

Mid North Coast Residential Submarket Analysis

Department of Planning & Environment

August 2014



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Prepared for:

Department of Planning and Environment

MacroPlan Dimasi staff responsible for this report:

Wayne Gersbach– NSW State Manager

David Dragicevic – Senior Economist

Luke Crawford – Economic Consultant

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Acronyms

MNC: Mid North Coast

MPD: MacroPlan Dimasi

MNCRS: Mid North Coast Regional Strategy

LGA: Local Government Area

FHB: First Home Buyers

GFC: Global Financial Crisis

ERP: Estimated Resident Population

DP&E: Department of Planning and Environment

ABS: Australian Bureau of Statistics

DoH: NSW Department of Housing

PURP: Place of Usual Residence

SEQ: South East Queensland

RGIP: Regional Growth and Infrastructure Plan

Note: Due to rounding, some numbers may not add up.

REGION	SUPPLY	DEMAND	POPULATION, AGE & INCOME	HOUSE PRICES AND RENTALS	HOUSING TYPES REQUIRED
<p>BELLINGEN</p>	<p>Bellingen LGA falls within the Coffs Coast subregion under the Mid North Coast Regional Strategy (2009). As part of this subregion, the Mid North Coast Regional Strategy (2009) identified the need for an additional 19,200 dwellings by 2031.</p> <p>Approval activity within the Bellingen LGA has averaged 31 dwellings per annum since 2007.</p> <p>House approvals are the dominant type, representing 96% of approvals over the 2007-2013 period.</p> <p>The current townships of Bellingen, Fernmount, Urunga, Raleigh, Repton, Mylestom and Dorrigo are expected to continue to provide the majority of dwelling growth, with the Bellingen town centre to provide the bulk of this additional supply.</p> <p>There are relatively few 'constraint free' development areas across the LGA, i.e. large, undeveloped parcels of land that are not constrained by flooding, bushland, topography or other environmental restrictions. This limits the availability of land for residential development.</p> <p>It is also understood that infrastructure provision costs are considered to be a significant impediment to the release of residential land in the LGA.</p>	<p>Demand for dwellings in the Bellingen LGA is relatively low, evidenced by low approval activity and a contraction in house and unit sales over recent years.</p> <p>Over the five years to 2007, house sales averaged 178 per annum. However, over the five years to 2013, house sales contracted 20% to average 142 per annum.</p> <p>Our examination of house sales data for 2013 has revealed that the majority of sales occurred within the Bellingen – Central submarket (51%), while sales activity in the Bellingen – West submarket was minimal.</p> <p>Rental growth also was most pronounced within the Bellingen – Central submarket, indicating greater housing demand for this submarket.</p> <p>We note that Council has undertaken both an Employment Lands Strategy and a Growth Management Strategy to encourage employment activity and growth across the LGA. Future growth in adjoining major population centres such as Coffs Harbour may also encourage housing growth in the LGA.</p> <p>The success of these strategies and growth in adjoining LGAs should be considered in any future review of population forecasts for the LGA.</p>	<p>Bellingen's Estimated Resident Population (ERP) is 12,923 (2011).</p> <p>The latest DP&E estimates predict that the LGA's population will contract 1.6% over the twenty years to 2031 to 12,800 people. This represents an average annual growth rate of -0.1% over the twenty year period.</p> <p>Population growth is expected to be greatest amongst retirees (65+), while growth in all other age cohorts is anticipated to decline.</p> <p>Other notable observations regarding Bellingen's current and expected population are:</p> <ul style="list-style-type: none"> ▪ High inward movement from aged persons previously living in western Sydney – Blacktown and Penrith LGA's. ▪ 60% of the 20-34 year old age cohort earns an income of less than \$31,199. ▪ 69% of persons aged 65+ earn an income lower than \$31,199. ▪ Similarly, the 35-49 and 50-64 age cohorts have a skew towards low income earners. 	<p>Over the five years to 2013, 63% of house sales were priced below \$350,000.</p> <p>For house sales in 2013, over half (56%) were priced in the low value range (below \$350,000).</p> <p>The most affordable submarket was Bellingen – West, with 100% of house sales in 2013 priced below \$350,000. However sales activity is limited with 18 sales made during the year.</p> <p>Bellingen – Coastal was the most expensive residential submarket within the LGA, with 53% of houses sold in 2013 priced above \$350,000.</p> <p>Over the five years to 2014, rentals have increased by 3.7% per annum for detached houses within the LGA.</p> <p>Rentals are most expensive within the Bellingen – Central submarket with a median rent of \$390 per week.</p> <p>Overall, dwellings in the LGA remain affordable with the majority being priced below \$350,000.</p>	<p>Retirees (65+) are expected to have the greatest influence on the LGA's housing demand. At present, approximately 20% of the population is aged over 65 years. This will grow to 32% by 2031.</p> <p>To assist with the region's ageing demographic, alternative housing products will be required, providing opportunity for downsizing and fit-for-purpose housing. This requirement can likely be accommodated through small lot housing or through medium density products (e.g. villas).</p> <p>Government policy that encourages 'ageing in place' coupled with a lack of existing alternate housing stock, is expected to dampen the effect of the ageing demographic. Nonetheless, the sheer quantum of this demographic shift, the LGA's strong growth in lone person households (in part driven by ageing) and the current lack of 1 and 2 bedroom stock is evidence that a greater mix of dwelling types will be required to accommodate the LGA's future population structure.</p> <p>Affordable housing stock will be required to accommodate the LGA's low income earners, particularly FHB's.</p>

REGION	SUPPLY	DEMAND	POPULATION, AGE & INCOME	HOUSE PRICES AND RENTALS	HOUSING TYPES REQUIRED
CLARENCE VALLEY	<p>Clarence Valley LGA falls within the Clarence subregion under the Mid North Coast Regional Strategy (2009), incorporating the Clarence Valley LGA. As part of this subregion, the Mid North Coast Regional Strategy (2009) identified the need for an additional 7,100 dwellings by 2031.</p> <p>Total dwelling approvals in the Clarence Valley LGA are moderate, averaging 184 dwellings per annum since 2007.</p> <p>Representation of 'other dwellings' is minimal, with only 190 approvals since 2007 – the majority of which have been for villa dwellings.</p> <p>Clarence Valley is well positioned to accommodate future population growth with the existing areas of Grafton, Yamba and the Maclean likely to provide the majority of dwelling growth in coming years.</p>	<p>Total dwelling approvals within Clarence Valley have remained steady between 2007 and 2013, averaging 184 per annum.</p> <p>Growth in household composition over the five years to 2011 has largely come from lone person households.</p> <p>Demand for dwellings has weakened over the five years to 2013, with house sales contracting by 28%. However, there has been a moderate price shift to higher valued dwellings, limiting market entry to some extent.</p> <p>Our examination of house sales data for 2013 has revealed that the majority of sales have occurred within the Clarence Valley - Coastal submarket.</p> <p>House sales within the Clarence Valley – Regional submarket have been quite subdued, with just 3 sales made in 2013.</p> <p>A temporary rise in housing demand could occur between 2016-2022 associated with the proposed major road and bridge infrastructure projects.</p>	<p>Clarence Valley's Estimated Resident Population (ERP) is 51,287 (2011).</p> <p>The latest DP&E estimates predict that the population will grow 9.6% over the twenty years to 2031 to 56,300. This represents an average annual growth rate of 0.5% over the forecast period.</p> <p>In line with other LGAs, future population growth in Clarence Valley is expected to be greatest within its older age cohorts.</p> <p>At present, persons aged over 50 represent 44% of the region's population. This proportion will increase to 52% by 2031.</p> <p>Working residents are skewed towards lower income earners, with high income earners representing only 7% of total workers. Low income earners are most pronounced amongst persons aged between 20-34 and the 65+ cohort.</p>	<p>A moderate shift in house prices has occurred across the Clarence Valley LGA.</p> <p>Over the five years to 2007, 87% of house sales were priced below \$350,000, however in the five years to 2013; this proportion reduced to 74%.</p> <p>House sales during 2013 were skewed towards the low value ranges, with 72% of sales priced below \$350,000.</p> <p>Clarence Valley – Coastal presents as the most expensive submarket, with 11% of sales priced above \$550,000.</p> <p>Clarence Valley – Regional is the most affordable residential submarket within the LGA, with 100% of sales below \$350,000. However, the number of house sales in this submarket is minimal.</p> <p>Over the five years to 2014, rental growth averaged 2.7% per annum for detached houses.</p> <p>Median rents are highest in the Clarence Valley – Grafton residential submarket (at \$320 per week).</p>	<p>The dominant factor of population growth in the Clarence Valley LGA is its ageing characteristic. Growth within the LGA's younger age cohorts is expected to decline.</p> <p>At present, housing stock in the region is skewed towards 3 bedroom houses. With continued growth in lone person households and retirees, market demand for 1 and 2 bedroom housing product will increase. This will provide opportunity for downsizing and fit-for-purpose accommodation, and is consistent with the LGA's requirement for affordable housing stock.</p> <p>Apartment demand is likely to remain low, although alternate villa housing and dual occupancy product could fill a market void, from both a rental and owner occupier perspective.</p> <p>Further feasibility investigations into appropriate, marketable small housing formats should be undertaken, working closely with local housing suppliers and developers.</p>

REGION	SUPPLY	DEMAND	POPULATION, AGE & INCOME	HOUSE PRICES AND RENTALS	HOUSING TYPES REQUIRED
COFFS HARBOUR	<p>Coffs Harbour LGA falls within the Coffs Coast subregion under the Mid North Coast Regional Strategy (2009), encompassing the Coffs Harbour, Bellingen and Nambucca LGA's. As part of this subregion, the Mid North Coast Regional Strategy (2009) identified the need of an additional 19,200 dwellings by 2031.</p> <p>For Coffs Harbour LGA, dwelling approvals are high in comparison to other MNC LGA's, averaging 380 per annum over the 2007-2013 period.</p> <p>Coffs Harbour is well placed to accommodate future population growth.</p> <p>Future growth areas are spread throughout the LGA; however the dominant area for future supply is the area immediately west of the Coffs Harbour town centre. Additionally, growth is expected to occur in and around Boambee and Woolgoolga.</p>	<p>Coffs Harbour is a major population attractor within the region, proving popular for persons moving from other MNC LGA's.</p> <p>There has been strong population growth in the 50-64 age group, with 'downsizers' now making up the largest portion of the housing market. It is expected that the size of the 65+ age cohort will accelerate to 2031.</p> <p>Household income levels in Coffs Harbour are low, with 73% of people living in a household with an annual income of less than \$78,000. Nevertheless, the LGA has one of the highest average income levels across the region.</p> <p>Our examination of house sales data for 2013 has revealed that the majority of sales have occurred within the Coffs Harbour - Central submarket.</p>	<p>Coffs Harbour's Estimated Resident Population (ERP) is 70,972 (2011).</p> <p>The latest DP&E estimates suggest that the population of Coffs Harbour LGA will grow by 24.1% from 2011 to 2031 to 88,050 people. This represents an average annual growth rate of 1.1% over the forecast period.</p> <p>Given strong employment opportunities in the Coffs Harbour LGA, population growth is expected to occur in all age cohorts.</p> <p>Working residents are skewed towards lower income earners, with persons in the low wage bracket accounting for 54% of total workers. Low income earners are most pronounced in the 20-34 and 65+ age cohorts.</p>	<p>Over the five years to 2013, 50% of houses sold were priced below \$350,000.</p> <p>The Coffs Harbour - Regional submarket is the most affordable region within the LGA, with 95% of properties sold below the \$350,000 price mark.</p> <p>Coffs Harbour - North submarket presents as the most expensive submarket, with 13% of sales in 2013 priced above \$550,000.</p> <p>Over the past five years, rents have increased by 4.4% per annum for detached houses, while growth for apartments has been slightly higher at 4.8% per annum.</p> <p>Coffs Harbour - Central had the highest rentals in the LGA, with a median of \$430 per week for detached houses.</p>	<p>Although future growth areas are spread across the LGA, demand for dwellings, particularly from ageing residents is expected to be greatest within the Coffs Harbour - Central submarket given its proximity to health and other services.</p> <p>With continued growth in the LGA's 50+ and 65+ age groups, demand for alternate, smaller dwelling stock will evolve.</p> <p>The LGA is likely to remain attractive to retirement housing providers. This form of housing ought to be encouraged to support growth in the older age cohorts, while at the same time contributing to the 'freeing-up' of housing stock for FHBs and upgraders.</p>

REGION	SUPPLY	DEMAND	POPULATION, AGE & INCOME	HOUSE PRICES AND RENTALS	HOUSING TYPES REQUIRED
GLOUCESTER	<p>Gloucester LGA falls outside of the boundaries of the existing MNC regional strategy.</p> <p>Over recent years dwelling approval activity across the LGA has been moderate, averaging 35 dwellings per annum over the 2007-2013 period.</p> <p>The majority of future growth is expected around Gloucester and also in rural residential locations close to services and facilities.</p>	<p>Housing demand within the Gloucester LGA is weak, as evidenced by both sales and approval activity.</p> <p>House sales have averaged 48 per annum over the 2008-2013 period.</p> <p>Population growth is only expected in the 65+ age cohort, with negligible growth anticipated in all other age cohorts.</p> <p>Coming from a low base, however, means that a small change in development or employment circumstances can have a significant impact on overall population or job numbers. Council, for instance, is negotiating the construction of a 130-resident aged care facility, which will bring new workers and residents to the LGA.</p> <p>Similarly, the prospects of future potential natural resource projects could impact significantly on the LGA's population growth and housing demand.</p>	<p>Gloucester's Estimated Resident Population (ERP) is 4,991 (2011).</p> <p>Population growth over the past five years has been weak, averaging 0.5% per annum.</p> <p>DP&E projections suggest that the population will contract by 5.0% by 2031 to 4,800 people. This represents an average annual growth rate of -0.3% over the forecast period.</p> <p>Between 2011 and 2031, the only population growth is expected to come from persons aged 65+.</p> <p>The majority of working residents earn an income in the low range. This is particularly true for the LGA's older age cohorts.</p>	<p>The number of house sales below \$350,000 remained relatively unchanged over the five years to 2013, with 92% of sales occurring in this range, down from 97% over the previous five year period to 2007.</p> <p>House sale activity is mainly located within the Gloucester – Central submarket, accounting for 94% of sales during 2013. Sales activity in the Gloucester – Regional submarket is minimal, with just 4 house sales recorded during 2013.</p> <p>Rental growth in the Gloucester – Central submarket over the past five years has averaged 5.7% per annum, with an indicative rental yield of 6.2%</p> <p>Median house rents in the Gloucester – Central submarket are approximately \$290 per week.</p>	<p>Given the LGA's population outlook, housing activity is not expected to increase above current levels unless associated with the growth of a significant local industry.</p> <p>Notwithstanding, greater housing diversity, especially proximate to the Gloucester town centre, will be required in future years to cater for an ageing population.</p>

REGION	SUPPLY	DEMAND	POPULATION, AGE & INCOME	HOUSE PRICES AND RENTALS	HOUSING TYPES REQUIRED
GREAT LAKES	<p>The Great Lakes LGA falls within the Manning Valley – Great Lakes subregion under the Mid North Coast Regional Strategy (2009), encompassing both Greater Taree and Great Lakes LGA's. As part of this subregion, the MNCRS identified the need of an additional 15,000 new dwellings by 2031 within the region.</p> <p>The majority of future growth is expected to eventuate around Forster – Tuncurry and Hawks Nest-Tea Gardens. There is sufficient land capacity in these areas to accommodate expected growth, including medium and higher density development.</p> <p>Future housing demand is likely to continue to gravitate towards coastal locations.</p>	<p>Total dwelling approvals have averaged around 157 per annum, the majority of which have been for detached houses (average of 85%).</p> <p>The bulk of the region's future population growth is expected to come from persons aged 65+.</p> <p>Growth in household composition over the five years to 2011 has largely come from lone person households, with only moderate growth in family households.</p> <p>For the LGA, the majority of dwelling stock is 3 or 4 bedroom dwellings (71.5%), suggesting an increasing mismatch between future demand and current housing stocks.</p>	<p>Great Lakes' Estimated Resident Population (ERP) is 35,737 (2011).</p> <p>The latest DP&E estimates suggest that the LGA's population will grow to 38,550 people by 2031 – an increase of 7.9%. This represents an average annual growth rate of 0.4% over the forecast period.</p> <p>Population growth is expected to be greatest amongst residents aged 65+ years.</p> <p>61% of working residents earn an income of less than \$31,199, with the skew most pronounced in the older age cohorts.</p>	<p>The majority (56%) of houses sold during the five years to 2013 were priced below the \$350,000 price mark.</p> <p>The Great Lakes – Regional submarket presents as the most affordable submarket within the LGA, with 93% of houses sold during 2013 priced in the low value range.</p> <p>The Great Lakes – Forster submarket was the most expensive submarket, with 50% of houses sold during 2013 priced above \$350,000.</p> <p>Rental growth for detached dwellings has averaged 2.4% per annum over the five years to 2014, with growth most pronounced in the Great Lakes – Forster submarket, at 5.9% per annum.</p>	<p>Given the region's current aged population structure and the predicted continued growth within these aged cohorts, demand for alternate housing formats is expected to increase.</p> <p>Alternate housing product (smaller lot or medium-high density housing) provides opportunity for downsizing and fit-for-purpose accommodation. Housing 'churn' also assists other market segments, freeing up stock for FHBs and upgraders.</p> <p>The LGA is predicted to remain popular for retirement housing.</p>

REGION	SUPPLY	DEMAND	POPULATION, AGE & INCOME	HOUSE PRICES AND RENTALS	HOUSING TYPES REQUIRED
GREATER TAREE	<p>Greater Taree LGA falls within the Manning Valley – Great Lakes subregion under the Mid North Coast Regional Strategy (2009), encompassing both the Greater Taree and Great Lakes LGA's. The MNCRS identified the need of an additional 15,000 new dwellings by 2031 within this subregion.</p> <p>The LGA has sufficient land capacity to meet its expected population growth.</p> <p>Future growth is expected to continue to gravitate towards coastal locations, although emerging inland locations also have ample capacity to accommodate growth.</p>	<p>Over the five years to 2011, inward migration into the Greater Taree LGA totalled 7,332 persons. A net migration gain of 1,162 persons over the five years to 2011 contributed to housing demand in the LGA.</p> <p>Dwelling approvals have averaged 217 per annum over the past five years to 2013. Detached houses dominate the preferred housing format, accounting for around 75% of approvals.</p> <p>Our examination of house sales data for 2013 has revealed that demand is greatest within the Greater Taree – Taree submarket, accounting for 51% of house sales during 2013.</p>	<p>Greater Taree's Estimated Resident Population (ERP) is 48,090 (2011).</p> <p>Population growth has been modest, averaging 0.8% per annum over the five years to 2011, below the MNC average of 1.1% per annum.</p> <p>DP&E projections suggests that the LGA's population will increase by 7.7% by 2031 to 51,800 people. This represents an average annual growth rate of 0.4% over the forecast period.</p> <p>The 65+ age group is projected to be the dominant age group by 2021 and already represents a large proportion of the local housing market.</p> <p>Working residents are skewed towards lower income earners, with 62% of people in the low wage bracket. This is particularly true for persons aged 65+, with 73% in the low income range.</p>	<p>Affordability within the Greater Taree LGA is reasonable with 84% of houses sold per annum over the five years to 2013 being priced below \$350,000.</p> <p>The Greater Taree – Coastal submarket is the most expensive submarket within the LGA.</p> <p>The submarket of Greater Taree – Regional is the most affordable, with only 4% of sales during 2013 above \$350,000.</p> <p>Rental growth in the Greater Taree LGA over the past five years has averaged 3.1% per annum for detached houses and 2.2% for apartments.</p> <p>Indicative rental yields in the LGA are 6.2% for both houses and apartments.</p>	<p>Coastal locations throughout the LGA will continue to attract a substantial level of demand.</p> <p>Given the region's ageing demographic, a gravitation towards central locations will exist as aged residents will want to be near key medical services. As such, demand within the Taree town centre will be strong.</p> <p>Housing diversity will play a fundamental role in supporting the anticipated population growth out to 2031.</p> <p>Alternate housing typologies (e.g. smaller lots, medium density provisions) will support further predicted growth in both retiree and lone person households.</p>

REGION	SUPPLY	DEMAND	POPULATION, AGE & INCOME	HOUSE PRICES AND RENTALS	HOUSING TYPES REQUIRED
KEMPSEY	<p>The Kempsey LGA falls within the Hastings-Macleay subregion under the Mid North Coast Regional Strategy (2009), encompassing both the Kempsey and Port Macquarie-Hastings LGA's. As part of this subregion, the MNCRS identified the need of an additional 18,300 new dwellings by 2031 within the region.</p> <p>Under the MNCRS, the town centre of Kempsey has been identified as the only major town within the LGA and is expected to accommodate many of the new dwellings in the LGA between 2006 and 2031.</p> <p>Within Kempsey, there is sufficient capacity at existing zoned areas, however, the release of Greenhill's at Kempsey will support further population growth in the LGA.</p> <p>South West Rocks has also been identified to cater for the bulk of new housing supply. In the short term, the release of the Saltwater and former Shell site release areas will support further population growth, while Seascope Grove over the medium to long term is anticipated to provide additional capacity to support the LGA's new housing demands.</p>	<p>Dwelling approvals has trended downward since 2007, averaging 82 per annum over the 2007-2013 period. Detached houses are the dominant housing format, accounting for around 84% of total approvals over the period.</p> <p>Over the 2006-2011 period, there was a surge in the number of lone person households (+255 households) - suggesting an underlying demand for 1 and 2 bedroom product.</p> <p>1 and 2 bedroom dwellings represent 24.4% of dwellings in the Kempsey LGA.</p> <p>Our examination of house sales data for 2013 has revealed that demand is greatest within the Kempsey - Coastal submarket, which accounted for 51% of house sales during 2013.</p>	<p>Kempsey's Estimated Resident Population (ERP) is 29,128 (2011).</p> <p>Population growth has averaged 0.8% per annum over the five years to 2011, below the MNC average.</p> <p>DP&E projections suggest that the population will increase by 4.3% by 2031, taking the LGA's total population to 30,450. This represents an average annual growth rate of 0.2% over the forecast period.</p> <p>Between 2011 and 2031, population growth is expected to be driven primarily by persons aged 65+.</p> <p>Across the LGA working residents are likely to earn an income in the low income range (63% of working residents).</p>	<p>Affordability within the Kempsey LGA has remained reasonable over the five years to 2013, with 82% of houses sold per annum priced below \$350,000.</p> <p>The Kempsey - Coastal submarket is the most expensive submarket within the LGA, with 38% of house sales in 2013 being priced above \$350,000.</p> <p>The submarket of Kempsey - Regional is the most affordable, with 100% of house sales during 2013 priced below \$350,000. However, the market is limited with just 5 sales made over the period.</p> <p>Weekly rent for a detached house is highest within the Kempsey - Coastal submarket at \$370 per week. However rental growth has been greatest within the Kempsey - Central submarket (7.0% per annum between 2009 and 2014)</p>	<p>Kempsey's ageing demographic is the dominant force in directing housing demand over the forecast period.</p> <p>Additional alternate housing formats will be required - villa housing, medium density provisions and retirement living will be key.</p> <p>Access to services will be a major factor in determining the location of suitable housing product.</p>

REGION	SUPPLY	DEMAND	POPULATION, AGE & INCOME	HOUSE PRICES AND RENTALS	HOUSING TYPES REQUIRED
NAMBUCCA	<p>Nambucca LGA falls within the Coffs Coast subregion under the Mid North Coast Regional Strategy (2009), encompassing the Coffs Harbour, Bellingen and Nambucca LGA's. As part of this subregion, the Mid North Coast Regional Strategy (2009) identified the need of an additional 19,200 dwellings by 2031.</p> <p>Following its most recent peak in approvals in 2008 (148 approvals), total dwelling approvals for the Nambucca LGA have averaged 101 per annum during the 2007-2013 period.</p> <p>In 2012 there were more approvals for villa housing than for detached dwellings.</p> <p>Future dwelling supply within the LGA is expected to be accommodated through the consolidation of existing centres and infill development. Further housing opportunity will also be supported by the release of land to the west Nambucca Heads.</p>	<p>Demand for dwellings in the Nambucca LGA is moderate.</p> <p>House sales have contracted substantially over the five year period to 2013, although there has been a moderate uplift in dwelling prices over this period.</p> <p>Over the five years to 2007, house sales averaged 282 per annum. However, over the five years to 2013, house sales contracted 33% to average 189 per annum.</p> <p>The Nambucca – Coastal submarket is the dominant region for sales activity, accounting for 66% of house sales in 2013.</p> <p>Recent and ongoing improvements to the Pacific Highway may impact on the LGA's connectivity to other major centres within the Mid North Coast region, especially Coffs Harbour, with potential population and employment spin-offs. Future population forecasts will need to track the impact of improved accessibility on the LGA's potential to attract jobs and residents.</p>	<p>Nambucca's Estimated Resident Population (ERP) is 19,235 (2011).</p> <p>The latest DP&E estimates predict that the population will expand by 7.3% to 20,650 persons by 2031. This represents an average annual growth rate of 0.4% over the forecast period.</p> <p>Population growth is expected to come mainly from the retiree age cohort (65+).</p> <p>The Nambucca LGA has attracted a substantial number of residents previously living in Sydney, while interstate outward movement (predominantly to SEQ) are also high.</p>	<p>Over the five years to 2013, 78% of house sales were priced below \$350,000.</p> <p>For house sales in 2013, 81% were priced in the low value range (below \$350,000).</p> <p>The most affordable submarket was Nambucca – Regional submarket with all of the 21 sales in 2013 being priced in the low range.</p> <p>Nambucca – Coastal was the most expensive residential submarket within the LGA, with 28% of houses sold in 2013 priced above \$350,000.</p> <p>Over the five years to 2014, rentals have increased by 2.0% per annum for detached houses within the LGA.</p> <p>Rentals are most expensive within the Nambucca – Coastal submarket with a median rent of \$300 per week.</p> <p>Overall, dwellings in the LGA remain affordable with the majority being priced below \$350,000.</p>	<p>Growth in older households is expected to underpin demand for new housing, predominantly in coastal submarket locations, as retirees look to 'cash out' of their existing homes and seek accommodation that is close to services.</p> <p>Recent household growth has been for lone persons. This trend is expected to continue, generating demand for 'smaller' housing formats.</p>

REGION	SUPPLY	DEMAND	POPULATION, AGE & INCOME	HOUSE PRICES AND RENTALS	HOUSING TYPES REQUIRED
PORT MACQUARIE - HASTINGS	<p>The Port Macquarie-Hastings LGA falls within the Hastings-Macleay subregion under the Mid North Coast Regional Strategy (2009). The MNCRS identified the need of an additional 18,300 new dwellings by 2031 for the subregion.</p> <p>In the LGA, total dwelling approvals has remained relatively stable. Since 2007, approximately 418 dwellings have been approved p.a. – the highest of any MNC LGA.</p> <p>Future dwelling growth is anticipated to eventuate through a combination of urban consolidation of existing centres and the release of land in identified release areas.</p> <p>The majority of future supply is expected to come from three locations – Thrumster, to the west of the Port Macquarie town centre, Lake Cathie/Bonny Hills and at Camden Haven. Collectively, these locations have an estimated capacity of 7,500 dwellings.</p> <p>A substantial proportion of new dwellings are also expected to materialise within the Port Macquarie – Wauchope corridor.</p>	<p>Housing demand within the Port Macquarie-Hastings LGA is strong, accentuated by strong dwelling approvals and robust population growth.</p> <p>Growth in household composition over the five years to 2011 has largely come from lone person households, while growth in family and couple family with no children households has also been strong.</p> <p>House sales have contracted in recent years; however remain high in comparison to other MNC LGA's.</p> <p>Our examination of house sales data for 2013 has revealed that the majority of sales have occurred within the Port Macquarie-Hastings – Central submarket, accounting for 65% of sales.</p>	<p>The Estimated Resident Population (ERP) for Port Macquarie-Hastings is 75,232 (2011).</p> <p>The latest DP&E estimates predict that the population will grow by 20.7% to 90,800 people by 2031, at an average annual growth rate of 0.9% over the forecast period.</p> <p>Future population growth in Port Macquarie-Hastings is expected to be greatest within its aged population, although all age cohorts are expected to experience a gain in population.</p> <p>At present, persons aged over 65 represent 25% of the region's population; however this proportion is expected to increase to 33% by 2031.</p> <p>Working residents are skewed towards lower income earners, with persons in the higher income bracket accounting for 10% of total. Low income earners are most pronounced in downsizer and retiree age cohorts.</p>	<p>A substantial shift in house price distribution has occurred within the Port Macquarie-Hastings LGA, reflective of increased demand.</p> <p>Over the five years to 2007, 67% of house sales were priced below \$350,000, however in the five years to 2013, the majority of sales were priced above \$350,000.</p> <p>House sales during 2013 were skewed towards the medium value range with 50% of sales between \$350,000 and \$550,000.</p> <p>Port Macquarie-Hastings – Central submarket presents as the most expensive submarket in the LGA, with 14% of sales priced above \$550,000.</p> <p>Port Macquarie-Hastings – Regional is the most affordable residential submarket, with 85% of sales being priced below \$350,000.</p> <p>Over the five years to 2014, rental growth averaged 6.4% per annum for detached houses, with the growth most pronounced within the Port Macquarie-Hastings – Regional submarket (7.8%)</p> <p>Apartment rental growth was lower, averaging 3.1% per annum over the 2009-2014 period.</p>	<p>The continued ageing of the Port Macquarie-Hastings population, along with predicted growth in other age cohorts – both within a context of deteriorating affordability conditions – accentuates the need for a more diverse housing supply across the LGA.</p> <p>Retirees are expected to have the greatest influence on the LGA's housing demand. In this environment, retirement living products in close proximity to key services will provide an important housing choice.</p>

Introduction

MacroPlan Dimasi has undertaken a detailed analysis of the residential submarkets across the Mid North Coast (MNC) region to assist the Department of Planning and Environment in the preparation of the Regional Growth and Infrastructure Plan (RGIP) for the NSW North Coast.

Our assessment is intended to inform an understanding of housing market pressures, providing a necessary insight to frame key regional policy settings that may influence future housing outcomes. Our analysis considers the broader demographic tendencies and forecasts for each LGA within the region as well as housing market (mortgage and rental) conditions and trends. We consider the relationship between population and market forces and seek to identify those areas where pressures are likely to build over the coming years.

Given that five years has elapsed since the 2009 Mid North Coast Regional Strategy, we are able to consider how each of the LGA's and their respective submarkets have performed relative to previous regional benchmarks.

The table below provides a reference for the key demographic changes that have occurred across the Mid North Coast LGA's over the 2006-2011 period. The table includes the most recent population forecasts provided by Department of Planning and Environment (DP&E) for the 20-year period from 2011-2031.

In compiling our report we have also utilised data from other sources including the Australian Bureau of Statistics (ABS), NSW Department of Housing (DoH), RP Data and MacroPlan Dimasi's own market research.

Table 1. Key demographic indicators (2011), MNC LGAs

Key Demographic Indicators	Bellingen	Clarence Valley	Coffs Harbour	Gloucester	Great Lakes	Greater Taree	Kempsey	Nambucca	Port Macquarie Hastings
Population (ERP)									
2006	12,716	49,149	66,657	4,879	33,576	46,124	28,032	18,299	69,947
2011	12,923	51,287	70,972	4,991	35,737	48,090	29,128	19,235	75,232
DP&I population projections (2014 Final)									
2021	13,000	54,100	79,950	4,900	37,400	50,500	30,100	20,200	83,450
2031	12,800	56,300	88,050	4,800	38,550	51,800	30,450	20,650	90,800
Employment growth (2006-2011)									
	265	941	2,074	93	418	303	393	545	2,442
Total dwelling approvals (2007-2013)									
House	204	1,096	1,765	234	922	1,109	473	449	2,107
Other	12	190	901	8	177	412	103	258	818
Total	216	1,286	2,666	242	1,099	1,521	576	707	2,925
Household composition - 2011 Census									
Family household	36.6%	35.0%	38.2%	30.6%	28.5%	35.4%	36.3%	32.1%	34.2%
Couple family with no children	29.5%	30.4%	27.9%	35.3%	34.3%	31.5%	28.2%	30.5%	32.4%
Lone Person	26.3%	26.0%	25.1%	28.2%	28.4%	26.4%	26.3%	29.8%	26.3%
Group	3.2%	2.6%	3.3%	1.7%	2.4%	2.5%	2.5%	2.9%	2.5%
Other	4.4%	6.0%	5.6%	4.2%	6.4%	4.1%	6.7%	4.7%	4.6%
Household income - 2011 Census									
Less than \$78,000	79.1%	79.9%	73.0%	77.2%	81.5%	79.6%	81.0%	84.3%	75.4%
More than \$78,000	20.9%	20.1%	27.0%	22.8%	18.5%	20.4%	19.0%	15.7%	24.6%
Housing tenure - 2011 Census									
Owned outright	47.6%	46.2%	38.1%	52.1%	50.6%	44.7%	45.0%	47.7%	44.6%
Owned with a mortgage	27.0%	28.6%	29.4%	24.3%	23.1%	28.5%	27.2%	25.5%	28.1%
Rented	25.3%	25.2%	32.4%	23.5%	26.4%	26.8%	27.8%	26.8%	27.3%

Source: ABS, MacroPlan Dimasi

Structure of the Report

We assess population drivers and economic conditions for each of the LGAs and consider more detailed market information (including land, unit and house sales and residential rentals) with respect to the following submarkets within the LGAs.

Residential Submarkets				
Bellingen LGA	Clarence Valley LGA	Coffs Harbour LGA	Gloucester LGA	Great Lakes LGA
Bellingen - Central	Clarence Valley - Coastal	Coffs Harbour - North	Gloucester - Central	Great Lakes - Forster
Bellingen - West	Clarence Valley - Grafton	Coffs Harbour - Central	Gloucester - Regional	Great Lakes - Coastal
Bellingen - Coastal	Clarence Valley - Regional	Coffs Harbour - South		Great Lakes - South
		Coffs Harbour - Regional		Great Lakes - Regional

Greater Taree LGA	Kempsey LGA	Nambucca LGA	Port Macquarie Hastings LGA
Greater Taree - Taree	Kempsey - Central	Nambucca - Central	Port Macquarie Hastings - Central
Greater Taree - Coastal	Kempsey - Coastal	Nambucca - Coastal	Port Macquarie Hastings - Coastal
Greater Taree - Regional	Kempsey - Regional	Nambucca - Regional	Port Macquarie Hastings - Regional

Population Statistics

For the purpose of this report, demographic statistics are sourced and compiled from different data sets, including:

- ABS 2006 and 2011 Census - Place of Usual Residence (PURP) data.
- Estimated Resident Population (ERP) – 3218.0 – Regional Population Growth, Australia, 2011 (30 April 2013 release).
- DP&E future population projections (2014 Final)

A major purpose of this report is to provide an 'update' on demographic trends and housing need as a result of new Census (2011) information. Hence a first port of call for reporting purposes is to compare Census (2006) and Census (2011) findings, specifically in relation to changes in household composition and inward and outward population flows.

In addition to its Census publications the ABS provides an annual estimate of population for the whole of Australia. This estimate is known as the Estimated Resident Population (ERP).

The ERP estimates are published and reviewed each year, and are more commonly relied upon for 'actual' population estimates. Census data, which is useful for identifying population shifts and trends, is utilised by ABS to adjust and finalise its ERP estimates for the preceding intercensal period.

The Mid North Coast region's population was 347,595 at 30 June 2011, growing by 18,216 persons or 1.1% per annum over the five years to 2011.

We also examine inward and outward migration movements based on Census 2011 data, deriving a net migration estimate for each LGA. The migration data provides an insight into the age cohorts which experienced the greatest inward or outward movements over the period.

Together with our analysis of housing market trends and preferences, our report provides a comprehensive overview of the nature and drivers of change affecting each of the LGAs that comprise the Mid North Coast Region.

Population Projections

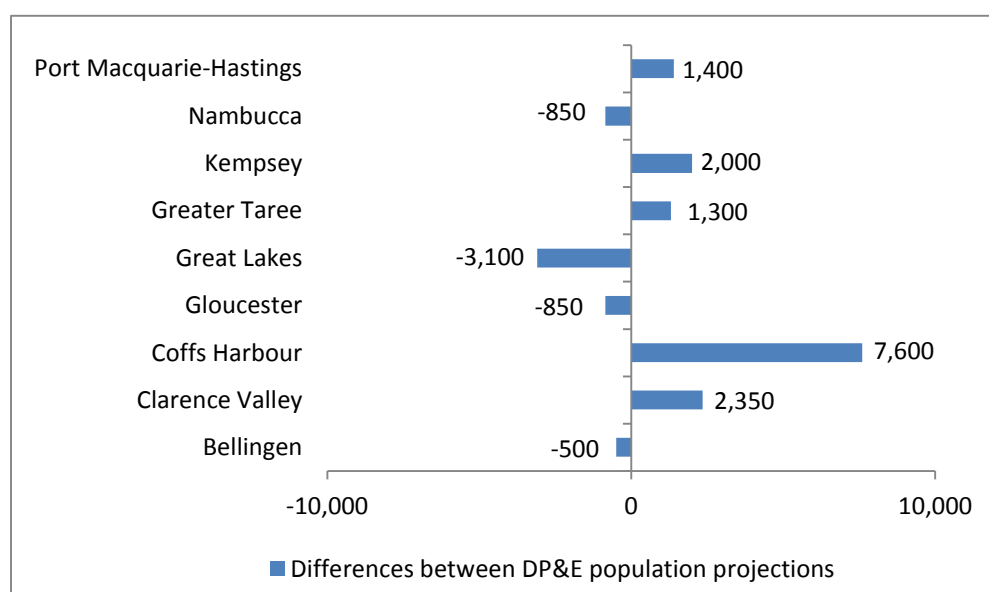
In assessing the future population projections of each LGA within the MNC, we have relied upon the 2014 NSW Department of Planning and Environment (DP&E) population projections. These projections are an update of the Preliminary 2013 population projections which were released in August 2013.

Across NSW, the 2014 population projections show an increase of 34,400 persons by 2031, over the previous 2013 preliminary projections, with the majority of this additional growth expected to occur in Sydney rather than regional and coastal NSW.

For the MNC region, the 2014 projections incorporate an increase in the previous preliminary projections, with an additional 9,350 persons now expected by 2031; however by LGA, the difference between the 2013 preliminary projections and the 2014 projections vary.

The greatest increase in comparison to the 2013 Preliminary projections has occurred within the Coffs Harbour LGA, with an additional 7,600 persons now expected by 2031. On the other hand, the Great lakes LGA's population as at 2031 has been revised considerably lower, by 3,100 persons. The chart below shows the differences between the two DP&E population projections as at 2031.

Figure 1. Difference between Preliminary 2013 & Final 2014 Projections - 2031



Source: DP&E, MacroPlan Dimasi (2014)

It is noted that with the exception of Coffs Harbour, the 2014 projections incorporate a lower annual growth rate than what has occurred over the past five years.

Table 1. Population growth rates, ERP v DP&E projections

	ERP	NSW DP&E 2013 Preliminary Projections	NSW DP&E 2014 Projections
	2008-2013	2011-2031	2011-2031
Bellingen	0.1%	0.2%	0.0%
Clarence Valley	0.5%	0.2%	0.5%
Coffs Harbour	0.9%	0.6%	1.1%
Gloucester	0.5%	0.7%	-0.2%
Great Lakes	1.1%	0.8%	0.4%
Greater Taree	0.8%	0.3%	0.4%
Kempsey	0.6%	-0.1%	0.2%
Nambucca	0.9%	0.5%	0.4%
Port Macquarie - Hastings	1.1%	0.9%	0.9%

Source: ABS, DP&E, MacroPlan Dimasi

Age Cohorts and Market Segments

Our report ascribes a description of specific age cohorts and their respective market segments. These descriptions are outlined below.

First Home Buyers (FHBs) – aged between 20-34 years of age

Generally there has been a national trend of delaying entry to the property market and an adjustment of housing product type that is purchased by early market entrants. Whilst there are exceptions, we classify first home buyers for the MNC region as comprising predominantly the 20-34 year old aged cohort. We expect the bulk of FHB demand to come from this cohort. Of course, many persons in this age group will also choose to either 'stay at home' or rent, thereby delaying their entry into the housing market.

Upgraders – aged between 35-49 years of age

For the purpose of our analysis, persons aged 35-49 have been grouped as market 'upgraders'. Broadly, persons in this age cohort are already in the property market but, due to changing life circumstances, are generally looking to upgrade to a larger/higher quality property that can be financed through the sale of their existing dwelling.

Downsizers – aged between 50-64 years of age

People in this age cohort often no longer need to occupy a larger dwelling (as their children have matured and/or have moved from home themselves) and will therefore consider downsizing to a smaller dwelling depending on market availability. Downsizing presents as an opportunity to realise capital gains from the sale of the family home and is also important as these working persons begin to structure their finances to support a self-funded retirement. Classification as a 'downsizer' does not mean, of course, that all persons in this age cohort will actually move to a smaller dwelling or are indeed active in the market place.

Retirees – aged 65 years and older

Retirees will have a similar housing preference to downsizers as a large family home is typically no longer required and/or the 'need' to move into a smaller premises that is easier to maintain becomes a market imperative. We acknowledge that there are many 50+ and 65+ households that choose to remain in their current home and therefore do not, in themselves, contribute to housing demand.

Classifications of Housing Typology

The following broad definitions for each type of housing type are used throughout our report:

- **Detached Housing** – a single dwelling that is unattached to other dwellings and is sited on its own parcel of land.
- **Medium Density** – a form of housing that includes what is commonly referred to as villas, duplexes, town-houses or shop-top housing of 2 storeys or less.
- **High Density** – a housing form that includes apartments of 3 storeys or more.
- **Other Housing** – a general term used by ABS in describing housing trends, referring to all types of housing other than detached housing.

Classifications of Personal Income Range

Given that housing affordability is a function of income, personal incomes within the MNC have been assessed. In doing so, we have segregated ABS income data into specific ranges, with a view to the average wage and salary income for NSW (\$53,917 per annum¹). Accordingly, the following ranges have been derived:

¹ ABS cat. no. 6524.0, *Estimates of Personal Income for Small Areas (2010-11)*

Table 2. Personal Income Ranges

Range	Value range
Low Range	Upto \$31,199
Medium Range	Between \$31,200 and \$64,999
High Range	Greater than \$65,000

Throughout the MNC (as well as Australia), there is evidence that housing affordability has deteriorated, which highlights the need to provide affordable housing to the regions low income earners (up to \$31,199) and 'key workers', ensuring access to employment, education, public transport and other facilities and amenities.

Key Research Findings for the Region

Some of the key findings arising from our research for the MNC region include:

- An overall modest rate of growth across the region, with all LGAs increasing their population base over the inter-census period up to 2011. The region as a whole grew at a rate of 1.1% over the period 2006-2011.
- A potential divide emerging between the 2 major urban centres of the region (Coffs Harbour and Port Macquarie) and other centres and hinterlands. Great Lakes and Nambucca aside (being two coastal LGAs that are tourism-dependent and are attractive destinations for downsizers and retirees), all LGAs other than Coffs Harbour and Port Macquarie, grew at a rate of less than 1% in the inter-census period. Clearly the outstanding performers for the region were the LGAs of Coffs Harbour and Port Macquarie, where growth has predominantly occurred in and around their major urban centres.
- Coffs Harbour (70,972 persons) and Port Macquarie (75,232) are the most populous LGAs in the region, followed by Clarence Valley (51,287) and Greater Taree (48,090). Both LGAs have grown at a rate of 1.3% over the inter-census period. This hierarchy of dominance is set to continue, with DP&E projections out to 2021 and 2031 clearly distinguishing the growth of these LGAs (at or above 1%) above all others (typically at less than 0.5%, although Clarence Valley is projected to grow at 0.55% to 2021, before receding to a lesser growth rate of 0.4% to 2031).

- Not surprisingly, given the arrested rate of growth to 2011 experienced across the region (compared to previous Mid North Coast forecasts), almost all LGAs are well catered for in terms of their stocks of zoned and available land for greenfield residential development.
- Inward migration remains a key source of population growth for the region, although the dominant demographic force across the region is its rate of ageing. Persons aged 65+ are expected to have the largest influence on household composition and demand over the immediate future.
- At present, persons aged 65+ represent 22% of the MNC population. Under DP&E projections, this share is expected to increase to 32% by 2031, meaning that 1 in 3 persons will be represented by this age cohort (an increase from the present day 1 in 5 persons).
- In combination with population growth, decreasing occupancy rates will highlight the mismatch between household size and dwelling typology. Detached dwellings remain the major form of new stock additions despite the emergence of lone person households and a clear need for alternate, affordable housing choices.
- Whilst the Mid North Coast Regional Strategy (March 2009) identified the need for greater attached or multi-unit housing, this form of product has been slow to materialise. Across the Mid North Coast as a whole, dwelling approval activity since 2007 has largely been in the form of detached houses, while the representation of 'other dwelling' approvals averaged just 24% over the period.
- A lack of suitable housing product imposes affordability constraints on new market entrants and limits the ability of older households to move into more appropriate housing forms.
- Further feasibility investigations into appropriate, marketable small housing formats could be further researched across the region, working closely with local housing suppliers and developers.

1.1 Key Facts, Findings and Take-outs

- Bellingen LGA falls within the Coffs Coast subregion under the Mid North Coast Regional Strategy (2009). The Coffs Coast subregion incorporates the Coffs Harbour, Bellingen and Nambucca LGA's.
- The Mid North Coast Regional Strategy (2009) identified the need of an additional 19,200 dwellings within the subregion by 2031.

Figure 2. Bellingen's Location in Context of the Mid North Coast Region



Source: MacroPlan Dimasi

- Within the Bellingen LGA, there are relatively few 'constraint free' areas (i.e. large, undeveloped tracts of land that are not constrained by flooding, bushland, topography or other environmental restrictions). This obviously limits the availability of land for residential development.

- The township of Bellinghen is expected to provide the bulk of future residential supply, where new housing can link with existing infrastructure and services.
- It is understood that infrastructure costs to service potential residential releases are currently a significant impediment to the supply of residential land in the LGA.

Prevailing Conditions:

- As at 2011, the Bellinghen LGA encompassed a resident population of 12,923 persons (ABS ERP). The LGA grew by a modest 0.3% per annum (or 207 persons) over the five years to 2011.
- Dwelling approvals across the Bellinghen LGA averaged 31 per annum over the 2007-2013 period. Approvals for detached houses dominate, accounting for 96% of total approvals granted over the period.
- Bellinghen's housing stock is dominated by detached dwellings which comprise 89.7% of total dwellings across the LGA.
- Household composition within the Bellinghen LGA is skewed towards 'family' households (37%). Recent growth has been more pronounced amongst 'lone person households' and 'couple family without children households'.
- In comparison to other MNC LGA's, Bellinghen has experienced a low turnover in housing stock. Over the five years to 2013, house sales averaged 142 per annum, the majority of which were within a low price band (i.e. less than \$350,000).
- By comparison, income levels within the LGA are low, with 60% of working residents earning an annual income less than \$31,199.
- Over the five years to 2014, residential rents in the Bellinghen LGA increased on average by 1.7% per annum. Weekly rental growth for detached houses increased at an average rate of 3.7% per annum. Rents for other dwellings (apartments, townhouses, duplexes etc.) declined by -0.3% over the period.
- Rental growth over the period is skewed across the LGA. Growth was greatest within the Bellinghen – Central ('valley') submarket at 5.4% for houses and 5.7% for other housing stock. The 'valley' submarket is also the most expensive within the LGA, achieving weekly housing rentals of \$390 and \$290 for other dwellings. Clearly, there is a market premium for housing within or near to the LGA's principal town.
- As at the 2011 Census, 1 and 2 bedroom dwellings accounted for 24.9% of dwellings, in comparison to the state average of 28.1%.
- Bellinghen achieved a jobs growth of 265 over the five years to 2011. By industry, employment in Health Care and Social Assistance (+119 jobs) and Education & training (+81 jobs) grew by the largest amount.

Future Conditions:

- Based on DP&E projections, it is anticipated that the resident population of Bellingén LGA will reduce to 12,800 by 2031.
- Under these projections, population growth is only expected to occur within the retiree age cohort (i.e. persons aged 65+).
- The number of people already in this age cohort, coupled with the number of people expected to transition into this bracket is a significant demographic force that will increase demand for age specific and localised services across the LGA.
- Whilst this force would ordinarily trigger demand for a greater variety of housing choice (e.g. well located, smaller dwellings), government policy that encourages 'ageing in place' coupled with a lack of alternate housing stock, is expected to somewhat defuse this effect.
- Nonetheless, the LGA's strong growth in lone person households (in part driven by ageing) and the current lack of 1 and 2 bedroom stock is evidence that a greater mix of dwelling types will be required to accommodate the LGA's future population structure.
- Consideration could be given to small lot or dual occupancy type alternatives if a sufficient supply of new attached product (apartments, townhouses, villas) does not eventuate. Other forms of less prescriptive 'senior's housing' may also need to be encouraged – smaller villa type complexes located close to town and health services.

Recommendations:

- Affordable housing stock will continue to be required to accommodate the LGA's low income households.
- Retirees are expected to have the greatest influence on the LGA's housing demand. Housing that is situated in close proximity to services is expected to be key to the needs of that component of the LGA's ageing population that wish to remain as residents of Bellingén.
- Given the small amount of 'other dwelling' stock, future housing provision should seek to encourage alternate housing forms (i.e. other than detached dwellings). Small lot or dual occupancy housing is also likely to meet a market need.

1.2 Population Trends and Characteristics

- According to ABS ERP figures, Bellingen LGA increased by 207 persons from 2006–2011, at an annual growth rate of 0.3%, considerably under the MNC average growth of 1.1% per annum experienced over the same period.

Table 3. Bellingen LGA population

Source	Date	Population
ERP Estimate	2006	12,716
ERP Estimate	2011	12,923
Change	2006-2011	+ 207

Source: ABS, MacroPlan Dimasi

- In line with national trends, population growth was most pronounced within the older age cohorts. Between 2006 and 2011, the population in the 50-64 age cohort increased by 344 persons while the retiree age cohort (65+) increased by 242 persons. The LGA is ageing at a much quicker rate than it is growing.
- Net losses in the 0-19 and 35-49 age cohorts were recorded during the 2006-2011 period, while growth in the FHB age cohort (20-34) was minimal at 59.

Table 4. Population growth by age cohort, Bellingen LGA

	2006	2011	Change (2006-2011)
0-19	3,417	3,334	-83
20-34	1,336	1,395	59
35-49	2,865	2,510	-355
50-64	2,830	3,174	344
65+	2,268	2,510	242
Total	12,716	12,923	+ 207

Source: ABS, MacroPlan Dimasi

1.2.1 Household Composition

- Household composition within the Bellingen LGA remains skewed towards families (representing 37% of total households) and to couple families without children households (representing 30% of total households).
- Over the five years to 2011 however, there has been noticeable growth in lone person households (+96). At the same time, there was negative growth in the number of family households in the LGA (-46 households).

- These changes are typical of an ageing population but also reflect the out migration of younger age cohorts.

Table 5. Household composition, Bellingen LGA

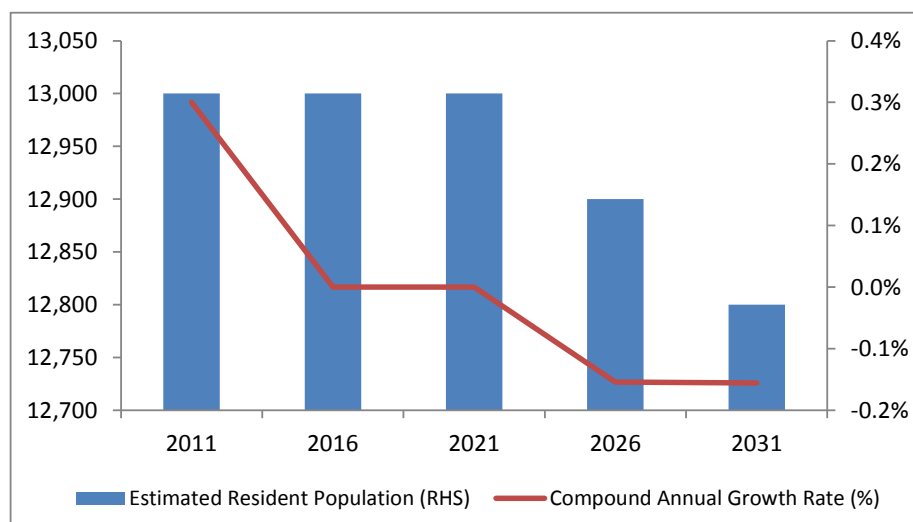
Household Composition	Number	Composition (%)	Change (2006-2011)
Family household	1,915	37%	-46
Couple family with no children	1,547	30%	77
Lone Person	1,380	26%	96
Group	168	3%	29
Other	229	4%	-16
Total	5,239	100%	140

Source: ABS, MacroPlan Dimasi

1.2.2 Population Growth – Projections

- According to 2014 population projections provided by the DP&E, the Bellingen LGA population is projected to contract to 12,800 persons by 2031, at an average growth rate of -0.1% p.a.
- The local population is expected to remain relatively static to 2021 with a base population of around 13,000.
- Thereafter, Bellingen’s population is expected to reduce by 100 persons respectively over the 2021-2026 and 2026-2031 periods.

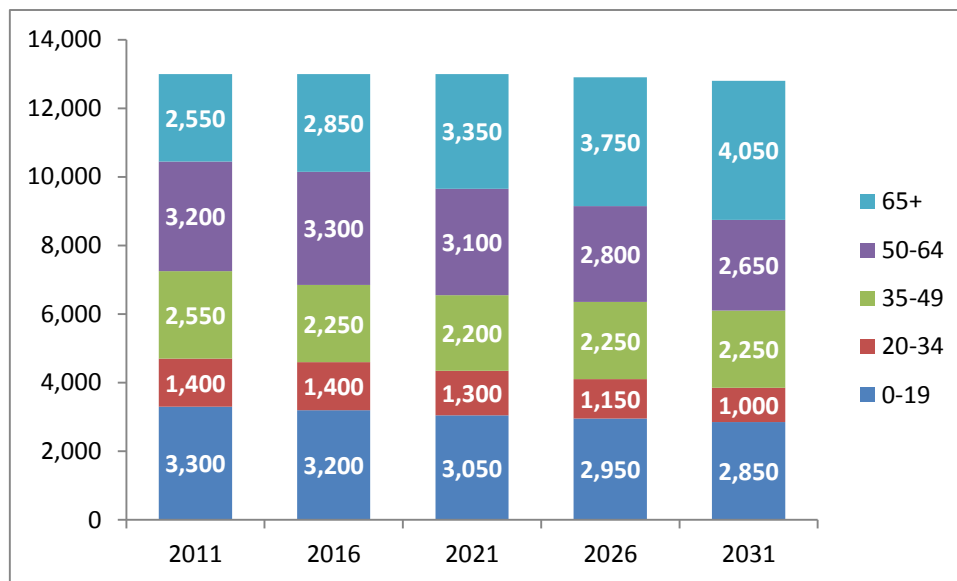
Figure 3. Projected Population (2011 to 2031)



Source DP&E MacroPlan Dimasi

- Growth in all age cohorts except retirees is expected to be weak, with the greatest decline in the population expected to come from persons aged between 50 and 64.
- In the Bellingen LGA, population growth is only expected to occur amongst the retiree age cohort (65+), with an additional 1,500 persons expected from this age cohort over the forecast period. This reflects the transitioning of persons in this age bracket to the older cohort, coupled by a lack of replacement.

Figure 4. Population Projections by Age (2011-2031)



Source: ABS, DP&E, MacroPlan Dimasi

- These demographic trends present a strong case for changes to the LGA's housing stocks. The need for greater housing diversity to accommodate the changing requirements of the region was previously identified by the MNCRS. The strategy calls for 40% of new dwelling construction to be in the form of multi-unit housing.

1.2.3 Migration Movements (2006-2011)

Inward and outward movements for each MNC LGA have been analysed, using 2006 and 2011 Census data (Place of Usual Residence).

- In the five years to 2011, inward migration to Bellingen totalled 2,456.
- The two main components of Bellingen's population inflow are movements from Sydney and localised movements from other LGA's within the Mid North Coast.

- As shown in the table below, the 35-49 age cohort was the dominant age group amongst Bellingen's inward migrants, with an inflow of 663 persons over the five year period.
- Overseas migration was also considerable with approximately 218 persons moving to the area; predominantly comprising persons aged 0-19, 20-34 and 35-49.

Table 6. Inward Migration (2006 to 2011)

Bellingen	0-19	20-34	35-49	50-64	65+	Total
Mid North Coast	122	121	140	127	75	585
Sydney	123	101	197	148	45	614
Regional NSW	132	90	131	133	80	566
Interstate	128	92	134	92	27	473
Overseas	60	61	61	31	5	218
Total	565	465	663	531	232	2,456

Source: ABS, MacroPlan Dimasi

- In the five years to 2011, outward migration from Bellingen totalled 2,315, slightly less than the number of persons that moved into the LGA.
- Movement to other LGAs in the Mid North Coast region constituted the most popular destination (predominantly to the Coffs Harbour LGA).
- By age group, those aged between 20-34 years represented the largest outflow. The dominant destination for these younger residents was Armidale, Newcastle and Brisbane LGA's, reflecting the employment and educational aspirations of this age group.

Table 7. Outward Migration (2006 to 2011)

Bellingen	0-19	20-34	35-49	50-64	65+	Total
Mid North Coast	166	188	163	173	161	851
Sydney	104	88	37	18	33	280
Regional NSW	106	166	119	128	39	558
Interstate	141	256	110	81	38	626
Total	517	698	429	400	271	2,315

Source: ABS, MacroPlan Dimasi

- Over the five year period, Bellingen LGA achieved a net inflow of 141 persons.

Table 8. Net Migration (2006 to 2011)

Bellingen	0-19	20-34	35-49	50-64	65+	Total
Net migration	48	-233	234	131	-39	141

Source: ABS, MacroPlan Dimasi

- Although there has been strong overall population growth amongst the retiree age cohort (+65) over the period (an increase 242 persons within this cohort was recorded over the five year period) there was a net migration outflow of 39 persons from this age group. This reflects the reality that larger centres will attract ageing persons who choose to locate closer to higher order health and other services.
- Notably, most persons from the 65+ age group moved to another Mid-North Coast location, predominately to the Coffs Harbour LGA.
- Although a hospital is located in Bellingen (Bellingen River District Hospital), the provision and diversity of health services within Coffs Harbour is much larger with 1 large public and 2 private hospitals in the area. For aged residents, the desire to be in close proximity to health services is high, which is likely to have contributed to the net migration loss in persons aged 65+.
- In terms of net gains, the most significant contributing age groups were the 35-49 year aged cohort, recording a gain of 234 persons.

1.2.4 Income Distribution by Age

- Housing affordability is a function of income or spending capacity and housing costs. Subsequently, demand for dwellings is largely determined by household or personal income.
- For the purpose of our analysis, we separate personal income as follows:

Table 9. Personal Income Ranges

Range	Value range
Low Range	Upto \$31,199
Medium Range	Between \$31,200 and \$64,999
High Range	Greater than \$65,000

- In Bellingen LGA, approximately 60% of residents earned less than \$31,200 per annum. The majority of low income earners were below aged 65+.

- Of all age groups, persons aged between 35-49 entailed the highest proportion of high income earners. As at 2011, approximately 15% of persons in this group received an income above \$65,000 per annum.

Table 10. Personal Income Distribution by Age (2011)

Age		Bellingen
20-34	Low	60%
	Medium	33%
	High	7%
35-49	Low	47%
	Medium	37%
	High	15%
50-64	Low	55%
	Medium	31%
	High	14%
65+	Low	69%
	Medium	28%
	High	2%
Total	Low	60%
	Medium	32%
	High	8%

Source: ABS, MacroPlan Dimasi

- Low income earning capacity is expected to impede property market activity. As has been shown from migration data, an outflow of potential FHB households (20-34 age cohorts) has and is expected to continue to occur. Additionally, for those residents who chose to remain within Bellingen, many will also choose to either 'stay at home' or rent, thus delaying their entry into the housing market.
- For households, income levels are low with 79% of people living in a household with an annual income of less than \$78,000.

Table 11. Household Income (2011)

Annual household Income (proportion)	Bellingen
Less than \$78,000	79%
More than \$78,000	21%
Total	100%

Source: ABS, MacroPlan Dimasi

- Whether market participation is assessed by reference to individual or household incomes, it would appear that affordability will present as an entry barrier to the property market for a significant proportion of the population.

1.3 Housing Market Implications

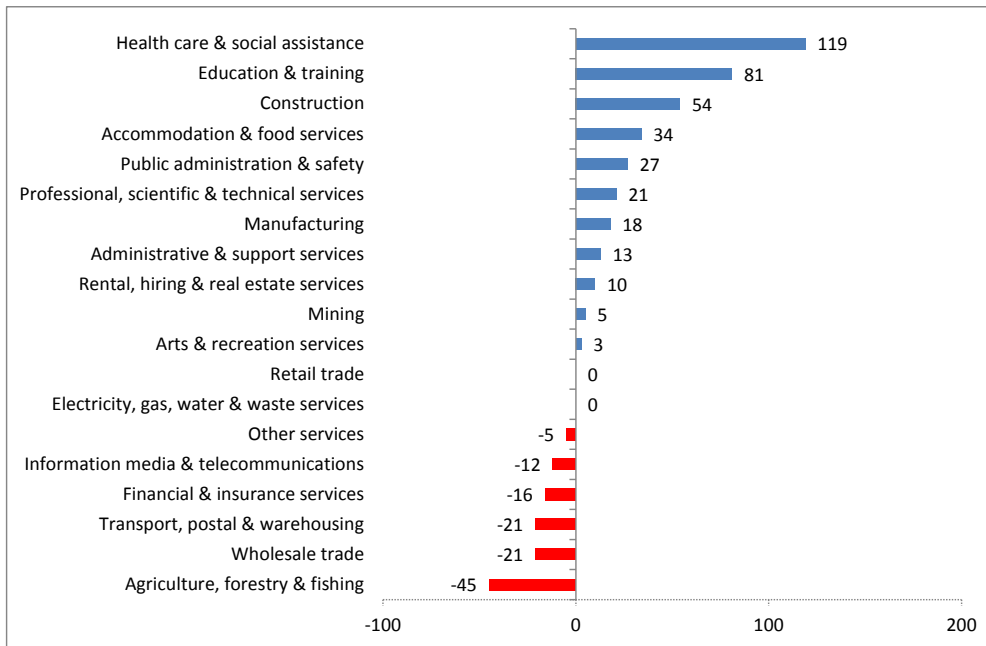
- The above assessment of demographic and resident income earning characteristics highlights the following:
 - **First home buyers (20-34 year olds):** The majority of individuals in this age group earn an annual income of less than \$31,199. Shrinkage in this market is influenced heavily by out-migration, tied to the availability of jobs, or the lack thereof, as well as personal preferences (educational and other aspirations). The affordability of housing product will be key to market entry. Similarly, the availability of rental product and different housing formats is important to those from this group who choose to delay entry into the home mortgage market.
 - **Upgraders (35-49 year olds):** Despite the positive net migration inflow of approximately 234 persons over the past five years in this age cohort, population growth over the five years to 2011 was negative at 355 persons, partially reflecting a transition of this age group to the older age cohort. Of this group, 47% earn an annual income of less than \$31,199. A strong linkage to the availability of employment is a key factor to attract and retain this age group.
 - **Downsizers (50-64 year olds):** A modest net migration gain has been recorded for this age cohort, along with solid overall growth over the period. Downsizers, or those that may potentially be looking to move into smaller, alternate accommodation as their households diminish in occupancy, now make up a sizeable portion of the overall housing market.
 - **Retirees (65+ year olds):** Similar to downsizers, there was modest population growth experienced within this age cohort (despite negative net migration over the same period). This age group is projected to be the dominant age group by 2021.
- Whilst the growth in downsizer and retiree age cohorts accentuates the need for alternative housing products across the LGA, it does not always translate that these housing forms will be delivered by the market or that retirees will choose to move into alternate housing.

- Government policy that encourages 'ageing in place' coupled with a lack of current alternate housing stock, is also expected to somewhat defuse this effect.
- Nonetheless, the LGA's strong growth in lone person households (in part driven by ageing) and the current lack of 1 and 2 bedroom stock is undeniable evidence that a greater mix of dwelling types will be required to accommodate the LGA's future population structure.
- Consideration could be given to small lot or dual occupancy type alternatives if a sufficient supply of new attached product (apartments, townhouses, villas) does not eventuate. Other forms of less prescriptive 'senior's housing' may also need to be encouraged – smaller villa type complexes located close to town and health services.

1.4 Employment Characteristics

- Whilst the purpose of the current analysis is to focus on housing market conditions and the characteristics of Bellingen's dwelling stock, it is also important to briefly observe labour market fundamentals for the area given the strong correlation between employment availability, population growth and housing demand.
- The GFC years have impacted upon consumer and business confidence and have had a large bearing on growth outcomes for the 2006-2011 period.
- Our analysis of employment trends is based on residents living within the LGA rather than jobs within the LGA. This is because resident workers will generate demand for housing rather than people working in the area that choose to live elsewhere.
- Over the five years to 2011, the number of employed persons residing in the Bellingen LGA increased by 265.
- Over the period jobs growth was most pronounced in Health Care and Social Assistance (+119 jobs).
- At the same time, six industries registered a decline in employed persons, with the greatest deterioration coming from Agriculture, Forestry & Fishing (-45 jobs).

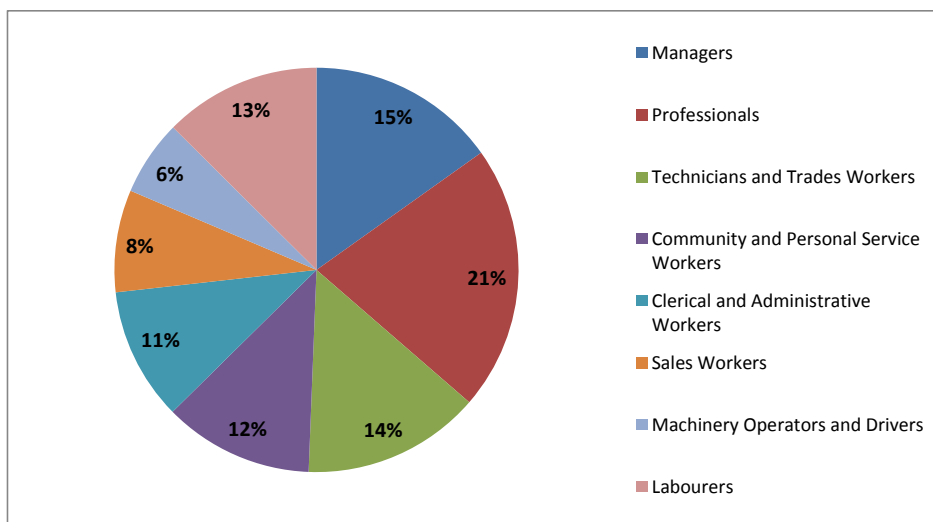
Figure 5. Employment Growth by Industry (2006 to 2011)



Source: ABS, MacroPlan Dimasi, Census 2011

- As at Census 2011 the dominant occupation category for Bellingen residents was 'Professionals', accounting for around 21% of the LGA's workforce, followed by 'Managers' (15%).

Figure 6. Occupation Composition (2011)



Source: ABS, MacroPlan Dimasi

- Health Care and Social Assistance is the largest employing industry in the LGA – it engaged 18.2% of the LGA's workforce in 2011. Education & Training (13.6%)

and Retail Trade (12.8%) were the next two largest employing industries, reflecting a service bias in the LGA's employment structure.

Table 12. Employment by Industry (2011)

Industry	Number	Composition (%)
Health care & social assistance	717	18.2%
Education & training	534	13.6%
Retail trade	502	12.8%
Accommodation & food services	412	10.5%
Construction	396	10.1%
Agriculture, forestry & fishing	360	9.2%
Manufacturing	330	8.4%
Public administration & safety	265	6.7%
Professional, scientific & technical services	221	5.6%
Other services	159	4.0%
Administrative & support services	154	3.9%
Transport, postal & warehousing	148	3.8%
Wholesale trade	110	2.8%
Arts & recreation services	82	2.1%
Rental, hiring & real estate services	63	1.6%
Financial & insurance services	55	1.4%
Electricity, gas, water & waste services	41	1.0%
Information media & telecommunications	41	1.0%
Mining	14	0.4%
Total	3,934	100.0%

Source: ABS, MacroPlan Dimasi

- Around 65% of the LGA's total workforce is engaged in service industries, reflecting a strong link between population growth and employment opportunity. Employment in the service industries is strongly influenced by the level and type of population growth. For instance, the increasingly ageing characteristic of Bellingen's population is expected to consolidate the current emphasis on Health Care and Social Assistance as a major employer.

1.5 Bellingen Housing Market Conditions

1.5.1 Housing Tenure

- As at Census 2011, 48% of all dwellings were owned outright, considerably above the MNC average.
- In the Bellingen LGA, representation amongst renting households (25%) is slightly below the MNC average (28%).

Table 13. Housing Tenure, Bellingen LGA & MNC (2011)

Tenure	Number	Bellingen	Mid-North Coast
Owned outright	2,320	48%	45%
Owned with a mortgage	1,316	27%	28%
Rented	1,233	25%	28%
Total	4,869	100%	100%

Source: ABS, MacroPlan Dimasi

- Outright ownership is highest amongst downsizers (50-64 age) and retirees (65+). Combined, these groups account for 78% of household ownership.
- Upgraders present as the dominant 'owned with a mortgage' tenure group, comprising 38.1% of this housing arrangement.
- At around 30%, FHBs are the dominant renting household.

Table 14. Household Tenure by Age (2011)

	Owned outright	Owned with a mortgage	Rented	Total
15-19	3.7%	11.9%	11.6%	8.0%
20-34	5.9%	13.2%	25.8%	12.6%
35-49	12.4%	38.1%	30.2%	24.2%
50-64	36.5%	30.7%	21.8%	31.4%
65+	41.5%	6.1%	10.7%	23.8%
Total	100.0%	100.0%	100.0%	100.0%

Source: ABS, MacroPlan Dimasi

1.5.2 Housing Activity since 2007 (2007-2013)

- Dwelling approval data provided by the ABS has been analysed as it provides an important leading economic indicator, while giving an insight into the demand for dwellings over a given period.
- Dwelling approval activity over the period has been weak, averaging 31 per annum since 2007 and having peaked in 2010 (42 approvals).

Table 15. Dwelling Approvals (2007-2013)

	House	Other Dwelling	Total
2007	31	8	39
2008	31	2	33
2009	35	-	35
2010	40	2	42
2011	28	-	28
2012	21	-	21
2013	18	-	18

Source: ABS, MacroPlan Dimasi

- Approvals for 'other dwellings' has been weak over the assessed period, with only a limited number of villa approvals granted.

Figure 7. Dwelling Approvals by Housing Type (2007-2013)



Source: ABS, MacroPlan Dimasi

1.6 Property Trends – 2002-2007 v 2008-2013

1.6.1 House, land and other dwelling analysis

- Utilising RP Data, we have analysed sales data over the last decade in the Bellingen LGA.
- To account for house price growth over this period, observed sales have been segregated into two five year periods; i.e. 2002 to 2007 and 2008 to 2013.

- In order to ascertain trends in price distribution across the LGA, sales data has been disseminated by value range (as presented in the table below).

Table 16. Residential Property and Land Price Ranges

Range	Land	Other Dwellings	House
Low	Up to \$200,000	Up to \$200,000	Up to \$350,000
Medium	Between \$200,000 & \$350,000	Between \$200,000 & \$350,000	Between \$350,000 & \$550,000
High	Greater than \$350,000	Greater than \$350,000	Greater than \$550,000

- Data quality control has been undertaken to assist our analysis. In order to depict a market position, outlier transactions (consisting of transactions that were significantly below or above market value or of large size lots that reflect development potential) have been omitted from our assessment. As a result, our analysis has been undertaken on a subset of total sales activity in the Bellingén LGA.

1.6.2 Historical Detached Dwelling Prices & Activity

- In Bellingén LGA, there has been property price growth over the two five year periods compared (2002-2007 and 2008-2013).
- Over the five years to 2007, 85% of sales were for dwellings below \$350,000. However, over the next five year period, the proportion of sales priced below \$350,000 was lower at 63%.
- The greatest shift occurred in house sales in the medium value range (\$350,000 - \$550,000).

Table 17. Average Annual House Sales, 2002-2007 & 2008-2013

	2002-2007		2008-2013	
	Number	%	Number	%
Low	152	85%	89	63%
Medium	24	14%	49	34%
High	3	1%	4	3%
Total	178	100%	142	100%

Source: RP Data, MacroPlan Dimas

- Based on these trends, affordability for detached dwellings in the Bellingén LGA has deteriorated. This trend is likely to impact on housing market entry, particularly given the relatively low incomes of most residents/households within the LGA

1.6.3 Historical Other Dwelling Prices & Activity

- Overall, 'other dwelling' sales activity is minimal with limited stock in the LGA. Over the 2002-2007 period, 77% of 'other dwellings' sold were priced at less than \$200,000 (i.e. in the 'low' price range).
- Over the last five years, there has been an observed uplift in 'other dwelling' prices.
- Affordability has deteriorated in the Bellingen LGA over the five years to 2013, with only 22% of dwellings sold priced in the lower price range.
- A lack of new dwelling stock and sustained price growth will obviously impact on the opportunities for young households to enter the property market.

Table 18. Average Annual Other Dwelling Sales, 2002-2006 & 2007-2012

	2002-2007		2008-2013	
	Number	%	Number	%
Low	10	77%	2	22%
Medium	3	20%	6	69%
High	0	3%	1	9%
Total	12	100%	9	100%

Source: RP Data, MacroPlan Dimasi

1.6.4 Historical Land Prices & Activity

- Over the five years to 2007, vacant land lot sales averaged 80 per annum. The majority of these sales were for lots priced in the low value range (85%).
- The volume of land sales has since contracted, averaging just 35 lots per annum over the last five years.
- While overall activity has decreased, there has been a trend shift to higher value lot sales. Of the 35 lots sold per year in the 2008 – 2013 period, 21% were for lots priced between \$200,000 and \$350,000 (medium price range).
- The number of lot sales in the high price range has remained relatively unchanged. However, in proportional terms, sales amongst this price band increased from 5% to 14% of total activity.
- As with established houses and other forms of accommodation, observed increases in land prices suggest a further tightening of opportunity for less wealthy market segments.
- In other mature markets, this squeezing of market segments is typically addressed through the provision of smaller land lots, or different housing formats, thereby enabling FHB and retirees to remain active in the market.

- The provision of smaller lots could be expected to facilitate purchasing activity from downsizers and retiree households.

Table 19. Average Annual Land Sales, 2002-2007 & 2008-2013

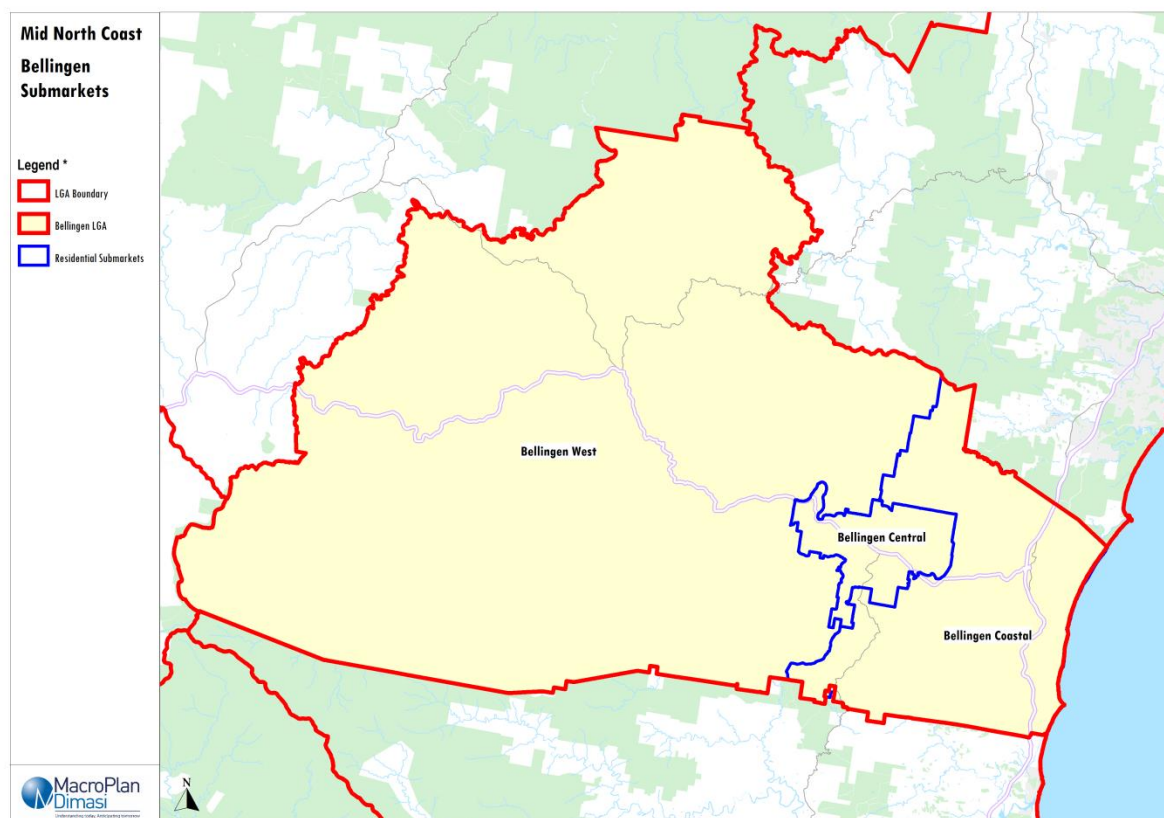
	2002-2007		2008-2013	
	Number	%	Number	%
Low	68	85%	23	65%
Medium	8	10%	8	21%
High	4	5%	5	14%
Total	80	100%	35	100%

Source: RP Data, MacroPlan Dimasi

1.7 Housing Submarket Indicators

1.7.1 House Prices by Subregion

Figure 8. Bellingin Residential Submarkets



Source: MacroPlan Dimasi

- Within the Bellingin LGA there is considerable housing price disparity between central (valley) and coastal (seaboard) submarkets in comparison to inland (plateau) submarkets.
- The Bellingin LGA has been segregated into three distinctive sub-markets, namely Central, Coastal and West.
- In 2013, over half (56%) all sales were for dwellings priced within the low price range (less than \$350,000). Only 4% of properties sold were for properties valued at \$550,000 or greater.
- 54 properties (40%) were priced between \$350,000 and \$550,000, with the majority coming from the Bellingin – Central residential submarket.

- Of all three subregions, Bellinghen Coastal presents as the most costly submarket. Of all sales registered in the submarket in 2013, 53% were for properties valued \$350,000 and above.
- In the Bellinghen – West sub-region, all dwellings sold were in the low price range, making it the most affordable submarket within the Bellinghen LGA.
- The price point of any given submarket is likely to determine the types of households that enter that particular market. For regions that entail a greater supply of affordable dwelling stock (i.e. the Bellinghen – West submarket), FHBs represent a key market segment. Higher priced submarkets (i.e. Bellinghen - Coastal) will most likely attract interest from upgraders with higher earning capacity or downsizers that have accumulated wealth and are seeking to move into more preferable accommodation.

Table 20. House Sales by Submarket (2013)

	Bellinghen - Central			Bellinghen - West			Bellinghen - Coastal			Total	
	Number	%	% of total	Number	%	% of total	Number	%	% of total	Number	%
Low	35	51%	26%	18	100%	13%	23	47%	17%	76	56%
Medium	31	45%	23%	0	0%	0%	23	47%	17%	54	40%
High	3	4%	2%	0	0%	0%	3	6%	2%	6	4%
Total	69	100%	51%	18	100%	13%	49	100%	36%	136	100%

Source: RP Data, MacroPlan Dimasi

1.7.2 Rental Market & Indicative Yields

- Over the five years to 2014, Bellinghen LGA rents for detached dwellings increased at an average annual rate of 3.7%, from \$273 to \$330 per week.
- On average, indicative rental yields increased over the five year period. During this period, rental growth had exceeded house price growth, facilitating an increase in rental yields for detached dwellings.
- Median rents are highest in the Bellinghen – Central submarket, with a median rent of \$390 per week.
- Rents in inland locations are generally more affordable. The Bellinghen - West submarket presented as the most affordable locations for renters seeking detached dwelling formats - \$270 per week as at 2014.
- Rental growth has been most pronounced within the Bellinghen – Central submarket, while the cheaper Bellinghen – West submarket has seen rental levels increase at an average annual rate of 1.6% over the five year period, substantially under the more expensive submarkets of Central and Coastal.

- In the absence of substantial new residential construction, it is expected that limited supply will continue to support further rental growth in the Bellinghen LGA, particularly within the Central submarket.

Table 21. House Rents and Rental Yields (2009 & 2014)

	Median Rent			Yield	
	2009	2014	CAGR (%)	2009	2014
Bellinghen - Central	\$300	\$390	5.4%	4.6%	5.3%
Bellinghen - West	\$250	\$270	1.6%	3.4%	3.9%
Bellinghen - Coastal	\$270	\$330	4.1%	5.8%	6.1%
Average	\$273	\$330	3.7%	4.6%	5.1%

Source: Residex, MacroPlan Dimasi

- With the exception of the Central submarket, apartment rentals have contracted over the five years to 2014.
- As at the 2011 Census, apartment stock only accounted for 4.3% of the total dwelling stock, with a clear skew towards detached houses. Given the preference for detached housing, apartment rental growth has suffered in less central locations.
- The Bellinghen – Central submarket experienced rental growth of 5.7% per annum over the five year period, greater than the rates experienced for detached dwellings across all submarkets. This reflects the proximity of this housing product to the LGA’s principal centre.
- The contraction in apartment rents in Bellinghen – Coastal and West submarkets is indicative of weak demand for these dwellings.

Table 22. Bellinghen LGA Apartment Rents and Rental Yields (2009 & 2014)

	Median Rent			Yield	
	2009	2014	CAGR (%)	2009	2014
Bellinghen - Central	\$220	\$290	5.7%	5.1%	5.8%
Bellinghen - West	\$200	\$160	-4.4%	4.6%	3.5%
Bellinghen - Coastal	\$270	\$240	-2.3%	6.1%	5.5%
Average	\$230	\$230	-0.3%	5.3%	4.9%

Source: Residex, MacroPlan Dimasi

1.8 Future Supply

- Under the MNCRS, Bellinghen has been identified as a major town that will continue to provide a high level of services and employment opportunities to support the surrounding catchments.

- The current townships of Bellingen, Fernmount, Urunga, Raleigh, Repton, Mylestom and Dorrigo are expected to continue to provide the majority of dwelling growth, with the Bellingen town centre earmarked to support the bulk of new housing activity.
- Rural residential dwellings are also anticipated to contribute towards housing supply for residents seeking rural lifestyle opportunities.
- Council's Growth Management Strategy recognises that there are relatively few constraint free areas within the LGA that are capable of further residential development.
- Over the next five years, the Bellingen Shire Council has estimated that 165 additional residential lots will be released. The release of these lots is expected to be distributed fairly evenly over this period, with 35 lots to come over the next three years before reducing to 31 per annum for the two years thereafter.
- Future growth in adjoining major population centres such as Coffs Harbour may also encourage housing growth in the LGA.

Table 23. Projected Lot Production (2011-2016)

Bellingen LGA											
Total 5 Year		Year 1		Year 2		Year 3		Year 4		Year 5	
Lots	ha	Lots	ha	Lots	ha	Lots	ha	Lots	ha	Lots	ha
165	16	35	3	35	3	35	3	31	3	31	3

Source: Department of Planning and Environment

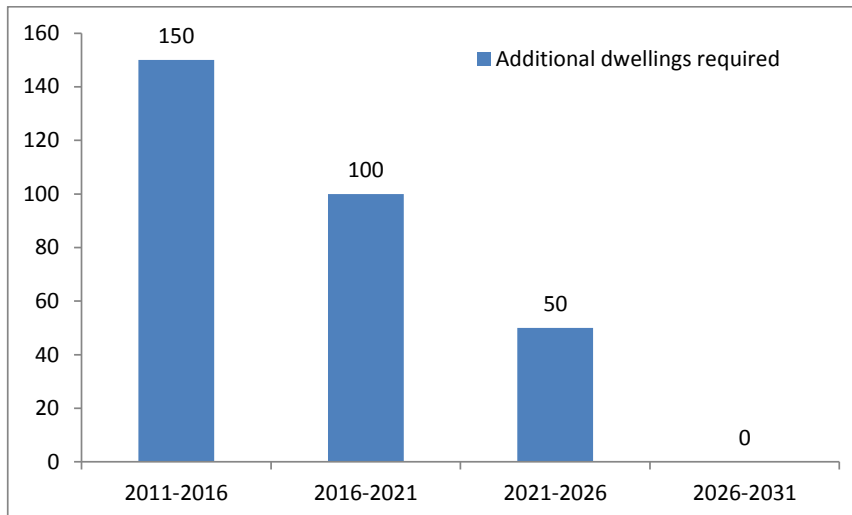
- The following table summarises the key take-outs from the LGA's Growth Management Strategy. (noting that infrastructure provision costs have been identified as currently being a significant impediment to residential land release)

Area	Residential land supply
Bellingen	A number of sites within the existing residential zone have not been subdivided. A large amount of land around the Bellingen town centre has been zoned for rural-residential purposes.
Urunga	Significant amount of land that is zoned residential. Development has not occurred as it is constrained by native vegetation. With the exception of South Urunga, there is only a limited amount of land that is available for subdivision.
Dorrigo	Large amount of land which is zoned for residential purposes however is not subdivided. The LGA's <i>Growth Management Strategy</i> identifies approximately 700 lots available for subdivision in Dorrigo.

Repton	There is limited available zoned land for residential development at Repton. A major barrier for future development is the limited sewerage services available.
Mylestom	The majority of the identified and zoned land has been developed. The area is subject to flooding and constrained by native vegetation.
Fernmount/ Raleigh	Limited land is zoned for residential development. Much of the identified residential land at Fernmount has been developed.

- According to 2014 DP&E household and implied dwelling projections, the Bellingen LGA population is projected to require an additional 300 dwellings by 2031, majority of which is expected to be required by 2021.

Figure 9. Projected dwellings required (2011 to 2031)



Source: DP&E, MacroPlan Dimasi

1.9 Housing Type Recommendations

The table below identifies each submarket based on affordability and the inferred housing type that is likely to be required to satisfy market and demographic needs.

Table 24. Housing type recommendations

Bellingen LGA	Residential Submarket	Housing Type Required
Medium Priced	Bellingen - Central	Smaller lot and medium density housing
Most Affordable	Bellingen - West	Detached housing
Most Expensive	Bellingen - Coastal	Smaller lot and medium density housing

Source: RP Data, MacroPlan Dimasi

2.1 Key Facts, Findings and Take-outs

- Clarence Valley LGA falls within the Clarence subregion under the Mid North Coast Regional Strategy (2009), encompassing the Clarence Valley LGA.
- As part of this subregion, the Mid North Coast Regional Strategy (2009) identified the need of an additional 7,100 dwellings by 2031.

Figure 10. Clarence Valley LGAs Location in Context of the Mid North Coast Region



Source: MacroPlan Dimasi

- The majority of new housing supply within the Clarence Valley LGA is anticipated to focus around existing centres.
- New urban growth areas are also planned to be developed with a particular focus on Clarenza and Junction Hill in Grafton and Gulmarrad and James Creek near Maclean and West Yamba.

Prevailing Conditions:

- As at 2011, the Clarence Valley LGA encompassed a resident population of 51,287 persons – the third largest population of all LGA’s within the MNC region. The LGA grew by 0.9% per annum (or 2,138 persons) over the five years to 2011.
- Household composition within the Clarence Valley LGA is skewed towards ‘family’ households (35% of total). On the other hand, growth in household composition over the five years to 2011 has largely come from lone person households (+433 households).
- In the Clarence Valley LGA, dwelling approvals have averaged 184 dwellings per annum since 2007. Detached houses are the dominant form of approval representing 86% of approvals over the 2007-2013 period.
- Clarence Valley’s housing stock is dominated by detached dwellings which comprise 87.2% of total dwellings across the LGA.
- Within the LGA, housing affordability has deteriorated. Prior to 2007, approximately 87% of all house sales per annum were for properties below \$350,000. However, over the subsequent five year period, a greater proportion of house sales were within the medium value range.
- Over the last decade, sales activity in the ‘other’ dwelling segment has tracked at around 20% of detached dwelling sales, or 147 sales per annum.
- In terms of land sales, approximately 838 vacant land lots were sold each year between 2002 and 2007, with the majority priced below \$200,000 (54%).
- Land sales volumes have since contracted, averaging 595 lots per year over the last five years. While overall activity has decreased, there has been a shift to higher valued lots. Of the 595 lots sold per year, around 54% are for lots priced between \$200,000 and \$350,000 (medium value range).
- Between 2009 and 2014, detached dwelling rents in the Clarence Valley LGA increased at an average rate of 2.7% per annum, with growth being most pronounced within the Clarence Valley – Grafton submarket (4.2% per annum). Rental growth for apartments over the same period was higher at 3.4% per annum.
- At Census 2011, over 17,350 workers were employed in Clarence Valley LGA, while employment growth over the five years to 2011 was greatest within Health Care and Social Assistance (+467 jobs).

Future Considerations:

- According to the DP&E 2014 population projections, the Clarence Valley population is projected to expand to 56,300 persons by 2031.
- Over the forecast period, population growth is projected to be highest amongst retirees (i.e. 65+ years). Between 2011 and 2031, this cohort is forecast to increase by approximately 70%, expanding to 18,400 persons.
- Growth from retirees and upgraders is expected to have the greatest impact on housing market trends.
- In line with the recent government policy that encourages 'ageing in place', we expect a substantial proportion of the local aged population will continue to reside in their current place of residence, thereby dampening the effect of the ageing demographic on housing demand. The quantum of the demographic shift is significant numerically, however, and remains the dominant force over the forecast period.
- A temporary rise in housing demand could occur between 2016-22 associated with proposed major road and bridge infrastructure projects.
- Consideration should be given to small lot or dual occupancy housing type alternatives as it would assist in not only meeting demand from the LGA's ageing population but in promoting more affordable housing forms for general market consumption.

Recommendations:

- At the 2011 Census, 87% of the region's dwelling stock was detached houses, majority of which contained 3+ bedrooms. In line with the LGA's growth in lone person households and its ageing population, there is a market need to provide smaller housing typologies.
- Although a large proportion of retirees will want to remain in the family home, for those that wish to find a more suitable dwelling, there is limited choice.
- Smaller housing typologies will also help the supply of more affordable housing stock for general market consumption.
- Further feasibility investigations into appropriate, marketable small housing formats could be undertaken, working closely with the local housing suppliers and developers.

2.2 Population Trends and Characteristics

- According to ABS ERP figures, Clarence Valley's population grew by 2,138 persons over the five years to 2011, resulting in a total population of 51,287 persons.
- This increase represents an annual growth rate of 0.9%, slightly under the MNC average of 1.1% per annum.

Table 25. Clarence Valley LGA population

Source	Date	Population
ERP Estimate	2006	49,149
ERP Estimate	2011	51,287
Change	2006-2011	+ 2,138

Source: ABS, MacroPlan Dimasi

- Consistent with national trends, the number of aged persons 50 and above increased considerably over the five year period with persons aged 50-64 increasing by 1,259 and persons aged 65+ increasing by 1,526.
- Negative growth was apparent in the dominant family age cohorts with the 0-19 age cohort contracting by 165 persons while the 35-49 experienced negative population growth of 770 persons.

Table 26. Population growth by age cohort

	2006	2011	Change (2006-2011)
0-19	13,051	12,886	-165
20-34	6,270	6,558	288
35-49	10,058	9,288	-770
50-64	10,475	11,734	1,259
65+	9,295	10,821	1,526
Total	49,149	51,287	+ 2,138

Source: ABS, MacroPlan Dimasi

2.2.1 Household Composition

- Household composition within the Clarence Valley LGA is skewed towards family households, representing 35% of total households.
- Growth in household composition over the five years to 2011 has largely come from lone person households with an additional 433 households over the period.

- Weak growth in family households is reflected in the negative population growth experienced in the 0-19 and 35-49 (dominant family cohorts) age cohorts.

Table 27. Household composition, Clarence Valley LGA

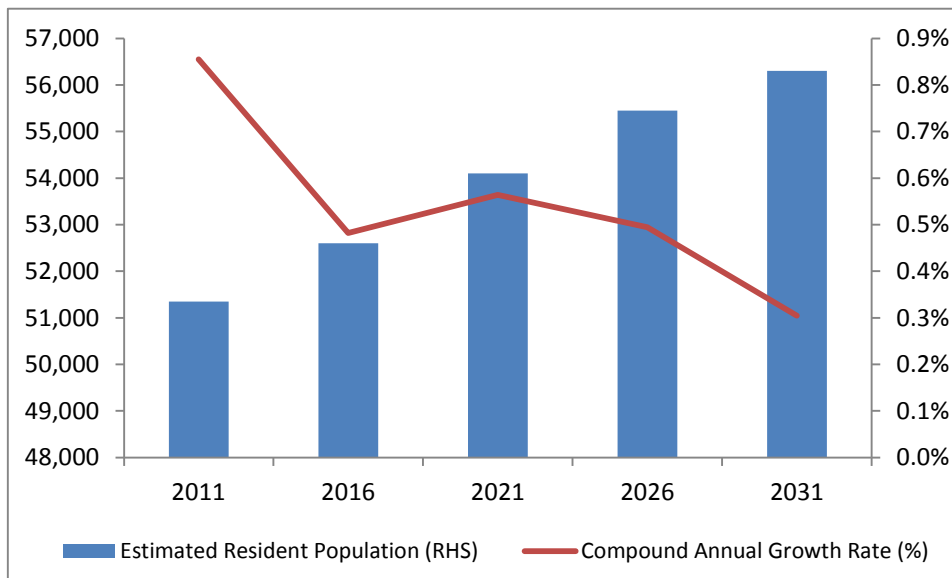
Household Composition	Number	Composition (%)	Change (2006-2011)
Family household	7,174	35%	87
Couple family with no children	6,235	30%	295
Lone Person	5,326	26%	433
Group	524	3%	60
Other	1,239	6%	209
Total	20,498	100%	1,084

Source: ABS, MacroPlan Dimasi

2.2.2 Population Growth – Projections

- According to new DP&E projections, the Clarence Valley LGA population is projected to expand to 56,300 by 2031.
- It is anticipated the population growth will average 0.5% per annum out to 2031, with the greatest increase expected to come in the 2016-2021 period at an annual rate of 0.6% per annum.

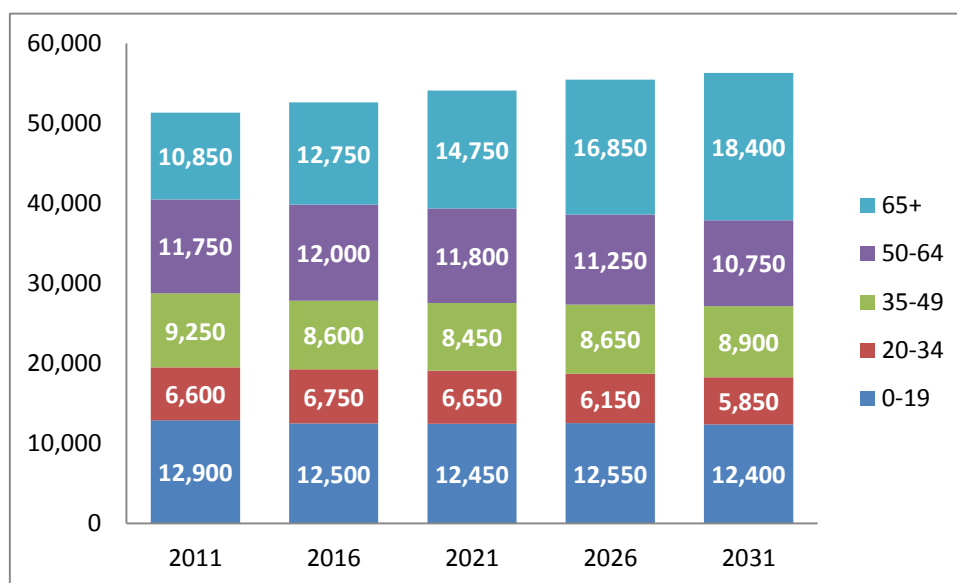
Figure 11. Projected Population (2011 to 2031)



Source: DP&E, MacroPlan Dimasi

- Over the forecast period, population growth is projected to be highest amongst persons aged 65+. Between 2011 and 2031, this cohort is projected to expand by 7,550 persons.
- Growth in all other age cohorts is projected to be negative, with the greatest net reduction expected to eventuate within the FHB age cohort (20-34).
- Retirees (65+) will be instrumental to the Clarence Valley LGA housing market over the forecast period. An increased provision of medium and high density dwelling formats in accessible locations will therefore be required.

Figure 12. Population Projections by Age (2011-2031)



Source: ABS, DP&E, MacroPlan Dimasi

2.2.3 Migration Movements (2006-2011)

Inward and outward movements for each MNC LGA have been analysed, using 2006 and 2011 Census data (Place of Usual Residence).

- Over the five years to 2011, inward migration into Clarence Valley LGA totalled 7,784 persons.
- In line with other LGAs in the MNC, interstate inward movements accounted for the largest share; approximately 36% of the total inflow.
- By age, persons aged between 50-64 accounted for the largest share of the inflow with 1,859 persons.
- Of the overseas residents who moved to the Clarence Valley LGA, the majority were in the 20-34 age cohort.

Table 28. Inward Migration (2006 to 2011)

Clarence Valley	0-19	20-34	35-49	50-64	65+	Total
Mid North Coast	191	189	186	178	105	849
Sydney	220	184	282	358	164	1,208
Regional NSW	487	578	561	512	336	2,474
Interstate	634	446	580	754	423	2,837
Overseas	83	133	115	57	28	416
Total	1,615	1,530	1,724	1,859	1,056	7,784

Source: ABS, MacroPlan Dimasi

- In the five years to 2011, total outward migration from Clarence Valley totalled 6,190 persons.

Table 29. Outward Migration (2006 to 2011)

Clarence Valley	0-19	20-34	35-49	50-64	65+	Total
Mid North Coast	177	203	147	170	167	864
Sydney	130	252	107	107	71	667
Regional NSW	363	456	301	325	273	1,718
Interstate	626	1,178	467	421	249	2,941
Total	1,296	2,089	1,022	1,023	760	6,190

Source: ABS, MacroPlan Dimasi

- Consistent with inward movements, interstate locations constituted the dominant outflow destination (2,941 persons between 2006 and 2011). Over this period, SEQ presented as the most popular destination.
- By age, the largest outflow had been from persons aged 20-34 with 2,089 people. Limited employment opportunities in the area underscored this outward movement.

Table 30. Net Migration (2006 to 2011)

Clarence Valley	0-19	20-34	35-49	50-64	65+	Total
Net migration	319	-559	702	836	296	1,594

Source: ABS, MacroPlan Dimasi

- Over the five year period, ABS Census data indicates a net inflow of 1,594 persons into the Clarence Valley LGA.

2.2.4 Income Distribution by Age

- Housing affordability is a function of income or spending capacity and housing costs. Subsequently, demand for dwellings is largely determined by household or personal income.
- For the purpose of our analysis, we separate personal income as follows:

Table 31. Personal Income Ranges

Range	Value range
Low Range	Upto \$31,199
Medium Range	Between \$31,200 and \$64,999
High Range	Greater than \$65,000

- Overall, income distribution in the Clarence Valley LGA has 61% of persons earning low range incomes.
- Persons aged 65+ are the lowest paid group. However, lower income earning capacity is somewhat mitigated by accumulated wealth (i.e. through outright ownership of residences and investment capital).
- Approximately 15% of persons aged between 35-49 earn an income greater than \$65,000 per annum.

Table 32. Personal Income Distribution by Age (2011)

Age		Clarence Valley
20-34	Low	58%
	Medium	35%
	High	7%
35-49	Low	49%
	Medium	36%
	High	15%
50-64	Low	58%
	Medium	30%
	High	13%
65+	Low	71%
	Medium	27%
	High	2%
Total	Low	61%
	Medium	32%
	High	7%

Source: ABS, MacroPlan Dimasi

- The high proportion of the FHB age cohort in the low income category will support further outward migration in these households, as higher paid employment opportunities are searched for.
- For households, income levels are low with 80% of people living in a household with an annual income of less than \$78,000.

Table 33. Household Income (2011)

Annual household Income (proportion)	Clarence Valley
Less than \$78,000	80%
More than \$78,000	20%
Total	100%

Source: ABS, MacroPlan Dimasi

- Whether market participation is assessed by reference to individual or household incomes, it would appear that affordability will present as a barrier of entry for a significant proportion of the population.

2.3 Housing Market Implications

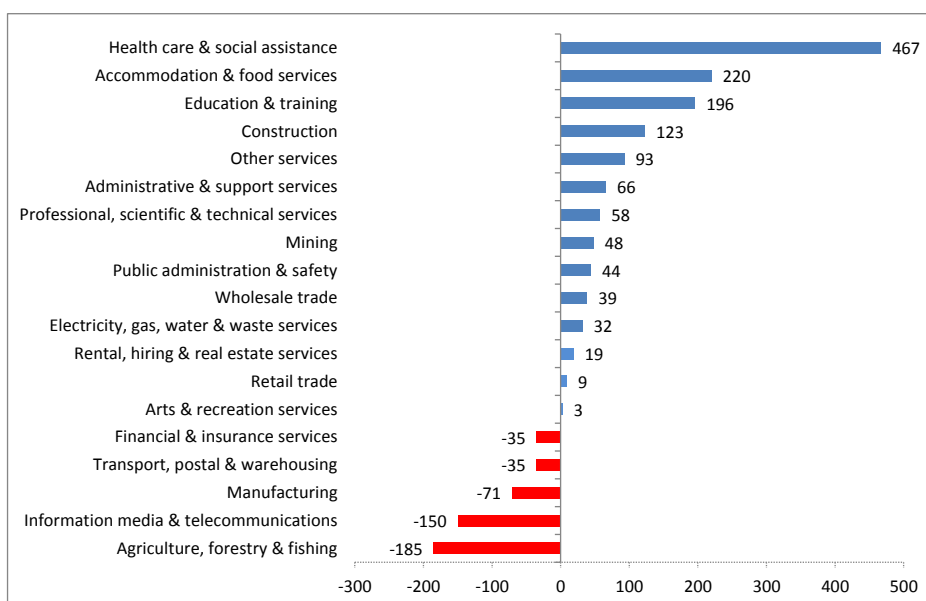
- The above assessment of demographic and resident income earning characteristics suggests the following:
 - **First home buyers (20-34 year olds):** There has been an overall population increase of 288 persons in this cohort over the five years to 2011 despite there being a negative net outflow from this age cohort. The majority of individuals in this age group earn an annual income of less than \$31,199. The outflow of this age cohort is tied to the availability of jobs, or the lack thereof, as well as personal preferences. Similarly, the availability of rental product and different housing formats is important to those from this group who choose to delay entry into the home mortgage market.
 - **Upgraders (35-49 year olds):** Shrinkage within this age cohort occurred over the past five years, despite a net migration gain of 702 persons. This reflects the ageing demographic of the LGA as longer term resident's move into older age brackets. A strong linkage to the availability of employment will be a key lever to attract and keep this age group.

- **Downsizers (50-64 year olds):** Population growth for this age cohort has been strong over the past five years. Downsizers now make up one of the largest portions of the housing market, assisted by a strong net migration gain of 836 persons over the 2006-2011 period.
 - **Retirees (65+ year olds):** There has been a strong population gain over the past five years for this age group, aided by a modest net migration gain of 296 persons. Given the region's ageing demographic, this age cohort is expected to have the greatest influence on housing demand, particularly for well-located dwellings in proximity to services.
- The MNCRS identifies a greater demand for diversity in housing form to match the requirements of changing household structures, particularly the increase in one and two person households. Subsequently, alternative housing products should be encouraged.

2.4 Employment Characteristics

- Whilst the purpose of the current analysis is on housing market conditions and the characteristics of Clarence Valley's dwelling stock, it is also important to briefly observe labour market fundamentals for the area given the strong correlation between employment availability, population growth and housing demand.
- The GFC years have impacted upon consumer and business confidence and have had a large bearing on growth outcomes for the 2006-2011 period.
- Over the five years to 2011, the number of employed persons residing in the Clarence Valley LGA increased by 941.
- Consistent with other LGAs in the MNC, the majority of job additions occurred in industries that service local residents i.e. Health Care and Social Assistance (+467 jobs).

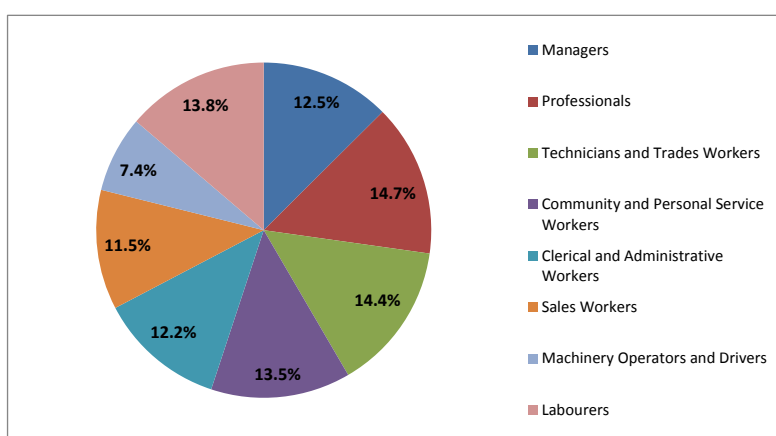
Figure 13. Employment Growth by Industry (2006 to 2011)



Source: ABS, MacroPlan Dimasi

- As at Census 2011, approximately 15% of Clarence Valley LGA’s residents were employed within a professional capacity.
- The next two largest representative occupation types were technicians & trades workers (14%), followed by Labourers (14%).

Figure 14. Occupation Composition (2011)



Source: Census 2011, MacroPlan Dimasi

- As at 2011, the top three employing industries in the Clarence Valley LGA accounted for 36.7% of working residents – Health Care and Social Assistance (14.3%), Retail trade (13.5%) and Accommodation & Food Services (8.9%).

Table 34. Employment by Industry (2011)

Industry	Number	Composition (%)
Health care and social assistance	2,474	14.3%
Retail trade	2,352	13.5%
Accommodation and food services	1,543	8.9%
Public administration and safety	1,449	8.3%
Manufacturing	1,436	8.3%
Education and training	1,432	8.2%
Construction	1,351	7.8%
Agriculture, forestry and fishing	1,052	6.1%
Transport, postal and warehousing	738	4.3%
Other services	696	4.0%
Professional, scientific and technical services	595	3.4%
Wholesale trade	504	2.9%
Administrative and support services	474	2.7%
Rental, hiring and real estate services	287	1.7%
Financial and insurance services	280	1.6%
Electricity, gas, water and waste services	252	1.5%
Arts and recreation services	205	1.2%
Information media and telecommunications	160	0.9%
Mining	81	0.5%
Total	17,361	100.0%

Source: ABS, MacroPlan Dimasi

- Similar to other MNC LGA's, the Clarence Valley LGA workforce is heavily skewed towards jobs in service industries, reflecting a strong link between population growth and employment opportunities.
- We note that planned and ongoing road infrastructure investment in the area (continued improvements to the Pacific Highway and other local bridges) is likely to provide a temporary construction employment boost for the Clarence Valley LGA. This investment in infrastructure is likely to generate demand for short term accommodation during the construction phases of project delivery, potentially soaking up available rental stock. As the impact is temporary, however, and demand is likely to be absorbed across the LGA and into adjoining LGAs. Further investigation or modelling of the potential housing effect of this infrastructure investment is outside the scope of this current report.

2.5 Clarence Valley Housing Market Conditions

2.5.1 Housing Tenure

- As at Census 2011, 46 % of all dwellings were owned outright, marginally above the MNC average.
- In the Clarence Valley LGA, representation amongst renting households (25%) is slightly below the MNC average (28%).

Table 35. Housing Tenure, Clarence Valley LGA and MNC (2011)

Tenure	Number	Clarence Valley	Mid-North Coast
Owned outright	8,722	46%	45%
Owned with a mortgage	5,398	29%	28%
Rented	4,761	25%	28%
Total	18,881	100%	100%

Source: ABS, MacroPlan Dimasi

- Outright ownership in the LGA is highest amongst downsizers and retirees. Collectively, these groups account for 80.3% of outright ownership.
- High outright ownership amongst older residents is expected to facilitate local trade down activity.
- Upgraders present as the dominant 'owned with a mortgage' tenure group, comprising 35.1% of this housing arrangement.
- Renting is highest amongst FHBs and upgraders, due to housing affordability constraints and the strong inflow of temporary residents and tourists.

Table 36. Household Tenure by Age (2011)

	Owned outright	Owned with a mortgage	Rented	Total
15-19	3.9%	11.9%	10.7%	8.1%
20-34	5.1%	18.5%	28.1%	14.7%
35-49	10.7%	35.1%	27.1%	22.4%
50-64	34.6%	28.6%	20.6%	29.4%
65+	45.7%	5.9%	13.4%	25.4%
Total	100.0%	100.0%	100.0%	100.0%

Source: ABS, MacroPlan Dimasi

2.5.2 Housing Activity since 2007 (2007-2013)

- Dwelling approval data provided by the ABS has been analysed as it provides an important leading economic indicator, while giving an insight into the demand for dwellings over a given period.
- Over the five years to 2013, dwelling approvals averaged around 184 per annum.
- Detached houses represented the dominant housing format, accounting for around 86% of total approvals over the five year period.

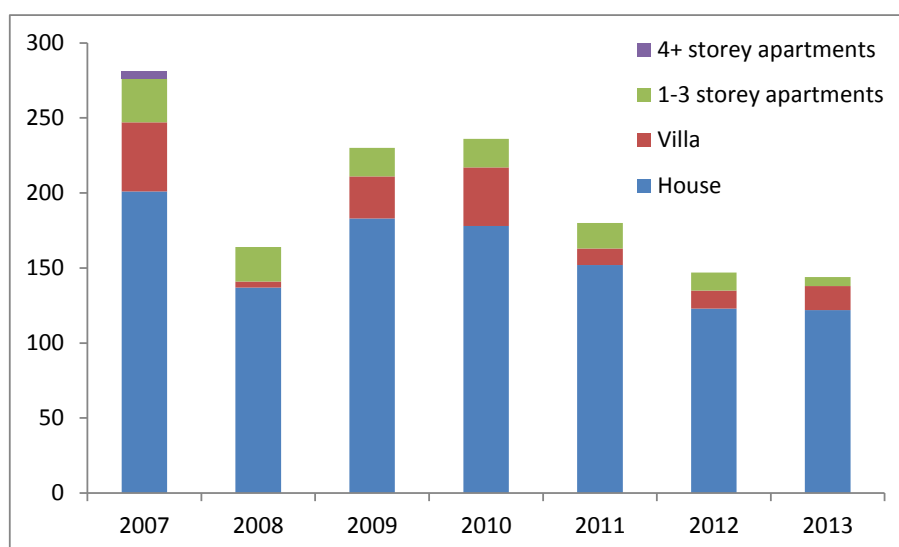
Table 37. Dwelling Approvals (2007-2013)

	House	Other Dwelling	Total
2007	201	57	258
2008	137	8	145
2009	183	28	211
2010	178	41	219
2011	152	16	168
2012	123	18	141
2013	122	22	144

Source: ABS, MacroPlan Dimasi

- Over the past three years, approvals for other dwellings have been weak.
- For apartments, approval activity has been weak, averaging 18 per annum.

Figure 15. Dwelling Approvals by Housing Type (2007-2013)



Source: ABS, MacroPlan Dimasi

2.6 Property Trends – 2002-2007 v 2008-2013

2.6.1 House, Land and Other Dwelling Sales Analysis

- Utilising RP Data, we have analysed sales data over the last decade in the Clarence Valley LGA.
- To account for house price growth over this period, observed sales have been segregated into two five year periods; i.e. 2002 to 2007 and 2008 to 2013.
- In order to ascertain trends in price distribution across the LGA, sales data has been segregated into value ranges (as presented in the table below).

Table 38. Residential Property and Land Price Ranges

Range	Land	Other Dwellings	House
Low	Up to \$200,000	Up to \$200,000	Up to \$350,000
Medium	Between \$200,000 & \$350,000	Between \$200,000 & \$350,000	Between \$350,000 & \$550,000
High	Greater than \$350,000	Greater than \$350,000	Greater than \$550,000

- Data quality control has been undertaken to assist our analysis. In order to depict a market position, outlier transactions (consisting of transactions that were significantly below market value or of large size lots that reflect development potential) have been omitted from our assessment. As a result, our analysis has been undertaken on a subset of total sales activity in the Clarence Valley LGA.

2.6.2 Historical Detached Dwelling Prices & Activity

- In Clarence Valley LGA, a shift in price distribution suggests that there has been an increase in detached dwelling prices.
- Over the five years to 2007, 87% of house sales were for dwellings below \$350,000.
- In the five year period after 2007, the proportion of sales in the low value range decreased to 74%.
- In line with the deterioration in affordability, the annual number of house sales decreased by 39% or 281 sales per annum between 2008 and 2013.
- In proportional terms, house sales in the high value range doubled over the second five year period – from 3% to 6% sales per annum.

Table 39. Average Annual House Sales, 2002-2006 & 2007-2012

	2002-2007		2008-2013	
	Number	%	Number	%
Low	719	87%	438	74%
Medium	80	10%	120	20%
High	28	3%	35	6%
Total	827	100%	593	100%

Source: RP Data, MacroPlan Dimasi

2.6.3 Historical Other Dwelling Prices & Activity

- Over the last decade, sales activity in the other dwelling segment (i.e. not detached dwellings) has tracked at around 25% of detached dwelling sales.
- Overall, other dwelling sales activity has slowed in the Clarence Valley LGA. Over the second half of the decade, sales activity contracted by 29% to around 122 other dwelling sales.
- Similar to houses, there has been a modest price appreciation in other dwelling sales. Over the five years to 2007, the majority of sales were priced below \$200,000, while the next five year period to 2013 saw a shift towards the medium price bracket (\$200,000 and \$350,000).

Table 40. Average Annual Other Dwelling Sales, 2002-2006 & 2007-2012

	2002-2007		2008-2013	
	Number	%	Number	%
Low	84	49%	23	18%
Medium	53	31%	63	52%
High	35	20%	36	30%
Total	172	100%	122	100%

Source: RP Data, MacroPlan Dimasi

2.6.4 Historical Land Prices & Activity

- Over the five years to 2007, approximately 838 vacant land lots were sold per annum. The majority of these sales were for lots priced under \$200,000 (54%).
- Land sales have since contracted, averaging just 596 lots per annum over the last five years.
- While overall activity has decreased, there has been a shift to the higher valued lots. Of the 596 lots sold per year, around 54% are for lots priced between \$200,000 and \$350,000.

- The number of lot sales in the high price range has also increased substantially.
- The observed decline in sales activity and the general rise in land prices suggests a tightening of opportunity for less wealthy market segments (e.g. FHB entrants). In other mature markets, this squeezing of market segments is typically addressed through the provision of smaller land lots, or different housing formats, thereby enabling FHB and retirees to remain active in the market.
- With population growth expected to be dominated by the retiree cohort, the type and location of housing formats will be an important consideration going forward. Similarly, Clarence Valley's high level of rental activity requires the provision of suitable housing forms.

Table 41. Average Annual Land Sales, 2002-2006 & 2007-2012

	2002-2007		2008-2013	
	Number	%	Number	%
Low	450	54%	121	20%
Medium	280	33%	320	54%
High	108	13%	155	26%
Total	838	100%	596	100%

Source: RP Data, MacroPlan Dimasi

2.7 Housing Submarket Indicators

2.7.1 House Prices by Subregion

Figure 16. Clarence Valley Residential Submarkets



Source: MacroPlan Dimasi

- The Clarence Valley LGA entails both coastal and inland locations, while the largest centre is Grafton. Property price disparity between coast and inland locations is considerable, advocating the need for analysis at a sub-market level.
- Accordingly, the Clarence Valley LGA has been segregated into three distinctive sub-markets, namely Coastal, Grafton and Regional.
- In 2013, 72% of all sales were for dwellings priced within the low price range. Approximately 5% of all sales were for properties greater than \$550,000 in value.
- Of all three subregions, the coastal submarket presents as the most costly housing market. Of all sales registered in 2013, 54% were for priced below \$350,000, in comparison to the LGA average of 72%.
- The number of house sales in the Regional submarket is small, with the population centred around Grafton, Maclean and Yamba.

- In the Regional sub-region, all dwelling sales were in the low price range, making it the most affordable submarket within the Clarence Valley LGA.

Table 42. House Sales by Submarket (2013)

	Clarence Valley - Coastal			Clarence Valley - Grafton			Clarence Valley - Regional			Total	
	Number	%	% of total	Number	%	% of total	Number	%	% of total	Number	%
Low	132	54%	27%	222	91%	45%	3	100%	1%	357	72%
Medium	88	36%	18%	22	9%	4%	0	0%	0%	110	22%
High	26	11%	5%	0	0%	0%	0	0%	0%	26	5%
Total	246	100%	50%	244	100%	49%	3	100%	1%	493	100%

Source: RP Data, MacroPlan Dimasi

2.7.2 Rental Market and Indicative Yields

- Between 2009 and 2014, detached dwelling rents in the Clarence Valley LGA increased at an average rate of 2.7% per annum.
- On average, indicative rental yields increased moderately in Clarence Valley LGA. During this period, rental growth exceeded house price growth which facilitating an increase in rental yields.
- Median rents are highest in the Grafton submarket. As at 2014, detached dwellings achieved median rents of around \$320 per week, consistent with higher house sales prices for this submarket.
- The Coastal submarket is only marginally behind at \$310 per week; however rental growth has been significantly lower at 1.1% per annum.

Table 43. House Rents and Rental Yields (2009 & 2014)

	Median Rent			Yield	
	2009	2014	CAGR (%)	2009	2014
Clarence Valley - Coastal	\$293	\$310	1.1%	4.4%	4.8%
Clarence Valley - Grafton	\$260	\$320	4.2%	5.3%	6.4%
Clarence Valley - Regional			N/A		
Average	\$277	\$315	2.7%	4.9%	5.6%

Source: Residex, MacroPlan Dimasi

- In the Clarence Valley submarket, median rents for apartment rentals were approximately \$60 less than for detached dwellings.
- Between 2009 and 2014, apartment rents expanded at an average rate of 3.4% per annum, exceeding detached dwelling rental growth over the same period (2.7% per annum).

- The Grafton submarket experienced the greatest apartment rental growth at 4.8%. This is expected given the higher level of services within this centre.
- In line with detached houses, rental yields have improved, facilitated by superior rental growth.

Table 44. Apartment Rents and Rental Yields (2009 & 2014)

	Median Rent			Yield	
	2009	2014	CAGR (%)	2009	2014
Clarence Valley - Coastal	\$223	\$247	2.1%	4.9%	5.4%
Clarence Valley - Grafton	\$190	\$240	4.8%	5.1%	5.6%
Clarence Valley - Regional			N/A		
Average	\$207	\$244	3.4%	5.0%	5.5%

Source: Residex, MacroPlan Dimasi

2.8 Future Supply

- Under the MNCRS, Grafton has been identified as a major centre within the Mid North Coast and is expected to accommodate the majority of the region's population and employment growth.
- The majority of new housing within the Clarence Valley LGA will be focused around existing centres.
- New residential development areas have been planned at Clarenza and Junction Hill in Grafton, Gulmarrad and James Creek, near Maclean and West Yamba
- According to the Clarence Valley LGA's *Maclean Urban Catchment Local Growth Management Strategy (2011)*, there is capacity for 6,370 lots which are regarded as 'available lots' within the LGA. The following table lists existing and committed residential supply areas:

Table 45. Estimated 'available lots by locality

Locality	Estimated 'available' lots
Major centres (Grafton, South Grafton, Maclean/Townsend, Yamba and Illuka)	2,270
Small villages	870
Medium density allowances	640
Total existing urban areas - recently rezoned	3,790
Growth areas (Junction Hill, Clarenza, James Creek and West Yamba)	2,580
Total	6,370

Source: Clarence Valley Council

- Based on the MNCRS requirement of an additional 7,100 dwellings by 2031, a shortfall of 730 lots exists. Additional residential developments at Gulmarrad and James Creek are expected to meet this shortfall.

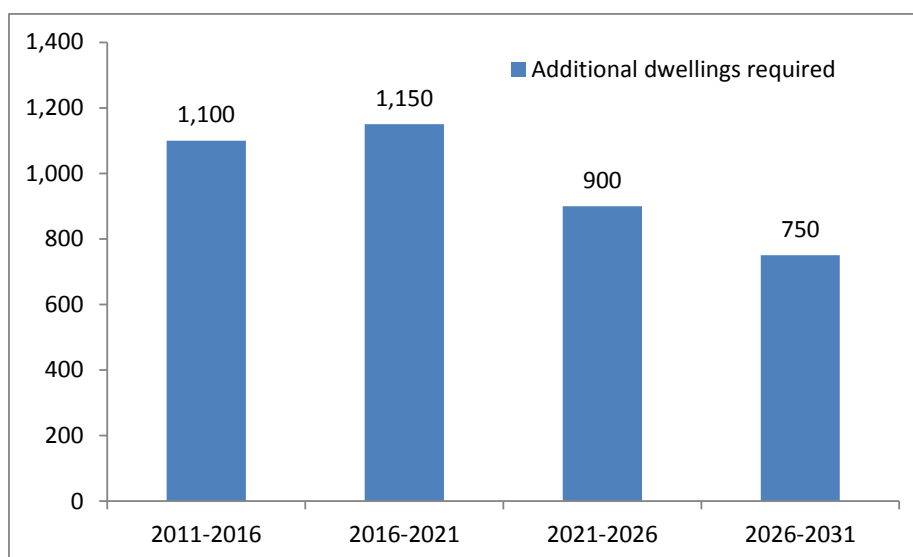
Table 46. Maclean Urban Catchment Supply

Location	Single lots	Large sites	Total
Maclean	62	104	166
Townsend	12	257	269
Gulmarrad (1(r) zone)	165	350	515
James Creek (1(s) zone)	5	50	55
Total	244	761	1,005

Source: Clarence Valley Council

- Although the MNCRS identified the need for approximately 7,100 new dwellings by 2031, the 2014 DP&E household and implied dwelling projections suggest the Clarence Valley LGA will require an additional 3,900 dwellings by 2031.

Figure 17. Projected dwellings required (2011 to 2031)



Source: DP&E, MacroPlan Dimasi

2.9 Housing Type Recommendations

The table below identifies each submarket based on affordability and the inferred housing type that is likely to be required to satisfy market and demographic needs.

Table 47. Housing type recommendations

Clarence Valley LGA	Residential Submarket	Housing Type Required
Most Expensive	Clarence Valley - Coastal	Smaller lot and medium density housing
Medium Priced	Clarence Valley - Grafton	Smaller lot and medium density housing
Most Affordable	Clarence Valley - Regional	Detached housing

Source: RP Data, MacroPlan Dimasi

3.1 Key Facts, Findings and Take-outs

- Coffs Harbour LGA falls within the Coffs Coast subregion under the Mid North Coast Regional Strategy (2009), encompassing the Coffs Harbour, Bellingen and Nambucca LGA's.
- As part of this subregion, the Mid North Coast Regional Strategy (2009) identified the need of an additional 19,200 dwellings by 2031.

Figure 18. Coffs Harbour LGA Location in Context of the Mid North Coast Region



Source: MacroPlan Dimasi

- Future growth areas are spread throughout the LGA, however supply is expected to be heavily concentrated in the area immediately west of the Coffs Harbour town centre.

- North Boambee Valley has also been identified for future residential growth, with planning studies underway. Further, land at South Woolgoolga and Bonville has been earmarked for future (longer term) investigation.
- Coffs Harbour LGA is expected to release 1,057 residential lots over the 2011-2016 period.

Prevailing Conditions

- As at 2011, the Coffs Harbour LGA encompassed a resident population of 70,972. The LGA grew by 1.3% per annum (or 4,315 persons) over the five years to 2011.
- Household composition within the Coffs Harbour LGA is skewed towards 'family' households at 38.2%, considerably above the MNC average of 34.7%; however growth over the five years to 2011 has been greatest for 'lone person' (+646) and 'couple family with no children' (+610) households.
- Dwelling approvals have averaged 380 per annum over the 2007-2013 period, with detached houses representing 69% of approval activity.
- Coffs Harbour's housing stock is dominated by detached dwellings which comprise 76.2% of total dwellings across the LGA.
- Historically, the LGA has had a high number of apartment approvals; More recently, approvals for this dwelling type has declined to average 35 per annum over the past three years.
- There has been a considerable deterioration in the LGA's affordability, with a shift to detached house sales in the medium value range (\$350,000 to \$550,000). Over the five years to 2007, 77% of houses sales were priced below \$350,000 while this number had reduced to 50% over the five year period to 2013.
- Similarly, rental growth has been strong within the Coffs Harbour LGA, averaging 4.4% per annum for detached houses and 4.8% per annum for apartments over the past five years.
- From a submarket perspective, the Coffs Harbour – North and Coffs Harbour – Central submarkets are the most expensive within the LGA, while the Coffs Harbour – Regional presents as the most affordable submarket.
- In terms of housing turnover, the Coffs Harbour – Central submarket accounted for 43% of house sales during 2013.
- Employment growth has been strong, with 2,074 job additions over the five years to 2011, the majority coming from 'Health Care and Social Assistance' (+997 jobs). The greatest outright losses to the local workforce have been in the 'Retail trade' sector (-206 jobs).

Future Considerations

- Population growth within the Coffs Harbour LGA is expected across all age cohorts. This reflects the LGA's strength as a centre of employment for the region.
- Although all age cohorts are expected to experience a gain in population, growth is expected to be most pronounced within the 65+ age cohort, expanding by 10,300 persons over the forecast period.
- The ageing demographic has significant implications for the type of housing likely to be required in the future.
- Lone person households have been the fastest growing household type over the five years to 2011, suggesting a market need for alternate housing formats.

Recommendations:

- With deteriorating affordability conditions, affordable housing stock will continue to be required across the LGA.
- Retirees are expected to have the greatest influence on the LGA's housing demand. Dwelling demand amongst this age cohort is expected to be highest within the Coffs Harbour – Central submarket given its proximity to services.
- Given the overall small amount of 'other dwelling' stock, future housing provision should seek to encourage alternate housing forms (i.e. other than detached dwellings). Small lot or dual occupancy housing and apartment living in the Coffs Harbour – Central submarket will meet market need.
- The LGA is likely to remain attractive to retirement housing providers. This form of housing ought to be encouraged to support underlying growth in the older age cohorts, while at the same time contributing to the 'freeing-up' of housing stock for FHBs and upgraders.

3.2 Population Trends and Characteristics

- According to ABS ERP figures, the Coffs Harbour LGA increased by 4,315 persons from 2006 – 2011, at an annual growth rate 1.3%, above the average experienced throughout the broader MNC region (1.1% per annum).
- With an ERP of 70,972 (2011), Coffs Harbour is the second largest LGA within the Mid North Coast, being 5,000 less than Port Macquarie-Hastings.

Table 48. Coffs Harbour LGA population

Source	Date	Population
ERP Estimate	2006	66,657
ERP Estimate	2011	70,972
Change	2006-2011	+ 4,315

Source: ABS, MacroPlan Dimasi

- Population growth over the five years to 2011 was greatest within the older age cohorts with the number of persons in the 50-64 age cohort increasing by 2,031, while growth in the 65+ age cohorts was slightly lower at 1,754 persons.
- On the other hand, net losses in the 35-49 (upgraders) age cohort were recorded during the 2006-2011 period.

Table 49. Population growth by age cohort

	2006	2011	Change (2006-2011)
0-19	18,395	18,495	100
20-34	10,052	10,929	877
35-49	14,103	13,656	-447
50-64	13,275	15,306	2,031
65+	10,832	12,586	1,754
Total	66,657	70,972	+ 4,315

Source: ABS, MacroPlan Dimasi

3.2.1 Household Composition

- Household composition in the LGA is skewed towards family households, at 38%.
- Household growth over the five years to 2011 was greatest for lone persons (+646) and couple family with no children (+610 households) indicating a mix of housing typologies is needed to accommodate these residents over coming years.

Table 50. Household composition, Coffs Harbour LGA

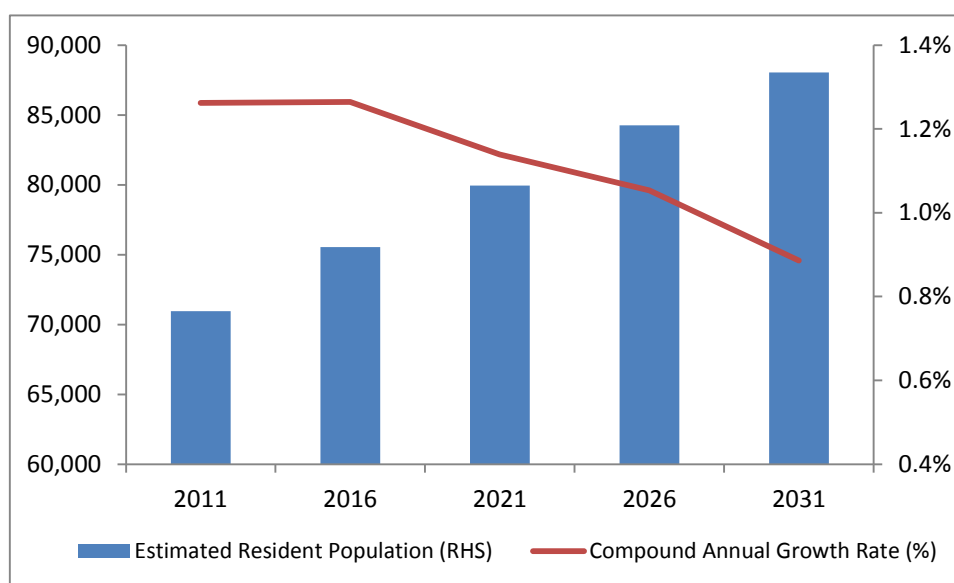
Household Composition	Number	Composition (%)	Change (2006-2011)
Family household	10,541	38%	217
Couple family with no children	7,696	28%	610
Lone Person	6,932	25%	646
Group	901	3%	-25
Other	1,545	6%	142
Total	27,615	100%	1,590

Source: ABS, MacroPlan Dimasi

3.2.2 Population Growth – Projections

- According to the DP&E Final (2014) projections, the Coffs Harbour LGA population is projected to increase to 88,050 by 2031.
- Over the five year period to 2016, population is expected to increase at an average annual rate of 1.3%, before slowing to average 1.0% per annum thereafter (up until 2031).

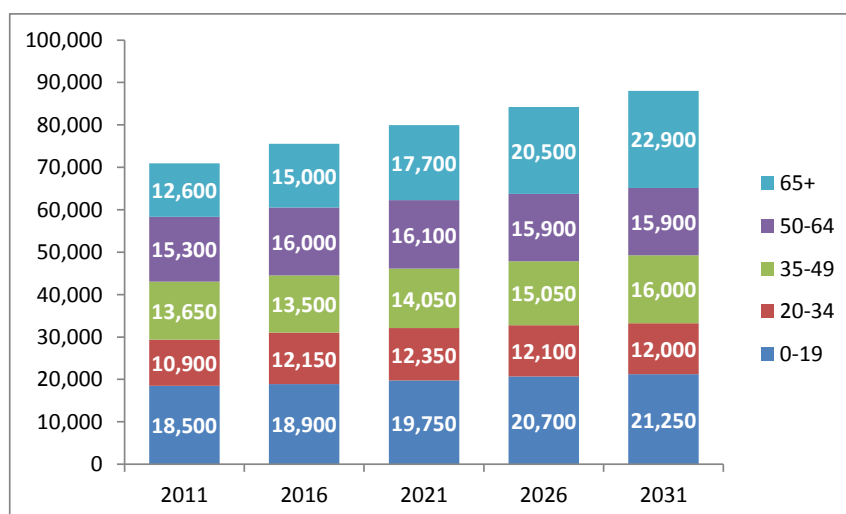
Figure 19. Projected Population (2011 to 2031)



Source: DP&E, MacroPlan Dimasi

- Not surprisingly, given superior employment and service conditions that are available at and near to the LGA’s major centre, the population growth for the Coffs Harbour LGA is expected to occur across all age cohorts.
- In line with other MNC LGA’s, population growth is expected to be most pronounced within the 65+ age cohort, expanding by 10,300 persons over the forecast period.
- Growth in the dominant family age cohorts (0-19 and 35-49 years) is expected to be considerable at 2,750 and 2,350 persons respectively.
- Given the surge in the retiree population as a result of a combination of high inward migration and the ageing in place phenomenon, a major challenge for the LGA will be to ensure adequate levels of service and accommodation provisions for this cohort.

Figure 20. Population Projections by Age (2011-2031)



Source: ABS, DP&E, MacroPlan Dimasi

3.2.3 Migration Movements (2006-2011)

Inward and outward movements for each MNC LGA have been analysed, using 2006 and 2011 Census data.

- Over the five years to 2011, inward migration into the Coffs Harbour LGA totalled 13,096 persons.
- Interstate and movements from regional NSW (predominately Newcastle) represented the leading regions.
- There was an even spread of inward movements throughout the age cohorts. Persons aged 20-34 accounted for the largest share of inward migration with 3,618 people, suggesting superior employment opportunities may be available in comparison to other MNC LGA's.
- Overseas migration was significant at 1,728 persons.

Table 51. Inward Migration (2006 to 2011)

Coffs Harbour	0-19	20-34	35-49	50-64	65+	Total
Mid North Coast	396	479	308	305	253	1,741
Sydney	489	604	705	568	317	2,683
Regional NSW	783	938	693	546	289	3,249
Interstate	832	897	952	688	326	3,695
Overseas	361	700	412	186	69	1,728
Total	2,861	3,618	3,070	2,293	1,254	13,096

Source: ABS, MacroPlan Dimasi

- Over the five years to 2011, outward migration from the Coffs Harbour LGA totalled 9,655 persons.
- Movement's interstate was the dominant destination for people leaving Coffs Harbour, particularly residents in the FHB age cohort, suggesting these people are moving interstate for employment or educational opportunities.

Table 52. Outward Migration (2006 to 2011)

Coffs Harbour	0-19	20-34	35-49	50-64	65+	Total
Mid North Coast	356	338	328	302	206	1,530
Sydney	261	690	198	261	170	1,580
Regional NSW	475	761	449	350	222	2,257
Interstate	915	1,746	714	646	267	4,288
Total	2,007	3,535	1,689	1,559	865	9,655

Source: ABS, MacroPlan Dimasi

- There was a substantial net migration gain recorded within the LGA with an additional 3,441 persons.
- Upgraders (35-49 year olds) were the source of the largest net gain in migration, with an additional 1,381 persons from this age cohort choosing to reside in the LGA over the 5 years to 2011.

Table 53. Net Migration (2006 to 2011)

Coffs Harbour	0-19	20-34	35-49	50-64	65+	Total
Net migration	854	83	1,381	734	389	3,441

Source: ABS, MacroPlan Dimasi

3.2.4 Income Distribution by Age

- Housing affordability is a function of income or spending capacity and housing costs. Subsequently, demand for dwellings is largely determined by household or personal income.
- For the purpose of our analysis, we separate personal income as follows:

Table 54. Personal Income Ranges

Range	Value range
Low Range	Upto \$31,199
Medium Range	Between \$31,200 and \$64,999
High Range	Greater than \$65,000

- Income is considerably skewed towards low income earners with only 11% of the working population earning above \$65,000 (high range).
- In line with other MNC LGAs, the older age cohorts, particularly retirees are more likely earn an income in the low range with 68% earning less than \$31,199.
- The upgrader age cohort had the highest proportion of people earning a wage in the high income bracket with 20%.

Table 55. Personal Income Distribution by Age (2011)

		Coffs Harbour
20-34	Low	51%
	Medium	38%
	High	10%
35-49	Low	40%
	Medium	40%
	High	20%
50-64	Low	50%
	Medium	34%
	High	16%
65+	Low	68%
	Medium	29%
	High	3%
Total	Low	54%
	Medium	35%
	High	11%

Source: ABS, MacroPlan Dimasi

- For households, income levels in Coffs Harbour are moderate with 73% of people living in a household with an annual income of less than \$78,000. However, household income levels are substantially above the MNC average.

Table 56. Household Income (2011)

Annual household Income (proportion)	Coffs Harbour
Less than \$78,000	73%
More than \$78,000	27%
Total	100%

Source: ABS, MacroPlan Dimasi

3.3 Housing Market Implications

- The above assessment of demographic and resident income earning characteristics suggest the following:
 - **First home buyers (20-34 year olds):** Population growth for this age cohort has been considerable (+877 persons) over the past five years. Furthermore, Coffs Harbour was the only MNC LGA to record a net migration gain with 83 persons, with a greater or more diverse employment base underpinning growth in this age cohort.
 - **Upgraders (35-49 year olds):** An overall net loss in population has hampered housing demand for this age cohort, despite a substantial migration gain. 40% of this group earn an annual income of less than \$31,199. The availability of jobs and the affordability of housing product will be key to maintaining this age group.
 - **Downsizers (50-64 year olds):** Population growth has been most solid within this age cohort at an additional 2,031 persons over the five years to 2011. There has also been a solid net migration gain for this age cohort. A large share of this has been from Sydney, suggesting these people moved for a seaside change looking to retire.
 - **Retirees (65+ year olds):** Strong population growth over the past five years for this age group. DP&E projections suggest that growth in the size of this group will be the most significant of all age cohorts to 2021.

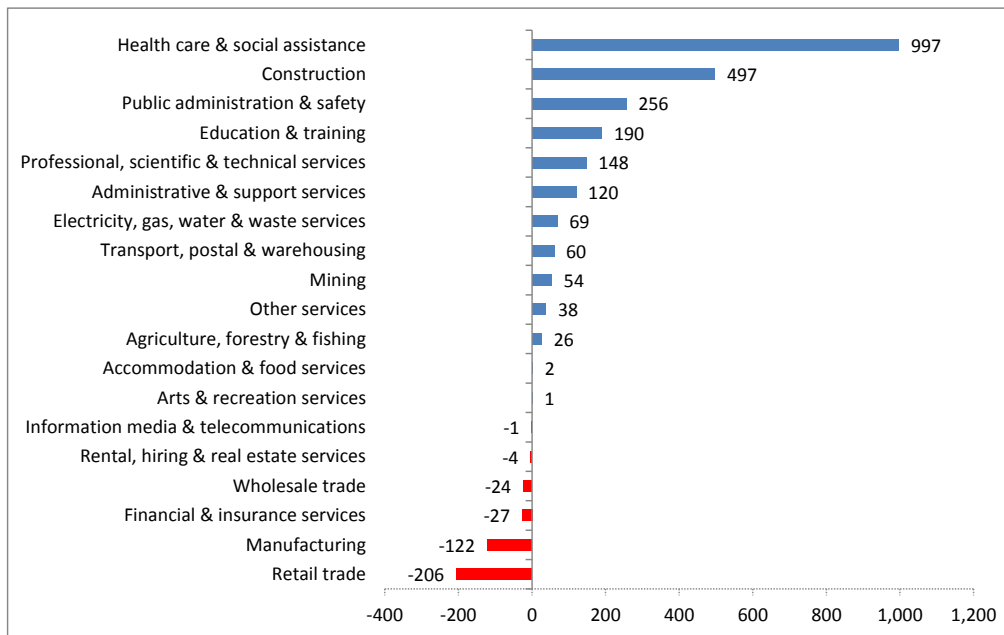
- The continued ageing of the Coffs Harbour population, along with predicted growth in other age cohorts in a context of deteriorating affordability conditions, accentuates the need for a more diverse housing supply across the LGA.

3.4 Employment Characteristics

- Whilst the purpose of our current analysis focuses on housing market conditions and the characteristics of Coffs Harbour's dwelling stock, it would be remiss not to briefly observe labour market fundamentals for the area given the strong correlation between employment availability, population growth and housing demand.
- Between 2006 and 2011, there were 2,074 job additions in the Coffs Harbour LGA – accounting for 18% of jobs growth in the region.

- The superior volume of new jobs created in the Coffs Harbour LGA is clearly a major reason for the LGA's net migration result.
- Jobs growth has been greatest in Health Care and Social Assistance with an additional 997 added over the five years to 2011.
- While it is the second largest employing industry in the Coffs Harbour LGA, 206 jobs were shed from the 'Retail Trade' sector over the five year period.

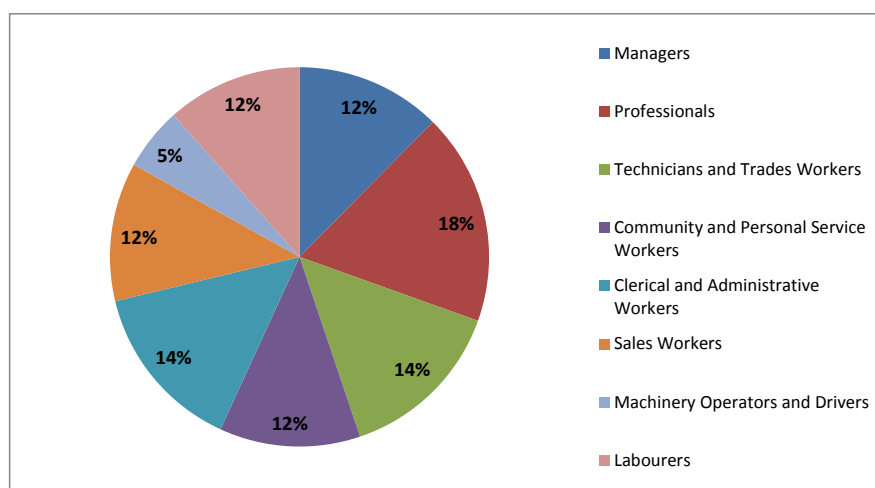
Figure 21. Employment Growth by Industry (2006 to 2011)



Source: ABS, MacroPlan Dimasi

- As at Census 2011, approximately 18% of Coffs Harbour LGA's residents were employed as 'Professionals'.
- Technicians and Trades Workers constituted as the next largest occupation with 14% of the workforce.

Figure 22. Occupation Composition (2011)



Source: Census 2011, MacroPlan Dimasi

- Similar to other MNC LGA's, Health Care and Social Assistance is the largest employing industry, with 15.8% of the local workforce employment.
- Additionally, the employment contribution from other serviced based industries is high with Retail Trade (14.0%) and Accommodation and Food Services (10.1%) being the next two largest employing industries.

Table 57. Employment by Industry (2011)

Industry	Number	Composition (%)
Health care and social assistance	4,361	15.8%
Retail trade	3,873	14.0%
Accommodation and food services	2,784	10.1%
Construction	2,648	9.6%
Education and training	2,414	8.7%
Public administration and safety	1,774	6.4%
Manufacturing	1,453	5.3%
Professional, scientific and technical services	1,308	4.7%
Other services	1,137	4.1%
Agriculture, forestry and fishing	1,008	3.6%
Transport, postal and warehousing	998	3.6%
Administrative and support services	865	3.1%
Wholesale trade	807	2.9%
Financial and insurance services	610	2.2%
Rental, hiring and real estate services	525	1.9%
Arts and recreation services	409	1.5%
Information media and telecommunications	346	1.3%
Electricity, gas, water and waste services	268	1.0%
Mining	78	0.3%
Total	27,666	100.0%

Source: ABS, MacroPlan Dimasi

- Looking forward, given the ageing demographic within the Coffs Harbour LGA, employment within Health Care and Social Assistance will become increasingly important, particularly as older residents retire from the workforce. This effect, coupled with the increased use of such services from elderly residents is likely to secure the dominance of this employment sector.

3.5 Coffs Harbour Housing Market Conditions

3.5.1 Housing Tenure

- As at Census 2011, there was a skew towards rental dwellings in comparison to other MNC LGA's with 32% of dwellings rented, above the MNC average of 28%.
- Dwellings owned outright still dominate Coffs Harbour dwelling tenure at 38%

Table 58. Housing Tenure, Coffs Harbour LGA and MNC (2011)

Tenure	Number	Coffs Harbour LGA	Mid-North Coast
Owned outright	9,742	38%	45%
Owned with a mortgage	7,523	29%	28%
Rented	8,292	32%	28%
Total	25,557	100%	100%

Source: ABS, MacroPlan Dimasi

- In the Coffs Harbour LGA, outright ownership is highest amongst retirees, at 44.4%.
- Similar to other LGAs, upgraders present as the dominant 'owned with a mortgage' tenure group, comprising 35.9% of this housing arrangement.
- Renting is highest amongst the FHB and upgrader age groups at 32.4% and 27.7% respectively.

Table 59. Household Tenure by Age (2011)

	Owned outright	Owned with a mortgage	Rented	Total
15-19	4.2%	12.2%	10.2%	8.6%
20-34	6.2%	19.2%	32.4%	18.3%
35-49	11.1%	35.9%	27.7%	24.2%
50-64	34.2%	27.8%	19.2%	27.4%
65+	44.4%	4.9%	10.5%	21.4%
Total	100.0%	100.0%	100.0%	100.0%

Source: ABS, MacroPlan Dimasi

3.5.2 Housing Activity since 2007 (2007-2013)

- Dwelling approval data provided by the ABS has been analysed as it provides an important leading economic indicator, while giving an insight into the demand for dwellings over a given period.
- Over the 2007 to 2013 period, dwelling approvals averaged just over 380 per annum.
- Detached houses have accounted for 69% of total approvals over the five year period, which is above the 60% target for detached houses under the MNCRS.

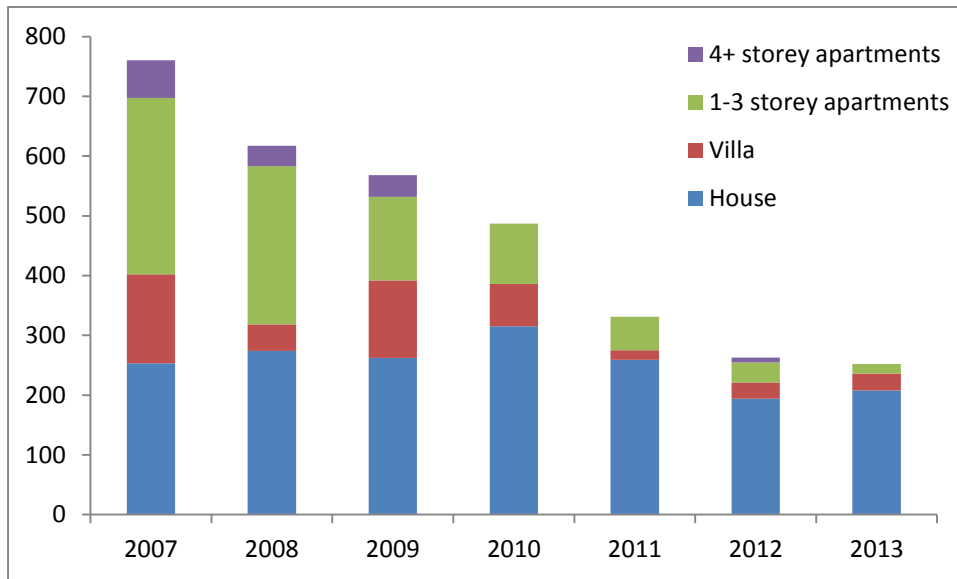
Table 60. Dwelling Approvals (2007-2013)

	House	Other Dwelling	Total
2007	253	242	495
2008	274	203	477
2009	262	205	467
2010	315	116	431
2011	259	38	297
2012	194	53	247
2013	208	44	252

Source: ABS, MacroPlan Dimasi

- With the recent peak being in 2010, there has been a general decline in approvals over the past 5 years.
- Over the four years to 2011, 1-3 storey apartment approvals were high, particularly in 2007 with 295 approvals granted. More recently, apartment approvals have diminished, averaging just 35 per annum over the past three years.

Figure 23. Dwelling Approvals by Housing Type (2007-2013)



Source: ABS, MacroPlan Dimasi

3.6 Property Trends – 2002-2007 v 2008-2013

3.6.1 House, land and other dwelling analysis

- Utilising RP Data, sales data has been analysed for the last decade in the Coffs Harbour LGA.
- To account for house price growth over this period, observed sales have been segregated into two five year periods; i.e. 2002 to 2007 and 2008 to 2013.
- In order to ascertain trends in price distribution across the LGA, sales data has been segregated into value ranges (as presented in the table below).

Table 61. Residential Property and Land Price Ranges

Range	Land	Other Dwellings	House
Low	Up to \$200,000	Up to \$200,000	Up to \$350,000
Medium	Between \$200,000 & \$350,000	Between \$200,000 & \$350,000	Between \$350,000 & \$550,000
High	Greater than \$350,000	Greater than \$350,000	Greater than \$550,000

- Data quality control has been undertaken to assist our analysis. In order to depict a market position, outlier transactions (consisting of transactions that were significantly below market value or of large size lots that reflect development potential) have been omitted from our assessment. As a result, our analysis has been undertaken on a subset of total sales activity in the Coffs Harbour LGA.

3.6.2 Historical Detached Dwelling Prices & Activity

- House values in the Coffs Harbour LGA have risen substantially over the two periods, with a clear shift to houses priced in the medium price range.
- Between 2002 and 2007, 77% of house sales were in the low value range (less than \$350,000).
- Over the five years to 2013, only half of dwellings were priced below \$350,000 while 42% of houses were priced within the medium value range.
- Furthermore, there was a considerable jump in house sales priced above \$550,000 at 8% (73 per annum) of houses over the five years to 2013.

Table 62. Average Annual House Sales, 2002-2007 & 2008-2013

	2002-2007		2008-2013	
	Number	%	Number	%
Low	835	77%	435	50%
Medium	196	18%	361	42%
High	48	4%	73	8%
Total	1,079	100%	868	100%

Source: RP Data, MacroPlan Dimas

3.6.3 Historical Other Dwelling Prices & Activity

- Sales activity in the other dwelling segment (i.e. not detached dwellings) has reduced considerably over the two periods from 650 per annum (2002-2007) to 421 (2008-2013).
- Additionally, the majority of other dwelling sales in the Coffs Harbour LGA shifted to the medium price range over the second five year period with 51% of other dwellings priced between \$200,000 and \$350,000.

Table 63. Average Annual Other Dwelling Sales, 2002-2007 & 2008-2013

	2002-2007		2008-2013	
	Number	%	Number	%
Low	364	56%	106	25%
Medium	209	32%	217	51%
High	77	12%	98	23%
Total	650	100%	421	100%

Source: RP Data, MacroPlan Dimasi

3.6.4 Land Prices & Activity

- Over the five years to 2013, approximately 294 vacant land lots were sold per annum with 55% being sold priced below \$200,000.
- In line with other property types, land prices experienced considerable price appreciation over the two periods.

Table 64. Average Annual Land Sales, 2002-2007 & 2008-2013

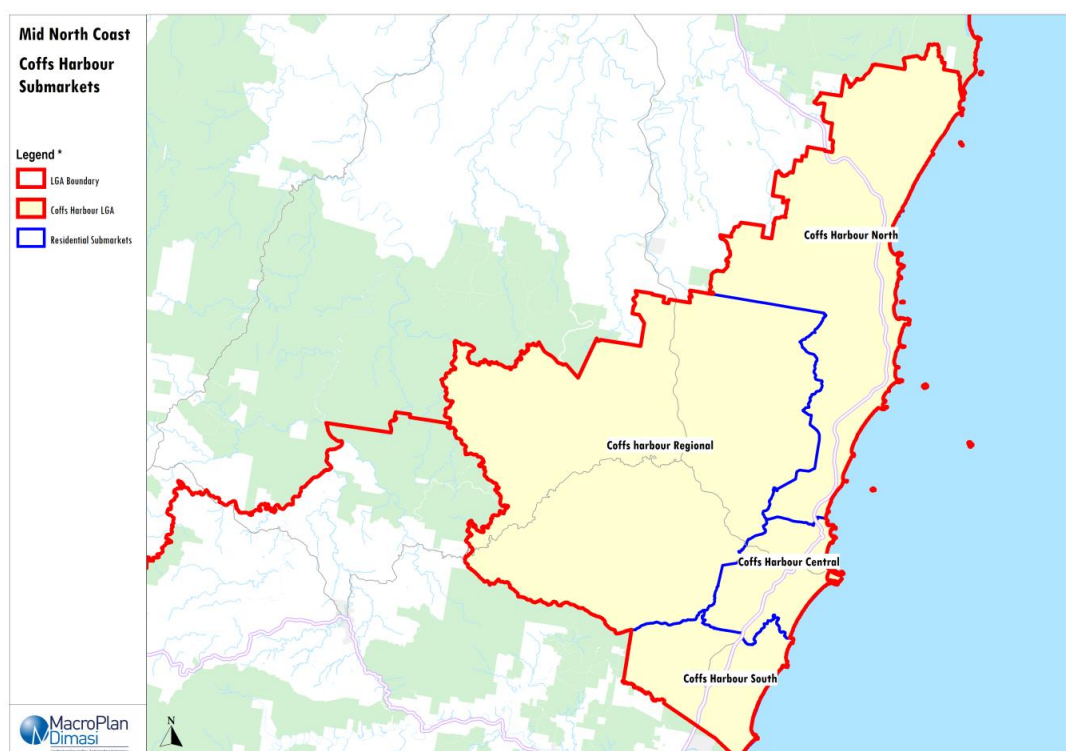
	2002-2007		2008-2013	
	Number	%	Number	%
Low	370	79%	163	55%
Medium	55	12%	90	31%
High	45	10%	41	14%
Total	470	100%	294	100%

Source: RP Data, MacroPlan Dimasi

3.7 Housing Submarket Indicators

3.7.1 House Price by Subregion

Figure 24. Coffs Harbour Residential Submarkets



Source: MacroPlan Dimasi

- There are four distinct property markets within the Coffs Harbour LGA – Central, North, Regional and South, as shown on the map above.
- In 2013, 47% of all dwelling sales were priced between \$350,000 and \$550,000, while 45% of house sales were priced below \$350,000.
- In terms of sales, the Coffs Harbour – Central submarket is the dominant area, accounting for 43% of house sales in 2013.
- All but one of the houses sold during 2013 within the Coffs Harbour – Regional submarket were priced in the low value range, making it the most affordable submarket within the LGA.
- Overall, the Coffs Harbour - North submarket is the most expensive within the LGA, with 65% of properties priced above \$350,000. This submarket includes the popular suburbs of Woolgoolga and Corindi Beach.

Table 65. House Sales by Submarket (2013)

	Coffs Harbour - Central			Coffs Harbour - North			Coffs Harbour - Regional			Coffs Harbour - South			Total	
	Number	%	% of total	Number	%	% of total	Number	%	% of total	Number	%	% of total	Number	%
Low	150	43%	18%	80	38%	10%	21	95%	3%	118	49%	14%	369	45%
Medium	169	48%	21%	102	49%	12%	1	5%	0%	112	47%	14%	384	47%
High	30	9%	4%	28	13%	3%	0	0%	0%	9	4%	1%	67	8%
Total	349	100%	43%	210	100%	26%	22	100%	3%	239	100%	29%	820	100%

Source: RP Data, MacroPlan Dimasi

3.7.2 Rental Market and Indicative Yields

- Between 2009 and 2014, detached dwelling rents in the Coffs Harbour LGA increased at an average rate of 4.4% per annum.
- On average, indicative rental yields increased moderately in the Coffs Harbour LGA from 5.1% in 2009 to 5.6% in 2014.
- Overall, weekly rentals are similar in the Central (\$430/week), North (\$420/week) and South (\$400/week) submarkets, while the weekly rent in the Regional submarket is significantly lower at \$330 per week.

Table 66. House Rents and Rental Yields (2009 & 2014)

	Median Rent			Yield	
	2009	2014	CAGR (%)	2009	2014
Coffs Harbour - Central	\$330	\$430	5.4%	5.0%	5.7%
Coffs Harbour - North	\$340	\$420	4.3%	5.2%	5.3%
Coffs Harbour - Regional	\$290	\$330	2.6%	5.3%	5.7%
Coffs Harbour - South	\$310	\$400	5.2%	4.9%	5.8%
Average	\$318	\$395	4.4%	5.1%	5.6%

Source: Residex, MacroPlan Dimasi

- Apartment rental growth was marginally higher at 4.8% per annum over the five year period, with growth being most pronounced within the South submarket (6.6% per annum).

Table 67. Apartment Rents and Rental Yields (2009 & 2014)

	Median Rent			Yield	
	2009	2014	CAGR (%)	2009	2014
Coffs Harbour - Central	\$230	\$310	6.2%	4.8%	6.4%
Coffs Harbour - North	\$250	\$315	4.7%	4.6%	5.6%
Coffs Harbour - Regional	\$200	\$220	1.9%	6.1%	6.2%
Coffs Harbour - South	\$240	\$330	6.6%	5.3%	6.0%
Average	\$230	\$294	4.8%	5.2%	6.0%

Source: Residex, MacroPlan Dimasi

3.8 Future Supply

- Under the MNCRS, Coffs Harbour has been identified as a major centre within the Mid North Coast Region and is expected to accommodate the majority of the region's population and employment growth.
- Future growth areas are spread across the LGA, however the dominant growth front is located immediately west of the Coffs Harbour town centre.
- North Boambee Valley has also been identified for future residential growth, with planning studies underway. Further, land at South Woolgoolga and Bonville has been earmarked for future (longer term) investigation.
- Over the next five years, the Coffs Harbour Council has estimated the release of 1,057 new lots.

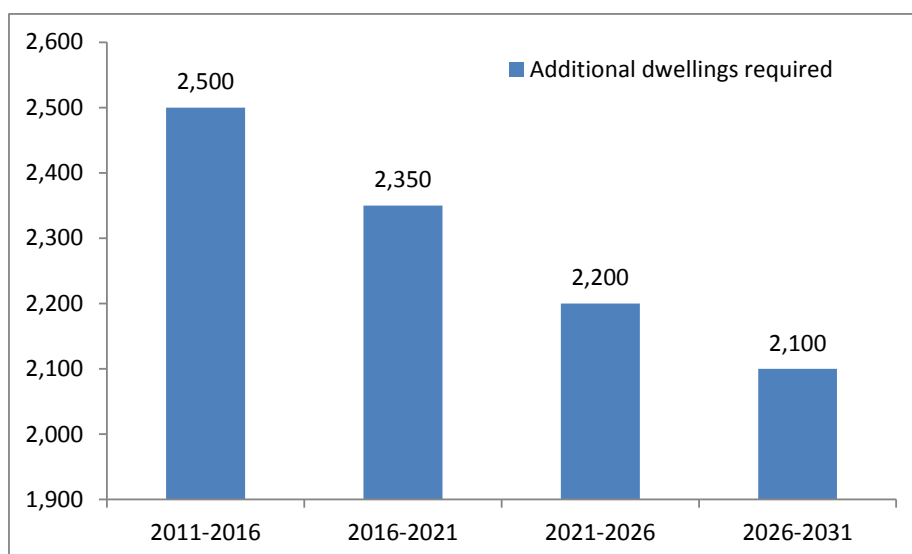
Table 68. Projected Lot Production (2011-2016)

		Coffs Harbour									
Total 5 Year		Year 1		Year 2		Year 3		Year 4		Year 5	
Lots	ha	Lots	ha	Lots	ha	Lots	ha	Lots	ha	Lots	ha
1,057	132	222	36	237	33	175	22	210	21	213	21

Source: Department of Planning and Environment

- According to 2014 DP&E household and implied dwelling projections, the Coffs Harbour LGA population is projected to require an additional 9,150 dwellings by 2031.

Figure 25. Projected dwellings required (2011 to 2031)



Source: DP&E, MacroPlan Dimasi

3.9 Housing Type Recommendations

The table below identifies each submarket based on affordability and the inferred housing type that is likely to be required to satisfy market and demographic needs.

Table 69. Housing type recommendations

Coffs Harbour LGA	Residential Submarket	Housing Type Required
Most Expensive	Coffs Harbour - North	Smaller lot and medium density housing
	Coffs Harbour - Central	Smaller lot and medium density housing
Medium Priced	Coffs Harbour - South	Smaller lot and medium density housing
Most Affordable	Coffs Harbour - Regional	Detached housing

Source: RP Data, MacroPlan Dimasi

4.1 Key Facts, Findings and Take-outs

- In the Mid North Coast Regional Strategy (2009), the Gloucester LGA falls outside of the boundaries of the current MNC region, however for the purpose of this analysis has been included.

Figure 26. Gloucester LGA Location in Context of the Mid North Coast Region



Source: MacroPlan Dimasi

Prevailing Conditions

- As at 2011, the Gloucester LGA encompassed a resident population of 4,991 persons, making it the smallest LGA in the MNC from a population perspective. The LGA grew by 0.5% per annum (or 112 persons) over the five years to 2011.
- The LGA's rate of population growth over the past five years was substantially under the MNC average of 1.1% per annum.

- In terms of residential construction, approval activity is limited, with an average of 35 dwellings approved per annum over the 2007-2013 period. Almost all of these were for detached houses.
- Gloucester's housing stock is dominated by detached dwellings, which comprise 92.1% of total dwellings across the LGA.
- Household composition within the Gloucester LGA is skewed towards 'couple family with no children' households at 35.3%, considerably above the MNC average of 30.8%. In line with other MNC LGA's, household growth has primarily come from lone persons (+80).
- Property prices within the LGA remained static over the past five years, underpinned by the region's limited population growth. Over the five years to 2007, 97% of houses sold were priced below \$350,000; while in the five years to 2013, 92% of house sales per annum were priced in the low range.
- Of the two submarkets that we have identified, sales activity is heavily skewed to the Gloucester – Central submarket, accounting for 94% of sales during 2013.
- Rental growth within the Gloucester – Central submarket has been strong, particularly for houses, with annual growth of 5.7% per annum over the 2009-2014 period.
- Employment growth within the Gloucester LGA was minimal over the 2006-2011 period, with only 94 jobs added. In contrast to other MNC LGA's, employment growth was greatest within the mining industry (+64 jobs).

Future Considerations

- The LGA's population and workforce base are expected to contract. By 2031 the Gloucester LGA's population is expected to reduce to 4,800 persons.
- We note though, that coming off a low base, a small change in development or employment circumstances can have a significant impact on overall population or job numbers. Council, for instance, is negotiating the construction of a 130-resident aged care facility, which will bring new workers and residents to the LGA. Similarly, the prospects of future potential natural resource projects could impact significantly on the LGA's population growth.
- Under current DP&E projections, the number of persons aged 65+ is projected to expand by 650 between 2011 and 2031, making it the only age cohort in Gloucester to experience a population gain.
- In order to accommodate the LGA's expected growth in the retiree cohorts, alternate housing formats should be encouraged.

Recommendations:

- As retirees are the only age cohort expected to experience a gain in population, a particular focus should be placed on meeting the accommodation needs of this age segment.
- The number of people already in this age cohort, coupled with the number of people expected to transition into this bracket is a significant demographic force that will increase demand for age specific and localised services across the LGA.
- Whilst this force would ordinarily trigger demand for a greater variety of housing choice (e.g. well located, smaller dwellings), government policy that encourages 'ageing in place' coupled with a current lack of alternate housing stock, is expected to somewhat defuse this effect. Many retirees also are attracted to rural lifestyle opportunities in Gloucester LGA, such that the 'need' for other housing forms is somewhat against the trend in housing demand.
- Nonetheless, the LGA's strong growth in lone person households (in part driven by ageing) and the current lack of non-detached housing stock suggests that a mix of dwelling types will be required to accommodate the LGA's future population structure.
- Alternatively, further encouragement of age-specific housing formats (retirement living and aged care) could assist in filling an expected market void.

4.2 Population Trends and Characteristics

- According to ABS ERP figures, the population of the Gloucester LGA increased by 112 persons from 2006 – 2011, equating to an annual growth rate of 0.5%. Gloucester's actual population at 2011 was 4,991 persons.

Table 70. Gloucester LGA population

Source	Date	Population
ERP Estimate	2006	4,879
ERP Estimate	2011	4,991
Change	2006-2011	+ 112

Source: ABS, MacroPlan Dimasi

- Similar to other MNC LGA's, the change in specific age cohorts over this period, however, is quite different to the net result.
- The 50-64 and 65+ age cohorts increased by 66 and 207 respectively, while population growth in the 20-34 age cohort equated to an addition of 7 persons.

- Conversely, the 0-19 and 35-49 age cohorts experienced an outright decline over the five year period.

Table 71. Population growth by age cohort

	2006	2011	Change (2006-2011)
0-19	1,173	1,108	-65
20-34	539	546	7
35-49	989	886	-103
50-64	1,125	1,191	66
65+	1,053	1,260	207
Total	4,879	4,991	+ 112

Source: ABS, MacroPlan Dimasi

4.2.1 Household Composition

- Household composition within the Gloucester LGA is skewed towards couple family with no children households at 35%, above the MNC average of 31%.
- Household growth over the five year period to 2011 has predominately come from lone persons (+80), while on the other hand there was negative growth in family households (-23).

Table 72. Household composition, Gloucester LGA

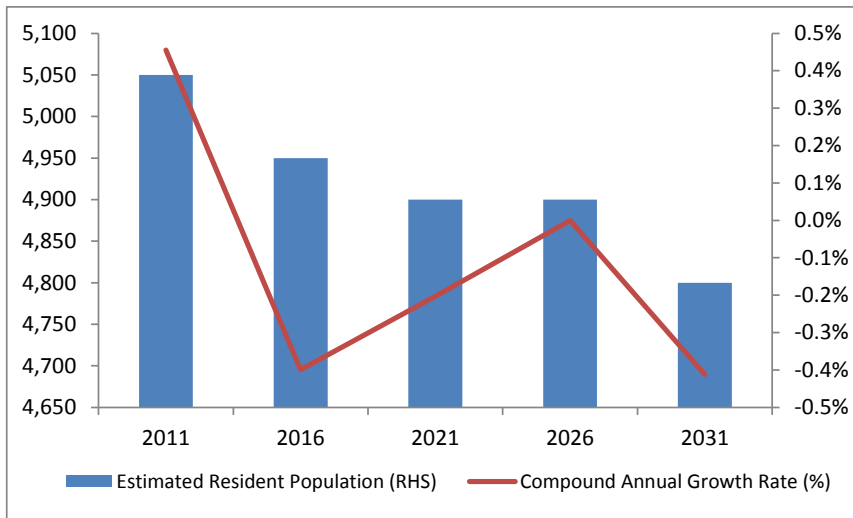
Household Composition	Number	Composition (%)	Change (2006-2011)
Family household	637	31%	-23
Couple family with no children	736	35%	12
Lone Person	589	28%	80
Group	36	2%	3
Other	87	4%	5
Total	2,085	100%	77

Source: ABS, MacroPlan Dimasi

4.2.2 Population Growth – Projections

- According to the DP&E (2014) projections, the Gloucester LGA population is projected to decrease to 4,800 by 2031.
- It is anticipated the population growth will decline at an average rate of -0.3% per annum over this period.

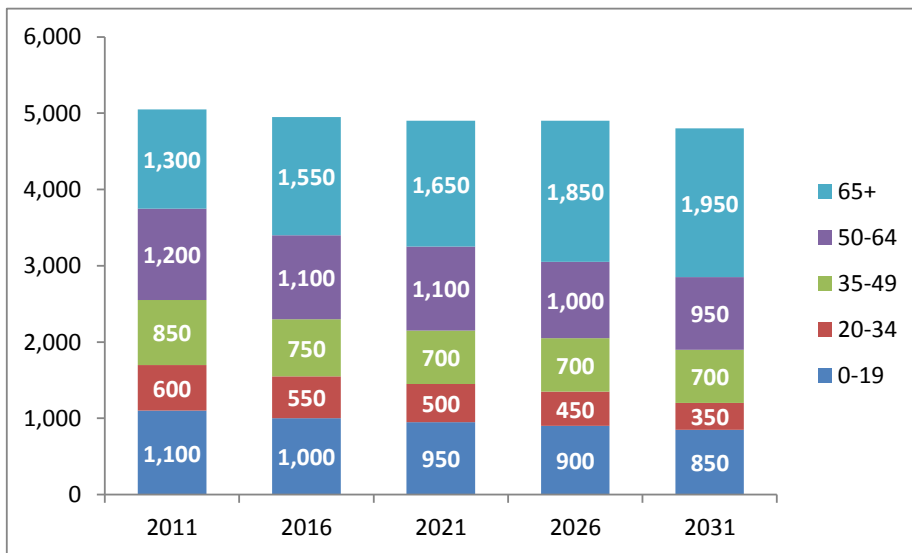
Figure 27. Projected Population (2011 to 2031)



Source: DP&E, MacroPlan Dimasi

- Between 2011 and 2031, the number of persons aged 65+ is projected to expand by 650, making it the only age cohort in Gloucester to experience a population gain.

Figure 28. Population Projections by Age (2011-2031)



Source: ABS, DP&E, MacroPlan Dimasi

4.2.3 Migration Movements (2006-2011)

Inward and outward movements for each MNC LGA have been analysed, using 2006 and 2011 Census data (Place of Usual Residence).

- Over the five years to 2011, inward migration into the Gloucester LGA totalled 854 persons.
- Persons who had previously lived in Sydney accounted for the largest proportion of inward migration (304 persons).
- Persons aged 35-49 (upgraders) represented the largest share of inward movements (205 persons).
- Overseas migration was minimal at approximately 40 persons, predominantly from persons aged 20-34.

Table 73. Inward Migration (2006 to 2011)

Gloucester	0-19	20-34	35-49	50-64	65+	Total
Mid North Coast	32	24	48	35	21	160
Sydney	36	52	64	102	50	304
Regional NSW	103	47	64	40	41	295
Interstate	17	0	21	17	0	55
Overseas	11	16	8	0	5	40
Total	199	139	205	194	117	854

Source: ABS, MacroPlan Dimasi

- Over the five years to 2011, outward migration from the Gloucester LGA totalled 700 persons.

Table 74. Outward Migration (2006 to 2011)

Gloucester	0-19	20-34	35-49	50-64	65+	Total
Mid North Coast	36	14	46	49	47	192
Sydney	8	45	0	0	8	61
Regional NSW	104	106	61	50	18	339
Interstate	47	21	20	6	14	108
Total	195	186	127	105	87	700

Source: ABS, MacroPlan Dimasi

- Movements to regional NSW (predominantly the Hunter region) represented the dominant flow.
- While the inflow of persons aged 20-34 was considerable, the outflow of this age cohort was greater, resulting in a negative outcome over the five year period.

Table 75. Net Migration (2006 to 2011)

Gloucester	0-19	20-34	35-49	50-64	65+	Total
Net migration	4	-47	78	89	30	154

Source: ABS, MacroPlan Dimasi

- Over the five year period, ABS Census data indicates a net inflow of 154 persons into the Gloucester LGA.

4.2.4 Income Distribution by Age

- Housing affordability is a function of income or spending capacity and housing costs. Subsequently, demand for dwellings is largely determined by household or personal income.
- For the purpose of our analysis, we separate personal income as follows:

Table 76. Personal Income Ranges

Range	Value range
Low Range	Upto \$31,199
Medium Range	Between \$31,200 and \$64,999
High Range	Greater than \$65,000

- Overall, the majority of Gloucester LGAs working residents fall within the low (57%) to medium (32%) income brackets.
- Persons aged between 20-34 and 35-49 are more likely to be in the high wage bracket with 14% and 22% respectively, considerably above the LGA average.
- Persons aged 65+ have a skew towards low wage earners, with an above average proportion of people in the low wage bracket.

Table 77. Personal Income Distribution by Age (2011)

Age		Gloucester
20-34	Low	47%
	Medium	39%
	High	14%
35-49	Low	46%
	Medium	32%
	High	22%
50-64	Low	56%
	Medium	32%
	High	12%
65+	Low	68%
	Medium	29%
	High	3%
Total	Low	57%
	Medium	32%
	High	11%

Source: ABS, MacroPlan Dimasi

- Low income earning capacity is expected to impede property market activity, particularly from FHBs (20-34).
- Household income levels in the Gloucester LGA are low, with 77% of people living in a household with an annual income of less than \$78,000.

Table 78. Household Income (2011)

Annual household Income (proportion)	Gloucester
Less than \$78,000	77%
More than \$78,000	23%
Total	100%

Source: ABS, MacroPlan Dimasi

- Whether market participation is assessed by reference to individual or household incomes, it would appear that affordability will present as a barrier of entry for a significant proportion of the population.

4.3 Housing Market Implications

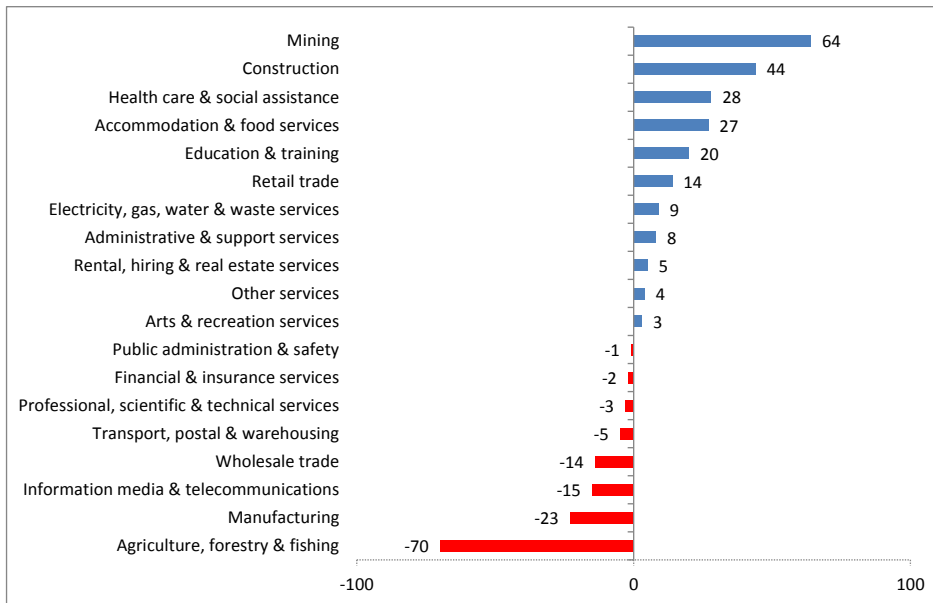
- The above assessment of demographic and resident income earning characteristics suggest the following:

- **First home buyers (20-34 year olds):** The loss of population from this age cohort is accentuated by outward migration. Just under half (47%) of individuals in this age group earn an annual income of less than \$31,199. We suspect that the shrinkage in this market is tied to the availability of well-paid jobs and personal preferences, but could also reflect a lack of suitable housing product.
 - **Upgraders (35-49 year olds):** Gloucester has also experienced a loss of persons from this age cohort, despite a net migration gain of 78 persons. For individuals in this group, 46% earn an annual income of less than \$31,199. A strong employment base is key to maintaining growth in this age group.
 - **Downsizers (50-64 year olds):** Population growth has been modest for this age cohort aided by a small net migration gain.
 - **Retirees (65+ year olds):** As at 2011, this age cohort represented the largest segment of the market, accounting for 25% of the total population. Population growth was most pronounced within this age cohort over the five years to 2011. Furthermore, this age cohort is expected to be the only age cohort to experience a gain in population out to 2031.
- The growth in downsizer and retiree age cohorts suggests the need for alternate (smaller) housing product across the LGA. This is reinforced by the LGA's low income profile which impedes property market activity, particularly for FHBs (20-34). Affordability options could be improved by a more diverse choice in housing options.

4.4 Employment Characteristics

- Over the five year period to 2011, 93 new jobs were created in Gloucester LGA.
- Gloucester's employment profile is very different from other MNC LGA's as the mining industry accounted for the majority of new jobs over the 2006-2011 period – net addition of 64 new jobs.
- The Construction and Health Care and Social Assistance industries both incurred a modest gain in workforce employment at 44 and 28 jobs added respectively.
- Alternatively, there was employment contractions within 8 industries, with the greatest loss occurring within the Agriculture, forestry and fishing industry (-70 jobs).

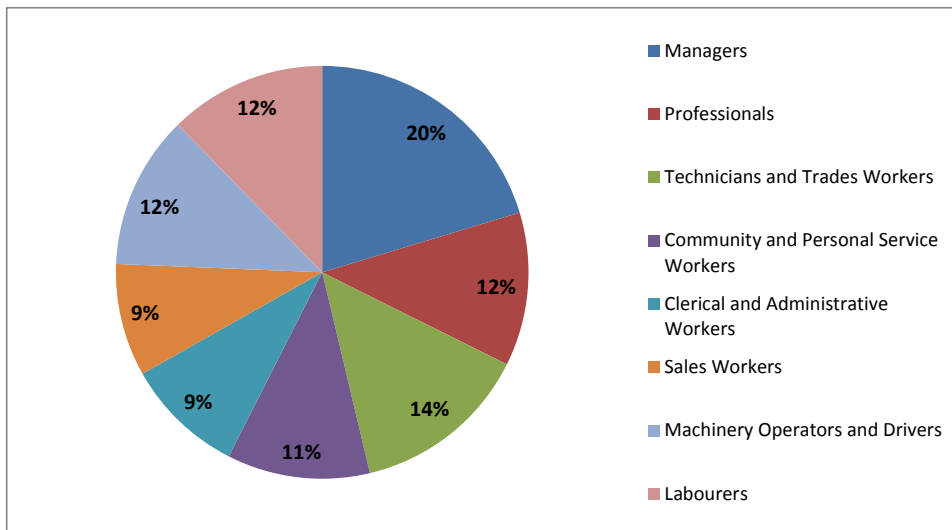
Figure 29. Employment Growth by Industry (2006 to 2011)



Source: ABS, MacroPlan Dimasi

- As at Census 2011, 'Managers' constituted the main occupation type in Gloucester LGA.

Table 79. Occupation Composition, 2011



Source: Census 2011, MacroPlan Dimasi

- According to Census 2011 figures, there were 1,924 jobs in the Gloucester LGA.
- The top three employing industries engaged around 37% of the workforce – Agriculture, forestry and fishing (15.3%), Health care and social assistance (11.4%) and Retail trade (10.2%).

- Although the mining industry accounted for the majority of employment growth over the 2006-2011 period, it only represents 7.6% of the total workforce.

Table 80. Employment by Industry, 2011

Industry	Number	Composition (%)
Agriculture, forestry and fishing	294	15.3%
Health care and social assistance	220	11.4%
Retail trade	196	10.2%
Construction	172	8.9%
Accommodation and food services	147	7.6%
Mining	146	7.6%
Education and training	144	7.5%
Manufacturing	128	6.7%
Public administration and safety	102	5.3%
Transport, postal and warehousing	78	4.1%
Professional, scientific and technical services	69	3.6%
Other services	64	3.3%
Administrative and support services	40	2.1%
Wholesale trade	29	1.5%
Rental, hiring and real estate services	28	1.5%
Electricity, gas, water and waste services	22	1.1%
Financial and insurance services	22	1.1%
Arts and recreation services	17	0.9%
Information media and telecommunications	6	0.3%
Total	1,924	100.0%

Source: ABS, MacroPlan Dimasi

4.5 Gloucester Housing Market Conditions

4.5.1 Housing Tenure

- As at Census 2011, over half of dwellings in the Gloucester LGA were owned outright at 52%, substantially above the MNC average of 45%.
- Representation amongst renting households (24%) was below than the MNC average (28%).

Table 81. Housing Tenure, Gloucester LGA and MNC (2011)

Tenure	Number	Gloucester LGA	Mid-North Coast
Owned outright	999	52%	45%
Owned with a mortgage	466	24%	28%
Rented	451	24%	28%
Total	1,916	100.0%	100.0%

Source: ABS, MacroPlan Dimasi

- Outright ownership is highest amongst retirees at 47.8% of dwellings.
- Upgraders represent 35.5% of the 'owned with a mortgage' tenure group, suggesting they have recently purchased a new dwelling.
- In contrast to other MNC LGA's, renting is highest amongst upgraders at 31.6% of dwellings. The high representation of renters within this age cohort could be a result of the mining workers in the region (146 persons), as they are more likely to rent given the industries short term nature during the construction phase while their principal place of residence is elsewhere.

Table 82. Household Tenure by Age (2011)

	Owned outright	Owned with a mortgage	Rented	Total
15-19	3.7%	11.0%	11.0%	7.2%
20-34	3.8%	19.3%	24.8%	12.7%
35-49	10.9%	35.5%	31.6%	22.4%
50-64	33.8%	28.3%	20.0%	29.1%
65+	47.8%	5.9%	12.6%	28.6%
Total	100.0%	100.0%	100.0%	100.0%

Source: ABS, MacroPlan Dimasi

4.5.2 Housing Activity since 2007 (2007-2013)

- Dwelling approval data provided by the ABS has been analysed as it provides an important leading economic indicator, while giving an insight into the demand for dwellings over a given period.
- Over the 2007-2013, dwelling approvals averaged just 35 per annum within the Gloucester LGA, with detached houses accounting for close to 100% of total dwelling approvals over this period.

Table 83. Dwelling Approvals (2007-2013)

	House	Other Dwelling	Total
2007	38	-	38
2008	40	-	40
2009	27	-	27
2010	44	3	47
2011	23	5	28
2012	25	-	25
2013	37	-	37

Source: ABS, MacroPlan Dimasi

- Over the 2007-2013 period, there were no approvals made for apartments within the LGA, with other dwelling approvals coming in the form of villa dwellings.

Figure 30. Dwelling Approvals by Housing Type (2007-2013)



Source: ABS, MacroPlan Dimasi

4.6 Property Trends – 2002-2007 v 2008-2013

4.6.1 House, land and other dwelling analysis

- Utilising RP Data, sales data has been analysed for the last decade in the Gloucester LGA.
- To account for house price growth over this period, observed sales have been segregated into two five year periods; i.e. 2002 to 2007 and 2008 to 2013.
- In order to ascertain trends in price distribution across the LGA, sales data has been segregated into value ranges (as presented in the table below).

Table 84. Residential Property and Land Price Ranges

Range	Land	Other Dwellings	House
Low	Up to \$200,000	Up to \$200,000	Up to \$350,000
Medium	Between \$200,000 & \$350,000	Between \$200,000 & \$350,000	Between \$350,000 & \$550,000
High	Greater than \$350,000	Greater than \$350,000	Greater than \$550,000

- Data quality control has been undertaken to assist our analysis. In order to depict a market position, outlier transactions (consisting of transactions that were significantly below market value or of large size lots that reflect development

potential) have been omitted from our assessment. As a result, our analysis has been undertaken on a subset of total sales activity in the Gloucester LGA.

4.6.2 Historical Detached Dwelling Prices & Activity

- Over the two periods, house prices remained relatively unchanged within the Gloucester LGA.
- The turnover of house sales over the two assessed period is relatively small. Over the 2002-2007 period, house sales averaged 70 per annum, before reducing to average 48 per annum over the 2008-2013 period – a 31% reduction.
- Over both periods, almost all of house sales were priced in the low range (below \$350,000).
- There were no house sales priced in the high value range (above \$550,000) over the assessed periods.

Table 85. Average Annual House Sales, 2002-2007 & 2008-2013

	2002-2007		2008-2013	
	Number	%	Number	%
Low	68	97%	45	92%
Medium	2	2%	4	8%
High	0	0%	0	0%
Total	70	100%	48	100%

Source: RP Data, MacroPlan Dimasi

4.6.3 Historical Other Dwelling Prices & Activity

- As at the 2011 Census, only 7.8% of dwellings were in the form of 'other dwellings'. As such, sales activity for these dwellings is minimal.
- Over the five years to 2007, other dwelling sales averaged 5 per annum, before decreasing to average 3 per annum over the 2008-2013 period.

Table 86. Average Annual Other Dwelling Sales, 2002-2007 & 2008-2013

	2002-2007		2008-2013	
	Number	%	Number	%
Low	2	30%	2	53%
Medium	3	56%	1	35%
High	1	15%	0	12%
Total	5	100%	3	100%

Source: RP Data, MacroPlan Dimasi

4.6.4 Historical Land Prices & Activity

- Over the five years to 2007, there was approximately 21 vacant land lots sold per annum. The majority of these sales were for lots priced under \$200,000 (93%).
- Land sales have since reduced, averaging 11 lots per annum over the last five years, showing a contraction of 48%.
- In proportional terms, there was a shift to higher priced land sales with 33% of land sold over the 2008 to 2013 period being priced above \$200,000.

Table 87. Average Annual Land Sales, 2002-2007 & 2008-2013

	2002-2007		2008-2013	
	Number	%	Number	%
Low	20	93%	7	67%
Medium	2	7%	2	20%
High	0	0%	1	13%
Total	21	100%	11	100%

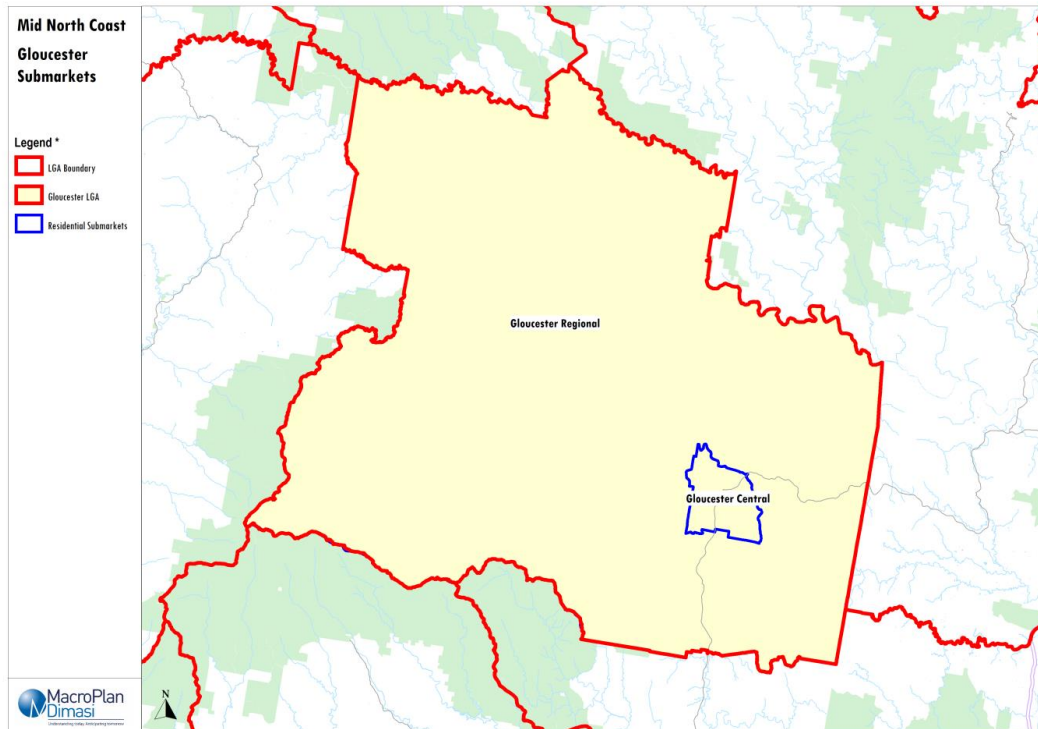
Source: RP Data, MacroPlan Dimasi

4.7 Housing Submarket Indicators

4.7.1 House Prices by Subregion

After analysing housing, demographic and economic trends in the LGA, there appears to be only two apparent submarkets. This is shown in the map below.

Figure 31. Gloucester Residential Submarkets



Source: MacroPlan Dimasi

- For the purpose of this submarket analysis the Gloucester LGA has been segregated into two distinctive sub-markets, Gloucester – Central and Gloucester – Regional.
- In 2013, 92% of house sales were priced below \$350,000 (low range), while the remainder of sales were in the medium price range (\$350,000 to \$550,000)
- Both submarkets appear to be similar in price; however the Gloucester - Central submarket presents as the most costly housing market with 5 house sales being sold in the medium value range.
- Sales activity in the Gloucester – Regional submarket is minimal, with just 4 house sales made during 2013

Table 88. House Sales by Submarket (2013)

	Gloucester - Central			Gloucester - Regional			Total	
	Number	%	% of total	Number	%	% of total	Number	%
Low	54	92%	86%	4	100%	6%	58	92%
Medium	5	8%	8%	0	0%	0%	5	8%
High	0	0%	0%	0	0%	0%	0	0%
Total	59	100%	94%	4	100%	6%	63	100%

Source: RP Data, MacroPlan Dimasi

4.7.2 Rental Market and Indicative Yields

Given the lack of dwellings in the Gloucester – Regional submarket, we have been unable to obtain any rental data. As such we can only comment on the rental market within the Gloucester – Central submarket.

- Detached dwelling rents in the Gloucester – Central submarket increased by 5.7% per annum over the five years to 2014.
- Over this period, indicative rental yields increased, from 5.1% to 6.2%.
- As at 2014, detached dwellings in the Gloucester – Central submarket achieved median rents of \$290 per week.

Table 89. House Rents and Rental Yields (2009 & 2014)

	Median Rent			Yield	
	2009	2014	CAGR (%)	2009	2014
Gloucester - Central	\$220	\$290	5.7%	5.1%	6.2%
Gloucester - Regional			N/A		
Average	\$220	\$290	5.7%	5.1%	6.2%

Source: Residex, MacroPlan Dimasi

- Between 2009 and 2014, apartment rents in the Gloucester – Central submarket expanded at an average rate of 2.5% per annum, substantially below that registered for detached dwellings, while indicative rental yields have remained relatively unchanged at 5.9%.

Table 90. Apartment Rents and Rental Yields (2009 & 2014)

	Median Rent			Yield	
	2009	2014	CAGR (%)	2009	2014
Gloucester - Central	\$230	\$260	2.5%	5.9%	5.9%
Gloucester - Regional			N/A		
Average	\$230	\$260	2.5%	5.9%	5.9%

Source: Residex, MacroPlan Dimasi

4.8 Housing Type Recommendations

- As retirees are the only age cohort expected to experience a gain in population, a particular focus ought to be placed on meeting the accommodation needs of this age group.
- Whilst this force would ordinarily trigger demand for a greater variety of housing choice (e.g. well located, smaller dwellings), government policy that encourages 'ageing in place' coupled with a current lack of alternate housing stock, is expected to somewhat defuse this effect. Many retirees also are attracted to rural lifestyle opportunities in the Gloucester LGA, such that the 'need' for other housing forms is somewhat against the trend in housing demand.
- Nonetheless, the LGA's strong growth in lone person households (in part driven by ageing) and the current lack of non-detached housing stock suggests that a mix of dwelling types will be required to accommodate the LGA's future population structure.
- The table below identifies each submarket based on affordability and the inferred housing type that is likely to be required to satisfy market and demographic needs.

Table 91. Housing type recommendations

Gloucester LGA	Residential Submarket	Housing Type Required
Most Expensive	Gloucester - Central	Smaller lot and medium density housing
Most Affordable	Gloucester - Regional	Detached housing

Source: RP Data, MacroPlan Dimasi

5.1 Key Facts, Findings and Take-outs

- The Great Lakes LGA falls within the Manning Valley – Great Lakes subregion under the Mid North Coast Regional Strategy (2009), encompassing both the Greater Taree and Great Lakes LGA’s. As part of this subregion, the MNCRS identified the need of an additional 15,000 new dwellings by 2031 within the region.

Figure 32. Great Lakes in Context of the Mid North Coast Region



Source: MacroPlan Dimasi

- The LGA has strong linkages with, and is influenced by, the Hunter/Newcastle region due to its proximity.
- For the LGA, the majority of future growth is expected to occur at the Forster–Tuncurry area, with Hawks Nest and Tea Gardens also capable of accommodating future growth.

Prevailing Conditions

- As at 2011, Great Lakes encompassed a resident population of 35,737 persons. The LGA grew by 1.3% per annum (or 2,162 persons) over the five years to 2011.
- Household composition within the Great Lakes LGA is skewed towards 'couple family with no children' (34%). In line with the broader MNC region, household growth has been greatest within the lone person household group (+530)
- Total dwelling approvals have averaged around 157 per annum, the majority of which have been for separate detached houses (average of 85%).
- Great Lakes housing stock is dominated by detached dwellings which comprise 75.2% of total dwellings across the LGA.
- A modest price growth for houses has occurred within the Great Lakes LGA. Over the five years to 2013, over half (56%) of house sales per annum were priced within the low price band. The previous five year period to 2007 saw 63% of houses sold within the low value range.
- Over the five years to 2014, residential house rents in the Great Lakes LGA increased by an average of 2.4% per annum, moderately higher than apartments at 1.6%.
- Rental growth has been most pronounced for houses within the Great Lakes – Forster region at 5.9% per annum for houses and 6.7% per annum for apartments over the five years to 2014.
- Over the five years to 2011, an additional 418 jobs were created in the Great Lakes LGA. Employment growth had been highest amongst industries providing localised services such as Health Care and Social Assistance (+281 jobs), reflective of the LGA's substantial aged population.

Future Considerations

- Based on projected DP&E figures, it is anticipated that the resident population of the Great Lakes LGA will increase to 38,550 persons by 2031.
- Population growth is expected to be highest amongst retiree households, expanding 45% over the forecast period. Growth in FHB and downsizer age cohorts is expected to be negative out to 2031.

Recommendations

- Given the region's current aged population structure and the predicted continued growth within these aged cohorts, demand for alternate housing formats is expected to increase.

- Alternate housing product (smaller lot or medium-high density housing) provides opportunity for downsizing and fit-for-purpose accommodation. Housing 'churn' also assists other market segments, freeing up stock for FHBs and upgraders.
- The LGA's provision of higher density housing formats is significant around its major coastal centres, providing downsizers with available housing options. The LGA is predicted to also remain popular for retirement-specific housing.
- Given the high representation of households on low incomes, housing diversity is expected to assist the housing needs of all age cohorts across the LGA.

5.2 Population Trends and Characteristics

5.2.1 Population Growth Characteristics

- According to ABS ERP figures, the Great Lakes LGA grew by 2,161 persons from 2006 – 2011, equating to an annual growth rate of 1.3% or an average annual increase of 433 persons.

Table 92. Great Lakes LGA population

Source	Date	Population
ERP Estimate	2006	33,576
ERP Estimate	2011	35,737
Change	2006-2011	+ 2,161

Source: ABS, MacroPlan Dimasi

- The greatest increase to the local population came from retirees (65+) with an additional 1,651 persons.
- All age cohorts except upgraders (35-49) experienced a population increase over the five year period.
- The area is very popular for retirees, with persons aged 65+ representing 30% of the local population – the highest of all the MNC LGAs.
- Given the size and recent growth in downsizer and retiree aged cohorts, further well located accommodation in proximity to key services such as health care will become increasingly important.

Table 93. Population growth by age cohort

	2006	2011	Change (2006-2011)
0-19	7,248	7,369	121
20-34	3,699	3,752	53
35-49	6,072	5,771	-301
50-64	7,443	8,080	637
65+	9,114	10,765	1,651
Total	33,576	35,737	+ 2,161

Source: ABS, MacroPlan Dimasi

5.2.2 Household Composition

- Within the Great Lakes LGA, 'couple family with no children' is the dominant household type at 34% of households, while there are a lower proportion of family households than the MNC average.
- Over the five years to 2011, lone person households experienced the greatest growth with an additional 530 households.

Table 94. Household composition, Great Lakes LGA

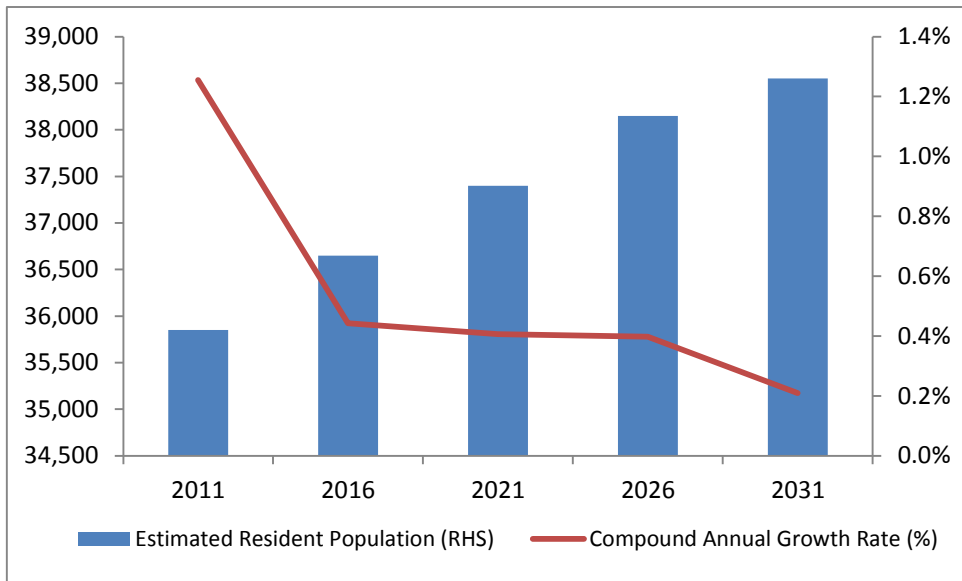
Household Composition	Number	Composition (%)	Change (2006-2011)
Family household	4,358	29%	144
Couple family with no children	5,247	34%	184
Lone Person	4,340	28%	530
Group	359	2%	26
Other	972	6%	35
Total	15,276	100%	919

Source: ABS, MacroPlan Dimasi

5.2.3 Population Growth – Projections

- According to the 2014 DP&E projections, the Great Lakes LGA is projected to grow to 38,550 by 2031, at an average rate of 0.4% per annum.

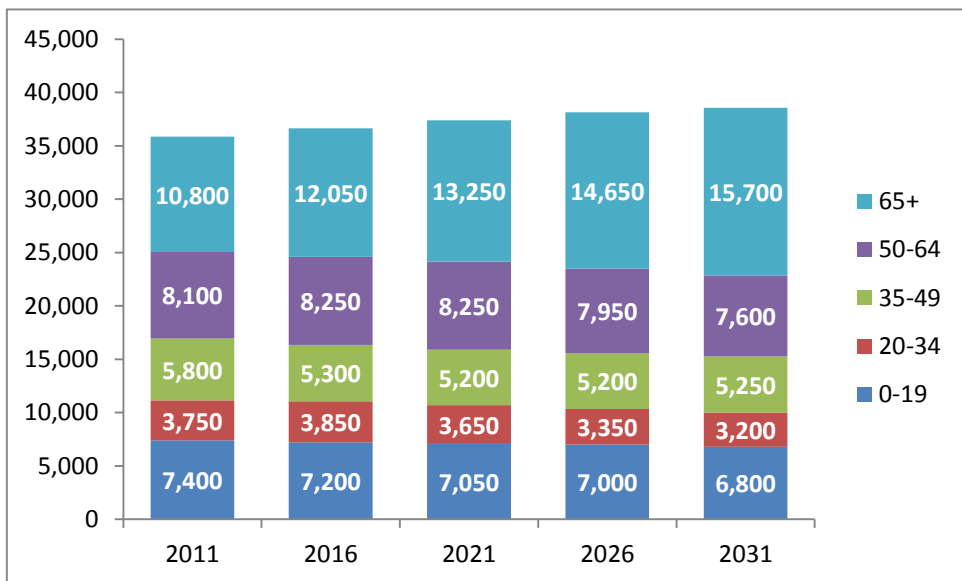
Figure 33. Projected Population (2011 to 2031)



Source: DP&E, MacroPlan Dimasi

- The region’s population growth is expected to be generated primarily from retirees, with all other age cohorts anticipated to experience negative population growth out to 2031.
- The 65+ age cohort is expected to grow by 4,900 persons from 2011 to 2031.
- Many of these retirees are expected to ‘cash out’ of their existing homes into other, smaller housing forms.

Figure 34. Population Projections by Age (2011-2031)



Source: ABS, DP&E, MacroPlan Dimasi

5.2.4 Migration Movements (2006-2011)

Inward and outward movements for each MNC LGA have been analysed, using 2006 and 2011 Census data (Place of Usual Residence).

- Over the five years to 2011, inward migration into the Great Lakes LGA totalled 7,466 persons.
- Movements from Sydney provided the largest source of inward movements, representing 34% of the total inward migration.
- Movements from Sydney in downsizer and retiree age cohorts was high, suggesting many of these people had moved to the Great Lakes area for retirement.

Table 95. Inward Migration (2006 to 2011)

Great Lakes	0-19	20-34	35-49	50-64	65+	Total
Mid North Coast	290	253	300	237	237	1,317
Sydney	336	267	482	823	616	2,524
Regional NSW	547	463	478	587	417	2,492
Interstate	159	166	133	251	167	876
Overseas	44	83	69	48	13	257
Total	1,376	1,232	1,462	1,946	1,450	7,466

Source: ABS, MacroPlan Dimasi

- In the five years to 2011, total outward migration from the Great Lakes LGA totalled 5,189 persons.
- The majority of the outward migration was to regional NSW – particularly the Hunter regions of Newcastle, Cessnock and Port Stephens.
- Offsetting the inward movement gains, outward movements from the 20-34 age cohort was significant with 1,413 persons leaving the LGA.

Table 96. Outward migration (2006 to 2011)

Great Lakes	0-19	20-34	35-49	50-64	65+	Total
Mid North Coast	241	218	234	161	118	972
Sydney	163	316	132	153	218	982
Regional NSW	430	635	335	311	304	2,015
Interstate	244	244	244	244	244	1,220
Total	1,078	1,413	945	869	884	5,189

Source: ABS, MacroPlan Dimasi

- Over the five year period, ABS Census data indicates a net inflow of 2,277 persons into the Great Lakes LGA.

Table 97. Net Migration (2006 to 2011)

Great Lakes	0-19	20-34	35-49	50-64	65+	Total
Net migration	298	-181	517	1,077	566	2,277

Source: ABS, MacroPlan Dimasi

5.2.5 Income Distribution by Age

- Housing affordability is a function of income or spending capacity and housing costs. Subsequently, demand for dwellings is largely determined by household or personal income.
- For the purpose of our analysis, we separate personal income as follows:

Table 98. Personal Income Ranges

Range	Value range
Low Range	Upto \$31,199
Medium Range	Between \$31,200 and \$64,999
High Range	Greater than \$65,000

- Wealth in the Great Lakes LGA is skewed towards low income earners with 61% of working residents earning an income less than \$32,000.
- In line with other LGAs, persons aged between 35-49 had an above average skew towards high wage earners with 16%; however the majority within this age cohort remain within the low income category.
- Persons aged 65+ are more likely to earn an income in the low range than any other age cohort, considerably above the average at 69%.

Table 99. Personal Income Distribution by Age (2011)

Age	Income stream	Great Lakes
20-34	Low	56%
	Medium	36%
	High	9%
35-49	Low	46%
	Medium	37%
	High	16%
50-64	Low	59%
	Medium	28%
	High	13%
65+	Low	69%
	Medium	28%
	High	3%
Total	Low	61%
	Medium	32%
	High	7%

Source: ABS, MacroPlan Dimasi

- The evident low income levels within the Great Lakes LGA will place further emphasis on housing affordability. Subsequently, this may force people to remain in the rental market longer than anticipated, or is likely to encourage people to move out of the LGA in search of better paid employment.
- Household income levels in the Great Lakes LGA are low, with 82% of households having an annual income of less than \$78,000.

Table 100. Household Income (2011)

Annual household Income (proportion)	Great Lakes
Less than \$78,000	82%
More than \$78,000	18%
Total	100%

Source: ABS, MacroPlan Dimasi

- Whether market participation is assessed by reference to individual or household incomes, it would appear that affordability will present as a barrier of entry for a significant proportion of the population.

5.3 Housing Market Implications

- The above assessment of demographic and resident income earning characteristics suggest the following:
 - **First home buyers (20-34 year olds):** Modest population growth of 490 persons has occurred in this age group over the five years to 2011, in contrast to a net migration loss of 181 persons. The availability of rental product and different housing formats is important to those from this group who choose to delay entry into the home mortgage market. The majority earn an annual income of less than \$31,199.
 - **Upgraders (35-49 year olds):** A net overall loss of 176 persons was recorded over the inter-censal period, despite a net migration influx of 517 persons, reflecting a transition of this age group to the older age cohort over the period. 46% of people in the age cohort earn an annual income of less than \$31,199.
 - **Downsizers (50-64 year olds):** Solid overall growth in this age cohort has occurred over the past five years, assisted by positive net migration. Downsizers now make up a sizeable portion of the overall housing market.
 - **Retirees (65+ year olds):** This age cohort will continue to have the greatest influence on the local housing market. A combination of further solid population growth and high gains in net migration will place considerable upward pressure on the price of well-located dwellings. The development of a mix of smaller housing typologies will aid in servicing the needs of this age cohort.

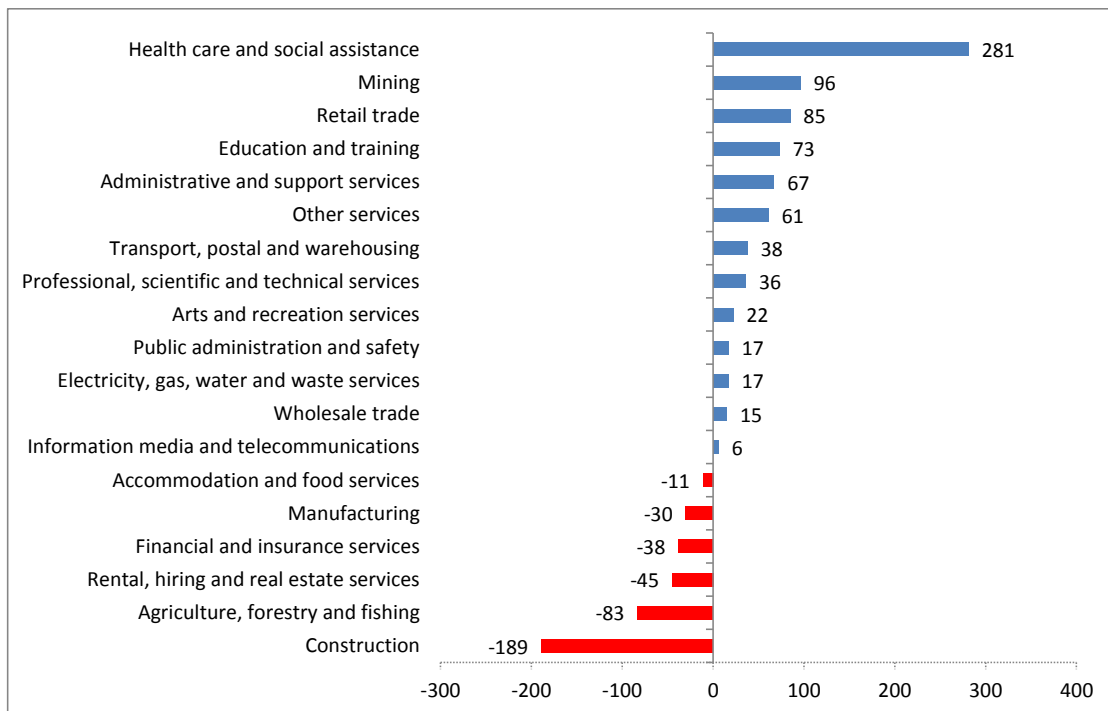
- The growth in downsizer and retiree age cohorts accentuates the need for smaller housing products in the LGA. This is consistent with the current MNCRS which identifies a greater demand for diversity in housing form to match the requirements of changing household structures, particularly the increase in one and two person households.

5.4 Employment Characteristics

- Between 2006 and 2011, the Great Lakes LGA's workforce expanded by 418 jobs.
- Similar to other MNC LGA's and national employment growth, job additions was greatest within Health Care and Social Assistance (+281).

- Six industries registered an outright decline in workforce. Job loss was greatest in the Construction industry – a net job reduction of 189 jobs.
- At its current rate of growth, the Health Care & Social Assistance sector is projected to eclipse the Retail Trade sector as the largest employed in Great Lakes LGA.

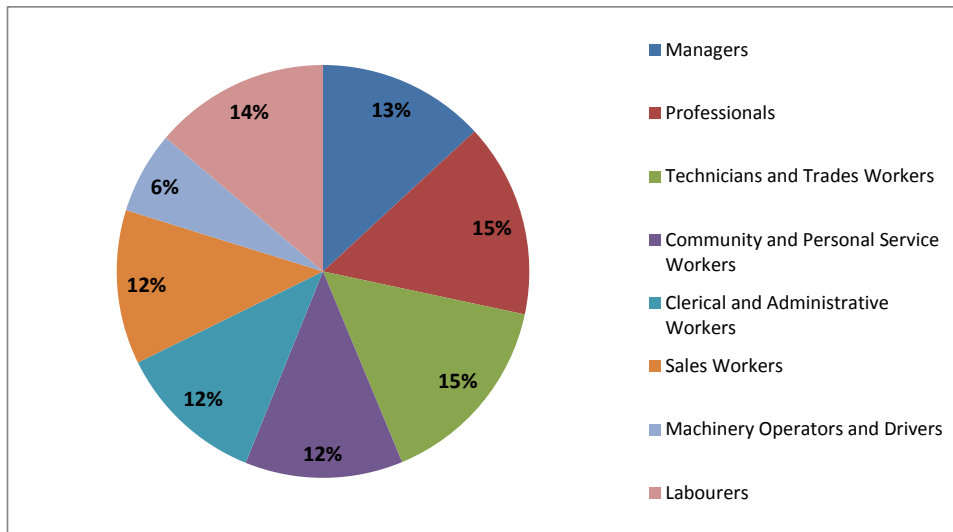
Figure 35. Employment Growth by Industry (2006 to 2011)



Source: ABS, MacroPlan Dimasi

- In contrast to many other MNC LGAs, the Great Lakes LGA workforce entails high representation from blue collar workers.
- As at Census 2011, labourers and technicians & trades workers comprised just under one-third of the LGA's workforce.

Figure 36. Occupation Composition, 2011



Source: Census 2011, MacroPlan Dimasi

- The largest employing industry in the Great Lakes LGA is Retail Trade, accounting for 14.3% of the workforce. Health Care & Social Assistance (14.2%) and Accommodation and food services (11.2%) constituted the next two largest employing industries.
- Just 3.9% of employed residents worked within the Professional, Scientific & Technical Service industry.

Table 101. Employment by Industry, 2011

Industry	Number	Composition (%)
Retail trade	1,546	14.3%
Health care and social assistance	1,536	14.2%
Accommodation and food services	1,212	11.2%
Construction	1,137	10.5%
Education and training	793	7.3%
Manufacturing	626	5.8%
Public administration and safety	551	5.1%
Agriculture, forestry and fishing	459	4.3%
Other services	453	4.2%
Transport, postal and warehousing	419	3.9%
Professional, scientific and technical services	417	3.9%
Administrative and support services	366	3.4%
Rental, hiring and real estate services	243	2.3%
Wholesale trade	223	2.1%
Arts and recreation services	219	2.0%
Electricity, gas, water and waste services	184	1.7%
Financial and insurance services	165	1.5%
Mining	148	1.4%
Information media and telecommunications	97	0.9%
Total	10,794	100.0%

Source: ABS, MacroPlan Dimasi

- The ability to provide local employment opportunities is fundamental in ensuring that there is a workforce to service the needs of the LGA's ageing demographic.

5.5 Great Lakes Housing Market Conditions

5.5.1 Housing Tenure

- As at Census 2011, 51% of all dwellings in the Great Lakes LGA were owned outright, considerably above the MNC average at 45%.
- Representation amongst renting households (26%) is slightly below the broader MNC region.

Table 102. Housing Tenure Composition, 2011

Tenure	Number	Great Lakes	Mid-North Coast
Owned outright	7,000	51%	45%
Owned with a mortgage	3,198	23%	28%
Rented	3,649	26%	28%
Total	13,847	100.0%	100.0%

Source: ABS, MacroPlan Dimasi

- In the Great Lakes LGA, outright ownership is highest amongst retirees, representing 47.1% of total.
- Upgraders present as the dominant 'owned with a mortgage' tenure group, comprising 35.3% of this housing arrangement.
- Renting is highest amongst FHBs at 31.1%.

Table 103. Tenure type, Great Lakes LGA

	Owned outright	Owned with a mortgage	Rented	Total
15-19	3.6%	12.5%	10.4%	8.6%
20-34	5.3%	21.1%	31.1%	14.6%
35-49	11.5%	35.3%	24.5%	23.2%
50-64	32.5%	25.8%	20.2%	33.3%
65+	47.1%	5.3%	13.8%	20.2%
Total	100.0%	100.0%	100.0%	100.0%

Source: ABS, MacroPlan Dimasi

5.5.2 Housing Activity since 2007 (2007-2013)

- Dwelling approval data provided by the ABS has been analysed as it provides an important leading economic indicator, while giving an insight into the demand for dwellings over a given period.
- Over the five years to 2013, dwelling approvals in the Great Lakes LGA averaged 157 per annum, with house approvals averaging 85% of this total.
- The most recent peak in dwelling approvals occurred in 2007 as solid house approvals coincided with an uplift in villa and apartment approvals.

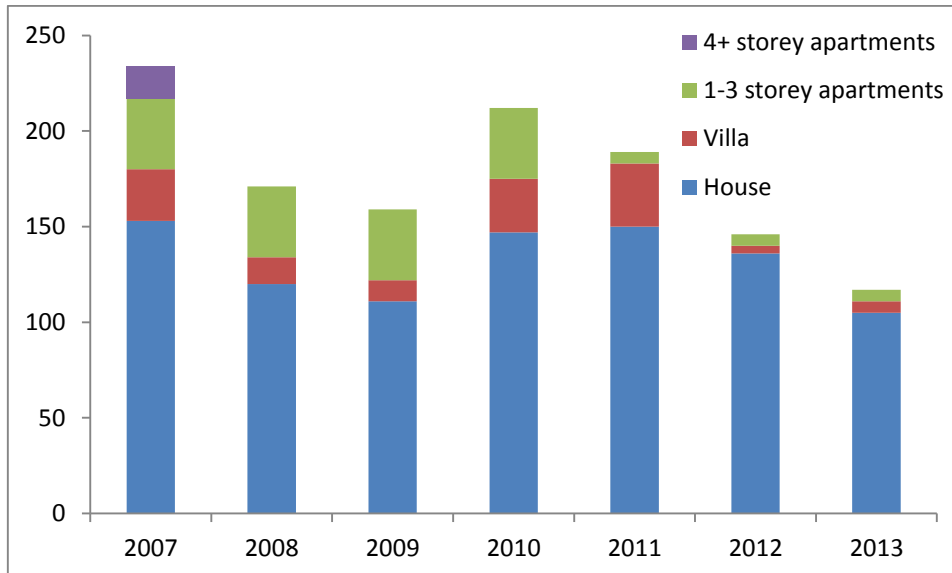
Table 104. Dwelling Approvals (2007-2013)

	House	Other Dwelling	Total
2007	153	44	197
2008	120	14	134
2009	111	11	122
2010	147	59	206
2011	150	33	183
2012	136	4	140
2013	105	12	117

Source: ABS, MacroPlan Dimasi

- More recently apartment approvals have declined, while approvals for villa dwellings have deteriorated over the past two years.

Figure 37. Dwelling Approvals by Housing Type (2007-2013)



Source: ABS, MacroPlan Dimasi

5.6 Property Trends – 2002-2007 v 2008-2013

5.6.1 House, land and other dwelling analysis

- Utilising RP Data, sales data has been analysed for the last decade within the Great Lakes LGA.
- To account for house price growth over this period, observed sales have been segregated into two five year periods; i.e. 2002 to 2007 and 2008 to 2013.
- In order to ascertain trends in price distribution across the LGA, sales data has been segregated into value ranges (as presented in the table below).

Table 105. Residential Property and Land Price Ranges

Range	Land	Other Dwellings	House
Low	Up to \$200,000	Up to \$200,000	Up to \$350,000
Medium	Between \$200,000 & \$350,000	Between \$200,000 & \$350,000	Between \$350,000 & \$550,000
High	Greater than \$350,000	Greater than \$350,000	Greater than \$550,000

- Data quality control has been undertaken to assist our analysis. In order to depict a market position, outlier transactions (consisting of transactions that were significantly below market value or of large size lots that reflect development

potential) have been omitted from our assessment. As a result, our analysis has been undertaken on a subset of total sales activity in the Great Lakes LGA.

5.6.2 Historical Detached Dwelling Prices & Activity

- In the Great Lakes LGA, a modest price shift has occurred in the five years to 2013.
- Over the five years to 2007, 63% of sales were for dwellings below \$350,000 (low range). Over the next period, the proportion of sales in the low range decreased to 56%.
- However, in proportional terms, house sales in the high value range remained relatively unchanged with only a 1% increase over the five years to 2013.

Table 106. Average Annual House Sales, 2002-2006 & 2007-2012

	2002-2007		2008-2013	
	Number	%	Number	%
Low	450	63%	277	56%
Medium	185	26%	164	33%
High	79	11%	58	12%
Total	714	100%	499	100%

Source: RP Data, MacroPlan Dimasi

5.6.3 Historical Other Dwelling Prices & Activity

- Sales activity in the other dwelling segment (i.e. not detached dwellings) has decreased over the five years to 2013, showing a 27% decrease from the five years to 2007.
- A price shift has occurred with other dwellings sold between \$200,000 and \$350,000 accounting for over half of sales (51%), in comparison to 40% over the previous five year period.
- Over the five years to 2013, high value other dwelling sales (above \$350,000) accounted for 26% of total market activity.

Table 107. Average Annual Other Dwelling Sales, 2002-2006 & 2007-2012

	2002-2007		2008-2013	
	Number	%	Number	%
Low	133	33%	67	23%
Medium	159	40%	147	51%
High	105	26%	75	26%
Total	397	100%	289	100%

Source: RP Data, MacroPlan Dimasi

5.6.4 Historical Land Prices & Activity

- The number of land sales within the Great Lakes LGA reduced significantly in the five years to 2013, showing a reduction of 54%.
- Over the five years to 2007, approximately 513 vacant land lots were sold per annum. The majority of these sales were for lots priced under \$200,000 (73%).
- While overall activity has decreased, in proportion terms there has been a modest shift to the higher valued lots. Of the average 234 lots sold per year during the 2008-2013 period, 22% are for lots priced between \$200,000 and \$350,000, compared to 18% over the previous five year period.
- The number of lot sales in the high price range has remained unchanged with an average of 45 lots sold per annum over the two periods.

Table 108. Average Annual Land Sales, 2002-2007 & 2008-2013

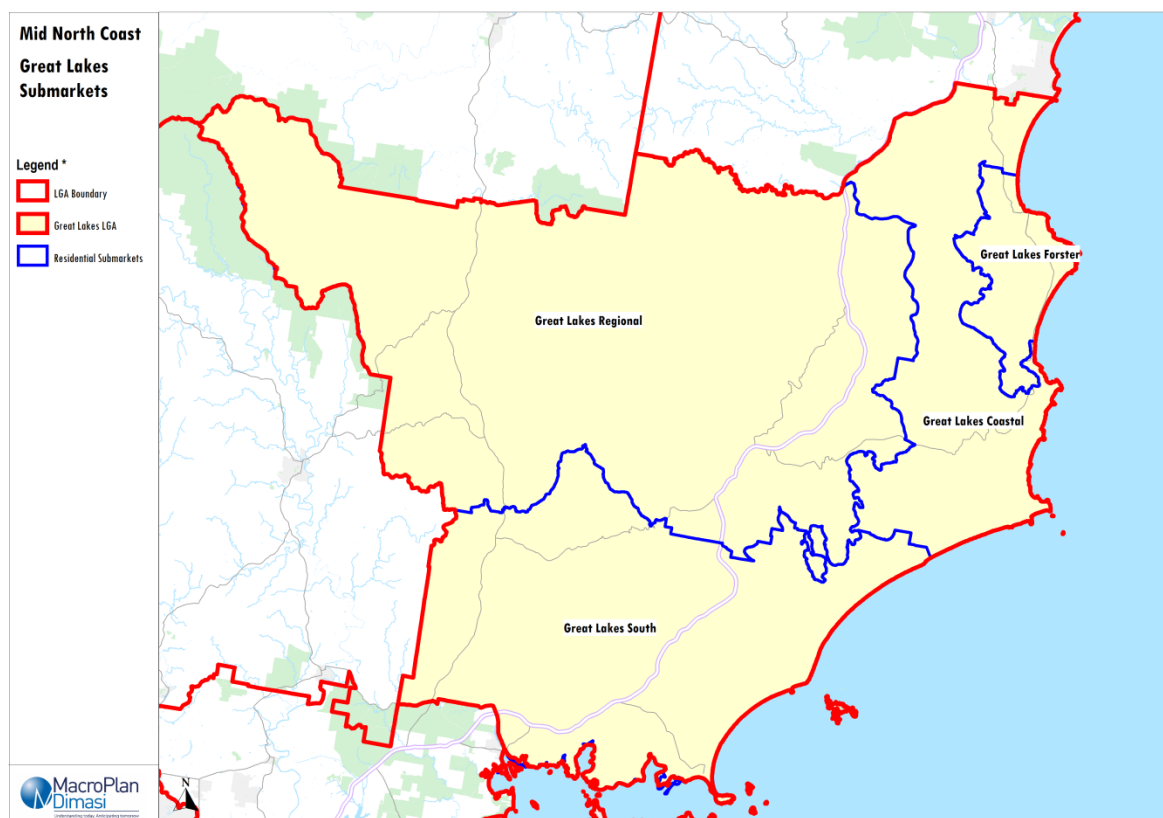
	2002-2007		2008-2013	
	Number	%	Number	%
Low	375	73%	139	59%
Medium	93	18%	51	22%
High	45	9%	45	19%
Total	513	100%	234	100%

Source: RP Data, MacroPlan Dimasi

5.7 Housing Submarket Indicators

5.7.1 House Prices by Subregion

Figure 38. Great Lakes Submarkets



Source: MacroPlan Dimasi

- The Great Lakes LGA comprises both coastal and inland locations and there is a considerable price disparity between properties located on the coast as opposed to inland.
- The Great Lakes LGA has been segregated into four distinctive sub-markets, namely Great Lakes – Coastal, Great Lakes – Forster, Great Lakes – Regional and Great Lakes - South.
- In 2013, the majority of sales (56%) across the LGA were located within the low value range (below \$350,000).
- Of all three subregions, Great Lakes – Regional presents as the most affordable housing market. Of all sales registered in 2013, 93% were for properties valued below \$350,000.

- The Great Lakes – Coastal residential submarket was the most expensive with 44% of house sales in 2013 priced above \$350,000.

Table 109. House Sales by Submarket (2013)

	Great Lakes - Coastal			Great Lakes - Forster			Great Lakes - Regional			Great Lakes South			Total	
	Number	%	% of total	Number	%	% of total	Number	%	% of total	Number	%	% of total	Number	%
Low	48	56%	9%	151	50%	28%	41	93%	8%	59	55%	11%	299	56%
Medium	22	26%	4%	124	41%	23%	3	7%	1%	37	34%	7%	186	35%
High	15	18%	3%	25	8%	5%	0	0%	0%	12	11%	2%	52	10%
Total	85	100%	16%	300	100%	56%	44	100%	8%	108	100%	20%	537	100%

Source: RP Data, MacroPlan Dimasi

5.7.2 Rental Market and Indicative Yields

- Over the five years to 2014, detached dwelling rents in the Great Lakes LGA increased at an average rate of 2.4% per annum.
- Indicative rental yields have improved. On average, an indicative rental yield of approximately 5.0% can be achieved with detached dwelling investment in the Great Lakes LGA.
- Weekly rentals within the Great Lakes – Coastal submarket, which encompasses Boomerang Beach and Smiths Lake is the most expensive submarket within the Great Lakes LGA at \$450 per week.
- On the other hand, the Great Lakes – Regional submarket is the most affordable rental market in the LGA with a weekly rental value of \$230.
- Overall, detached dwellings remain affordable in this region. This is reflected in high outright ownership and small representation from renting households.

Table 110. House Rents and Rental Yields (2009 & 2014)

	Median Rent			Yield	
	2009	2014	CAGR (%)	2009	2014
Great Lakes - Coastal	\$390	\$415	1.3%	4.9%	5.0%
Great Lakes - Forster	\$270	\$360	5.9%	3.7%	4.9%
Great Lakes - Regional	\$230	\$230	0.0%	5.6%	5.5%
Great Lakes - South	\$340	\$380	2.2%	3.5%	4.8%
Average	\$308	\$346	2.4%	4.4%	5.0%

Source: Residex, MacroPlan Dimasi

- As a proportion of rents, the disparity between detached dwelling and apartment rentals is considerable. For instance, in the Great Lakes - Coastal submarket, the difference between detached and an apartment rental is around \$125 per week.
- Over the last five years, apartment rental growth has been weaker than detached houses, growing at a rate of 1.6% per annum.

- On the other hand, indicative rental yields are slightly better for units at 5.2%.

Table 111. Apartment Rents and Rental Yields (2009 & 2014)

	Median Rent			Yield	
	2009	2014	CAGR (%)	2009	2014
Great Lakes - Coastal	\$285	\$290	0.3%	5.9%	4.9%
Great Lakes - Forster	\$210	\$290	6.7%	4.1%	5.3%
Great Lakes - Regional	\$230	\$210	-1.8%	7.2%	5.4%
Great Lakes - South	\$290	\$310	1.3%	3.8%	5.2%
Average	\$254	\$275	1.6%	5.3%	5.2%

Source: Residex, MacroPlan Dimasi

5.8 Future Supply

- Under the MNCRS, Forster has been identified as a major town within the Mid North Coast which will provide a level of services and employment to support the surrounding catchment.
- For the LGA, future growth is expected to eventuate around Forster – Tuncurry and the Hawks Nest - Tea Gardens area. At present, sufficient capacity exists in these areas to facilitate further residential development, including medium and higher density development.
- According to the Forster/Tuncurry Housing Strategy, the Forster/Tuncurry area has the potential to generate an additional 4,000 dwellings.
- According to the MNC house and land monitor, the Great Lakes Council anticipates the release 1,325 additional lots over the 2011-2016 period.

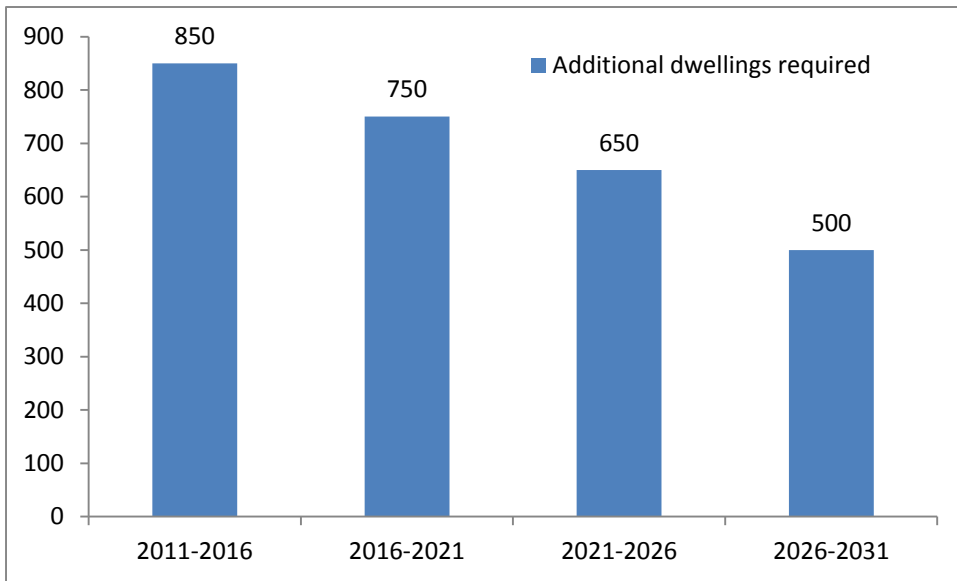
Table 112. Projected Lot Production (2011-2016)

Total 5 Year Produced		Great Lakes									
		Year 1		Year 2		Year 3		Year 4		Year 5	
Lots	ha	Lots	ha	Lots	ha	Lots	ha	Lots	ha	Lots	ha
1,325	110	210	18	207	17	304	25	408	34	196	16

Source: Department of Planning and Environment

- According to 2014 DP&E household and implied dwelling projections, the Great Lakes LGA population is projected to require an additional 2,750 dwellings by 2031. Additional provision is expected from areas designated for future growth.

Figure 39. Projected dwellings required (2011 to 2031)



Source: DP&E, MacroPlan Dimasi

5.9 Housing Type Recommendations

The table below identifies each submarket based on affordability and the inferred housing type that is likely to be required to satisfy market and demographic needs.

Table 113. Housing type recommendations

Great Lakes LGA	Residential Submarket	Housing Type Required
Most Expensive	Great Lakes - Forster	Smaller lot and medium density housing
	Great Lakes - Coastal	Smaller lot and medium density housing
Medium Priced	Great Lakes - South	Smaller lot and medium density housing
Most Affordable	Great Lakes - Regional	Detached housing

Source: RP Data, MacroPlan Dimasi

6.1 Key Facts, Findings and Take-outs

- Greater Taree LGA falls within the Manning Valley – Great Lakes subregion under the Mid North Coast Regional Strategy (2009), encompassing both the Greater Taree and Great Lakes LGA’s. As part of this subregion, the MNCRS identified the need of an additional 15,000 new dwellings by 2031.

Figure 40. Greater Taree LGA Location in Context of the Mid North Coast Region



Source: MacroPlan Dimasi

- Future dwelling growth is expected to remain highest in coastal locations, with zoned land capacity at Old Bar having the potential to triple the area’s current population.
- The urban release and potential new suburb of Brimbin has capacity to accommodate 22,000 people through the development of 8,000 dwellings.

Prevailing Conditions

- As at 2011, the Greater Taree LGA encompassed a resident population of 48,090 persons. The LGA grew by 0.8% per annum (or 1,966 persons) over the five years to 2011.
- Household composition within the Greater Taree LGA is skewed towards 'family' and 'couple family with no children' households at 35% and 32% respectively. Although modest growth was recorded over the five years to 2011 in these household types, growth was most pronounced amongst 'group' and 'lone person' households (+530 lone person households).
- Dwelling approvals have been relatively weak in comparison to other MNC LGA's, averaging 217 per annum over the past five years to 2013. Detached houses dominate the region's new housing stock, accounting for around 75% of total approvals over the five year period.
- Greater Taree's housing stock is dominated by detached dwellings which comprise 86% of total dwellings across the LGA.
- Property price growth has been weak with over 80% of houses sold over both periods (2002-2007 & 2008-2013) priced below \$350,000.
- The Taree Regional residential submarket remains the most affordable with 96% of sales in 2013 being priced below \$350,000. In contrast, coastal locations such as Old Bar and Diamond Beach present as the most expensive submarket within the Greater Taree LGA, with 36% of houses sold during 2013 were priced above \$350,000.
- Over the five years to 2014, residential house rents in the Greater Taree LGA increased by an average of 3.1% per annum, modestly above apartments at 2.2% per annum.
- Employment growth over the five years to 2011 was 303 with the large majority of job additions coming from Health Care and Social Assistance (+509 jobs).

Future Considerations

- According to DP&E (2014) population forecasts, it is anticipated that the resident population of the Greater Taree LGA will expand to 51,800 persons by 2031.
- The region's current aged population is expected to become more prominent with persons aged 65+ estimated to provide all of the LGA's population growth out to 2031. Growth in all other age cohorts is expected to decline from their 2011 total.

- The Greater Taree LGA's housing stock is skewed towards detached houses, representing 86% of total dwellings. Looking forward, there will be demand for a diverse range of housing product, accentuated by continued growth in lone person households.
- Coastal locations are likely to remain popular housing areas.

Recommendations:

- Housing diversity will play a fundamental role in supporting the anticipated population growth out to 2031.
- Further retirement-specific housing will be required as well as a continued supply of medium and higher density formats.
- Other small housing typologies such as small lot housing, dual occupancy development and villas will also be required to meet the LGA's population and affordability challenges.

6.2 Population Trends and Characteristics

- According to ABS ERP figures, the Greater Taree LGA increased by 1,966 persons from 2006 – 2011, equating to an average annual growth rate of 0.8%.

Table 114. Greater Taree LGA population

Source	Date	Population
ERP Estimate	2006	46,124
ERP Estimate	2011	48,090
Change	2006-2011	+ 1,966

Source: ABS, MacroPlan Dimasi

- Similar to other MNC LGA's, persons aged 50+ accounted for all of the population growth experienced over the five year period to 2011.
- Persons aged 50-64 and 65+ increased by 1,163 and 1,963 persons respectively.
- All other age cohorts experienced negative population growth over the same period, with the outright population loss greatest amongst the upgrader (35-49) age cohort.

Table 115. Population growth by age cohort

	2006	2011	Change (2006-2011)
0-19	12,443	12,148	-295
20-34	6,018	5,929	-89
35-49	9,190	8,414	-776
50-64	9,772	10,935	1,163
65+	8,701	10,664	1,963
Total	46,124	48,090	+ 1,966

Source: ABS, MacroPlan Dimasi

6.2.1 Household Composition

- Household composition within the Greater Taree LGA is skewed towards family households representing 35% of the total. Although this is the dominant household type, negative growth was recorded over the five years to 2011 in this household type.
- Growth was most pronounced amongst lone person households (+506).

Table 116. Household composition, Greater Taree LGA

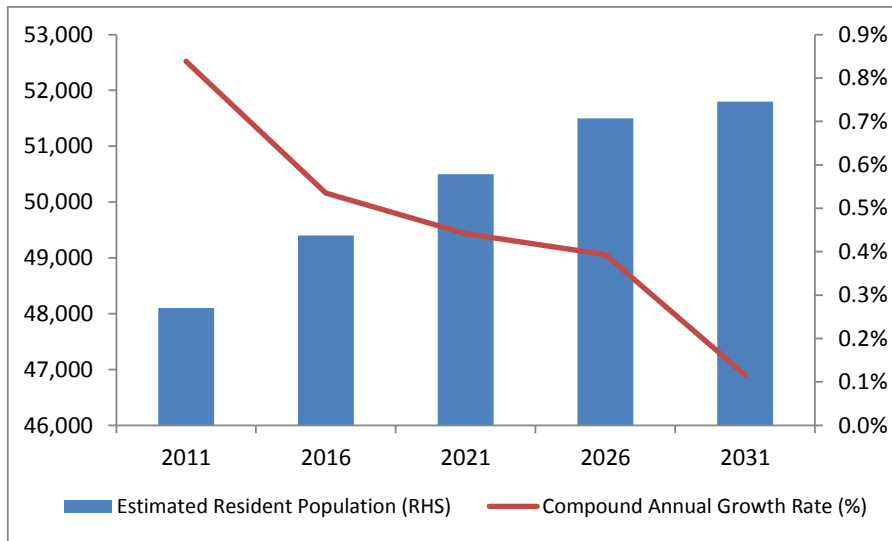
Household Composition	Number	Composition (%)	Change (2006-2011)
Family household	6,699	35%	-219
Couple family with no children	5,970	32%	399
Lone Person	5,009	26%	506
Group	482	3%	74
Other	780	4%	242
Total	18,940	100%	1,002

Source: ABS, MacroPlan Dimasi

6.2.2 Population Growth – Projections

- According to the DP&E (2014) projections, the population of the Greater Taree LGA is projected to expand to 51,800 persons by 2031.
- It is anticipated that population growth will average 0.5% per annum over the five years to 2016, and then reduce to an average rate of 0.3% per annum between 2016 and 2031.
- This rate of population growth is considerably under the rate experienced over the five years to 2011 (0.8% per annum)

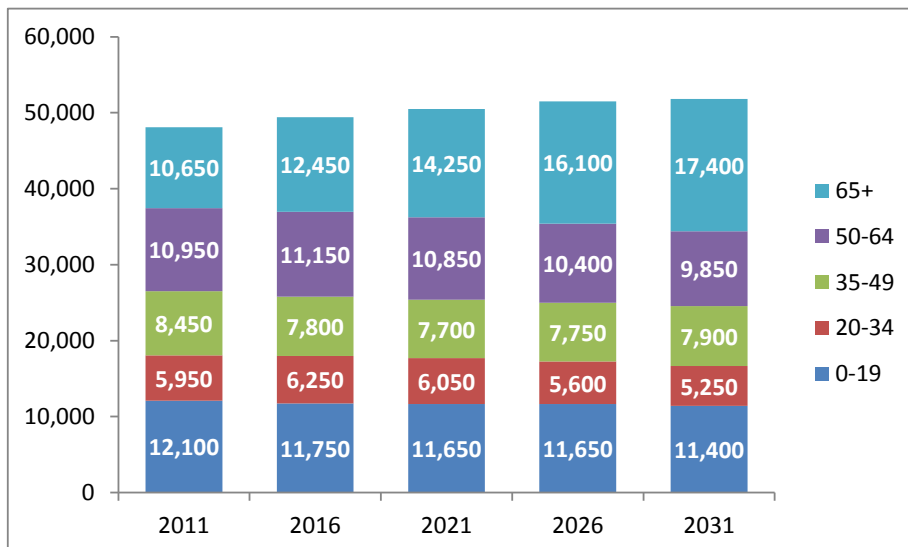
Figure 41. Projected Population (2011 to 2031)



Source: DP&E, MacroPlan Dimasi

- Persons aged 65+ are expected to provide all of the population growth out to 2031, while all other age cohorts are expected to decrease from their 2011 total.
- Persons aged 65+ are anticipated to increase by 6,750 persons by 2031.
- Retirees (65+) represent the key influence on likely future residential demand for the Greater Taree LGA.

Figure 42. Population Projections by Age (2011-2031)



Source: ABS, DP&E, MacroPlan Dimasi

- Growth in older households is expected to underpin demand for new medium and high density housing formats, as retirees look to 'cash out' of their existing homes

and seek accommodation that is close to services. The need for greater housing diversity to accommodate the changing needs of the region's ageing population is identified in the MNCRS.

6.2.3 Migration Movements (2006-2011)

Inward and outward movements for each MNC LGA have been analysed, using 2006 and 2011 Census data (Place of Usual Residence).

- Over the five years to 2011, inward migration into the Greater Taree LGA totalled 7,322 persons.
- People moving from Sydney represented 32% of the inward movements over the five years to 2011, a large proportion of which came from the Blacktown and Penrith LGA's.
- The 50-64 age cohort represented the largest share of inward migration with 1,780 persons. Movements by adolescents (0-19) was significant suggesting majority of the movements were from families.
- Overseas migration was moderate at approximately 373 persons, predominantly from persons aged 35-49.

Table 117. Inward Migration (2006 to 2011)

Greater Taree	0-19	20-34	35-49	50-64	65+	Total
Mid North Coast	290	253	300	237	237	1,317
Sydney	387	352	517	706	374	2,336
Regional NSW	492	438	433	482	266	2,111
Interstate	297	158	258	296	176	1,185
Overseas	77	92	120	59	25	373
Total Inward Migration	1,543	1,293	1,628	1,780	1,078	7,322

Source: ABS, MacroPlan Dimasi

- In the five years to 2011, total outward migration from the Greater Taree LGA totalled 6,160 persons.
- Movements to regional NSW accounted for 36% of the outward migration.
- Localised movements elsewhere in the MNC region were considerable at 1,333 people.
- The 20-34 age cohort was the dominant age group for outward movements, largely to the benefit of the Hunter region, as FHBs seek educational and employment opportunities.

Table 118. Outward Migration (2006 to 2011)

Greater Taree	0-19	20-34	35-49	50-64	65+	Total
Mid North Coast	316	301	263	257	196	1,333
Sydney	253	419	178	174	139	1,163
Regional NSW	474	893	316	306	213	2,202
Interstate	314	560	275	210	103	1,462
Total	1,357	2,173	1,032	947	651	6,160

Source: ABS, MacroPlan Dimasi

- Over the five year period, ABS Census data indicates a net inflow of 1,162 persons into the Greater Taree LGA. Notably, a net increase was achieved for all age groups, except FHB's.

Table 119. Net Migration (2006 to 2011)

Greater Taree	0-19	20-34	35-49	50-64	65+	Total
Net migration	186	-880	596	833	427	1,162

Source: ABS, MacroPlan Dimasi

6.2.4 Income Distribution by Age

- Housing affordability is a function of income or spending capacity and housing costs. Subsequently, demand for dwellings is largely determined by household or personal income.
- For the purpose of our analysis, we separate personal income as follows:

Table 120. Personal Income Ranges

Range	Value range
Low Range	Upto \$31,199
Medium Range	Between \$31,200 and \$64,999
High Range	Greater than \$65,000

- In the Greater Taree LGA there is a skew towards low income earners, representing 62% of the total working population.
- The 35-49 age cohort had the largest proportion of people within the high wage bracket with 14%.
- Persons aged 65+ had a clear skew towards low income earners, with only 2% of people in the age group earning in excess of \$65,000.

Table 121. Personal Income Distribution by Age (2011)

Age	Income stream	Greater Taree
20-34	Low	56%
	Medium	37%
	High	7%
35-49	Low	49%
	Medium	37%
	High	14%
50-64	Low	57%
	Medium	30%
	High	13%
65+	Low	73%
	Medium	24%
	High	2%
Total	Low	62%
	Medium	31%
	High	7%

Source: ABS, MacroPlan Dimasi

- For households, income levels in the Greater Taree LGA are moderately low with 80% of people living in a household with an annual income of less than \$78,000.

Table 122. Household Income (2011)

Annual household Income (proportion)	Greater Taree
Less than \$78,000	80%
More than \$78,000	20%
Total	100%

Source: ABS, MacroPlan Dimasi

- Whether market participation is assessed by reference to individual or household incomes, it would appear that affordability will present as a barrier of entry for a significant proportion of the population.

6.3 Housing Market Implications

- The above assessment of demographic and resident income earning characteristics suggest the following:
 - **First home buyers (20-34 year olds):** There was an overall population loss recorded for this age cohort over the past five years. The majority earn an annual income of less than \$31,199. The Hunter region is

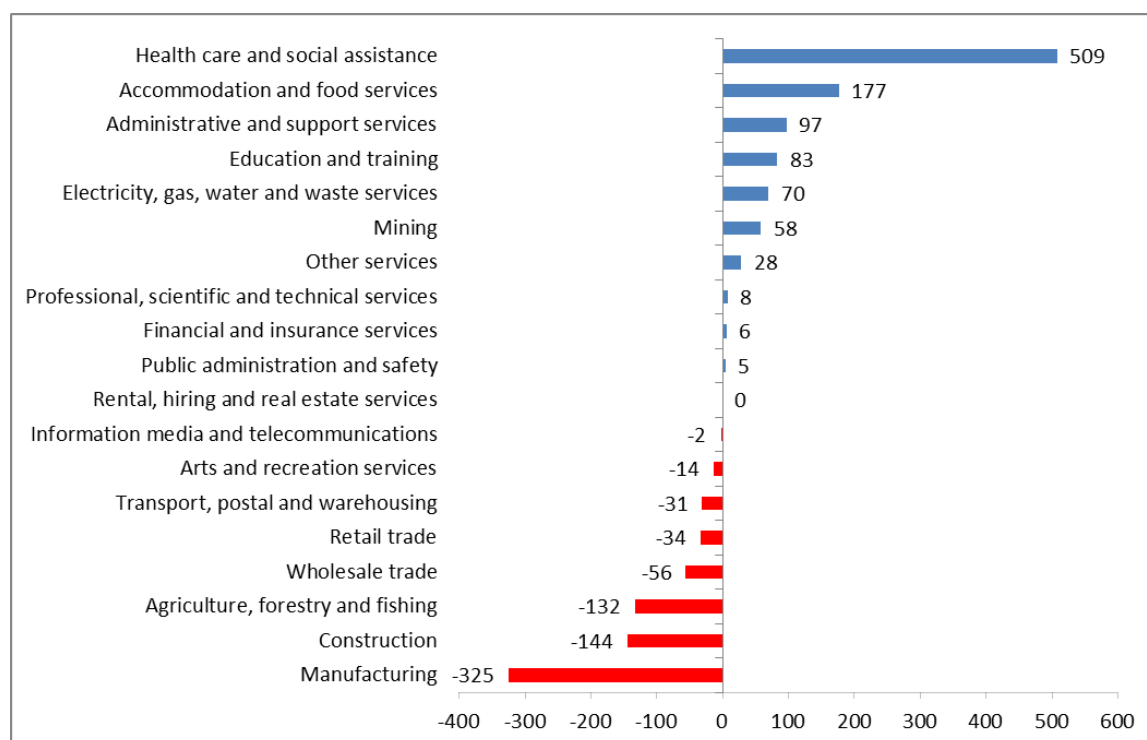
expected to continue to attract further people from this age cohort for employment and educational opportunities. The affordability of housing product will be key to market entry. Also, the availability of rental product and different housing formats is important to those from this group who choose to delay entry into the home mortgage market.

- **Upgraders (35-49 year olds):** Typically, upgraders represent a dominant source of housing demand, particularly for properties priced in the middle and upper price ranges. Given that there has been a net loss of population within this age cohort, demand for properties in the upper end of the market has suffered, reflective in the weaker turnover of houses per annum over the 2008-2013 period. As 49% of individuals within this group earn an annual income of less than \$31,199, we suspect a strong linkage to the availability of well-paid employment as a key lever to attract and retain this age group.
 - **Downsizers (50-64 year olds):** Similar to upgraders, this age group experienced population growth over the period. Downsizers now make up a sizeable portion of the overall housing market. While the majority of these residents will want to remain in the family home, there may be a substantial level of demand for small, maintainable dwellings near key services.
 - **Retirees (65+ year olds):** Retirees contributed the bulk of population growth over the past five years. Further population growth is expected placing upward pressure on values and rentals for centrally located dwelling stock. Given the government funding shift to home care packages, there may be an incentive for these people to remain in their current home. Nevertheless, there will be market need for a diversity of housing typologies for these residents.
- The growth in downsizer and retiree age cohorts accentuates the need for smaller and more diverse housing products in the LGA. This is consistent with the current MNCRS which identifies a greater demand for diversity in housing form to match the requirements of changing household structures, particularly the increase in one and two person households.

6.4 Employment Characteristics

- Over the five year period to 2011, 303 additional jobs were created. Health Care & Social Assistance dominated employment growth with 509 jobs created over the five years to 2011.
- There were 8 industries that experienced negative growth over the five year period which would have contributed to the outward movement of FHB's and upgraders in search for employment opportunities.
- The greatest losses to employment occurred within the Manufacturing industry, shedding 325 jobs over the 2006-2011 period.
- Additionally, the Construction and Agriculture, forestry and fishing industries experienced job losses of 144 and 132 respectively.

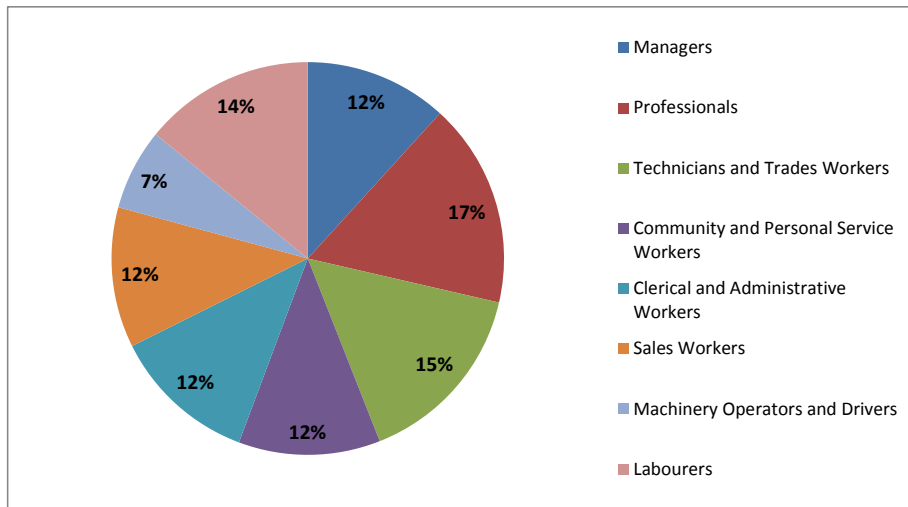
Figure 43. Employment Growth by Industry (2006 to 2011)



Source: ABS, MacroPlan Dimasi

- Employment composition by occupation for Greater Taree LGA shows a diverse spread across the occupations with professionals accounting for the largest share of the workforce with 17%.
- Technicians and Trades Workers accounted for the second largest proportion of occupation type at 15%.

Figure 44. Occupation Composition (2011)



Source: Census 2011, MacroPlan Dimasi

- The top three employing industries engaged 41.1% of the total workforce.
- Health Care & Social Assistance is the largest employing industry in the LGA, employing close to 2,800 people, representing 17.5% of the local workforce.
- Although employment within the manufacturing industry has deteriorated over the five years to 2011, it represents a considerable proportion of the local workforce at 9.3%.

Table 123. Employment by Industry, 2011

Industry	Number	Composition (%)
Health care and social assistance	2,763	17.5%
Retail trade	2,247	14.3%
Manufacturing	1,459	9.3%
Education and training	1,341	8.5%
Construction	1,270	8.1%
Accommodation and food services	1,217	7.7%
Agriculture, forestry and fishing	737	4.7%
Public administration and safety	664	4.2%
Other services	645	4.1%
Transport, postal and warehousing	642	4.1%
Professional, scientific and technical services	566	3.6%
Administrative and support services	514	3.3%
Wholesale trade	462	2.9%
Electricity, gas, water and waste services	265	1.7%
Financial and insurance services	259	1.6%
Rental, hiring and real estate services	249	1.6%
Arts and recreation services	190	1.2%
Information media and telecommunications	160	1.0%
Mining	112	0.7%
Total	15,762	100.0%

Source: ABS, MacroPlan Dimasi

- Similar to other MNC councils, Greater Taree is aware of the need to encourage localised employment opportunities, particularly within a professional capacity.

6.5 Greater Taree Housing Market Conditions

6.5.1 Housing Tenure

- Housing tenure composition within the Greater Taree LGA was similar to the wider MNC averages.
- As at Census 2011, 45% of all dwellings are owned outright, on par with the MNC average.
- In the Greater Taree LGA, the proportion of renting households (27%) and dwellings owned with a mortgage is almost identical to the MNC average.

Table 124. Housing Tenure Composition (2011)

Tenure	Number	Greater Taree	Mid-North Coast
Owned outright	7,814	45%	45%
Owned with a mortgage	4,988	29%	28%
Rented	4,697	27%	28%
Total	17,499	100.0%	100.0%

Source: ABS, MacroPlan Dimasi

- In the Greater Taree LGA, outright ownership is highest amongst retirees at 48%, compared to the NSW average of 38%.
- Similar to other MNC LGAs, upgraders present as the dominant 'owned with a mortgage' tenure group, comprising 34.9% of this housing arrangement.
- Renting is fairly evenly split between FHBs and upgraders with 28.4% and 27.1% respectively.

Table 125. Tenure type, Greater Taree LGA

	Owned outright	Owned with a mortgage	Rented	Total
15-19	3.7%	11.9%	11.1%	8.1%
20-34	4.7%	18.0%	28.4%	14.9%
35-49	10.1%	34.9%	27.1%	22.2%
50-64	33.4%	28.8%	20.5%	28.6%
65+	48.1%	6.4%	12.9%	26.1%
Total	100.0%	100.0%	100.0%	100.0%

Source: ABS, MacroPlan Dimasi

6.5.2 Housing Activity since 2007 (2007-2013)

- Dwelling approval data provided by the ABS has been analysed as it provides an important leading economic indicator, while giving an insight into the demand for dwellings over a given period.
- Over the 2007 - 2013, dwelling approvals in the Greater Taree LGA have averaged 217 per annum.
- Detached houses represented the dominant housing format, accounting for around 75% of total approvals over this period.
- Approvals have trended downwards from since 2010.

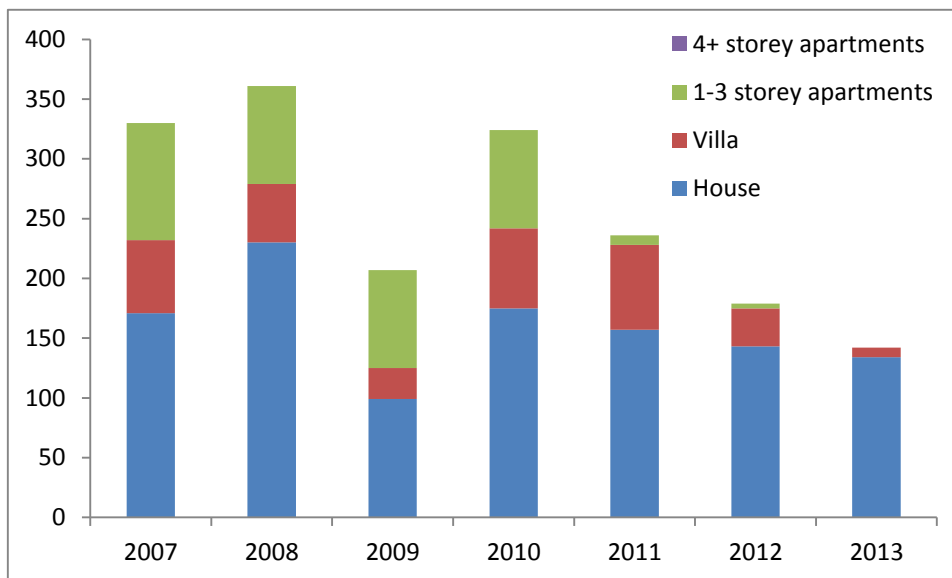
Table 126. Dwelling approvals (2007-2013)

	House	Other Dwelling	Total
2007	171	77	248
2008	230	49	279
2009	99	26	125
2010	175	141	316
2011	157	75	232
2012	143	36	179
2013	134	8	142

Source: ABS, MacroPlan Dimasi

- Historically, a considerable number of villa and 1-3 storey apartments were approved, however this primarily occurred in coastal locations such as Old Bar. More recently, approvals for these dwelling types has dropped considerably in recent years, particularly for apartments.

Figure 45. Dwelling Approvals by Housing Type (2007-2013)



Source: ABS, MacroPlan Dimasi

6.6 Property Trends – 2002-2007 v 2008-2013

6.6.1 House, land and other dwelling analysis

- Utilising RP Data, sales data has been analysed for the last decade in the Greater Taree LGA.
- To account for house price growth over this period, observed sales have been segregated into two five year periods; i.e. 2002 to 2007 and 2008 to 2013.
- In order to ascertain trends in price distribution across the LGA, sales data has been segregated into value ranges (as presented in the table below).

Table 127. Residential Property and Land Price Ranges

Range	Land	Other Dwellings	House
Low	Up to \$200,000	Up to \$200,000	Up to \$350,000
Medium	Between \$200,000 & \$350,000	Between \$200,000 & \$350,000	Between \$350,000 & \$550,000
High	Greater than \$350,000	Greater than \$350,000	Greater than \$550,000

- Data quality control has been undertaken to assist our analysis. In order to depict a market position, outlier transactions (consisting of transactions that were significantly below market value or of large size lots that reflect development potential) have been omitted from our assessment. As a result, our analysis has been undertaken on a subset of total sales activity in the Greater Taree LGA.

6.6.2 Historical Detached Dwelling Prices & Activity

- In the Greater Taree LGA, price levels for houses has remained very similar, with the majority of houses sold over both periods priced in the low range (less than \$350,000).
- The average number of sales per annum has dropped significantly, from 773 per annum over the 2002-2007 period to 588 per annum over the 2008-2013 period – a reduction of 24%.
- Over the five years to 2007, 88% of sales were for dwellings below \$350,000. Sales over the 2008-2013 period remained similar at 84% of sales.
- The average number of houses sold in the high range (above \$550,000) remained unchanged at 15 sales per annum across both periods.

Table 128. Average Annual House Sales, 2002-2007 & 2008-2013

	2002-2007		2008-2013	
	Number	%	Number	%
Low	682	88%	492	84%
Medium	75	10%	81	14%
High	15	2%	15	3%
Total	773	100%	588	100%

Source: RP Data, MacroPlan Dimasi

6.6.3 Historical Other Dwelling Prices & Activity

- Overall, other dwelling sales activity has slowed in the Greater Taree LGA, with an average of 27 less sales per annum over the five years to 2013.
- Over the five years to 2007, sales were skewed towards the low range with 65%.
- Affordability has reduced over the five years to 2013 with 41% of other dwellings sold priced between \$200,000 and \$350,000.
- In proportional terms, the number of sales above \$350,000 has also increased moderately, from 7% to 12% of total sales.

Table 129. Average Annual Other Dwelling Sales, 2002-2007 & 2008-2013

	2002-2007		2008-2013	
	Number	%	Number	%
Low	104	65%	63	47%
Medium	45	28%	54	41%
High	11	7%	15	12%
Total	160	100%	133	100%

Source: RP Data, MacroPlan Dimasi

6.6.4 Historical Land Prices & Activity

- Over the five years to 2007, approximately 540 vacant land lots were sold per annum. The majority of these sales were for lots priced under \$200,000 (74%).
- Land sales have since contracted substantially, averaging 225 lots per annum over the last five years.
- While overall activity has decreased, there has been a small shift to the higher valued lots. Of the 225 lots sold per year, 30% are for lots priced above \$200,000.

Table 130. Average Annual Land Sales, 2002-2007 & 2008-2013

	2002-2007		2008-2013	
	Number	%	Number	%
Low	401	74%	157	70%
Medium	104	19%	45	20%
High	35	6%	24	10%
Total	540	100%	225	100%

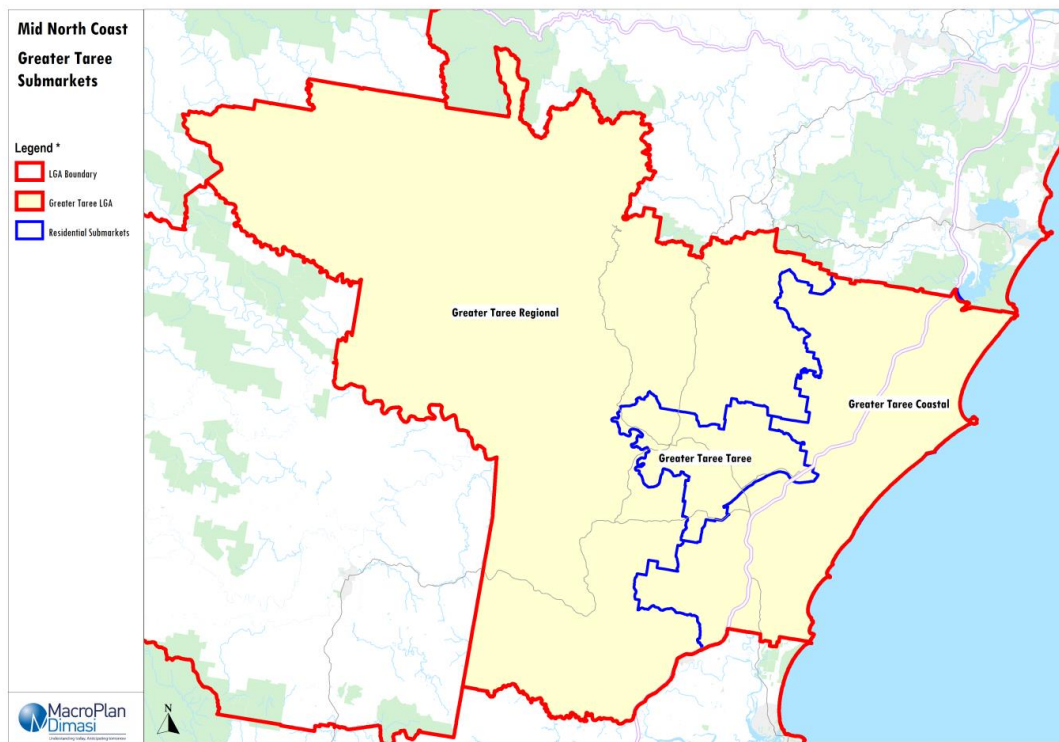
Source: RP Data, MacroPlan Dimasi

- Most of the available land at Old Bar has been rezoned and is ready for development, with approximately 2,500 lots to service market demand.
- Development in this area slowed due to a number of issues including the fragmented land ownership and the provision of services.

6.7 Housing Submarket Indicators

6.7.1 House Prices by Subregion

Figure 46. Greater Taree Residential Submarkets



Source: MacroPlan Dimasi

- Similar to other MNC LGAs, there is a considerable price disparity between properties located along the coast against those located in regional locations, with a clear price premium being paid for coastal locations.
- Accordingly, the Greater Taree LGA has been segregated into three distinctive sub-markets, namely Greater Taree - Taree, Greater Taree – Coastal and Greater Taree – Regional.
- In 2013, over 80% of all house sales were for dwellings priced within the low price range. Approximately 2% (or 13 houses) of all sales were for properties greater than \$550,000 in value.
- Of all three subregions, Greater Taree - Coastal presents as the most expensive housing submarket within the Greater Taree LGA. Of all sales registered in 2013, 36% were for properties priced greater than \$350,000 and above, while the majority remained in the low value range (63%).
- The Greater Taree - Regional residential submarket represented the most affordable region within the LGA with 96% of all dwelling sales priced below \$350,000. In 2013, there were just 3 house sales sold above \$350,000 within this submarket.

Table 131. House Sales by Submarket (2013)

	Greater Taree - Taree			Greater Taree - Coastal			Greater Taree - Regional			Total	
	Number	%	% of total	Number	%	% of total	Number	%	% of total	Number	%
Low	314	91%	47%	153	63%	23%	82	96%	12%	549	82%
Medium	25	7%	4%	81	33%	12%	3	4%	0%	109	16%
High	5	1%	1%	8	3%	1%	0	0%	0%	13	2%
Total	344	100%	51%	242	100%	36%	85	100%	13%	671	100%

Source: RP Data, MacroPlan Dimasi

- This submarket analysis indicates that there is a clear premium paid for properties located in the coastal submarket.

6.7.2 Rental Market & Indicative Yields

- Between 2009 and 2014, detached dwelling rentals within the Greater Taree LGA increased at an average rate of 3.1% per annum.
- Overall, average rental yields in the Greater Taree LGA are high where at present they are approximately 6.2%. The high rental yields have been enabled by reasonable rental growth at a time when house prices have remained fairly stagnate.

- There is a disparity apparent between inland and coastal submarket rents. House rents in the Greater Taree – Taree and Greater Taree – Regional submarkets are \$290 per week, while weekly rentals in the Greater Taree - Coastal submarket are considerably higher at approximately \$350.
- Of all submarkets, rental growth has been most pronounced in the Greater Taree - Taree submarket (3.9%), suggesting rental demand has been for well-located dwellings in proximity to the Taree town centre.

Table 132. House Rents and Rental Yields (2009 & 2014)

	Median Rent			Yield	
	2009	2014	CAGR (%)	2009	2014
Greater Taree - Taree	\$240	\$290	3.9%	5.8%	6.6%
Greater Taree - Coastal	\$310	\$350	2.5%	4.8%	5.3%
Greater Taree - Regional	\$250	\$290	3.0%	6.0%	6.7%
Average	\$267	\$310	3.1%	5.5%	6.2%

Source: Residex, MacroPlan Dimasi

- In the Greater Taree LGA, median rents for apartment rentals were on average \$70 less than for detached dwellings.
- Between 2009 and 2014, apartment rents expanded at an average rate of 2.2% per annum, lower than rental growth for detached dwellings over the same period.

Table 133. Apartment Rents and Rental Yields (2009 & 2014)

	Median Rent			Yield	
	2009	2014	CAGR (%)	2009	2014
Greater Taree - Taree	\$170	\$210	4.3%	5.4%	6.6%
Greater Taree - Coastal	\$260	\$290	2.2%	4.4%	5.4%
Greater Taree - Regional	\$220	\$220	0.0%	7.6%	6.5%
Average	\$217	\$240	2.2%	5.8%	6.2%

Source: Residex, MacroPlan Dimasi

6.8 Future Supply

- Future dwelling growth is expected to remain within the Taree Central and coastal submarkets, close to the Taree town centre, where future residents can use existing infrastructure services.
- Over the next five years, the Greater Taree Council anticipates the release of 1,786 additional lots.

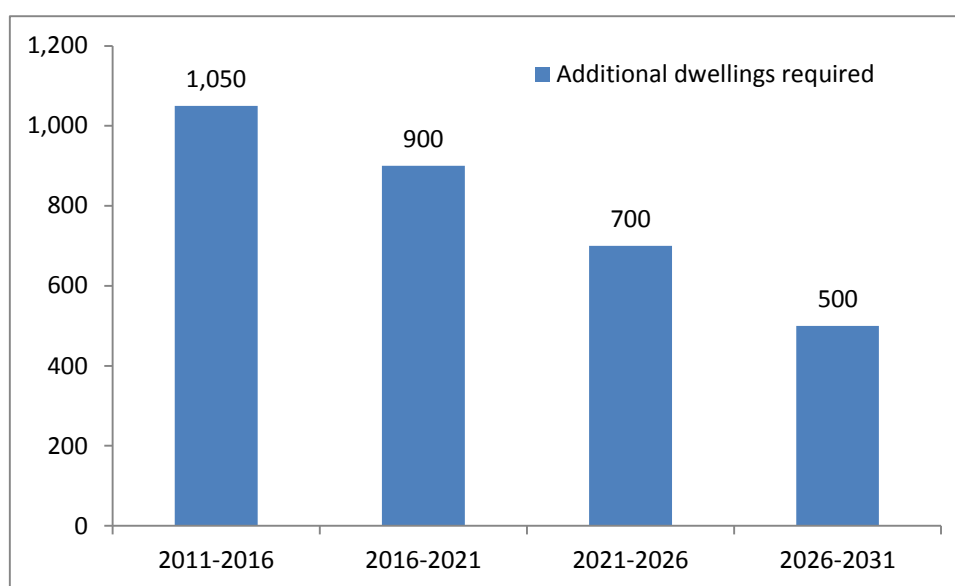
Table 134. Projected Lot Production (2011-2016)

Total 5 Year Produced		Greater Taree									
		Year 1		Year 2		Year 3		Year 4		Year 5	
Lots	ha	Lots	ha	Lots	ha	Lots	ha	Lots	ha	Lots	ha
1,786	164	344	32	409	35	359	32	338	32	336	33

Source: Department of Planning and Environment

- According to 2014 DP&E household and implied dwelling projections, the Greater Taree LGA population is projected to require an additional 3,150 dwellings by 2031.

Figure 47. Projected dwellings required (2011 to 2031)



Source: DP&E, MacroPlan Dimasi

6.9 Housing Type Recommendations

The table below identifies each submarket based on affordability and the inferred housing type that is likely to be required to satisfy market and demographic needs.

Table 135. Housing type recommendations

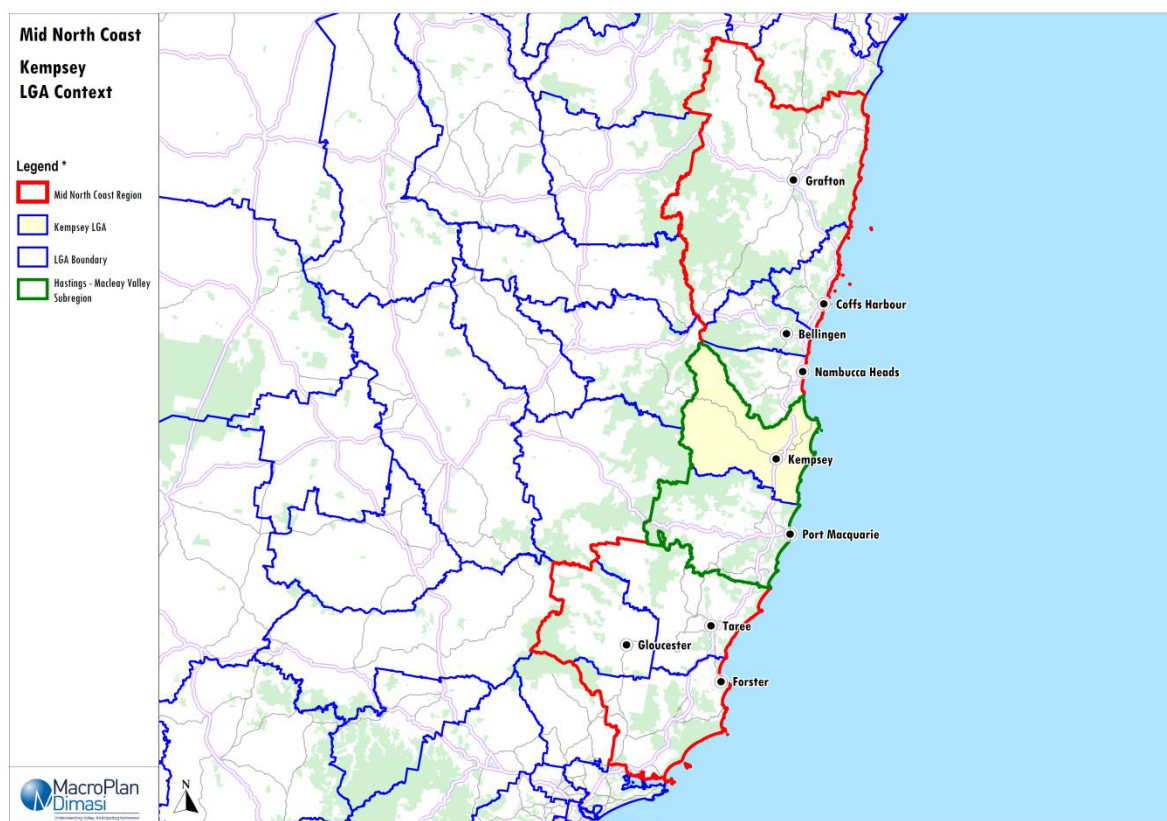
Greater Taree LGA	Residential Submarket	Housing Type Required
Medium Priced	Greater Taree - Taree	Smaller lot and medium density housing
Most Expensive	Greater Taree - Coastal	Smaller lot and medium density housing
Most Affordable	Greater Taree - Regional	Detached housing

Source: RP Data, MacroPlan Dimasi

7.1 Key Facts, Findings and Take-outs

- The Kempsey LGA falls within the Hastings-Macleay subregion under the Mid North Coast Regional Strategy (2009), encompassing both the Kempsey and Port Macquarie-Hastings LGA's. As part of this subregion, the MNCRS identified the need of an additional 18,300 new dwellings by 2031.

Figure 48. Kempsey LGA Location in Context of the Mid North Coast Region



Source: MacroPlan Dimasi

- Under the MNCRS, the town of Kempsey has been identified as the only major town within the LGA. It is expected to account for 12% of the total of new dwellings in the LGA between 2006 and 2031. There is sufficient zoned capacity to accommodate future growth within the town of Kempsey. The release of

Greenhills in close proximity to the Kempsey town centre will also support further population growth.

- South West Rocks is also expected to accommodate a large share of the LGA's new housing supply. The release of Saltwater and the former Shell sites will support population growth at South West Rocks in the short term. Seascape Grove, south of the town centre, will accommodate further growth over the longer term.
- Smaller townships and villages such as Crescent Head, Frederickton, Stuarts Point and Hat Head will also contribute to the LGA's growth potential.

Prevailing Conditions

- As at 2011, the Kempsey LGA encompassed a resident population of 29,128 persons. The LGA grew by 0.8% per annum (or 1,096 persons) over the five years to 2011.
- Dwelling stock is heavily skewed towards detached houses, representing 89% of total dwellings as at the 2011 Census.
- Kempsey's housing stock is dominated by detached dwellings which comprise 89.2% of total dwellings across the LGA.
- 'Family' and 'couple families with no children' are the dominant household structures within the LGA at 36.3% and 28.2% respectively.
- Over the 2006-2011 period, negative growth was experienced in family households (-53 households), consistent with the negative population growth recorded in the 0-19 and 35-49 age cohorts. On the other hand, there was a surge in the number of 'lone person' households (+255 households) over this period.
- Dwelling approvals have trended downward, averaging 82 per annum over the 2007-2013 period. Detached houses are the dominant housing format, accounting for around 84% of total approvals over the period.
- Property price growth has been minor, with the majority of house sales over the two assessed periods being priced below \$350,000 – 88% during the 2002-2007 period and 82% during 2008-2013.
- Coastal residential submarkets are the most expensive housing markets within the Kempsey LGA with 38% of house sales in 2013 being priced above \$350,000.
- Over the five years to 2014, residential house rents in the LGA increased by approximately 4.3% per annum, substantially above apartments at 0.8%.
- In line with house sales, rental values are highest in the coastal submarket, at a weekly house rental priced at \$370.

- There was modest growth in employment over the five years to 2011, with an additional 393 jobs created. Employment within localised services experienced the greatest growth, with Health Care and Social Assistance growing by 313 jobs.

Future Considerations

- Based on DP&E (2014) forecasts, the resident population of the Kempsey LGA is expected to expand by 4.3% to 2031, taking the LGA's population to 30,450.
- Population growth is expected to be highest amongst retiree households, expanding 65% over the forecast period.
- Housing stock is dominated by 3+bedroom detached dwellings. Housing diversity presents as a market restraint in terms of meeting the needs of a changing demographic structure.
- Demand for dwellings will be moderate over the forecast period, however new housing formats will be required to meet future needs, especially of the LGA's ageing population.

Recommendations:

- In line with the redirection of government funding towards home care packages, a large share of Kempsey's aged residents are expected to choose to remain at their current place of residence. The volume of growth in this age cohort, and the increasing share of lone person households across the LGA, will drive demand for more appropriate housing forms.
- An increase in housing diversity will assist in the provision of affordable housing choices for the LGA's dominant low income households.

7.2 Population Trends and Characteristics

- According to ABS ERP figures, the Kempsey LGA increased by 1,096 persons from 2006 – 2011, equating to an average annual growth rate of 0.8%.

Table 136. Kempsey LGA population

Source	Date	Population
ERP Estimate	2006	28,032
ERP Estimate	2011	29,128
Change	2006-2011	+1,096

Source: ABS, MacroPlan Dimasi

- In line with other MNC regions, population growth over the five years to 2011 was largely driven by the LGA's ageing demographic.
- Persons aged 50-64 and 65+ experienced the greatest population growth, increasing by 734 and 820 respectively.
- Minimal growth was recorded in the FHB age cohort, while outright losses were experienced within the dominant family age cohorts (0-19 & 35-49).

Table 137. Population growth by age cohort

	2006	2011	Change (2006-2011)
0-19	7,639	7,618	-21
20-34	3,854	3,947	93
35-49	5,740	5,210	-530
50-64	5,986	6,720	734
65+	4,813	5,633	820
Total	28,032	29,128	+1,096

Source: ABS, MacroPlan Dimasi

7.2.1 Household Composition

- Household composition within the Kempsey LGA is skewed towards 'family' households at 36%.
- 'Couple family with no children' and 'lone person' household's account for an almost even share of total households at 28% and 26% respectively.
- Similar to the broader MNC region, lone person households experienced the greatest growth over the five year period to 2011 (+255).

Table 138. Household composition, Kempsey LGA

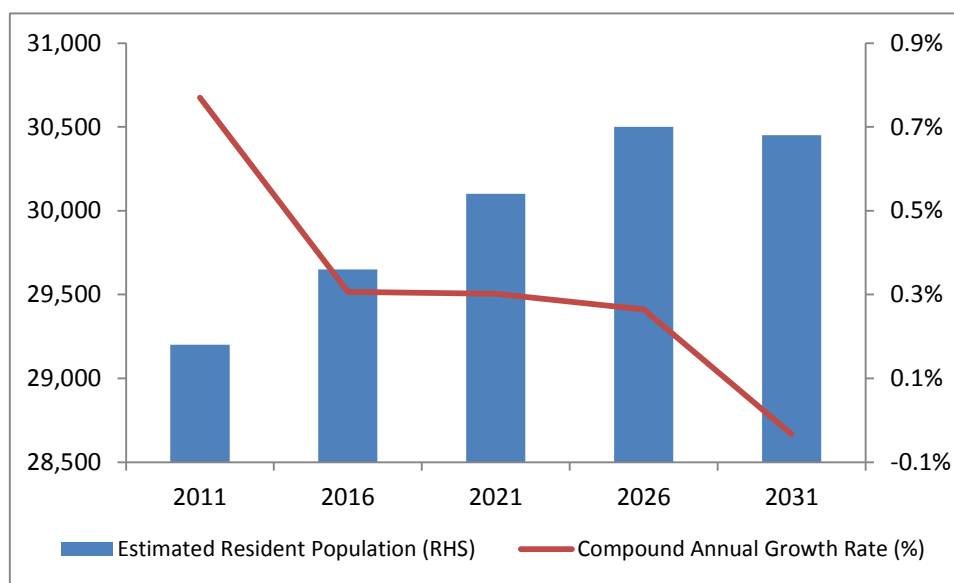
Household Composition	Number	Composition (%)	Change (2006-2011)
Family household	4,135	36%	-53
Couple family with no children	3,206	28%	76
Lone Person	2,989	26%	255
Group	285	3%	44
Other	761	7%	19
Total	11,376	100%	341

Source: ABS, MacroPlan Dimasi

7.2.2 Population Growth – Projections

- According to the DP&E (2014) projections, the population of the Kempsey LGA is projected to expand to 30,450 by 2031.
- Under these projections, it is anticipated that population growth will average 0.3% per annum over the five years to 2016, and then reduce to an average rate of 0.2% per annum between 2016 and 2031.

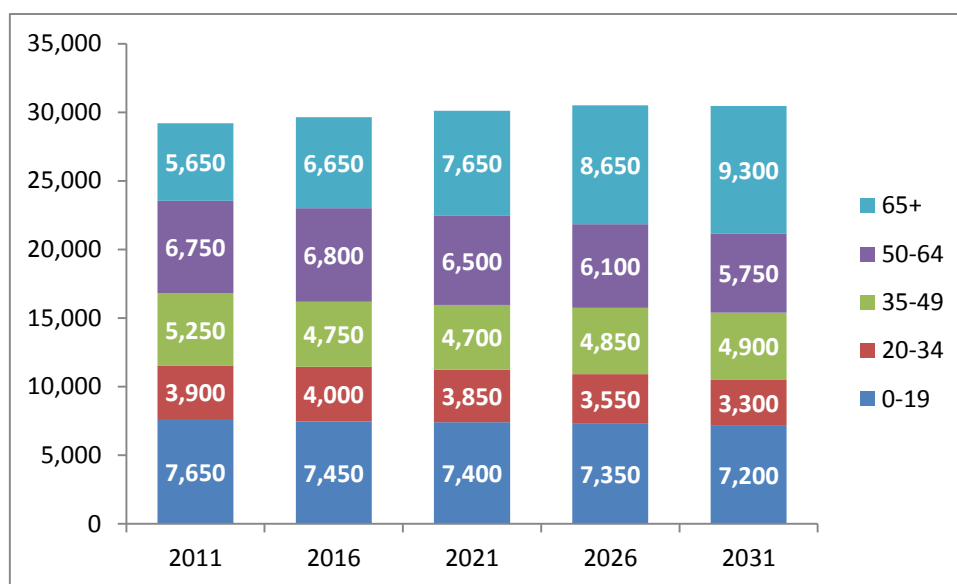
Figure 49. Projected Population (2011 to 2031)



Source: DP&E, MacroPlan Dimasi

- Persons aged 65+ are expected to be the only age cohort to experience population growth out to 2031, with all other age cohorts expected to decline.
- Persons aged 65+ are expected to grow by 3,650 persons to a total of 9,300 people making it the most dominant age cohort in the LGA.

Figure 50. Population Projections by Age (2011-2031)



Source: ABS, DP&E, MacroPlan Dimasi

- Whilst rural living and detached houses are expected to remain popular for many retirees, the sheer volume of growth in older households is expected to underpin demand for housing formats (e.g. small lot, villas, dual occupancies and medium density types), as retirees look to 'cash out' of their existing homes and seek accommodation that is close to services.

7.2.3 Migration Movements (2006-2011)

Inward and outward movements for each MNC LGA have been analysed, using 2006 and 2011 Census data (Place of Usual Residence).

- Over the five years to 2011, inward migration into the Kempsey LGA totalled 3,974 persons.
- People moving from Sydney and regional NSW represented over half of the inward movements over the five years to 2011.
- The downsizer (50-64) age cohort represented the largest share of inward migration with 954 persons.
- Overseas migration into the Kempsey LGA totalled 195 persons.

Table 139. Inward Migration (2006 to 2011)

Kempsey	0-19	20-34	35-49	50-64	65+	Total
Mid North Coast	201	177	137	141	101	757
Sydney	208	207	249	299	129	1,092
Regional NSW	234	236	246	248	135	1,099
Interstate	190	138	187	239	77	831
Overseas	39	67	53	27	9	195
Total	872	825	872	954	451	3,974

Source: ABS, MacroPlan Dimasi

- In the five years to 2011, total outward migration from the Kempsey LGA totalled 3,568 persons.
- Movement to regional NSW accounted for the majority of the LGA's outward migration at 1,129 persons.
- Localised movements elsewhere in the MNC region were also considerable, at 969 persons. The MNC centres of Coffs Harbour and Port Macquarie-Hastings were the dominant regions that Kempsey residents moved to.
- The 20-34 age cohort was the dominant age group for outward movements.

Table 140. Outward Migration (2006 to 2011)

Kempsey	0-19	20-34	35-49	50-64	65+	Total
Mid North Coast	207	205	208	182	167	969
Sydney	102	250	96	64	66	578
Regional NSW	323	385	185	149	87	1,129
Interstate	249	302	120	149	72	892
Total	881	1,142	609	544	392	3,568

Source: ABS, MacroPlan Dimasi

- Over the five year period, ABS Census data indicates a net inflow of 406 persons into the Kempsey LGA.

Table 141. Net Migration (2006 to 2011)

Kempsey	0-19	20-34	35-49	50-64	65+	Total
Net migration	-9	-317	263	410	59	406

Source: ABS, MacroPlan Dimasi

7.2.4 Income Distribution by Age

- Housing affordability is a function of income or spending capacity and housing costs. Subsequently, demand for dwellings is largely determined by household or personal income.
- For the purpose of our analysis, we separate personal income as follows:

Table 142. Personal Income Ranges

Range	Value range
Low Range	Upto \$31,199
Medium Range	Between \$31,200 and \$64,999
High Range	Greater than \$65,000

- In the Kempsey LGA there is a skew towards low income earners, representing 63% of the total working population.
- In line with other LGAs, persons aged between 35-49 had an above average skew towards high wage earners with 14%; however the majority within this age cohort remain within the low income category.
- Persons aged 65+ are more likely to earn an income in the low range, with only 2% of people in the age group earning in excess of \$65,000.

Table 143. Personal Income Distribution by Age (2011)

Age		Kempsey
20-34	Low	59%
	Medium	33%
	High	8%
35-49	Low	50%
	Medium	36%
	High	14%
50-64	Low	61%
	Medium	28%
	High	11%
65+	Low	75%
	Medium	24%
	High	2%
Total	Low	63%
	Medium	30%
	High	7%

Source: ABS, MacroPlan Dimasi

- For households, income levels in the Kempsey LGA are low with 81% of people living in a household with an annual income of less than \$78,000.

Table 144. Household Income (2011)

Annual household Income (proportion)	Kempsey
Less than \$78,000	81%
More than \$78,000	19%
Total	100%

Source: ABS, MacroPlan Dimasi

7.3 Housing Market Implications

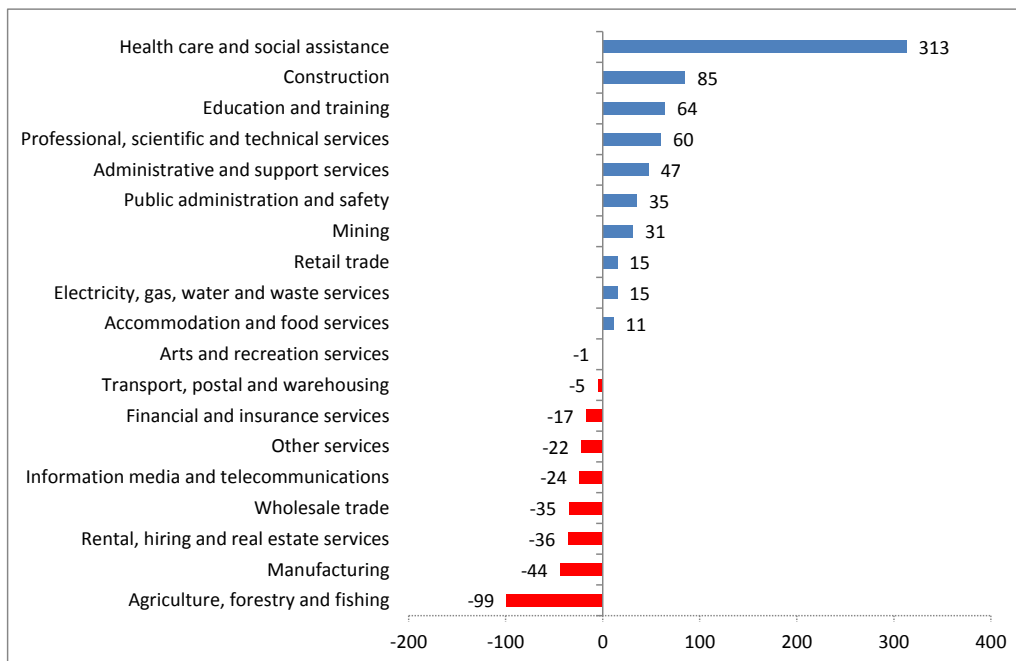
- The above assessment of demographic and resident income earning characteristics suggest the following:
 - **First home buyers (20-34 year olds):** There was a small overall population gain of 93 persons recorded for this age cohort over the past five years. Educational and employment opportunities elsewhere will continue to attract persons from this age cohort. The majority earn an annual income of less than \$31,199.
 - **Upgraders (35-49 year olds):** Considerable decline in population growth was experienced within this age cohort, despite a positive net migration gain of 363 persons. Although persons in this age cohort are more likely than other age groups to earn an income in the high range, the reality is that the majority of these persons earn an annual income of less than \$31,199.
 - **Downsizers (50-64 year olds):** Make up a significant proportion of the market, accounting for 23% of the LGA's total population.
 - **Retirees (65+ year olds):** Significant population growth recorded over the five years to 2011, increasing at an average annual rate of 164 persons. This age group is projected to be the dominant age group by 2021.
- The growth in downsizer and retiree age cohorts accentuates the need for alternate, smaller housing products in the LGA. This is consistent with the current MNCRS which identifies a need for diversity in housing to match the requirements

of changing household structures, particularly the increase in one and two person households.

7.4 Employment Characteristics

- Over the five year period to 2011, 393 new jobs were created.
- Besides Health Care and Social Assistance (+313 jobs), employment growth was relatively low in comparison to other MNC LGA's.
- There were 9 industries that experienced negative growth, with the labour intensive industries of agriculture, forestry, fishing and manufacturing experiencing the greatest employment loss at -99 jobs and -44 jobs respectively.

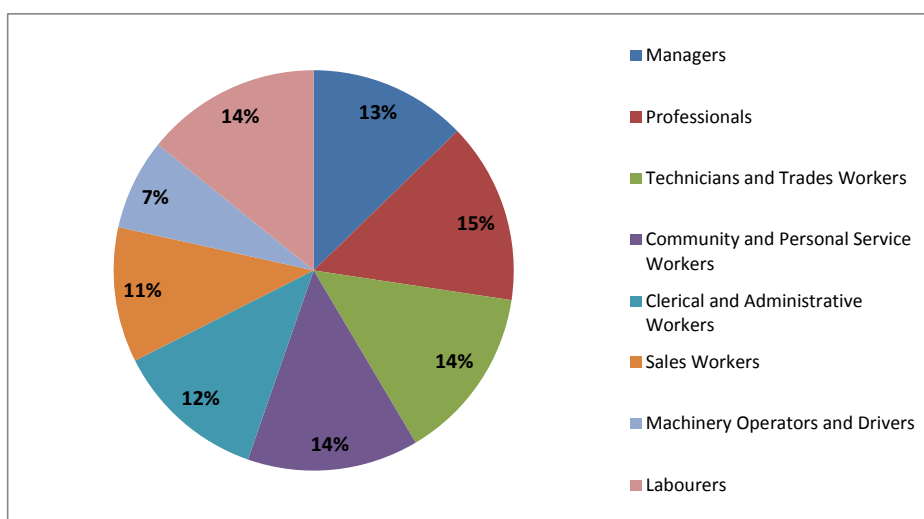
Figure 51. Employment Growth by Industry (2006 to 2011)



Source: ABS, MacroPlan Dimasi

- Employment composition by occupation for Kempsey LGA shows a diverse spread across the occupations with professionals accounting for the largest share of the workforce with 15%.
- The labour intensive occupations of Technicians and Trades Workers and Labourers constituted the next largest occupation type (14% respectively).

Table 145. Occupation Composition (2011)



Source: Census 2011, MacroPlan Dimasi

- In line with the recent jobs growth, Health Care and Social Assistance is the largest employing industry, accounting for 15.6% of total jobs within the Kempsey LGA.
- Retail Trade and Construction represented the next two largest employing industries are 13.9% and 9.3% respectively.

Table 146. Employment by Industry, 2011

Industry	Number	Composition (%)
Health care and social assistance	1,440	15.6%
Retail trade	1,281	13.9%
Construction	853	9.3%
Education and training	831	9.0%
Accommodation and food services	829	9.0%
Manufacturing	707	7.7%
Public administration and safety	632	6.9%
Agriculture, forestry and fishing	478	5.2%
Transport, postal and warehousing	432	4.7%
Professional, scientific and technical services	323	3.5%
Other services	308	3.3%
Administrative and support services	299	3.2%
Wholesale trade	248	2.7%
Financial and insurance services	130	1.4%
Electricity, gas, water and waste services	113	1.2%
Rental, hiring and real estate services	112	1.2%
Arts and recreation services	96	1.0%
Information media and telecommunications	66	0.7%
Mining	41	0.4%
Total	9,219	100.0%

Source: ABS, MacroPlan Dimasi

7.5 Kempsey Housing Market Conditions

7.5.1 Housing Tenure

- Housing tenure composition within the Kempsey LGA was similar to the wider MNC averages.
- As at Census 2011, 45% of all dwellings are owned outright, identical to the MNC average.
- In the Kempsey LGA, representation amongst renting households (28%) is identical to the MNC average (28%).

Table 147. Housing Tenure Composition (2011)

Tenure	Number	Kempsey	Mid-North Coast
Owned outright	4,720	45%	45%
Owned with a mortgage	2,858	27%	28%
Rented	2,911	28%	28%
Total	10,489	100.0%	100.0%

Source: ABS, MacroPlan Dimasi

- In the Kempsey LGA, outright ownership is highest amongst retirees at 44.1%, compared to the NSW average of 38%. This level of outright ownership is one of the lowest within the MNC region.
- Upgraders present as the dominant 'owned with a mortgage' tenure group, comprising 33.4% of this housing arrangement.
- Renting is highest within the FHB age cohort.

Table 148. Tenure type, Kempsey LGA

	Owned outright	Owned with a mortgage	Rented	Total
15-19	4.1%	11.4%	10.9%	8.1%
20-34	5.2%	19.6%	27.3%	15.4%
35-49	11.4%	33.4%	26.9%	22.2%
50-64	35.2%	29.5%	22.6%	30.1%
65+	44.1%	6.1%	12.4%	24.2%
Total	100.0%	100.0%	100.0%	100.0%

Source: ABS, MacroPlan Dimasi

7.5.2 Housing Activity since 2007 (2007-2013)

- Dwelling approval data provided by the ABS has been analysed as it provides an important leading economic indicator, while giving an insight into the demand for dwellings over a given period.
- Over the five years to 2012, dwelling approvals in the Kempsey LGA have averaged 82 per annum.

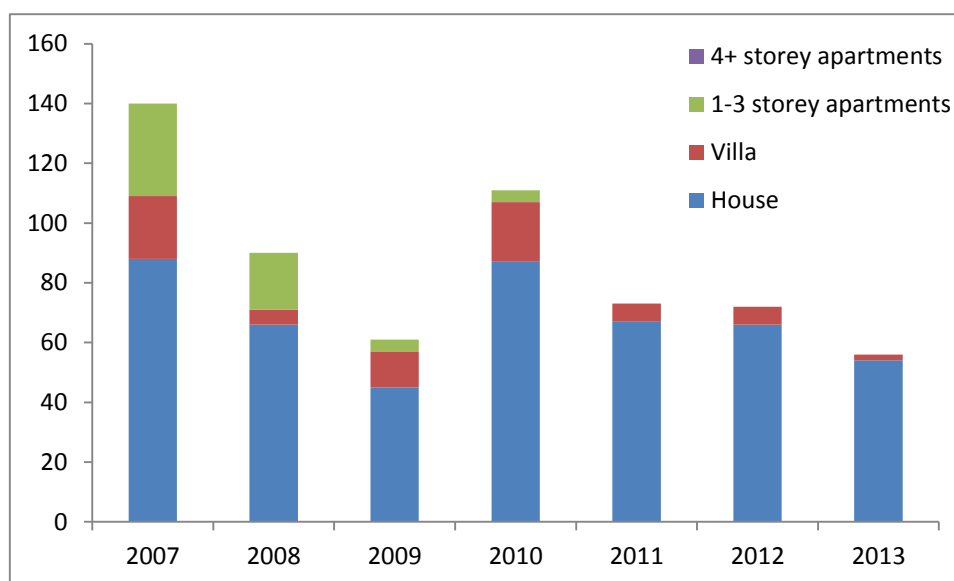
Table 149. Dwelling approvals (2007-2013)

	House	Other Dwelling	Total
2007	88	33	121
2008	66	20	86
2009	45	12	57
2010	87	24	111
2011	67	6	73
2012	66	6	72
2013	54	2	56

Source: ABS, MacroPlan Dimasi

- Medium and high density approvals in the Kempsey LGA are weak. Despite moderate apartment approvals during 2007 and 2008, there have been no apartment approvals over the past three years.

Figure 52. Dwelling Approvals by Housing Type (2007-2013)



Source: ABS, MacroPlan Dimasi

7.6 Property Trends – 2002-2007 v 2008-2013

7.6.1 House, land and other dwelling analysis

- Utilising RP Data, sales data has been analysed for the last decade in the Kempsey LGA.
- To account for house price growth over this period, observed sales have been segregated into two five year periods; i.e. 2002 to 2007 and 2008 to 2013.
- In order to ascertain trends in price distribution across the LGA, sales data has been segregated into value ranges (as presented in the table below).

Table 150. Residential Property and Land Price Ranges

Range	Land	Other Dwellings	House
Low	Up to \$200,000	Up to \$200,000	Up to \$350,000
Medium	Between \$200,000 & \$350,000	Between \$200,000 & \$350,000	Between \$350,000 & \$550,000
High	Greater than \$350,000	Greater than \$350,000	Greater than \$550,000

- Data quality control has been undertaken to assist our analysis. In order to depict a market position, outlier transactions (consisting of transactions that were significantly below market value or of large size lots that reflect development potential) have been omitted from our assessment. As a result, our analysis has been undertaken on a subset of total sales activity in the Kempsey LGA.

7.6.2 Historical Detached Dwelling Prices & Activity

- In the Kempsey LGA, a small shift in price has occurred in detached dwelling prices.
- The annual number of house sales decreased by 35% or 154 sales per annum between 2008 and 2013.
- Over the five years to 2007, 88% of sales were for dwellings below \$350,000. However, over the next five year period, there was a small shift to the medium value range (16%).
- In proportional terms, the number of houses sold in the high range (above \$550,000) remained the same – 2%.

Table 151. Average Annual House Sales, 2002-2007 & 2008-2013

	2002-2007		2008-2013	
	Number	%	Number	%
Low	385	88%	233	82%
Medium	44	10%	46	16%
High	10	2%	7	2%
Total	439	100%	285	100%

Source: RP Data, MacroPlan Dimasi

7.6.3 Historical Other Dwelling Prices & Activity

- Overall, other dwelling sales activity have slowed in the Kempsey LGA, with an average of 38 less sales per annum over the five years to 2013.
- Over the five years to 2007, over half (55%) of other dwelling sales were sold within the low range. However, affordability has reduced over the five years to 2013 with the majority of other dwellings sold above \$200,000.
- However, in proportional terms the number of sales priced above \$350,000 has reduced over the second five year period from 15% to 13% of sales.

Table 152. Average Annual Other Dwelling Sales, 2002-2007 & 2008-2013

	2002-2007		2008-2013	
	Number	%	Number	%
Low	45	55%	19	44%
Medium	24	30%	19	43%
High	12	15%	6	13%
Total	81	100%	43	100%

Source: RP Data, MacroPlan Dimasi

7.6.4 Historical Land Prices & Activity

- Over the five years to 2007, approximately 443 vacant land lots were sold per annum. The majority of these sales were for lots priced under \$200,000 (59%).
- Land sales have since contracted, averaging 286 lots per annum over the last five years.
- While overall activity has decreased, there has been a shift to the higher valued lots. Of the 286 lots sold per year, 44% are for lots priced between \$200,000 and \$350,000.
- The number of lot sales in the high price range has also increased with 18% of lots sold between 2008 and 2013 priced above \$350,000.

Table 153. Average Annual Land Sales, 2002-2007 & 2008-2013

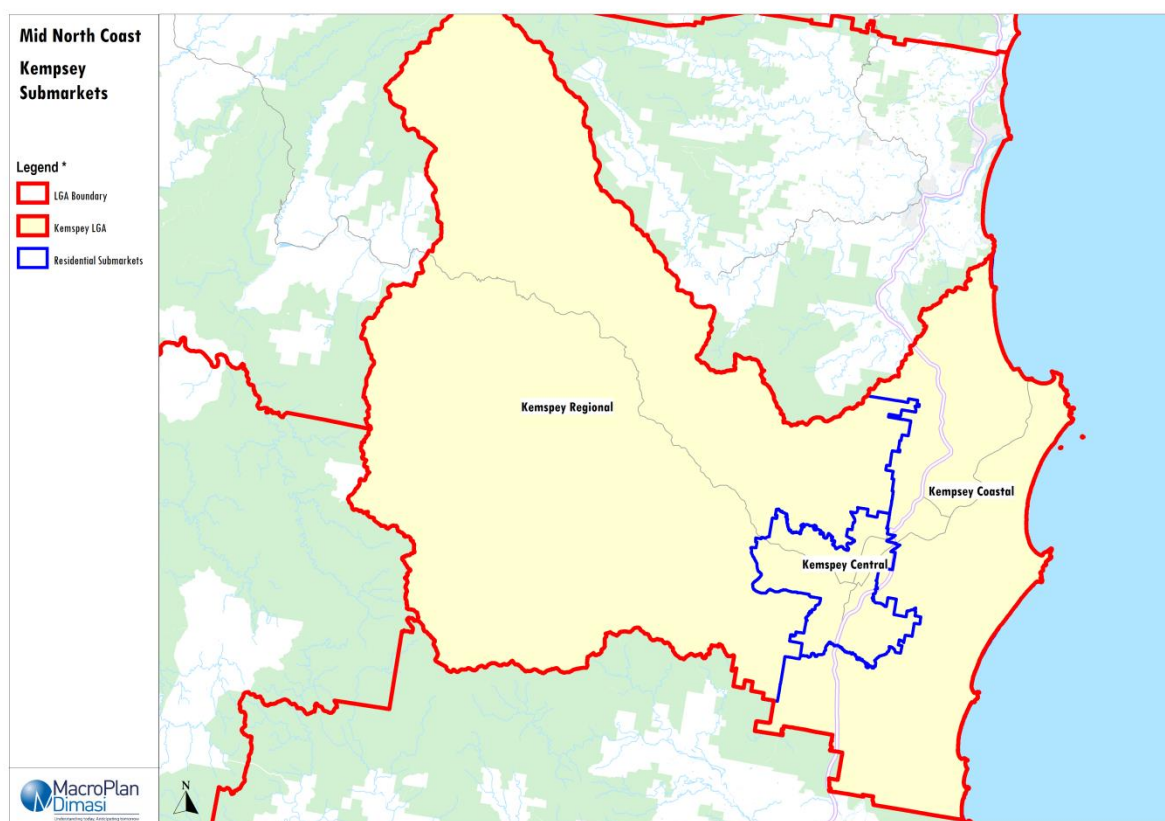
	2002-2007		2008-2013	
	Number	%	Number	%
Low	263	59%	109	38%
Medium	126	28%	125	44%
High	53	12%	52	18%
Total	443	100%	286	100%

Source: RP Data, MacroPlan Dimasi

7.7 Housing Submarket Indicators

7.7.1 House Prices by Subregion

Figure 53. Kempsey Residential Submarkets



Source: MacroPlan Dimasi

- According to the geographic spread of house sales and the price disparity between regions and suburbs, the Kempsey LGA has been segregated into three

distinctive sub-markets, namely Kempsey - Central, Kempsey - Coastal and Kempsey - Regional.

- The Kempsey LGA remains mostly affordable, with 80% of house sales in 2013 priced within the low price range, with only 2% of sales greater than \$550,000 in value.
- Of all three subregions, Kempsey - Coastal is the most expensive housing submarket within the Kempsey LGA with 62% of sales below \$350,000.
- The Kempsey - Regional residential submarket is the most affordable with 100% of all dwelling sales priced below \$350,000.
- However, for the Kempsey - Regional submarket, sales activity is limited with only 5 house sales made in 2013. As such, the Kempsey - Central submarket presents as the most likely location for those seeking affordable dwellings with 98% of houses sold in 2013 priced in the low range.

Table 154. House Sales by Submarket (2013)

	Kempsey - Central			Kempsey - Coastal			Kempsey - Regional			Total	
	Number	%	% of total	Number	%	% of total	Number	%	% of total	Number	%
Low	123	98%	47%	83	62%	32%	5	100%	2%	211	80%
Medium	2	2%	1%	44	33%	17%	0	0%	0%	46	17%
High	0	0%	0%	6	5%	2%	0	0%	0%	6	2%
Total	125	100%	48%	133	100%	51%	5	100%	2%	263	100%

Source: RP Data, MacroPlan Dimasi

7.7.2 Rental Market & Indicative Yields

Given the lack of dwellings in the Kempsey - Regional submarket of the Kempsey LGA, we have been unable to obtain any rental data. As such we can only comment on the rental market within the Kempsey - Central and Kempsey - Coastal submarkets.

- Between 2009 and 2014, detached dwelling rents in Kempsey LGA increased at an average rate of 4.3% per annum.
- Overall, indicative rental yields in Kempsey LGA are 5.8%, showing a significant rise on the 2009 indicative yield of 4.7%.
- Overall, the Kempsey - Coastal submarket is the most expensive within the LGA with a weekly rental of \$370.
- However, growth has been greatest within the more affordable Kempsey - Central submarket at 7% per annum over the 2009-2014 period.

Table 155. House Rents and Rental Yields (2009 & 2014)

	Median Rent			Yield	
	2009	2014	CAGR (%)	2009	2014
Kempsey - Central	\$200	\$280	7.0%	5.8%	7.2%
Kempsey - Coastal	\$340	\$370	1.7%	3.6%	4.3%
Kempsey - Regional			N/A		
Average	\$270	\$325	4.3%	4.7%	5.8%

Source: Residex, MacroPlan Dimasi

- In the Kempsey LGA, median rents for apartment rentals were on average \$95 less than for detached dwellings.
- Between 2009 and 2014, apartment rents expanded at an average rate of 0.8% per annum, significantly below rental growth for detached dwellings over the same period.
- However, indicative rental yields for apartments are slightly higher at 5.9%.

Table 156. Apartment Rents and Rental Yields (2009 & 2014)

	Median Rent			Yield	
	2009	2014	CAGR (%)	2009	2014
Kempsey - Central	\$190	\$190	0.0%	6.0%	6.3%
Kempsey - Coastal	\$250	\$270	1.6%	5.6%	5.6%
Kempsey - Regional			N/A		
Average	\$220	\$230	0.8%	5.8%	5.9%

Source: Residex, MacroPlan Dimasi

7.8 Future Supply

- Rural residential estates are expected to accommodate a significant proportion of the total dwelling increase between 2006 and 2031.
- The supply of future dwellings appears to be well catered for through the planned consolidation of existing urban centres within the LGA.
- Under the MNCRS, the town centre of Kempsey has been identified as the only major town within the LGA. It is expected to account for 12% of the total of new dwellings in the LGA between 2006 and 2031.
- There is sufficient zoned capacity to accommodate future growth within the town of Kempsey. The release of Greenhills in close proximity to the Kempsey town centre will also support further population growth.
- South West Rocks is also expected to accommodate a large share of the LGA's new housing supply. The release of Saltwater and the former Shell sites will support population growth at South West Rocks in the short term. Seascape

Grove, south of the town centre, will accommodate further growth over the longer term.

- Smaller townships and villages such as Crescent Head, Frederickton, Stuarts Point and Hat Head will also contribute to the LGA's growth potential.
- The table below provides a summary of the residential capacity for additional lots. This includes existing zoned land and potential future urban lots.

Area	Residential capacity – medium density	Residential capacity – detached housing
Kempsey	288	798
South West Rocks	788	1,084
Crescent Head	107	92
Frederickton	138	275
Stuarts Point	22	366
Hat Head	88	151
Total	1,431	2,766

Source: Kempsey Shire Council

- Over the next five years, the Kempsey Shire Council anticipates the release of 668 additional lots.

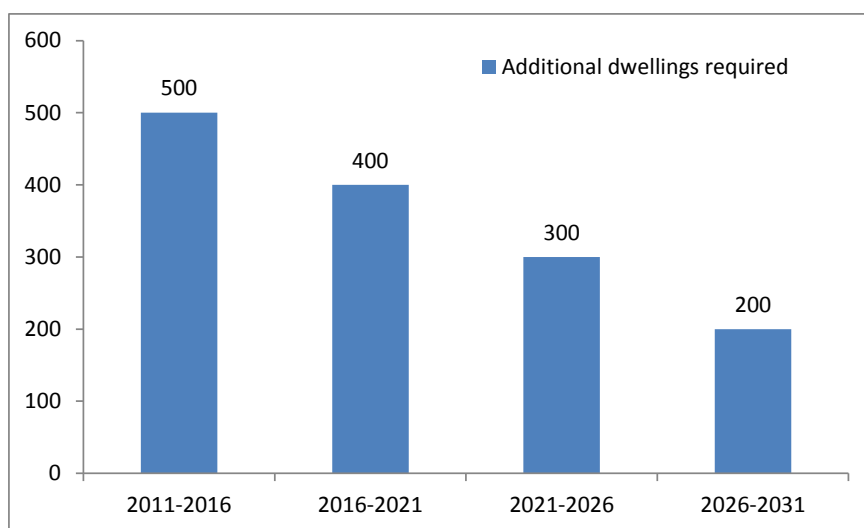
Table 157. Projected Lot Production (2011-2016)

Total 5 Year Produced		Kempsey									
		Year 1		Year 2		Year 3		Year 4		Year 5	
Lots	ha	Lots	ha	Lots	ha	Lots	ha	Lots	ha	Lots	ha
668	43	145	9	146	9	145	9	116	8	116	8

Source: Department of Planning and Environment

- According to 2014 DP&E household and implied dwelling projections, the Kempsey LGA population is projected to require an additional 1,400 dwellings by 2031.

Figure 54. Projected dwellings required (2011 to 2031)



Source: DP&E, MacroPlan Dimasi

7.9 Housing Type Recommendations

The table below identifies each submarket based on affordability and the inferred housing type that is likely to be required to satisfy market and demographic needs.

Table 158. Housing type recommendations

Kempsey LGA	Residential Submarket	Housing Type Required
Medium Priced	Kempsey - Central	Smaller lot and medium density housing
Most Expensive	Kempsey - Coastal	Smaller lot and medium density housing
Most Affordable	Kempsey - Regional	Detached housing

Source: RP Data, MacroPlan Dimasi

8.1 Key Facts, Findings and Take-outs

- Nambucca LGA falls within the Coffs Coast subregion under the Mid North Coast Regional Strategy (2009), encompassing the Coffs Harbour, Bellingen and Nambucca LGA's. As part of this subregion, the Mid North Coast Regional Strategy (2009) identified the need of an additional 19,200 dwellings by 2031.

Figure 55. Nambucca's Location in Context of the Mid North Coast Region



Source: MacroPlan Dimasi

- Future dwelling supply within the LGA is expected to be accommodated through the consolidation of existing centres and infill development.
- While the majority of new housing will be focused around centres such as Macksville, land supply on the coast will also be supported by the release of land to the west Nambucca Heads.

Prevailing Conditions:

- As at 2011, the Nambucca LGA encompassed a resident population of 19,235 persons. The LGA grew by 1.0% per annum (or 936 persons) over the five years to 2011.
- Following its most recent peak in approvals in 2008 (148 approvals), total dwelling approvals for the Nambucca LGA have averaged 101 per annum during the 2007-2013 period.
- For the LGA, the approval of 'villa' dwellings is high. In 2012 there were more approvals issued for this dwelling type than detached houses.
- Nambucca's housing stock, however, remains dominated by detached dwellings, which comprise 86.0% of total dwellings across the LGA.
- Household composition within the Nambucca LGA is fairly evenly spread between 'family', 'couple family with no children' and 'lone person' households, however the representation of lone persons is considerably above the MNC average.
- Furthermore, growth has been greatest amongst lone person households over the five years to 2011 (+228 households).
- Property price growth has impacted turnover volumes in Nambucca LGA. Over the last five years, house sales have contracted 33% on average, while the proportion of dwellings sold within the medium price band has increased at the expense of more affordable housing product.
- Over the five years to 2014, residential rents in the Nambucca LGA increased by 1.2% per annum; 2.0% per annum for detached dwellings and 0.3% for apartments.
- For houses, rental growth has been greatest within the Nambucca – Central submarket at 3.0%, while apartment rental growth was most pronounced within the Nambucca – Coastal submarket (+3.5%).
- Over the five years to 2011, an additional 545 jobs were created in the Nambucca LGA. Employment growth was highest within the construction industry (+123 jobs).

Future Conditions:

- Based on DP&E (2014) projections, it is anticipated that the resident population of Nambucca LGA will expand to 20,650 persons by 2031.
- By 2031 persons the LGA's 65+ age cohort will represent 37% of Nambucca's total population.
- The rise in retiree numbers is expected to result in greater demand for localised service provision and new housing formats.

- A greater mix of dwelling typologies will be required to accommodate the specific housing needs of Nambucca's population.

Recommendations:

- Although population growth is not expected to be significant within the Nambucca LGA, its ageing population will place considerable pressure on housing demand and the type of housing that is suitable to this demographic.
- Identifying a mismatch between housing types and demographic need follows from our analysis of trends and current housing provisions.
- Whilst this demographic pressure would ordinarily trigger demand for a greater variety of housing choice (e.g. well located, smaller dwellings), government policy that encourages 'ageing in place' coupled with a lack of alternate housing stock, is expected to somewhat defuse this effect.
- Nonetheless, the LGA's strong growth in lone person households (in part driven by ageing) and the current dominance of 3+bedroom detached housing product suggests that a greater mix of dwelling types will be required to accommodate the LGA's future population structure.
- The approval of villas has been popular in recent years. Further measures could be considered to encourage small lot or dual occupancy type formats. Additional age-specific housing (retirement living and aged care) will also be required.
- Recent and ongoing improvements to the Pacific Highway may impact on the LGA's connectivity to other major centres within the Mid North Coast region, especially Coffs Harbour, with potential population and employment spin-offs. Future population forecasts will need to track the impact of improved accessibility and growth in adjoining LGAs regarding Nambucca's potential to attract jobs and residents.

8.2 Population Trends and Characteristics

- According to ABS ERP figures, Nambucca LGA increased by 936 persons from 2006–2011, at an annual growth rate of 1.0%, taking its total population to 19,235 persons.

Table 159. Nambucca LGA population

Source	Date	Population
ERP Estimate	2006	18,299
ERP Estimate	2011	19,235
Change	2006-2011	+ 936

Source: ABS, MacroPlan Dimasi

- Consistent with national trends, the number of retirees in Nambucca increased substantially. Between 2006 and 2011, the number of 65+ aged persons increased by 589 persons.
- Net losses in the 20-34 and 35-49 age cohorts were recorded during the 2006-2011 period of -12 and -348 persons respectively.

Table 160. Population growth by age cohort, Nambucca LGA

	2006	2011	Change (2006-2011)
0-19	4,544	4,585	41
20-34	2,124	2,112	-12
35-49	3,552	3,204	-348
50-64	4,028	4,694	666
65+	4,051	4,640	589
Total	18,299	19,235	+ 936

Source: ABS, MacroPlan Dimasi

8.2.1 Household Composition

- Household composition within the Nambucca LGA is fairly evenly split between 'family' households (32%), 'couple family with no children' (30%) and 'lone person' (30%) households.
- Household growth has occurred across all household types except other, with the growth being most pronounced within lone person households.

Table 161. Household composition, Nambucca LGA

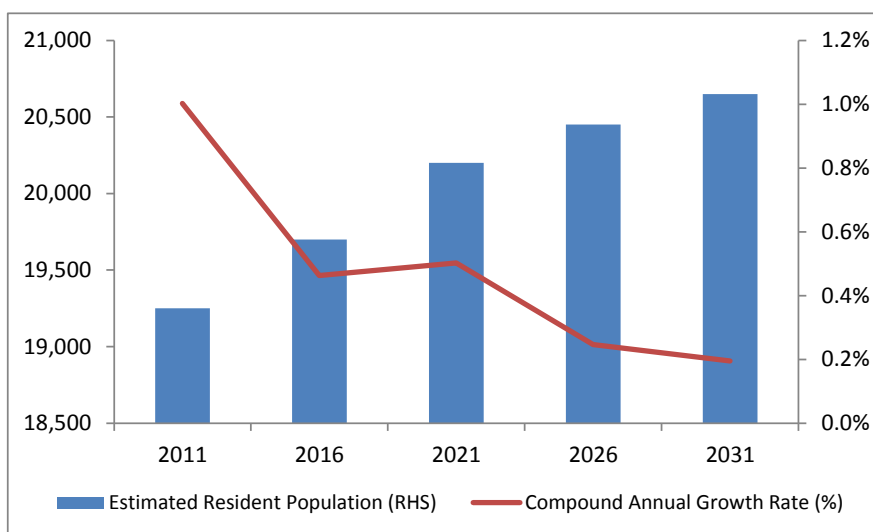
Household Composition	Number	Composition (%)	Change (2006-2011)
Family household	2,562	32%	25
Couple family with no children	2,437	30%	137
Lone Person	2,385	30%	228
Group	232	3%	57
Other	376	5%	-43
Total	7,992	100%	404

Source: ABS, MacroPlan Dimasi

8.2.2 Population Growth – Projections

- According to DP&E (2014) projections, the Nambucca LGA population is projected to expand to 20,650 by 2031, at an average growth rate of 0.5% p.a. between 2011 and 2016 before slowing to average 0.3% p.a. between 2016 and 2031.

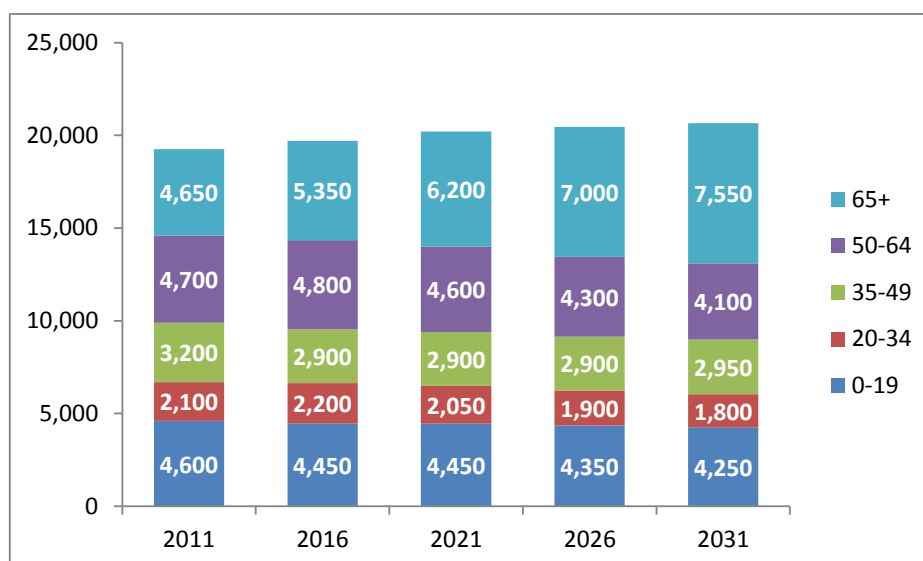
Figure 56. Projected Population (2011 to 2031)



Source: DP&E, MacroPlan Dimasi

- Growth in all age cohorts except retirees is projected to be negative.
- As such, Nambucca’s population growth is expected to be driven exclusively by its ageing population, with an additional 2,900 65+ aged persons expected over the forecast period.
- As at 2011, retirees represented 24% of the total population, however by 2021 this is expected to increase to 31%. By 2031, more than 1 in 3 persons in the LGA is expected to be aged 65+.

Figure 57. Population Projections by Age (2011-2031)



Source: ABS, DP&E, MacroPlan Dimasi

- Growth in older households is expected to underpin demand for new housing formats, as retirees look to 'cash out' of their existing homes and seek suitable accommodation that is close to services.
- The need for greater housing diversity to accommodate the changing needs of the region's ageing population is identified in the MNCRS.

8.2.3 Migration Movements (2006-2011)

Inward and outward movements for each MNC LGA have been analysed, using 2006 and 2011 Census data (Place of Usual Residence).

- In the five years to 2011, inward migration to Nambucca totalled 3,337.
- The two main components of Nambucca's population inflow are persons from Sydney and regional NSW.
- As shown in the table below, the 50-64 age cohort was the dominant age group amongst Nambucca's inward migrants, with an inflow of 874 persons over the five year period.
- Overseas migration was minimal at 132 persons, predominantly from persons aged 35-49.

Table 162. Inward Migration (2006 to 2011)

Nambucca	0-19	20-34	35-49	50-64	65+	Total
Mid North Coast	150	136	141	136	105	668
Sydney	137	157	178	291	186	949
Regional NSW	201	132	189	208	88	818
Interstate	146	124	155	217	128	770
Overseas	16	34	42	22	18	132
Total	650	583	705	874	525	3,337

Source: ABS, MacroPlan Dimasi

- In the five years to 2011, outward migration from Nambucca totalled 2,549.
- Interstate (predominately to SE QLD) and movements to regional NSW (predominantly the Hunter region) constituted the most popular destinations.
- By age group, those aged between 20-34 years represented the largest outflow.

Table 163. Outward Migration (2006 to 2011)

Nambucca	0-19	20-34	35-49	50-64	65+	Total
Mid North Coast	137	143	119	149	110	658
Sydney	81	155	45	37	42	360
Regional NSW	184	224	107	99	109	723
Interstate	158	365	71	138	76	808
Total	560	887	342	423	337	2,549

Source: ABS, MacroPlan Dimasi

- Over the five year period, ABS Census data indicates a net inflow of 788 persons into the Nambucca LGA. Notably, a net increase was achieved for all age groups except the 20-34 age cohort, consistent with the broader national trend of young adults leaving regional areas.
- In terms of net gains, the most significant contributing age groups were the 50-64 year aged cohort, recording a gain of 451 persons.

Table 164. Net Migration (2006 to 2011)

Nambucca	0-19	20-34	35-49	50-64	65+	Total
Net migration	90	-304	363	451	188	788

Source: ABS, MacroPlan Dimasi

8.2.4 Income Distribution by Age

- Housing affordability is a function of income or spending capacity and housing costs. Subsequently, demand for dwellings is largely determined by household or personal income.
- For the purpose of our analysis, we separate personal income as follows:

Table 165. Personal Income Ranges

Range	Value range
Low Range	Upto \$31,199
Medium Range	Between \$31,200 and \$64,999
High Range	Greater than \$65,000

- In the Nambucca LGA, approximately 65% of residents earned less than \$31,200 per annum.
- Of all age groups, persons aged between 35-49 entailed the highest proportion of high income earners. As at 2011, approximately 12% of persons in this group received an income above \$65,000 per annum.

Table 166. Personal Income Distribution by Age (2011)

Age		Nambucca
20-34	Low	64%
	Medium	31%
	High	6%
35-49	Low	53%
	Medium	34%
	High	12%
50-64	Low	64%
	Medium	27%
	High	10%
65+	Low	73%
	Medium	25%
	High	2%
Total	Low	65%
	Medium	29%
	High	6%

Source: ABS, MacroPlan Dimasi

- Particularly for FHBs, low income earning capacity is expected to impede property market activity. As has been shown from migration data, an outflow of potential FHB households from the 20-34 age cohort has and is expected to continue to occur.
- For households, income levels are low with 84% of people living in a household with an annual income of less than \$78,000.

Table 167. Household Income (2011)

Annual household Income (proportion)	Nambucca
Less than \$78,000	84%
More than \$78,000	16%
Total	100%

Source: ABS, MacroPlan Dimasi

8.3 Housing Market Implications

- The above assessment of demographic and resident income earning characteristics suggest the following:
 - **First home buyers (20-34 year olds):** High outward migration from this age cohort, tied to the availability of jobs, or the lack thereof, as well as personal preferences. The majority of individuals in this age group earn an annual income of less than \$31,199. The affordability of housing product will be key to market entry. Similarly, the availability of rental product and different housing formats is important to those from this group who choose to delay entry into the home mortgage market.
 - **Upgraders (35-49 year olds):** There has been a net migration inflow of approximately 363 persons over the past five years in this age cohort, although a net overall loss of 348 persons was recorded between 2006 and 2011. Of this group, 53% earn an annual income of less than \$31,199. We suspect a strong linkage to the availability of employment as a key lever to attract and retain this age group.
 - **Downsizers (50-64 year olds):** A strong net migration gain has been recorded for this age cohort, along with solid overall growth in this age cohort. Downsizers now make up 25% of the overall housing market.
 - **Retirees (65+ year olds):** Similarly to downsizers, a modest net migration has been recorded over the past five years. Overall growth in

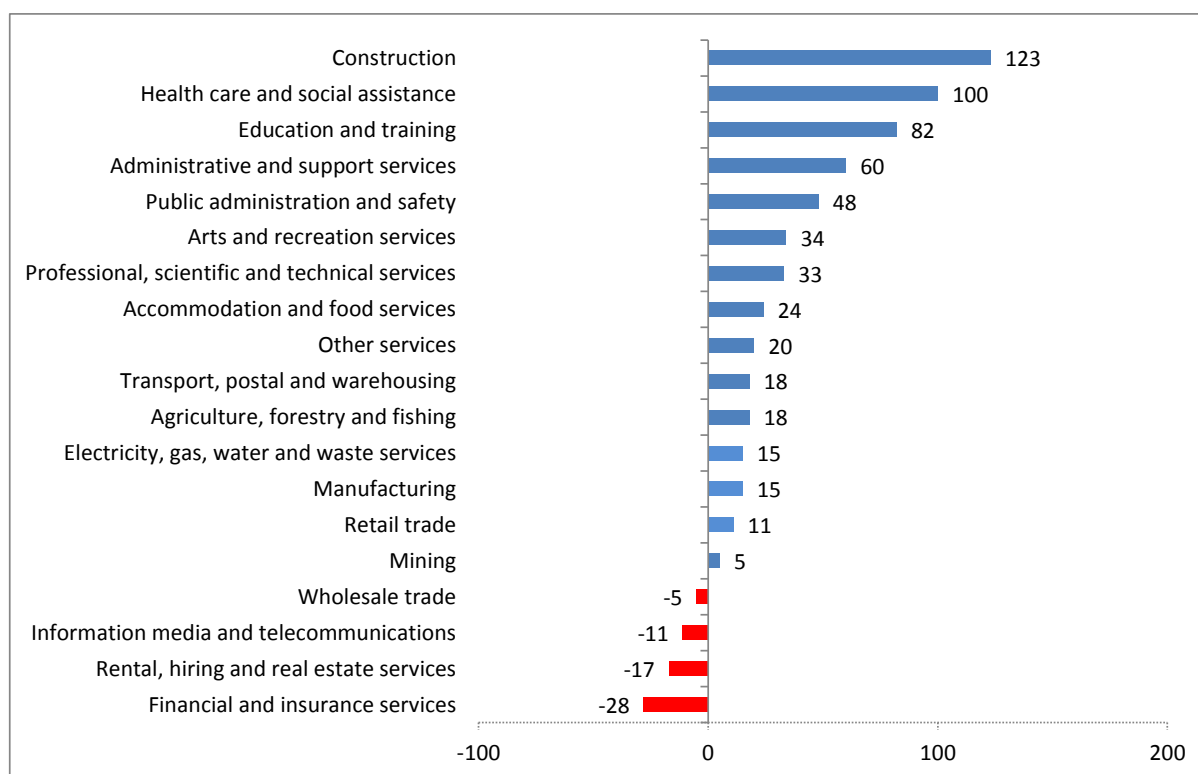
the age cohort represents as the most solid of all age groups for the intercensal period. By 2031, this age cohort is expected to account for 37% of Nambucca's total population.

- The growth in downsizer and retiree age cohorts accentuates the need for alternate smaller housing products in the LGA. By 2031, persons aged over 50 are expected to account for 56% of the LGA's total population.
- The ageing demographic, coupled with the recent growth in lone person households accentuates the need for diversity in housing form, particularly for smaller housing product.

8.4 Employment Characteristics

- Whilst the purpose of our current analysis is on housing market conditions and the characteristics of Nambucca's dwelling stock, it is also important to observe labour market fundamentals for the area given the strong correlation between employment availability, population growth and housing demand.
- Over the five years to 2011, the number of employed persons residing in the Nambucca LGA increased by 545, representing 8% of the region's employment growth over the five year period.
- Jobs growth was most pronounced in Construction (+123) and Health Care and Social Assistance (+100 jobs).
- At the same time, four industries registered a decline in employed persons - Financial and insurance services (-28 jobs), Rental, hiring and real estate services (-17 jobs), Information media and telecommunications (-11 jobs) and Wholesale trade (-5 jobs).

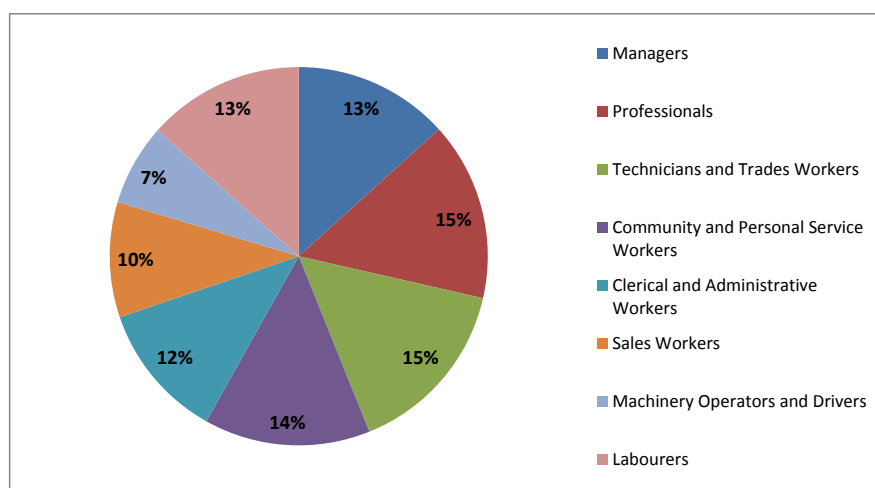
Figure 58. Employment Growth by Industry (2006 to 2011)



Source: ABS, MacroPlan Dimasi, Census 2011

- As at Census 2011 the dominant occupation category for Nambucca residents was 'Professionals' and 'Technicians and Trades Workers', accounting for around 15% of the LGA's workforce respectively. The contribution from most other occupations, with the exception of 'machinery operators and drivers', was fairly equal.

Figure 59. Occupation Composition (2011)



Source: ABS, MacroPlan Dimasi

- Health Care and Social Assistance is the largest employing industry in the LGA – it engaged 14.9% of the LGA’s workforce in 2011. Retail trade (13.2%) and Education & Training (9.8%) were the next two largest employing industries, reflecting a service bias in the LGA’s employment make-up.

Table 168. Employment by Industry (2011)

Industry	Number	Composition (%)
Health care and social assistance	878	14.9%
Retail trade	778	13.2%
Education and training	578	9.8%
Construction	553	9.4%
Accommodation and food services	538	9.1%
Manufacturing	452	7.7%
Agriculture, forestry and fishing	381	6.5%
Public administration and safety	333	5.7%
Transport, postal and warehousing	247	4.2%
Other services	231	3.9%
Professional, scientific and technical services	216	3.7%
Administrative and support services	177	3.0%
Wholesale trade	134	2.3%
Financial and insurance services	94	1.6%
Rental, hiring and real estate services	82	1.4%
Arts and recreation services	82	1.4%
Information media and telecommunications	57	1.0%
Electricity, gas, water and waste services	46	0.8%
Mining	25	0.4%
Total	5,882	100.0%

Source: ABS, MacroPlan Dimasi

- The majority the LGA's total workforce is engaged in service industries, reflecting a strong link between population growth and employment opportunities. Employment in the service industries is strongly influenced by the level and type of population growth.

8.5 Nambucca Housing Market Conditions

8.5.1 Housing Tenure

- As at Census 2011, 48% of all dwellings are owned outright, above the MNC average of 45%.
- In the Nambucca LGA, representation amongst renting households (27%) is slightly below the MNC average (28%).

Table 169. Housing Tenure, Nambucca LGA & MNC (2011)

Tenure	Number	Nambucca	Mid-North Coast
Owned outright	3,468	48%	45%
Owned with a mortgage	1,851	25%	28%
Rented	1,952	27%	28%
Total	7,271	100%	100%

Source: ABS, MacroPlan Dimasi

- Outright ownership is highest amongst downsizers and retirees. Combined these groups account for 82% of household outright ownership.
- Upgraders and downsizer present as the two dominant 'owned with a mortgage' tenure group, comprising 32.6% and 32.4% respectively of this housing arrangement.
- FHBs and upgraders dominate rental households in the Nambucca LGA.

Table 170. Household Tenure by Age (2011)

	Owned outright	Owned with a mortgage	Rented	Total
15-19	3.3%	11.2%	10.7%	7.5%
20-34	4.2%	16.5%	24.7%	13.0%
35-49	10.4%	32.6%	26.0%	21.0%
50-64	34.3%	32.4%	22.6%	30.7%
65+	47.8%	7.3%	15.9%	27.9%
Total	100.0%	100.0%	100.0%	100.0%

Source: ABS, MacroPlan Dimasi

8.5.2 Housing Activity since 2007 (2007-2013)

- Dwelling approval data provided by the ABS has been analysed as it provides an important leading economic indicator, while giving an insight into the demand for dwellings over a given period.
- The most recent peak in approvals occurred in 2008, due to an uplift in house approvals while villa approvals remained at high levels.
- Dwelling approvals since 2007 have averaged 101 per annum.

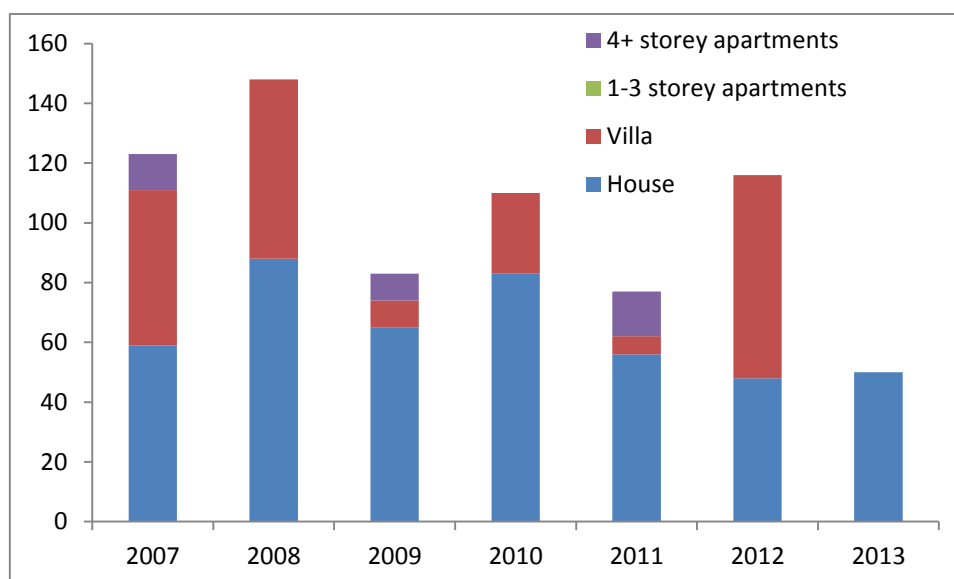
Table 171. Dwelling Approvals (2007-2013)

	House	Other Dwelling	Total
2007	59	64	123
2008	88	60	148
2009	65	18	83
2010	83	27	110
2011	56	21	77
2012	48	68	116
2013	50	-	50

Source: ABS, MacroPlan Dimasi

- House approvals dominate dwelling approvals, accounting for 68% of total approval activity.
- Historically, approvals for villa dwellings have been high, particularly in 2012 where 68 were made. However, in the 2013 financial year, there were no villa approvals made.

Figure 60. Dwelling Approvals by Housing Type (2007-2013)



Source: ABS, MacroPlan Dimasi

8.6 Property Trends – 2002-2007 v 2008-2013

8.6.1 House, land and other dwelling analysis

- Utilising RP Data, sales data has been analysed for the last decade in the Nambucca LGA.
- To account for house price growth over this period, observed sales have been segregated into two five year periods; i.e. 2002 to 2007 and 2008 to 2013.
- In order to ascertain trends in price distribution across the LGA, sales data has been disseminated by value range (as presented in the table below).

Table 172. Residential Property and Land Price Ranges

Range	Land	Other Dwellings	House
Low	Up to \$200,000	Up to \$200,000	Up to \$350,000
Medium	Between \$200,000 & \$350,000	Between \$200,000 & \$350,000	Between \$350,000 & \$550,000
High	Greater than \$350,000	Greater than \$350,000	Greater than \$550,000

- Data quality control has been undertaken to assist our analysis. In order to depict a market position, outlier transactions (consisting of transactions that were significantly below market value or of large size lots that reflect development potential) have been omitted from our assessment. As a result, our analysis has been undertaken on a subset of total sales activity in the Nambucca LGA.

8.6.2 Historical Detached Dwelling Prices & Activity

- In Nambucca LGA, there has been property price growth over the two five periods.
- Over the five years to 2007, 89% of sales per annum were for dwellings below \$350,000. However, over the next five year period, house sales priced below \$350,000 had been reduced to 78% of the market per annum.
- In proportional terms, house sales in the high value range (above \$550,000) has remained unchanged – 3% of house sales per annum.
- The average number of house sales per annum has reduced by 33% over the second five year period.

Table 173. Average Annual House Sales, 2002-2007 & 2008-2013

	2002-2007		2008-2013	
	Number	%	Number	%
Low	251	89%	147	78%
Medium	25	9%	36	19%
High	7	3%	6	3%
Total	282	100%	189	100%

Source: RP Data, MacroPlan Dimas

8.6.3 Historical Other Dwelling Prices & Activity

- Overall, other dwelling sales activity is low within the Nambucca LGA, while in line with house sales, the number of other dwellings sold per annum has slowed considerably - from annual sales of 52 other dwellings per annum between 2002 and 2007 to 33 sales per annum over the five years to 2013.
- Over the last decade, there has been an observed uplift in other dwelling prices.
- Affordability has deteriorated in the Nambucca LGA. Over the five years to 2013, high value other dwelling sales accounted for 17% of total market activity, up from just 6% over the previous period.
- Also, over the five years to 2013, 39% of sales were priced below \$200,000.

Table 174. Average Annual Other Dwelling Sales, 2002-2007 & 2008-2013

	2002-2007		2008-2013	
	Number	%	Number	%
Low	33	65%	13	39%
Medium	15	29%	15	44%
High	3	6%	6	17%
Total	52	100%	33	100%

Source: RP Data, MacroPlan Dimasi

8.6.4 Historical Land Prices & Activity

- Similar to other dwelling sales, sales activity for vacant land lots is low.
- Over the five years to 2007, vacant land lot sales averaged 73 per annum. The majority of these sales were for lots priced in the low value range (87%)
- The volume of land sales has since contracted, averaging just 52 lots per annum over the last five years.
- While overall activity has decreased, there has been a trend shift to higher value lot sales. Of the 52 lots sold on average per year in the 2008 – 2013 period, around 12% were for lots priced between \$200,000 and \$350,000 (medium price range), up from 7% in the previous five year period.
- The observed decline in sales activity and the general rise in land prices suggests a tightening of opportunity for less wealthy market segments (e.g. FHB entrants).
- The provision of smaller lots is expected to facilitate purchasing activity from downsizers and retiree households.

Table 175. Average Annual Land Sales, 2002-2007 & 2008-2013

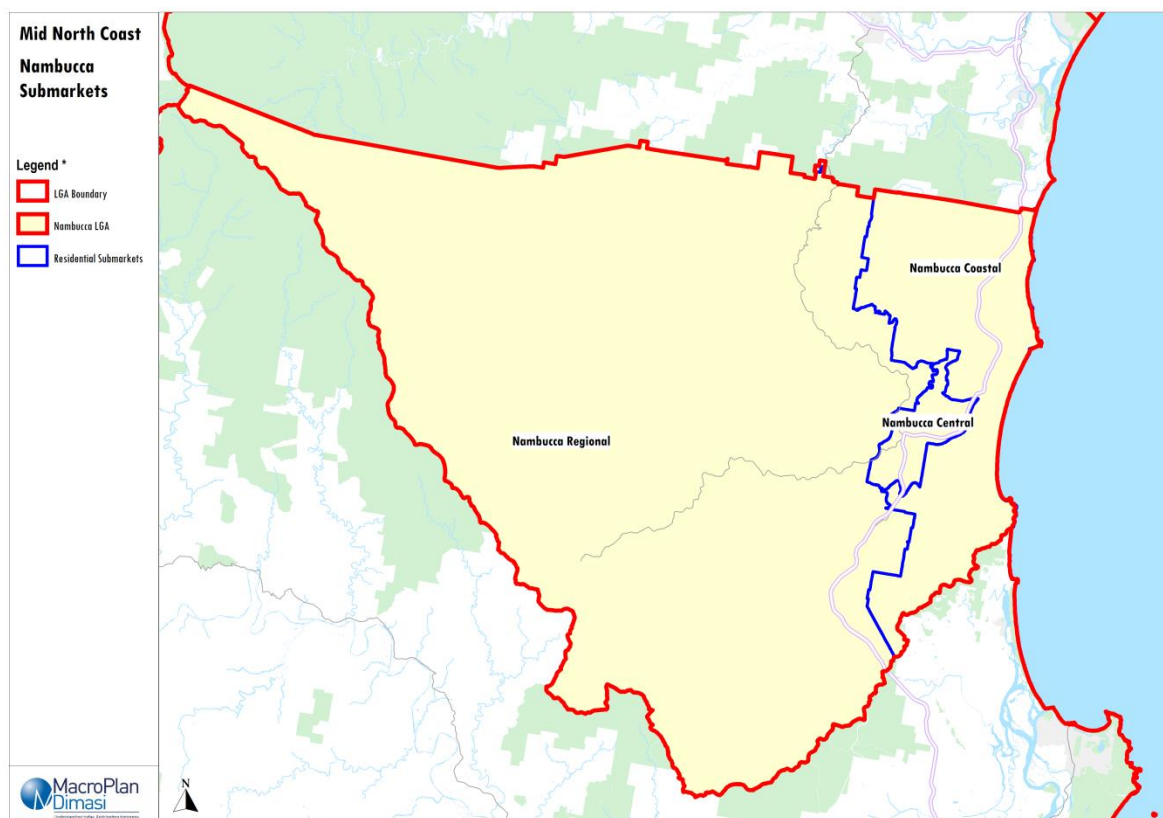
	2002-2007		2008-2013	
	Number	%	Number	%
Low	63	87%	41	79%
Medium	5	7%	6	12%
High	4	6%	5	9%
Total	73	100%	52	100%

Source: RP Data, MacroPlan Dimasi

8.7 Housing Submarket Indicators

8.7.1 House Prices by Subregion

Figure 61. Nambucca Residential Submarkets



Source: MacroPlan Dimasi

- The Nambucca LGA has been segregated into three distinctive sub-markets to show the price disparity between them, the submarkets are Nambucca – Central, Nambucca – Coastal and Nambucca – Regional.
- In 2013, over 80% of all sales were for houses priced within the low price range (less than \$350,000). Only 1% of properties sold were for properties valued at \$550,000 or greater – all of which came from the Nambucca – Coastal submarket.
- Of all three subregions, Nambucca - Coastal presents as the most costly submarket. Of all sales registered within the Nambucca - Coastal submarket in 2013, 28% were for properties valued at \$350,000 and above.
- In the Nambucca - Regional sub-region, 100% of all houses sold were in the low price range, making it the most affordable submarket within the Nambucca LGA.

Table 176. House Sales by Submarket (2013)

	Nambucca - Central			Nambucca - Coastal			Nambucca - Regional			Total	
	Number	%	% of total	Number	%	% of total	Number	%	% of total	Number	%
Low	36	97%	21%	83	72%	48%	21	100%	12%	140	81%
Medium	1	3%	1%	30	26%	17%	0	0%	0%	31	18%
High	0	0%	0%	2	2%	1%	0	0%	0%	2	1%
Total	37	100%	21%	115	100%	66%	21	100%	12%	173	100%

Source: RP Data, MacroPlan Dimasi

8.7.2 Rental Market & Indicative Yields

- Over the five years to 2014, Nambucca LGA rents for detached dwellings increased at an average annual rate of 2.0%, from \$253 to \$280 per week.
- On average, indicative rental yields increased over the five year period supported by weak growth in local house prices.
- Median rents are highest in the Nambucca - Coastal submarket, with a median rent of \$300 per week. This is consistent with higher median house values for this submarket, and is most likely due to its coastal location.
- Rents in the Nambucca - Regional submarket presented as the most affordable locations for renters seeking detached dwelling formats - \$250 per week as at 2014.
- Rental growth over the five year period was greatest within the Nambucca - Central submarket at 3.0% per annum.

Table 177. House Rents and Rental Yields (2009 & 2014)

	Median Rent			Yield	
	2009	2014	CAGR (%)	2009	2014
Nambucca - Central	\$250	\$290	3.0%	5.1%	5.7%
Nambucca - Coastal	\$280	\$300	1.4%	4.7%	5.1%
Nambucca - Regional	\$230	\$250	1.7%	6.2%	6.8%
Average	\$253	\$280	2.0%	5.3%	5.9%

Source: Residex, MacroPlan Dimasi

- Apartment rental growth has been fairly static over the five years to 2014 at 0.3% per annum.
- Rental growth was negative within the Nambucca - Central (-2.9% per annum), which saw weekly rents drop from \$220 in 2009 to \$190 per week in 2014. In line with the deterioration in rental values, indicative rental yields have also suffered.
- On the other hand, apartment rentals within the Nambucca - Coastal submarket experienced strong growth of 3.5% per annum.

Table 178. Nambucca LGA Apartment Rents and Rental Yields (2009 & 2014)

	Median Rent			Yield	
	2009	2014	CAGR (%)	2009	2014
Nambucca - Central	\$220	\$190	-2.9%	6.9%	5.7%
Nambucca - Coastal	\$210	\$250	3.5%	4.9%	5.9%
Nambucca - Regional			N/A		
Average	\$215	\$220	0.3%	5.9%	5.8%

Source: Residex, MacroPlan Dimasi

8.8 Future Supply

- Under the MNCRS, Macksville has been identified as a major town within the Mid North Coast with its purpose to provide a high level of services and employment opportunities to support the surrounding catchments.
- Future dwelling supply within the LGA is expected to be accommodated through the consolidation of existing centres and infill development.
- While the majority of new housing will be focused around centres such as Macksville, housing supply on the coast will also be supported by land releases west of Nambucca Heads.
- Further rural-residential land release are also anticipated.
- Over the next five years, the Nambucca Shire Council has estimated that 600 additional lots will be released.

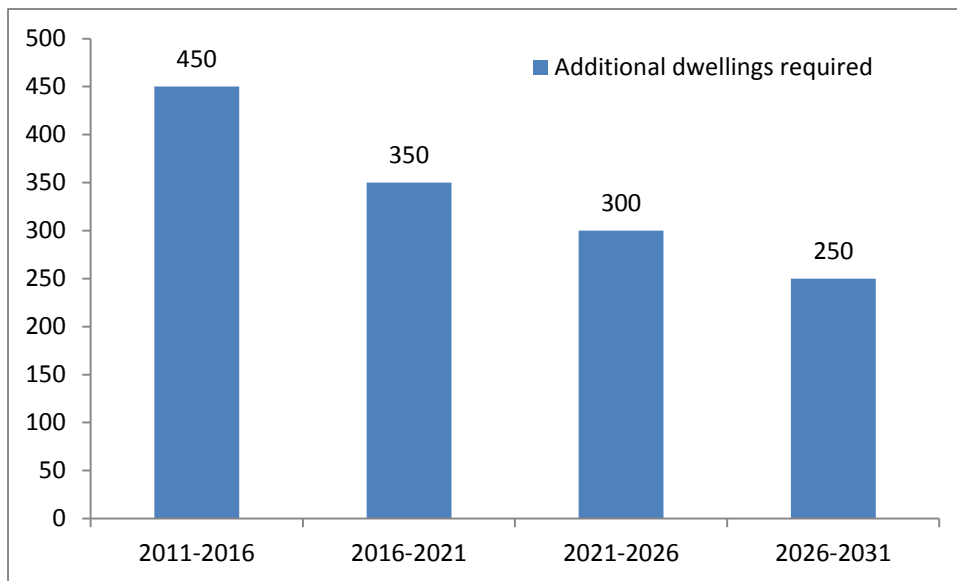
Table 179. Projected Lot Production (2011-2016)

Total 5 Year Produced		Nambucca									
		Year 1		Year 2		Year 3		Year 4		Year 5	
Lots	ha	Lots	ha	Lots	ha	Lots	ha	Lots	ha	Lots	ha
600	45	0	0	200	15	200	15	200	15	0	0

Source: Department of Planning and Environment

- According to DP&E (2014) household and implied dwelling projections, Nambucca LGA is projected to require an additional 1,350 dwellings by 2031.

Figure 62. Projected dwellings required (2011 to 2031)



Source: DP&E, MacroPlan Dimasi

7.10 Housing Type Recommendations

The table below identifies each submarket based on affordability and the inferred housing type that is likely to be required to satisfy market and demographic needs.

Table 180. Housing type recommendations

Nambucca LGA	Residential Submarket	Housing Type Required
Medium Priced	Nambucca - Central	Smaller lot and medium density housing
Most Expensive	Nambucca - Coastal	Smaller lot and medium density housing
Most Affordable	Nambucca - Regional	Detached housing

Source: RP Data, MacroPlan Dimasi

9.1 Key Facts, Findings and Take-outs

- The Port Macquarie-Hastings LGA falls within the Hastings-Macleay subregion under the Mid North Coast Regional Strategy (2009), encompassing both the Kempsey and Port Macquarie-Hastings LGA's.
- As part of this subregion, the MNCRS identified the need of an additional 18,300 new dwellings by 2031.

Figure 63. Port Macquarie-Hastings LGAs Location in Context of the Mid North Coast Region



Source: MacroPlan Dimasi

- Future dwelling growth is anticipated to eventuate through a combination of the consolidation of existing centres and the release of new greenfield housing land.
- Within the LGA, there are large, relatively unconstrained areas in close proximity to existing centres which will facilitate future urban growth.

- From an urban release perspective, the majority of future supply is expected to come from three locations – Thrumster, west of the Port Macquarie, Lake Cathie/Bonny Hills and at Camden Haven. Collectively, these locations have an estimated capacity of 7,500 dwellings.

Prevailing Conditions:

- As at 2011, the Port Macquarie-Hastings LGA encompassed a resident population of 75,232 persons, making it the largest LGA in the MNC Region.
- The LGA grew by 1.5% per annum (or 5,285 persons) over the five years to 2011.
- Over this period, the flow of persons previously living in Sydney was substantial.
- Household composition within the Port Macquarie-Hastings LGA is similar to the broader MNC average; however there is a higher representation of 'couple family with no children' households.
- Household growth over the five years to 2011 was greatest amongst 'lone persons' (+771 households).
- Within the Port Macquarie-Hastings LGA, the total number of dwelling approvals has remained relatively stable. Since 2007, approximately 418 dwellings have been approved per annum – the highest of any MNC LGA.
- Representation of other dwelling approvals is high, particularly for villa dwellings, however, more recently, other dwelling approvals have contracted in favour of detached house approvals.
- Port Macquarie-Hastings housing stock is dominated by detached dwellings, which comprise 75.7% of total dwellings across the LGA.
- Housing affordability has deteriorated. Prior to 2007, approximately 67% of all house sales were for properties below \$350,000. However, over the next five year period, the majority of house sales were priced between \$350,000 and \$550,000 (medium value range).
- Over the last decade, sales activity in the 'other' dwelling segment has tracked at around 45% of detached dwelling sales.
- In terms of land sales, approximately 224 vacant land lots were sold each year between 2002 and 2007, majority of which were priced below \$200,000 (83%).
- Land sale volumes have since contracted, averaging 165 lots per year over the last five years. While overall activity has decreased, there has been a shift to higher valued lots.

- Rental growth for detached houses in the Port Macquarie-Hastings LGA was the highest of any MNC LGA, averaging 6.4% per annum over the five years to 2014. Rental growth for apartments was lower at 3.1% per annum over the same period.
- At a median rent of \$350 per week, the Port Macquarie Hastings - Regional submarket presented as the most affordable submarket for renting households.
- At Census 2011, over 27,000 workers were employed in the Port Macquarie Hastings LGA.
- As at Census 2011, the top three employing industries were Health care and social assistance, Retail trade and Construction industries, collectively accounting for 39.2% of the workforce.
- Employment growth over the five years to 2011 was greatest within Health care & social assistance industry (+1,035 jobs).

Future Considerations:

- Population growth within the Port Macquarie-Hastings LGA is expected across all age cohorts. This reflects the LGA's strength as a centre of employment and tourism.
- Although all age cohorts are expected to experience a gain in population, growth is expected to be most pronounced within the 65+ age cohort, expanding by 11,300 persons over the forecast period.
- Growth from retirees and upgraders will impact housing markets. The LGA will remain popular for retirement and aged care housing, although a continued supply of alternate housing formats will serve both an ageing population and a maturing market cross-section.
- Lone person households have been the fastest growing household type over the five years to 2011, confirming an underlying requirement for alternate housing formats.

Recommendations:

- With deteriorating affordability conditions, affordable housing stock will continue to be required across the LGA.
- Retirees are expected to have the greatest influence on the LGA's housing demand.
- The LGA is likely to remain attractive to retirement housing providers. This form of housing ought to be encouraged to support underlying growth in the older age

cohorts, while at the same time contributing to the 'freeing-up' of housing stock for FHBs and upgraders.

9.2 Population Trends and Characteristics

- According to ABS ERP figures, Port Macquarie-Hastings population grew by 5,285 persons over the five years to 2011 – the highest increase of any MNC LGA, resulting in a total population of 75,232 persons.

Table 181. Port Macquarie-Hastings LGA population

Source	Date	Population
ERP Estimate	2006	69,947
ERP Estimate	2011	75,232
Change	2006-2011	+ 5,285

Source: ABS, MacroPlan Dimasi

- The upgrader (35-49) cohort was the only age group to experience a decline in population over the five years to 2011. This decline is projected to reverse after 2016 with an increase in this cohort.
- All other age cohorts experienced solid population gains, however in line with the broader MNC region, population growth was most pronounced within the downsizer and retiree age cohorts – 1,671 and 2,770 person increase respectively.

Table 182. Population growth by age cohort

	2006	2011	Change (2006-2011)
0-19	17,314	17,844	530
20-34	8,828	9,318	490
35-49	13,899	13,723	-176
50-64	14,245	15,916	1,671
65+	15,661	18,431	2,770
Total	69,947	75,232	+ 5,285

Source: ABS, MacroPlan Dimasi

9.2.1 Household Composition

- 'Families' are the dominant household type within the Port Macquarie-Hastings LGA at 34%. 'Couple families with no children' and 'lone person' households also have a strong representation.
- Household growth has been greatest within lone person households (+771).

Table 183. Household composition, Port Macquarie-Hastings LGA

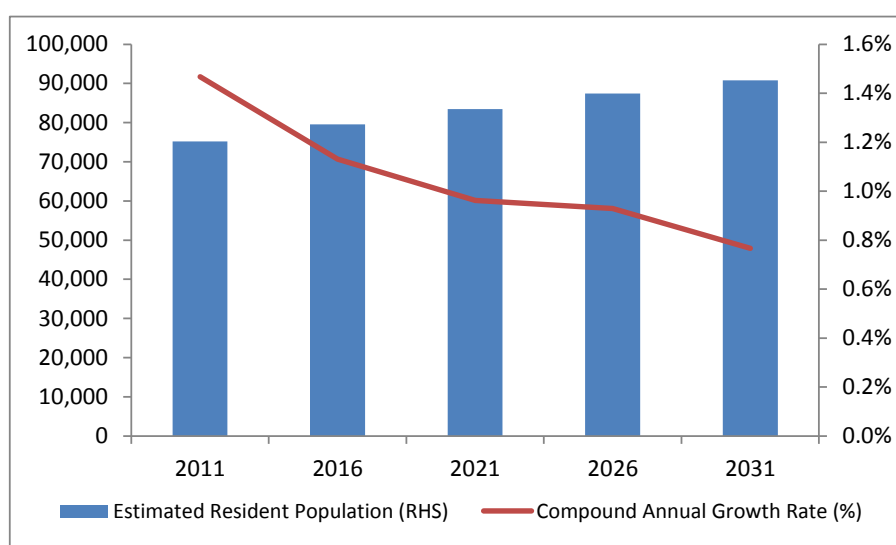
Household Composition	Number	Composition (%)	Change (2006-2011)
Family household	10,427	34%	570
Couple family with no children	9,854	32%	559
Lone Person	8,017	26%	771
Group	765	3%	81
Other	1,394	5%	-20
Total	30,457	100%	1,961

Source: ABS, MacroPlan Dimasi

9.2.2 Population Growth – Projections

- According to the 2014 DP&E projections, the Port Macquarie-Hastings LGA population is projected to expand to 90,800 by 2031.
- It is anticipated the population growth will average 1.1% per annum over the five years to 2016, and then slow to average 0.9% per annum between 2016 and 2031.

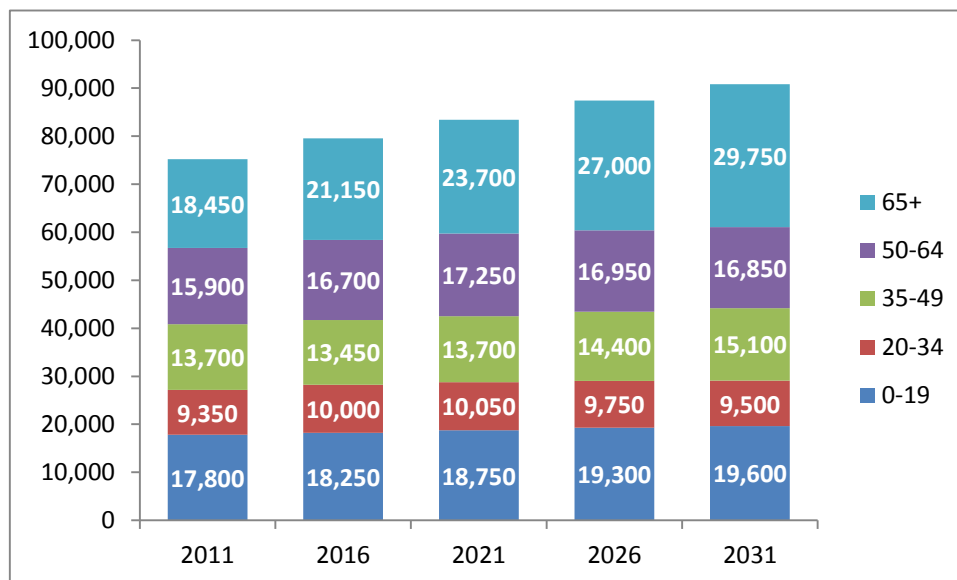
Figure 64. Projected Population (2011 to 2031)



Source: DP&E, MacroPlan Dimasi

- Over the forecast period, population growth is projected to be highest amongst persons aged 65+. Between 2011 and 2031, this cohort is projected to expand by 11,300 by 2031.
- The growth of persons aged 65+ will be driven by net in-migration and an ageing of the local population.
- Growth in all other age cohorts is expected to be positive, however substantially under the growth anticipated for retirees.
- As at 2011, persons aged 65+ accounted for 25% of the Port Macquarie-Hastings population, however by 2031, it is expected to increase to account for 33%.
- Retirees (65+) will be instrumental to the Port Macquarie-Hastings LGA housing market over the forecast period.

Figure 65. Population Projections by Age (2011-2031)



Source: ABS, DP&E, MacroPlan Dimasi

9.2.3 Migration Movements (2006-2011)

Inward and outward movements for each MNC LGA have been analysed, using 2006 and 2011 Census data (Place of Usual Residence).

- Over the five years to 2011, inward migration into Port Macquarie-Hastings LGA totalled 13,653 persons, making it the largest LGA within the MNC for inward movements.

- Inward movement from people previously living in Sydney provided the dominant source of inward migration, while regional NSW (predominantly Newcastle) provided a considerable proportion of this inward movement.
- The 35-49 age cohort represented the largest share of inward migration with 3,158 persons. Movements by adolescents (0-19) was significant suggesting majority of the movements were from families.
- Overseas migration was significant at approximately 993 persons, predominantly from persons aged 20-34 and 35-49.

Table 184. Inward Migration (2006 to 2011)

Port Macquarie	0-19	20-34	35-49	50-64	65+	Total
Mid North Coast	307	325	278	254	278	1,442
Sydney	774	759	940	986	761	4,220
Regional NSW	921	784	850	693	564	3,812
Interstate	565	590	777	713	541	3,186
Overseas	197	278	313	142	63	993
Total	2,764	2,736	3,158	2,788	2,207	13,653

Source: ABS, MacroPlan Dimasi

- In the five years to 2011, total outward migration from Port Macquarie-Hastings totalled 8,618 persons.
- Consistent with inward movements, regional NSW constituted a large proportion of the outflow (2,680 persons between 2006 and 2011); however the dominant destination for these people was interstate locations. Over this period, South East Queensland presented as the most popular destination.
- By age, the largest outflow had been from persons aged 20-34 with 3,068 people.

Table 185. Outward Migration (2006 to 2011)

Port Macquarie	0-19	20-34	35-49	50-64	65+	Total
Mid North Coast	236	244	239	208	171	1,098
Sydney	384	722	284	254	299	1,943
Regional NSW	553	1,027	394	399	307	2,680
Interstate	551	1,075	500	464	307	2,897
Total	1,724	3,068	1,417	1,325	1,084	8,618

Source: ABS, MacroPlan Dimasi

- Over the five year period, ABS Census data indicates a net inflow of 5,035 persons into the Port Macquarie-Hastings LGA - the largest of all MNC LGAs.

Table 186. Net Migration (2006 to 2011)

Port Macquarie	0-19	20-34	35-49	50-64	65+	Total
Net migration	1,040	-332	1,741	1,463	1,123	5,035

Source: ABS, MacroPlan Dimasi

9.2.4 Income Distribution by Age

- Housing affordability is a function of income or spending capacity and housing costs. Subsequently, demand for dwellings is largely determined by household or personal income.
- For the purpose of our analysis, we separate personal income as follows:

Table 187. Personal Income Ranges

Range	Value range
Low Range	Upto \$31,199
Medium Range	Between \$31,200 and \$64,999
High Range	Greater than \$65,000

- Overall, income distribution in the Port Macquarie-Hastings LGA is skewed towards low income earners, with 56% of persons earning low range incomes.
- Persons aged 65+ are more likely than other age cohorts to earn an income in the low range, however, lower income earning capacity is somewhat mitigated by accumulated wealth (i.e. through outright ownership of residences and investment capital).
- Approximately 22% of persons aged between 35-49 earn an income greater than \$65,000 per annum.

Table 188. Personal Income Distribution by Age (2011)

Age		Port Macquarie-Hastings
20-34	Low	49%
	Medium	39%
	High	11%
35-49	Low	39%
	Medium	39%
	High	22%
50-64	Low	52%
	Medium	31%
	High	16%
65+	Low	69%
	Medium	28%
	High	2%
Total	Low	56%
	Medium	34%
	High	10%

Source: ABS, MacroPlan Dimasi

- For households, income levels are low with 75% of people living in a household with an annual income of less than \$78,000.

Table 189. Household Income (2011)

Annual household Income (proportion)	Port Macquarie-Hastings
Less than \$78,000	75%
More than \$78,000	25%
Total	100%

Source: ABS, MacroPlan Dimasi

9.3 Housing Market Implications

- The above assessment of demographic and resident income earning characteristics suggests the following:
 - **First home buyers (20-34 year olds):** There has been modest population growth recorded for this age cohort, despite a net outflow of 332 persons over the five years to 2011. The majority of individuals in this age group earn an annual income of less than \$31,199. The greater availability of jobs in comparison to other MNC LGA's may entice further inward movement from this age cohort, while enticing existing residents to

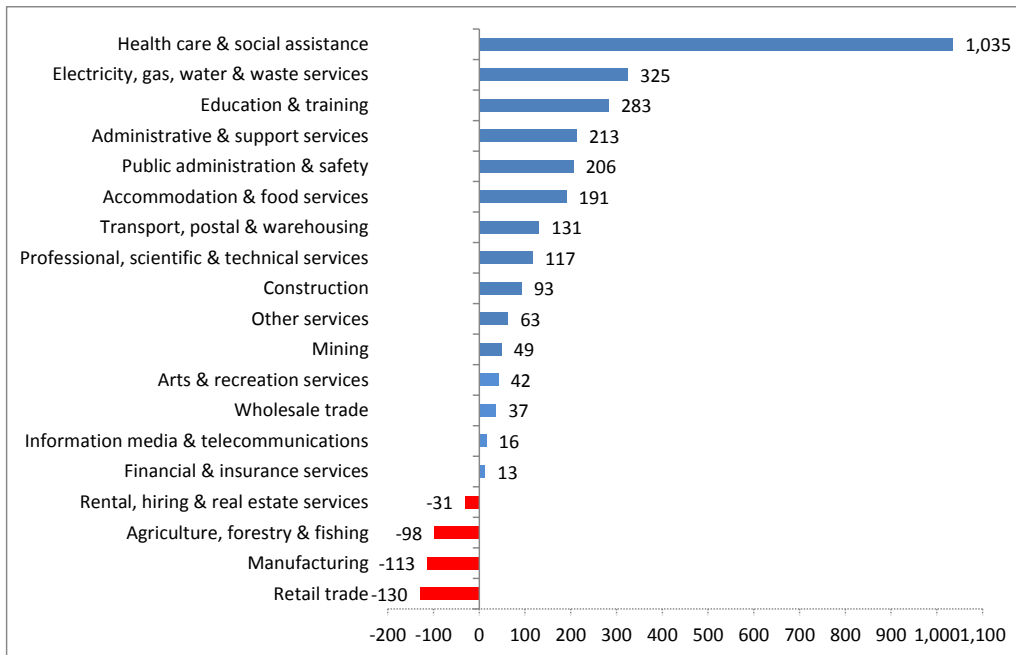
stay. The availability of rental product and different housing formats is important to those from this group who choose to delay entry into the home mortgage market.

- **Upgraders (35-49 year olds):** Shrinkage has occurred within this age cohort over the past five years, despite a solid net migration gain of 1,741 persons. A strong linkage to the availability of employment will be a key lever to attract and keep this age group.
 - **Downsizers (50-64 year olds):** Population growth for this age cohort has been strong over the past five years. Their influence on the local property market is expected to remain strong, buoyed by further net gains in migration.
 - **Retirees (65+ year olds):** Population growth has been most pronounced within this age cohort over the past five years. Currently, this age cohort represents the largest portion of the housing market.
- The continued ageing of the Port Macquarie-Hastings population, along with predicted growth in other age cohorts in a context of deteriorating affordability conditions, accentuates the need for a more diverse housing supply across the LGA.

9.4 Employment Characteristics

- Whilst the purpose of the current analysis is on housing market conditions and the characteristics of Port Macquarie-Hastings dwelling stock, it is also important to observe labour market fundamentals for the area given the strong correlation between employment availability, population growth and housing demand.
- Over the five years to 2011, the number of employed persons residing in the Port Macquarie-Hastings LGA increased by 2,442, representing 34% of the region's jobs growth over the period – the largest of all MNC LGA's.
- Consistent with other LGAs in the MNC, the majority of job additions occurred in industries that service local residents - Health care & social assistance (+1,035 jobs), Electricity, gas, water & waste services (+325 jobs) and Education & training (+283 jobs).

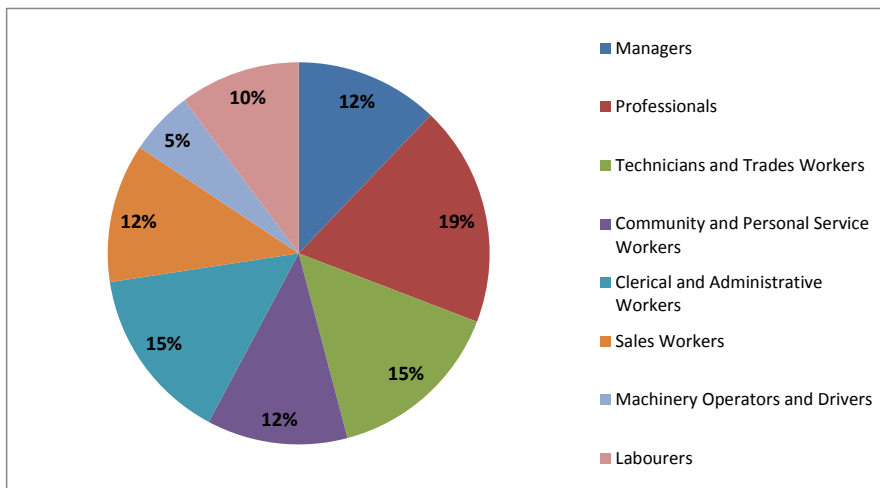
Figure 66. Employment Growth by Industry (2006 to 2011)



Source: ABS, MacroPlan Dimasi

- As at Census 2011, approximately 19% of Port Macquarie-Hastings LGA's residents were employed within a professional capacity.
- The next two largest representative occupation types were Technicians and Trades Workers (15.1%) and Clerical and Administrative Workers (+14.8%).

Table 190. Occupation Composition (2011)



Source: Census 2011, MacroPlan Dimasi

- As at Census 2011, the top three employing industries in Port Macquarie-Hastings LGA accounted for 39.2% of working residents – Health Care and Social Assistance (16.2%), Retail trade (13.8%) and Construction (9.2%).

Table 191. Employment by Industry (2011)

Industry	Number	Composition (%)
Health care and social assistance	4,408	16.2%
Retail trade	3,752	13.8%
Construction	2,492	9.2%
Accommodation and food services	2,466	9.1%
Education and training	2,337	8.6%
Manufacturing	1,485	5.5%
Public administration and safety	1,479	5.4%
Professional, scientific and technical services	1,182	4.3%
Other services	1,162	4.3%
Electricity, gas, water and waste services	1,149	4.2%
Transport, postal and warehousing	1,002	3.7%
Administrative and support services	877	3.2%
Wholesale trade	735	2.7%
Agriculture, forestry and fishing	720	2.6%
Financial and insurance services	656	2.4%
Rental, hiring and real estate services	529	1.9%
Arts and recreation services	360	1.3%
Information media and telecommunications	304	1.1%
Mining	96	0.4%
Total	27,191	100.0%

Source: ABS, MacroPlan Dimasi

9.5 Port Macquarie-Hastings Housing Market Conditions

9.5.1 Housing Tenure

- As at Census 2011, 45% of all dwellings were owned outright, in line with the MNC average.
- In Port Macquarie-Hastings LGA, representation amongst renting households (27%) is slightly lower than the MNC average (28%).

Table 192. Housing Tenure, Port Macquarie-Hastings LGA and MNC (2011)

Tenure	Number	Port Macquarie-Hastings	Mid-North Coast
Owned outright	12,465	45%	45%
Owned with a mortgage	7,848	28%	28%
Rented	7,645	27%	28%
Total	27,958	100%	100%

Source: ABS, MacroPlan Dimasi

- In Port Macquarie-Hastings LGA, outright ownership is highest amongst downsizers and retirees at 29.8% and 53.5% respectively.
- High outright ownership amongst older residents is expected to facilitate local trade down activity.
- Upgraders present as the dominant 'owned with a mortgage' tenure group, comprising 37% of this housing arrangement.
- Renting tenure is fairly evenly split between FHB's (28.9%) and upgraders (29.1%).

Table 193. Household Tenure by Age (2011)

	Owned outright	Owned with a mortgage	Rented	Total
15-19	3.3%	11.5%	10.4%	7.6%
20-34	4.2%	17.6%	28.9%	14.7%
35-49	9.2%	37.0%	29.1%	22.9%
50-64	29.8%	27.7%	19.2%	26.2%
65+	53.5%	6.3%	12.4%	28.5%
Total	100.0%	100.0%	100.0%	100.0%

Source: ABS, MacroPlan Dimasi

9.5.2 Housing Activity since 2007 (2007-2013)

- Dwelling approval data provided by the ABS has been analysed as it provides an important leading economic indicator, while giving an insight into the demand for dwellings over a given period.
- Over the five years to 2013, dwelling approvals averaged around 418 per annum.
- Detached houses represented the dominant housing format, accounting for around 74% of total approvals over the five year period.

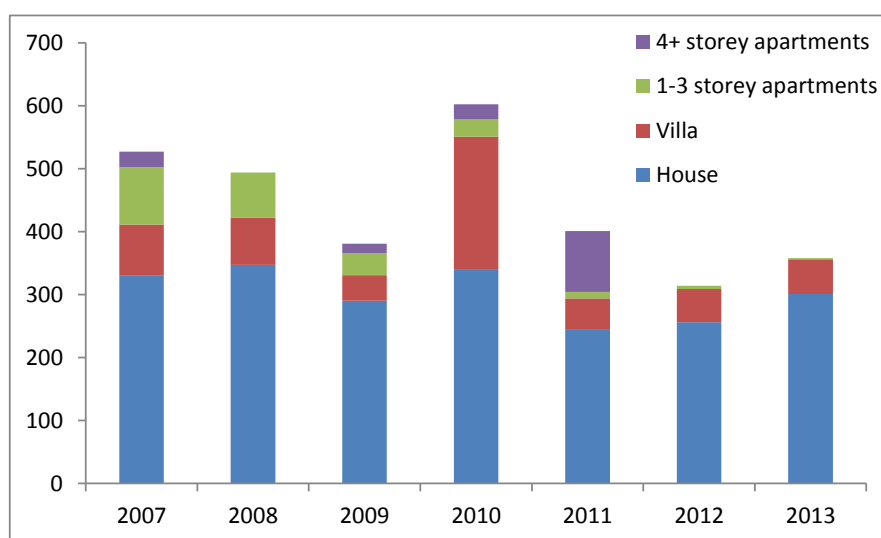
Table 194. Dwelling Approvals (2007-2013)

	House	Other Dwelling	Total
2007	330	125	455
2008	347	112	459
2009	290	63	353
2010	339	253	592
2011	244	152	396
2012	256	56	312
2013	301	57	358

Source: ABS, MacroPlan Dimasi

- The recent peak in dwelling approvals came in 2010 at just under 600 approvals. This result was buoyed by a considerable uplift in villa dwelling approvals totalling 212.

Figure 67. Dwelling Approvals by Housing Type (2007-2013)



Source: ABS, MacroPlan Dimasi

9.6 Property Trends – 2002-2007 v 2008-2013

9.6.1 House, Land and Other Dwelling Sales Analysis

- Utilising RP Data, sales data has been analysed for the last decade in the Port Macquarie-Hastings LGA.
- To account for house price growth over this period, observed sales have been segregated into two five year periods; i.e. 2002 to 2007 and 2008 to 2013.

- In order to ascertain trends in price distribution across the LGA, sales data has been segregated into value ranges (as presented in the table below).

Table 195. Residential Property and Land Price Ranges

Range	Land	Other Dwellings	House
Low	Up to \$200,000	Up to \$200,000	Up to \$350,000
Medium	Between \$200,000 & \$350,000	Between \$200,000 & \$350,000	Between \$350,000 & \$550,000
High	Greater than \$350,000	Greater than \$350,000	Greater than \$550,000

- Data quality control has been undertaken to assist our analysis. In order to depict a market position, outlier transactions (consisting of transactions that were significantly below market value or of large size lots that reflect development potential) have been omitted from our assessment. As a result, our analysis has been undertaken on a subset of total sales activity in the Port Macquarie-Hastings LGA.

9.6.2 Historical Detached Dwelling Prices & Activity

- In the Port Macquarie-Hastings LGA, a substantial shift in price distribution has occurred in detached dwelling prices.
- Over the five years to 2007, 67% of sales were for dwellings below \$350,000. However, over the next five year period, the majority of sales had been for houses priced between \$350,000 and \$550,000 (46%).
- The annual number of house sales decreased by 18% or 247 sales per annum on average between 2008 and 2013.
- In proportional and number terms, house sales in the high value range increased over the second five year period – from 90 to 110 sales per annum on average.

Table 196. Average Annual House Sales, 2002-2007 & 2008-2013

	2002-2007		2008-2013	
	Number	%	Number	%
Low	903	67%	483	44%
Medium	361	27%	513	46%
High	90	7%	110	10%
Total	1,353	100%	1,106	100%

Source: RP Data, MacroPlan Dimasi

9.6.3 Historical Other Dwelling Prices & Activity

- Over the last decade, sales activity in the other dwelling segment (i.e. not detached dwellings) has tracked at less than 50% of detached dwelling sales.
- Overall, other dwelling sales activity has slowed in the Port Macquarie-Hastings LGA. Over the second half of the decade, sales activity contracted by 30%.
- At the same time, there has been a price shift to higher valued other dwellings with 61% of sales over the 2008-2013 period being in the medium value range, up from 47%

Table 197. Average Annual Other Dwelling Sales, 2002-2007 & 2008-2013

	2002-2007		2008-2013	
	Number	%	Number	%
Low	208	32%	79	17%
Medium	308	47%	277	61%
High	136	21%	100	22%
Total	652	100%	456	100%

Source: RP Data, MacroPlan Dimasi

9.6.4 Historical Land Prices & Activity

- Over the five years to 2007, approximately 224 vacant land lots were sold per annum. The majority of these sales were for lots priced under \$200,000 (83%).
- Land sales have since contracted, averaging just 165 lots per annum over the last five years.
- While overall activity has decreased, there has been a moderate shift to the higher valued lots. Of the 165 lots sold per year, around 72% are for lots priced below \$200,000 – in comparison to 83% over the previous five year period.
- The number of lot sales in the high price range has remained relatively unchanged.

Table 198. Average Annual Land Sales, 2002-2007 & 2008-2013

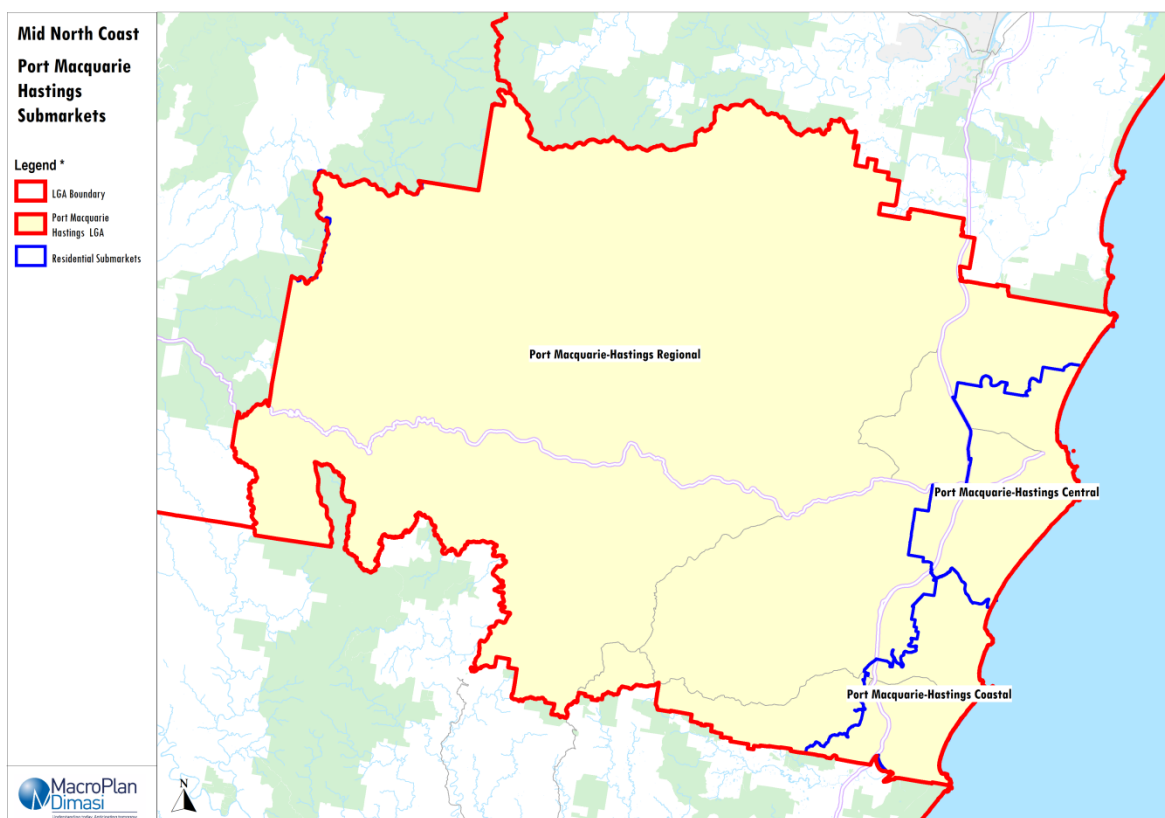
	2002-2007		2008-2013	
	Number	%	Number	%
Low	186	83%	120	72%
Medium	36	16%	45	27%
High	2	1%	1	1%
Total	224	100%	165	100%

Source: RP Data, MacroPlan Dimasi

9.7 Housing Submarket Indicators

9.7.1 House Prices by Subregion

Figure 68. Port Macquarie-Hastings Residential Submarkets



Source: MacroPlan Dimasi

- The Port Macquarie-Hastings LGA entails both coastal and inland locations. The majority of the population and dwellings are located in central and coastal locations. As such, there is the need for analysis at a sub-market level.
- The Port Macquarie-Hastings LGA has been segregated into three distinctive sub-markets, namely Port Macquarie-Hastings - Central, Port Macquarie-Hastings - Coastal and Port Macquarie-Hastings - Regional.
- In 2013, half of all sales were for dwellings priced within the medium price range. Approximately 11% of all sales were for properties greater than \$550,000 in value.
- Of all three subregions, Port Macquarie-Hastings - Central presents as the most costly housing market. Of all sales registered in 2013, 14% were for properties valued at \$550,000 and above.

- In the Port Macquarie-Hastings - Regional sub-region, 85% of all dwelling sales were in the low price range, making it the most affordable subregion within the LGA.

Table 199. House Sales by Submarket (2013)

	Port Macquarie Hastings - Central			Port Macquarie Hastings - Coastal			Port Macquarie Hastings - Regional			Total	
	Number	%	% of total	Number	%	% of total	Number	%	% of total	Number	%
Low	212	32%	20%	101	38%	10%	100	85%	9%	413	39%
Medium	368	55%	35%	139	52%	13%	16	14%	2%	523	50%
High	92	14%	9%	26	10%	2%	2	2%	0%	120	11%
Total	672	100%	64%	266	100%	25%	118	100%	11%	1,056	100%

Source: RP Data, MacroPlan Dimasi

9.7.2 Rental Market and Indicative Yields

- Between 2009 and 2014, detached dwelling rents in the Port Macquarie-Hastings LGA increased at an average rate of 6.4% per annum – the highest rental growth of any MNC LGA.
- On average, indicative rental yields increased moderately in the Port Macquarie-Hastings LGA.
- Relative to other LGAs in the MNC, house rents in the Port Macquarie-Hastings LGA are considerably higher.
- Median rents are highest in the Port Macquarie-Hastings – Central submarket. As at 2014, detached dwellings achieved median rents of around \$430 per week, consistent with higher house sales prices for this submarket.
- The Port Macquarie-Hastings – Regional submarket presents as the most affordable option for renting households at a weekly rent of \$350.
- Rental growth has been most pronounced in affordable submarkets. Over the five years to 2014, average house rents in the Port Macquarie-Hastings – Regional submarket increased by 7.8% per annum.

Table 200. House Rents and Rental Yields (2009 & 2014)

	Median Rent			Yield	
	2009	2014	CAGR (%)	2009	2014
Port Macquarie Hastings - Central	\$330	\$430	5.4%	4.7%	5.5%
Port Macquarie Hastings - Coastal	\$300	\$400	5.9%	4.2%	5.2%
Port Macquarie Hastings - Regional	\$240	\$350	7.8%	4.7%	6.1%
Average	\$290	\$393	6.4%	4.5%	5.6%

Source: Residex, MacroPlan Dimasi

- Between 2009 and 2014, apartment rents expanded at an average rate of 3.1% per annum, substantially under the growth rate experienced for houses.

- Rental yields have improved and should entice further investor demand.

Table 201. Apartment Rents and Rental Yields (2009 & 2014)

	Median Rent			Yield	
	2009	2014	CAGR (%)	2009	2014
Port Macquarie Hastings - Central	\$240	\$310	5.3%	4.6%	5.6%
Port Macquarie Hastings - Coastal	\$240	\$260	1.6%	5.0%	6.0%
Port Macquarie Hastings - Regional	\$240	\$270	2.4%	5.1%	5.7%
Average	\$240	\$280	3.1%	4.9%	5.8%

Source: Residex, MacroPlan Dimasi

9.8 Future Supply

- Under the MNCRS, Port Macquarie-Hastings has been identified as a major centre within the Mid North Coast and it is anticipated that it will accommodate a significant proportion of the region's population and employment growth.
- Council plans to deliver additional dwellings through a combination of urban consolidation of existing centres and the release of land in identified release areas.
- From an urban release perspective, the majority of future supply is expected to come from three locations – Thrumster, to the west of the Port Macquarie town centre, Lake Cathie/Bonny Hills and at Camden Haven. Collectively, these locations have an estimated capacity of 7,500 dwellings.
- Within proximity to existing infrastructure and service provisions, there is a large quantum of unconstrained land which is suitable for future dwellings.
- Over the next five years, the Port Macquarie-Hastings Council anticipates the release of 2,025 additional lots.

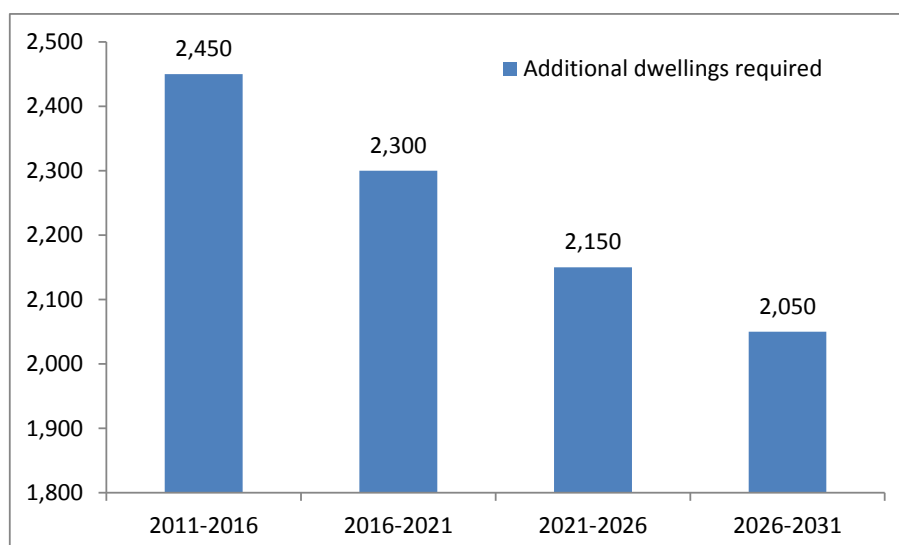
Table 202. Projected Lot Production (2011-2016)

Total 5 Year Produced		Port Macquarie-Hastings									
		Year 1		Year 2		Year 3		Year 4		Year 5	
Lots	ha	Lots	ha	Lots	ha	Lots	ha	Lots	ha	Lots	ha
2,025	177	355	31	360	32	413	36	435	38	462	40

Source: Department of Planning and Environment

- According to 2014 DP&E household and implied dwelling projections, the Port Macquarie-Hastings LGA population is projected to require an additional 8,950 dwellings by 2031.

Figure 69. Projected dwellings required (2011 to 2031)



Source: DP&E, MacroPlan Dimasi

- According to the Port Macquarie-Hastings Council *Urban Growth Management Strategy*, as at 2010, there was approximately 18 years supply of zoned, unsubdivided residential land within the Port Macquarie-Hastings LGA. This excludes any land which has not yet been investigated. Subsequently, there is sufficient capacity to accommodate the LGA’s anticipated population growth.

9.9 Housing Type Recommendations

The table below identifies each submarket based on affordability and the inferred housing type that is likely to be required to satisfy market and demographic needs.

Table 203. Housing type recommendations

Port Macquarie Hastings LGA	Residential Submarket	Housing Type Required
Medium Priced	Port Macquarie Hastings - Central	Smaller lot and medium density housing
Most Expensive	Port Macquarie Hastings - Coastal	Smaller lot and medium density housing
Most Affordable	Port Macquarie Hastings - Regional	Detached housing

Source: RP Data, MacroPlan Dimasi



MacroPlanDimasi