - Austinmer - Coalcliff	0	22	0	22
Horsley - Kembla Grange	20	0	0	20
Port Kembla Industrial	0	0	0	0
Illawarra Catchment Reserve	0	0	0	0
<b>Total</b>	<b>3249</b>	<b>1991</b>	<b>0</b>	<b>6936</b>

Source: ABS 2016

In addressing the social housing needs for the area, a key objective should be sufficient access to public transport. Public transport provides an alternative, relatively more affordable means for accessing employment and public services. This is particularly important as household members within social housing may lack access to a car or have other mobility constraints.

In light of the need for social housing that is in proximity to public transport, it is noted that there are some areas that currently have relatively good access to public transport but currently provide relatively fewer social houses than other areas (see figure below).

As reference points, there are rail stations at Albion Park Rail and Oak Flats, yet these regions provide relatively little social housing. The Shellharbour-Flinders SA2 region is the locality for most of the retail and social services in this LGA, but the scale of social housing is relatively small. In addressing the social housing needs of the area, these locations would be ideal locations on the score of access to public transport.



**Figure 14 Current Supply of Social Housing in Proximity to Public Transport**

Source: Ethos Urban, ABS

## 8.2 Role of the Calderwood project in relation to social housing

In the absence of a definitive social housing policy for the Wollongong and Shellharbour LGAs, the Department Family & Community Services provides a framework for measuring social housing delivery (FACS, 2018). These measures are referred to as dashboard items. These are items that provide a range of indicators that measure the delivery of and access to social housing.

Of relevance to the planning proposal, is *Dashboard 3: Supporting Pathways to Independence*. In particular, this dashboard item measures the number of households that are assisted with housing products other than social housing.

The CPA is providing an increase in housing stock and a diversity of housing choice. As such, it can assist in providing greater non-social housing choice for the area. In addition, the concept plan modification will help in achieving this objective by helping to alleviate the current significant shortage of housing within the PSA and SSA. By alleviating this shortage, it's expected that the concept plan modification will contribute to reducing demand for social housing over the long term.

In addition to providing social housing in proximity to public transport, the other fundamental way to address the region's needs for affordable and social housing is to expand the rate of greenfield development. In this way, the CPA can make substantial contributions to the capacity for affordable and social housing by indirectly expanding the stock of rental housing in optimal locations.

As households that move into the Calderwood community (as owner-occupiers) will tend to be shifting out of an established property (either one they own or that is a rental), many of these vacated properties will be located near the rail line or town centres. In some cases, the vacated property will be suitable as part of an optimally located redevelopment project, which can be taken up by the State Government as an opportunity for delivery of new social housing.

## 9.0 CPA Contribution to Employment and Regional Economic Growth

### Direct contribution to Employment – within the Lendlease project boundary

Our projection of direct employment effects consists of two elements:

- **Jobs that are enabled by the non-residential floorspace yield, which comes from the town and neighbourhood centres. In addition, there is a substantial proportion of households where working from home is the primary mode of activity.**
- **Construction activity is a vital form of employment associated with subdivision development. Over the next thirty years, building and civil works are projected to add close to 270 FTE jobs per annum.**

The following table summarises the output-based economic impact in terms of jobs at Calderwood:

**Table 10 Employment Impacts – Within Lendlease Calderwood Project Boundary**

Property format	Metric	Jobs (FTE)
<i>Town centre – retail (GFA)</i>	20,000 sqm	600
<i>Town centre – other (GFA)</i>	20,000 sqm	400
<i>Neigh. Centre – retail (GFA)</i>	5,000 sqm	150
<i>Neigh. Centre – other (GFA)</i>	1,000 sqm	20
<i>2 Public Primary schools (2,000 students total)</i>	Teaching/admin/maintenance	200
<i>1 Public High school (2,000 students)</i>	Teaching/admin/maintenance	200
<i>Community centre</i>	Services/admin/maintenance	40
<i>Work from home</i>	9,300 working adults with 8% working from home	745
<b>Existing Plan</b>		<b>2,355</b>
<i>Town centre – additional retail (GFA)</i>	5,000 sqm	150
<i>Aged care</i>	Estimate	60
<i>Retirement living</i>	Estimate	20
<i>Additional work from home</i>	2,700 working adults with 8% working from home	215
<b>CPA</b>		<b>445</b>
	<b>Total Ongoing Employment</b>	<b>2,800</b>
Construction work (civil works and building)	3 Jobs (FTE) per \$million – CPA only	180

Source: Lendlease; Ethos Urban



The existing approval provides for 20,000 sqm of GFA Town Centre Retail with the proposed scheme adding a further 5,000 sqm of GFA to the town centre, adding to a total of 25,000 sqm. Adding the neighbourhood centre (5,000 sqm), total retail floorspace would be increased to 30,000sqm.

This scale of town centre retail is considered to be **appropriate**, by reference to the original retail market impact study undertaken for the Calderwood Concept Plan Approval. As part of the current project approvals, projections of sustainable retail floorspace were submitted in 2010 (Location IQ, 2010). The original key assumptions and findings for the sustainable retail floorspace were as follows (all numbers are drawn from the Executive Summary of Location IQ, 2010):

- Lendlease Calderwood project population at capacity: 12,400
- Sustainable total retail floorspace within project boundary: 31,500 sqm
- Minimum floorspace as town centre: 25,000 sqm
- Demand for retail floorspace outside project boundary: 16,900 sqm

This report was a supporting document for the current project planning agreement. At the time, Lendlease did not pursue a retail centre of 20,000 sqm. Under the CPA, the town centre retail floorspace would be raised to 25,000 sqm, which is consistent with the findings of the expert advice provided in 2010. Moreover, the total retail floorspace would be raised to 30,000 sqm, and thereby still below the sustainable total of 31,500 sqm. On this basis, an update to the retail market impact assessment has not been undertaken.

Consequently, the proposed expansion of the town centre is not expected to raise any market or competitive issues beyond those evaluated in the 2010 advice. The original advice clearly related to retail floorspace and did not encompass the provision of services that are envisaged for the non-retail floorspace at the town centre, which is expected to comprise commercial services such as a medical centre.

The proposed scale of town centre retail floorspace is considered to be **conservative**, when viewed in conjunction with the proposed expansion of residential yield. Under the CPA, the population within the project boundary would increase to 16,746 (Eltons, 2018). It seems almost certain that with a substantial increase in the resident population, a town centre with floorspace significantly greater than 25,000 sqm would be sustainable if a similar analysis were to be applied in 2018.

Current employment projections (based on demand caused by population growth) result in approximately 2,800 jobs to Calderwood and assist to build on the NSW Government's goal to enhance regional employment and regional business growth.

Retail will be the major source of economic activity providing approximately 1,380 jobs. This will include a major supermarket and ancillary services required to service the community and supporting local suburbs.

A blend of small scale office and commercial space makes up part of the neighbourhood centre identified as 'other' to be distinct from traditional retail. Occupants will include uses such as medical, child care, pharmacy, dry cleaner and a gymnasium.

Education is the secondary economic driver within Calderwood supporting two public primary schools and 1 secondary school. The level of employment based upon employees per school from the ABS Data series 4221.0 Schools, Australia 2017. This is expected to meet the local needs.

Retirement living will provide a small number of jobs based on the current allocation to aged care. This number may increase should the provision for aged care grow which is more labour intensive.

Due to increased connectivity and innovation around 8% of residents are expected to work from home. This figure is calculated as the proportion of residents who live and work in the same area divided by the working age population of that area. In this instance, the SA2s of Shellharbour – Oak Flats and Shellharbour – Flinders are used, as these areas are similar to what Calderwood is expected to be in the future. In particular, they mature Greenfield areas and both lack major retail and commercial nodes.

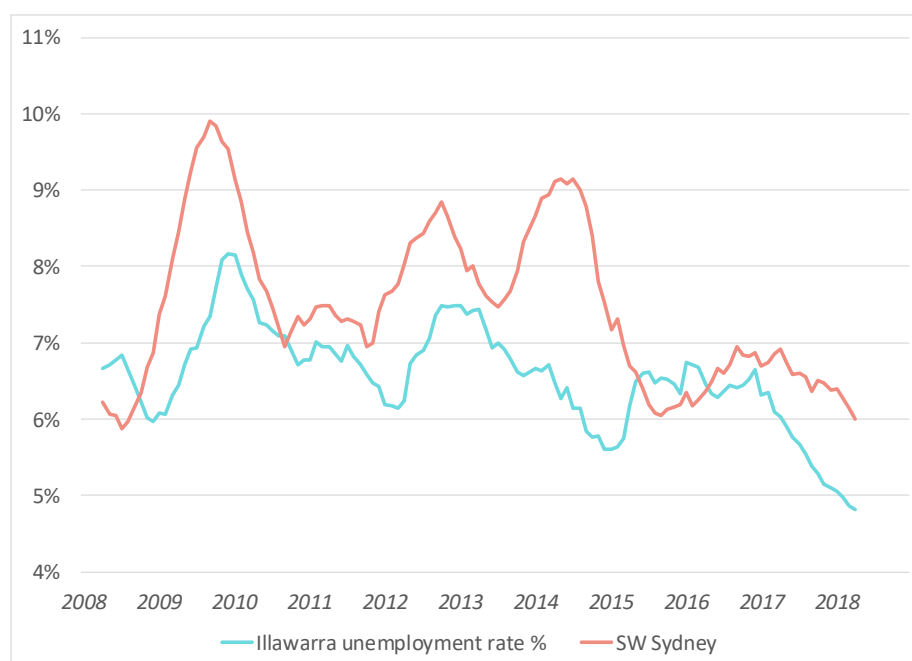
## Projected Impact of CPA on Regional Economic Growth

- **Under the proposed CPA, the greater rate of housing supply from Calderwood would boost the regional employment growth rate by 0.17 percentage points per annum throughout the 2020s – as a consequence, the scale of the regional economy would be close to 2% greater as at 2030.**

Over the 2011-16 period, due to its relatively attractive rental affordability, the Illawarra region has benefitted from inward migration out of Sydney. However, if the high rate of growth in local rentals continues then the region's relative attractiveness will be eroded. In turn, population inflow will slow, and the region's population growth will revert to very low levels.

The regional economy will become more and more reliance on inward migration to sustain workforce growth. In turn, new housing that facilitates inward migration is critical.

As the chart below shows, the unemployment rate has trended down and is now below 5 per cent. There is a wide gap between unemployment rates in the Illawarra region and that for South-West Sydney.



**Figure 15 Unemployment rate, Illawarra region and South-West Sydney**

Source: ABS, 2018

Current NSW Government projections are for the regional workforce age population to increase by just 0.5% per annum during the 2020s. This outcome would mean far weaker economic growth in the Illawarra region than in Sydney (where workforce age population is projected to grow at x% per annum).

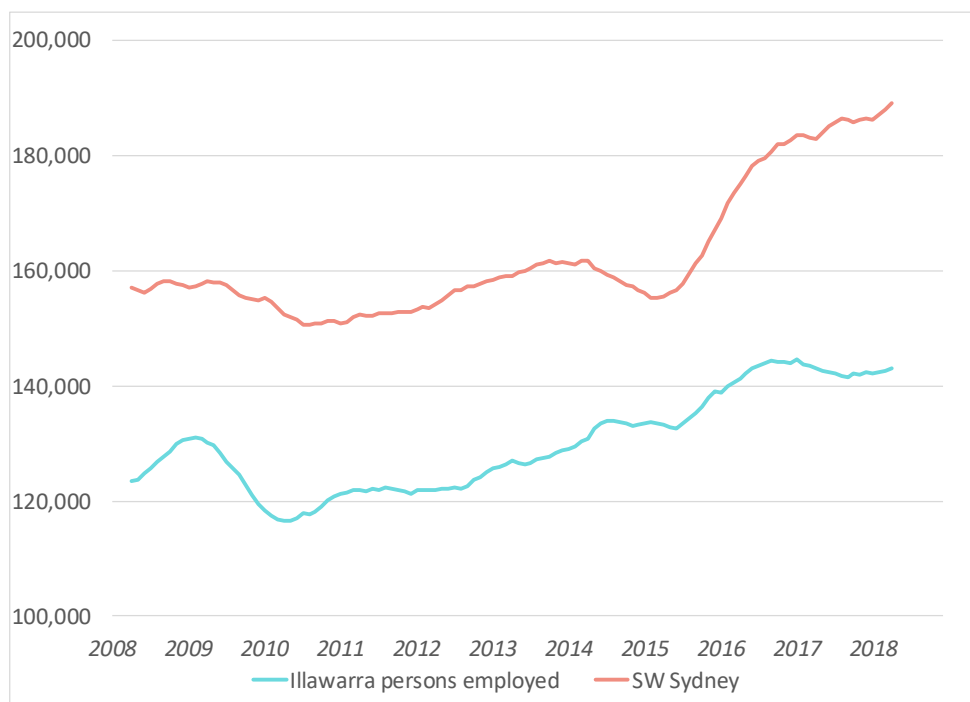
This outcome underlines the considerable opportunity facing the local community as wider economic benefits from housing supply.

An aging population means that the regional economy will progressively become more dependent on inward migration just to maintain employment, let alone achieve enduring economic growth. The retiree age cohort accounted for 42% of total population growth over the 2011-2016 Census period.

On the score of inward migration, there is now much more at stake for the regional economy. The number of persons unemployed has levelled out over the past three years (as shown in the chart below). Workforce growth is heavily reliant on sustaining the region's attraction to households from Sydney – in particular first home buyers.



In contrast job numbers in South-West Sydney have trended higher, as part of an overall jobs boom across Greater Sydney. This comparison is important because Sydney is a key source of inward migration into the Illawarra region. Relatively low unemployment suggests that there have been job opportunities in the SSA drawing more households into the region.



**Figure 16** Number of persons employed, Illawarra region and South-West Sydney

Source: ABS (2018)

The data is clearly showing that Illawarra region businesses are struggling to find suitable workers, and there is now a labour force cap on economic growth. As greater numbers of local workers enter retirement, the SSA will need to draw in much higher numbers of households from Sydney just to sustain even marginal economic growth.

The concern is that housing affordability in the SSA has deteriorated over the past two years, when measured by high growth in median rental values (as discussed in a later section). A lack of housing supply is choking off the local rental market, which contrasts to the boom in housing supply across Sydney.

The CPA provides clear support to achieve the strategic goals for housing supply, and action is needed in the short-term to ensure that the demographic structure facilitates a return to jobs growth.

Across the Illawarra region, there is a total of 143,000 persons employed. An additional 1,700 dwellings proposed under the CPA would accommodate an additional workforce population of approximately 2,400 persons. **If a large majority of these dwellings are occupied by the end of the 2020s, then the CPA would contribute a cumulative 1.7% increase in regional employment (compared to the current total).**

Total employment growth, combined with labour productivity, feeds directly into measures of economic growth. While the cumulative gain in overall regional employment is projected to be 1.7% by the end of the 2020s, there is an additional impact from the nature of worker productivity. As the Illawarra region is competing with Sydney for skilled workers, new residents of Calderwood households are likely to enhance regional labour productivity. An allowance for an additional 0.3% improvement in labour productivity is considered to be reasonable. **Consequently, the overall impact of the CPA on regional economic product by 2030 is projected to be an increase of 2.0% by 2030.**

## 10.0 Conclusions and Recommendations

The Illawarra-Shoalhaven Regional Strategy identifies targets for housing need over the 2016-36 period. Our analysis focuses on the combined Shellharbour and Wollongong LGAs, which comprise a majority of the regional need, at an annual rate of 1,200 per annum.

The proposed expansion of yield from the Calderwood project represents a vital strategy in response to this environment. Based on the IPART profiling of yield from WDURA during the 2020s, lot supply from this region will make only a modest contribution to meeting the Strategy goals for housing need. In addition, investor demand for new dwellings is expected to moderate, in line with weaker growth in property prices. Rental growth is likely to remain solid, which would force a greater number of households to suffer housing stress and apply for social housing programs.

The regional target requires a more pronounced contribution from the WDURA. Progress is being made by Wollongong City Council to generate funding for delivery of essential infrastructure, but the balance between developers and State Government is yet to be defined. Lack of essential infrastructure is inhibiting the scale of lot yield from WDURA and seems likely to linger well into the 2020s.

House supply tends to be very cyclical. Peaks in investor demand for new housing make up for the lulls that follow in the wake of softer pricing.

When compared with the boom in Sydney, the recent cycle has not been favourable for housing supply in the Illawarra-Shoalhaven region – even though the pricing of established houses has jumped by 50% over the past four years. This observation is particularly true of new apartments as rental stock (as distinct from holiday homes of Sydney residents). Consequently, rental growth has rebounded to 4% to 6% per annum.

It is clear that there are shortages of rental housing across the Illawarra region at present, much more so than in Sydney. A lack of cyclical boost also applies to the pace of greenfield development. This environment threatens to reduce net migration gains of workforce age persons, which are essential for the economy. It indicates that choices across the spectrum of new housing are constrained, so policies to allow more swift production of affordable lots should be implemented.

Relaxation of supply constraints on their own will only be effective if final demand is sufficient to boost housing starts. This outcome is dependent on lot affordability. Land releases from future WDURA projects are gathering pace, but the cost base for development is being augmented by Government levies and charges. This outcome is contingent on the draft WDURA SIC, to be added to WCC's Section 94 contributions.

An uncertain development cost base for WDURA projects underscores the merit of proposed additional yield from Calderwood. This project has been delivering highly competitive lot pricing for several years and has the scale to offer a wide range of dwelling formats including apartment and townhouses that are integrated with retail and household services. Moreover, the project's delivery process can be accelerated to address the clear difficulties that are emerging from the broader rental market.

In particular, the Calderwood town centre represents the foundation to improve the supply of new rental properties. There will be medium and high-density housing located adjacent to the new town centre. This housing would be ideal as a mode for rental properties, to meet the needs of tenants who qualify for rental assistance under FACS social housing programs.

Our view is that the preferred locations for new social housing (as specific properties) would be close to retail services and the local arterial rail line, as this allows for ready movement to Wollongong town centre and into the Sydney CBD. These travel routes are particularly important for older and disabled social housing tenants. As Calderwood is not within walking distance of a rail station, it does not seem highly suitable as a location for new social housing.

Housing supply has deep and lasting effects on the regional economy. Our analysis shows that the connection between housing need and local economic growth has reached a critical level, due to the high rate of retirement from an ageing workforce. Housing supply is critical to achieving even modest growth in the local workforce age population, led by an inflow from Sydney.

Economic impacts from employment within the Lendlease project boundary are significant. The CPA is projected to facilitate an additional 445 FTE jobs on-site, including the contribution from an additional 5,000 sqm of retail floorspace in the town centre.

Additional housing is now a critical means of facilitating expansion of the regional workforce. Action to boost supply during the 2020s, as a supplement to WDURA, will have a more profound effect on the broader economy. Workforce growth is under threat from an ageing demographic, to a much greater extent in the Illawarra region than in Sydney.

This outlook underlines the necessity of secure housing supply during an unprecedented shift in the structure of the local workforce. Action is needed to offset the local retirement boom with continued inward migration of skilled workers from Sydney and overseas. The CPA provides for a consistent stream of housing supply during the 2020s, which can ultimately provide a cumulative 2% boost to regional economic product by 2030.

## Appendix

### A1 Further demographic insight - PSA

The below table details the socio-demographic profile of the catchment area population, compared with the benchmarks for 'Albion Park – Macquarie Park' SA2 and 'Greater Sydney', sourced from the 2016 ABS Census of Population and Housing. The major suburbs in the PSA (as at 2016) were the well-established localities of Albion Park and Albion Park Rail.

#### Additional Catchment Demography 2016 census

	Albion Park - Macquarie Pass	Shellharbour (C)	Greater Sydney
<b>Demographics (2016)</b>			
Population	14,331	68,454	4,823,453
% of population aged 19 years and younger	30. %	26.76 %	24.64 %
% of population aged between 20 & 34	18.62 %	17.94 %	23.12 %
% of population aged between 34 & 49	20.62 %	19.2 %	21.1 %
% of population aged between 50 & 64	18.16 %	19.32 %	17.2 %
% of population aged between 65 & 79	9.12 %	12.68 %	10.17 %
% of population aged 80 and over	3.47 %	4.1 %	3.76 %
Median age	35	39	36
<b>Cultural Diversity (2016)</b>			
% of residents born in Australia	86.61 %	82.38 %	60.81 %
% of residents who speak English well or very well	5.28 %	8.99 %	29.28 %
% of population living at the same address as one year ago	82.07 %	79.81 %	76.61 %
% of population living at the same address as five years ago	62.22 %	59.76 %	53.22 %
% of residents overseas one year ago	.36 %	.43 %	2.48 %
% of residents overseas five years ago	.95 %	1.29 %	8.85 %
<b>Ancestry</b>			
Ancestry with the highest proportion	Australian (31.34 %)	Australian (28.87 %)	English (19.43 %)
Ancestry with the second highest proportion	English (30.32 %)	English (28.45 %)	Australian (18.06 %)
Ancestry with the third highest proportion	Scottish (7.26 %)	Irish (7.06 %)	Chinese (7.77 %)
Ancestry with the fourth highest proportion	Irish (7.25 %)	Scottish (6.61 %)	Irish (6.64 %)
Ancestry with the fifth highest proportion	German (3.96 %)	Not stated (3.86 %)	Scottish (4.90 %)
<b>Families (2016)</b>			
Number of occupied dwellings	4,557	23,638	1,623,874
%People in family households	84.31	77.51	73.63
%People in group households	1.49	1.95	4.73
%People as lone persons	14.35	20.55	21.64
<b>Dwellings (2016)</b>			
% as detached houses	82.66	74.77	52.51
% as semidetached houses	10.91	13.04	12.91
% as flats, units or apartments	0.29	3.67	25.92
% of dwellings owned outright	31.15	34.27	29.11
% of dwellings being purchased	49.12	35.94	33.25
% of dwellings being rented	17.19	26.59	34.07
Average house loan repayment (\$/month)	1,771.29	1,714.55	2,009.27
Average household rent (\$/week)	370.20	331.11	462.28
Average no. of persons per household	2.79	2.54	2.57
Average household income (\$/week)	1,819.88	1,606.01	2,074.85
Average household income (\$/year)	95,179.80	83,994.10	108,514.90

Source: ABS Census (2016); Ethos Urban

The key points to note regarding the characteristics of the PSA catchment include the following:

- A higher household income (\$1,820 per week) and when compared to the averages for the catchment (\$1,606) and lower than Greater Sydney (\$2,074).
- Overall rental household's propensities are lower in the 'Albion Park – Macquarie Pass' SA2 than that of the broader catchment and other regional areas. On the other hand, there is an exceptionally high proportion of homes owned with 31% of homes owned outright and 49% owned with a mortgage as at 2016. This makes up 80% of tenure type (70% for catchment area & 62.35% for Greater Sydney)
- There proportion of 'typical family' households (i.e. couples with dependent children) is higher (45%) in the subject site SA2 area compared with the Greater Sydney average of 37%. On the other hand, the proportion of couples with no children (i.e. predominantly working professionals etc) is much lower than average at 26%.
- The proportion of lone person households is significantly lower than that of the catchment with the subject sites SA2 recording 14.4% of lone person households and the catchment 20.6%.
- The highest proportion of residents across the LGA are English (36%) with Australian born residents a close second (31%). There is also a high proportion of Irish and Scottish residents making up 22% collectively.

Notably, the lower incomes recorded for the 'Albion Park – Macquarie Pass' SA2 could be the result of residents aged 35-64 leaving the area possibly to seek out job opportunities elsewhere. Incomes of this size would make it difficult for residents to purchase homes and service a mortgage.

## A2 Seniors Living – Evidence of Market Gap

The catchment area provides an attractive relaxing coastal environment for seniors to retire in. An exploration of the current provision of senior living and the potential demand for further provision is explored below.

Independent living tends to attract residents from a wider demand catchment than standard residential developments. Hence, for the purpose of our assessment, a competitive supply assessment has been undertaken within the Shellharbour and Wollongong LGA's.

The table below highlights the supply of retirement living in the Wollongong Area.

### Retirement Living Housing – Wollongong LGA Current Facilities

Name	Address	Suburb	LGA	Postcode	Independent Living Units
Bellambi Seniors Housing Units	27-29 Bramsen St	Bellambi	Wollongong (C)	2518	8
Birch Villa	Underwood Street	Corrimal	Wollongong (C)	2518	30
Bishop McCabe Village	Ziems Avenue	Towradgi	Wollongong (C)	2518	23
Braeside Close	Gipps Road	Gwynneville	Wollongong (C)	2500	50
Camellia Lodge	Popes Road	Woonona	Wollongong (C)	2517	8
Diment Towers	Staff Street	Wollongong	Wollongong (C)	2500	52
Edwina Court	Underwood Street	Corrimal	Wollongong (C)	2518	21
Farmborough Grove Retirement Village	Waples Rd	Unanderra	Wollongong (C)	2526	102
Hillcrest Retirement Village	Railway Crescent	Stanwell Park	Wollongong (C)	2508	55
Hope Jowett Place	Edgar Street	Towradgi	Wollongong (C)	2518	24
Illawarra Multicultural Village	Eyre Place	Warrawong	Wollongong (C)	2502	8
Jarman Court	Edgar Street	Towradgi	Wollongong (C)	2518	8
Keira View	Grey Street	Keiraville	Wollongong (C)	2500	6
Links Seaside	Corrimal Street	Wollongong	Wollongong (C)	2500	217
Minera Court	Corrimal Street	Wollongong	Wollongong (C)	2500	9
Murranar Lodge	Murranar Road	Towradgi	Wollongong (C)	2518	4
Nareena Homes	Jacaranda Avenue	Figtree	Wollongong (C)	2525	20
Sea View	Park Road	Woonona	Wollongong (C)	2517	55
Sid Wearne Court	Farrell Road	Bulli	Wollongong (C)	2516	25
Southern Cross Court - Thirroul	Raymond Road	Thirroul	Wollongong (C)	2515	12
St Luke's Village	Lindsay Evans Place	Dapto	Wollongong (C)	2530	93
St Mary's Retirement Village	Northcliffe Drive	Berkeley	Wollongong (C)	2506	34
Tarrawanna Garden Village	Foothills Road	Tarrawanna	Wollongong (C)	2518	68
Tasman Court	Tasman Parade	Thirroul	Wollongong (C)	2515	11
The Figtrees	O'Briens Road	Figtree	Wollongong (C)	2525	40
Towradgi Park Lodge	Towradgi Road	Towradgi	Wollongong (C)	2518	23
Towradgi Park Village	Murranar Road	Towradgi	Wollongong (C)	2518	32
William Beach Gardens	260 Kanahooka Rd	Kanahooka	Wollongong (C)	2530	60
Woonoma Village	Princess Highway	Woonona	Wollongong (C)	2517	14
<b>Total</b>					<b>1112</b>

Source: *Ethos Urban*

The current supply of Retirement Living Housing for Shellharbour LGA is identified in the table below.

#### Retirement Living Housing – Shellharbour LGA Current Facilities

Name	Address	Suburb	LGA	Postcode	Independent Living Units
Cluff Court	Pine Street	Albion Park Rail	Shellharbour (C)	2527	56
Reg Simpson Court	O'Gorman Street	Albion Park	Shellharbour (C)	2527	16
Arcadia Court	Arcadia Street	Warilla	Shellharbour (C)	2528	40
Rowland Court	Grove Circuit	Lake Illawarra	Shellharbour (C)	2528	30
Central Gardens (approved)	58-60 Wattle Rd	Shellharbour	Shellharbour (C)	2529	56
<b>Total</b>					<b>198</b>

Source: Ethos Urban

Our assessment has revealed that there is of 1,112 units Independent Living Units (ILU's) within 30 identified retirement villages in the Wollongong LGA. Shellharbour LGA contains 198 ILU's within 5 villages.

Our assessment has revealed that there is a limited supply of Independent Living Units (ILUs) of 198 units in the Shellharbour catchment area.

#### ILU Pipeline – Shellharbour and Wollongong LGA

Name	Operator	Address	Suburb	LGA	Pipeline Completion Period
IRT Pioneer Place Community	IRT	27 Stewart Street	Wollongong	Wollongong (C)	75 2021
Wollongong Life City Holistic Health Centre	WHHC	Warwick St	Berkeley	Wollongong (C)	60 2026
Lakeview Village	Uniting Care	7-23 Wallaroo Dr	Blackbutt	Shellharbour (C)	78 2021
Warrigal Shell Cove	Warrigal Care	2529 Shell Cove Rd	Shell Cove	Shellharbour (C)	91 2021
Lendlease	Lendlease	TBA	Calderwood	Shellharbour (C)	280 2026
Wattle Road Uniting Care	Uniting Care	Davey Close	Shellharbour	Shellharbour (C)	352 2031
<b>Total</b>					<b>936</b>

Source: Ethos Urban

Key observations pertaining to our examination of future supply include:

- The supply of ILU is fairly limited and may not be able to cater for the increasing elderly population of the catchment. Warrigal Community Village, Albion Park is of a close proximity to the subject site and is an older facility. It has 16 villa units and an aged care facility close by.
- A more premium modern facility would be able to attract residents from the increasing elderly population looking for quality retirement living and aged care.

The retirement living village identified to be delivered at Calderwood represents a substantial part of the regional supply. It is expected to perform well in respect of annual sales, due to its position in a quiet rural environment. This village will help to free up the supply of detached houses in the SSA, as local retirees elect to downsize and still remain close to their home community.