CENTRAL COAST

2015 STATE OF THE LAND

UDIA
Urban Development Institute of Australia
NEW SOUTH WALES

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Appendices

The *Urban Development Institute of Australia NSW* is the state's peak property industry body. It advocates for better planning; timely and affordable housing, and the building vibrant communities to increase local job opportunities.

1. EXECUTIVE SUMMARY

UDIA NSW has commissioned a report by Monteath and Powys to investigate the performance of land supply on the Central Coast. The report identifies that there is a chronic shortage of land available for development on the Central Coast. Despite the fact that there are large holdings that should be made available for release, the Central Coast optimistically has four years-worth of supply available. When consideration is given to the fact that it takes at least five years to go through the zoning process, there is a real prospect that there will be shortages in the near term.

The report also finds that the region is not meeting the production targets set in the 2008 Central Coast Regional Strategy. The strategy identifies that 2,240 dwellings per annum need to be delivered to meet demand. However, between 2006 -2011 there were only 1,000 dwellings per annum produced.

The Central Coast population grew on average between 2006 to 2011 by 1.2% per annum. Yet dwelling production growth was only at 0.74% per annum. The interesting longer term trends show that for the region the region is growing at a far slower rate than it did from 1991-2001 and this is probably due to the slowdown in average private dwelling growth.

To address prevailing land supply shortages and to avert an even bigger problem in the next five years UDIA NSW recommends the following:

Recommendation 1. It is obvious that urban renewal in Gosford has failed to deliver sufficient private dwellings. This would suggest that planning regulations are creating an environment where development is not financially feasible. It is critical that the Council review its development controls. The Council should test its controls against the Department of Planning and Environment's Urban Feasibility Model.

Recommendation 2. A greater emphasis should be placed on housing choice outside the Gosford CBD, in smaller existing centres along road and transport corridors.

Recommendation 3. As the Central Coast is a development catchment for Sydney, the Greater Sydney Commission's area of responsibility should extend to the Central Coast.

Recommendation 4. In the absence of the Greater Sydney Commission expanding its coverage to the Central Coast, the Central Coast Regional Development Corporation needs to take on a bigger role with respect to housing delivery and should be funded appropriately. The CCRDC needs to identify priority development precincts for future land and housing release and identify transformational infrastructure that would accelerate dwelling release.

Recommendation 5. There is a strong case for amalgamation of both Gosford and Wyong Council. Amalgamating the Councils would allow a more even allocation of resources to support growth of the area. Presently Wyong is accepting the lion's share of growth and amalgamation would help both Councils to better plan and deliver growth.

Recommendation 6. Investment in infrastructure is critical for the Central Coast. While the CCRDC should be responsible for planning for future growth, the State Government must provide sufficient monies for infrastructure to support growth. This is not confined to major infrastructure alone and should involve greater investment in smaller infrastructure such as roundabouts, traffic lights, electricity and water infrastructure.

2. INTRODUCTION

This report reviews the growth in residential subdivisions on the Central Coast since the New South Wales Department of Planning released the Central Coast Regional Strategy (CCRS) in 2008.

The purpose of this report is to provide:

- A consistent time-series analysis of publicly available data to independently assess actual growth against the growth targets presented in the CCRS;
- A body of evidence to support future Urban Development Institute of Australia (UDIA) responses to the proposed review of the CCRS; and
- An evidence-based approach to urban planning advocated by the Department of Planning and Environment (DPE).

The following scope for this State of the Land report has been agreed upon by Monteath and Powys, the UDIA Central Coast Committee and the UDIA NSW State Office:

1. Present an overview of the regional planning context, including historic and projected urban growth for the Central Coast;
2. Examine annual residential lot registrations from 2006 to 2013 and report by:
    - Local Government Areas; and
    - Central Coast Region.
3. Provide an overview of property sales associated with residential lot registrations from 2006 to 2013; and
4. Analysis and review the estimated remaining lot yield within Urban Release Areas.

In order to minimise confusion in this document, the DPE refers to the New South Wales government department responsible for regional and urban growth, and implementing the planning framework associated with the CCRS. The department is currently known as the Department of Planning and Environment (DPE), and was previously known as the Department of Planning and Infrastructure (DP&I) and prior to this the Department of Planning (DoP).

3. URBAN PLANNING CONTEXT

The Central Coast region is comprised of the local government areas of Gosford and Wyong, with the centre of the region situated approximately 80km north of Sydney and 65km south of Newcastle. The region has an existing population of 323,000, making it the third most populous region in NSW behind the Sydney metropolitan region with 4.37 million residents and the Lower Hunter with 556,000 residents (ABS, 2014).

The locality and local government areas comprising the Central Coast are presented in Figure 1.

Figure 1 Locality of the Central Coast Region and Constituent Local Government Areas

The following sections outline the key strategic planning framework prepared for the Central Coast region by the DPE, and is followed by a review of historic and projected population, and dwelling growth.

3.1 CENTRAL COAST REGIONAL STRATEGY

In June 2008 the then NSW Department of Planning (DoP) released the Central Coast Regional Strategy (CCRS), identifying it as the "*pre-eminent planning document for the Central Coast Region*" (DoP, 2008). The primary purpose of the strategy was "*to ensure that adequate land is available and appropriately located to sustainably accommodate the projected housing and employment needs of the Region's population over the next 25 years*" (DoP, 2008). The 25 year planning horizon relates to the period from 2006 to 2031 with the aim to review the Strategy every five years.

From an estimated population of 305,000, the CCRS identified the need to plan for an additional 100,000 residents requiring an additional 56,000 dwellings from 2006 to 2031 (DoP, 2008). The CCRS highlights that:

- The additional 56,000 dwellings will be required to accommodate not only the additional population but also falling household occupancy levels.
- Some 71 percent (40,000) of new dwellings will be located in major urban centres and existing urban areas, with the remaining 29 percent (16,000) located in new release areas, with the majority of these in the North Wyong Structure Plan Areas.

The dwelling capacity projections in the CCRS are summarised in Table 1, with the CCRS map presented in Figure 2 (DoP, 2008).

Table 1 Dwelling Capacity Projections from the Central Coast Regional Strategy

Centre Type	Gosford	Wyong	Central Coast
Gosford Regional City	6,000		**6,000**
Tuggerah-Wyong Major Centre		4,000	**4,000**
Centres (Town Centres, Villages and Neighbourhoods	8,500	14,500	**23,000**
Infill	2,000	5,000	**7,000**
Greenfield		16,000	**16,000**
Total	**16,500**	**39,500**	**56,000**

3.2 HISTORIC GROWTH

The CCRS predicts annual population growth to average 4000 people per year between 2006 and 2031 which required the delivery of 2240 dwellings per year on average. Based on historic population counts from the Census (Table 2) this figure is reasonable. Between 1991 and 2011 the population of the Central Coast grew by an average of 4,142 persons per year. Notably, however, there have been periods where population growth has far exceeded this average particularly in the 1990s.

Similarly, between 1991 and 2011 just under 2,000 private dwellings per annum were added to the housing stock in the Central Coast (Table 3), although there have been significant variations over time. In particular, between 2006 and 2011 there were just over 1,000 additional dwellings per annum (according to the ABS), well below the historic trend.

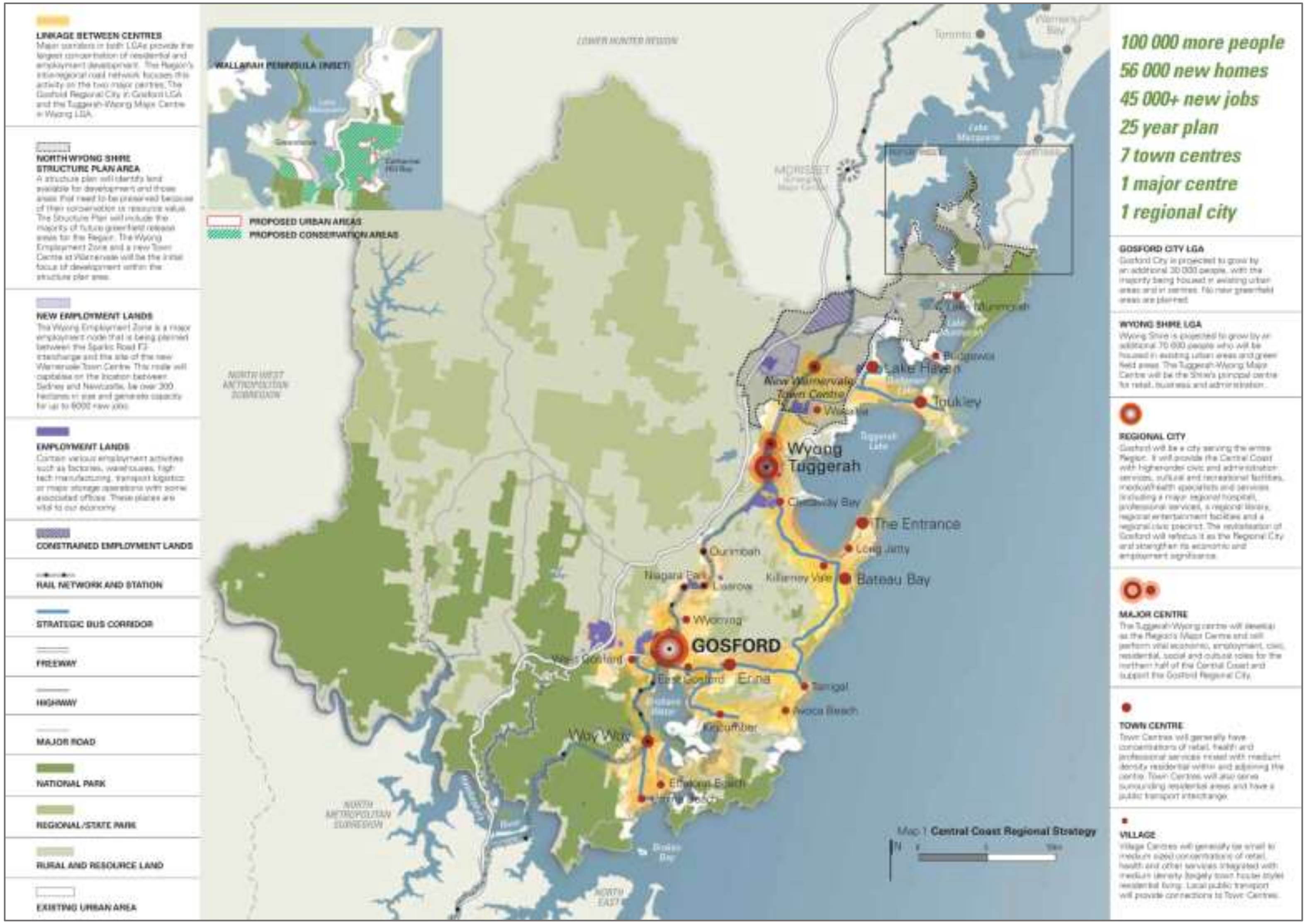

Figure 2 Central Coast Regional Strategy Map (Department of Planning, 2006)

Table 2 Estimated Resident Population

Region	Estimated Resident Population					Average Annual Growth			
	1991	1996	2001	2006	2011	1991-96	1996-01	2001-06	2006-11
Gosford LGA	134,781	149,296	159,858	161,158	168,323	2,903	2,112	260	1,433
						2.07%	*1.38%*	*0.16%*	*0.87%*
Wyong LGA	105,031	119,445	134,738	141,893	154,334	2,883	3,059	1,431	2,488
						2.61%	*2.44%*	*1.04%*	*1.70%*
Central Coast	239,812	268,741	294,596	303,051	322,657	5,786	5,171	1,691	3,921
						2.30%	*1.85%*	*0.57%*	*1.26%*

* Data is based on revised historical estimated resident population (ERP) data from 1991 to 2011. This "recasting" of estimates back to September 1991 from the "rebased" 2011 Census was undertaken by the ABS due to unusually high "inter-censal" errors and a change in the methodology used to estimate the undercount in the 2011 Census. Appendix B contains the relevant ABS Fact Sheet concerning the rebasing and recasting of population estimates.

Table 3 Total Private Dwellings*

Region	Total Private Dwellings					Average Annual Growth			
	1991	1996	2001	2006	2011	1991-96	1996-01	2001-06	2006-11
Gosford LGA	56,010	63,405	68,535	71,797	73,719	1,479	1,026	652	384
						2.51%	*1.57%*	*0.93%*	*0.53%*
Wyong LGA	45,401	52,033	57,916	62,434	65,581	1,326	1,177	904	629
						2.76%	*2.17%*	*1.51%*	*0.99%*
Central Coast	101,411	115,438	126,451	134,231	139,300	2,805	2,203	1,556	1,014
						2.62%	*1.84%*	*1.20%*	*0.74%*

* Data summarised from http://profile.id.com.au/gosford/dwellings and http://profile.id.com.au/wyong/dwellings

3.3 PROJECTED GROWTH

In 2014, the DPE released population projections for NSW. The DPE estimate that between 2011 and 2031 there will be an increase of 64,250 persons on the Central Coast, which represents growth of approximately 3213 persons per annum (Table 4). The Department estimates that this equates to around 36,800 dwellings over the twenty year period or 1,840 dwellings per annum (Table 5). These numbers are consistent with the recently released *Your Future Central Coast: A Discussion Paper*. According to the population growth estimates this accounts for a decrease in household size.

Table 4 DPE 2014 Population Projections

Region	Estimated Resident Population					Average Annual Growth			
	2011	2016	2021	2026	2031	2011-16	2016-21	2021-26	2026-31
Gosford LGA	168,300	173,650	179,250	184,950	189,050	1,070	1,120	1,140	820
						0.63%	*0.64%*	*0.63%*	*0.44%*
Wyong LGA	154,350	164,500	175,550	186,800	197,850	2,030	2,210	2,250	2,210
						1.28%	*1.31%*	*1.25%*	*1.16%*
Central Coast	322,650	338,150	354,800	371,750	386,900	3,100	3,330	3,390	3,030
						0.94%	*0.97%*	*0.94%*	*0.80%*

Table 5 DPE 2014 Dwelling Projections

Region	Total Private Dwellings					Average Annual Growth			
	2011	2016	2021	2026	2031	2011-16	2016-21	2021-26	2026-31
Gosford LGA	78,400	81,900	85,550	89,100	91,800	700	730	710	540
						0.88%	*0.88%*	*0.82%*	*0.60%*
Wyong LGA	69,550	75,150	81,150	87,100	92,950	1,120	1,200	1,190	1,170
						1.56%	*1.55%*	*1.43%*	*1.31%*
Central Coast	147,950	157,050	166,700	176,200	184,750	1,820	1,930	1,900	1,710
						1.20%	*1.20%*	*1.11%*	*0.95%*

4. RESIDENTIAL LOT REGISTRATIONS AND SALES

4.1 LOT REGISTRATIONS

Residential lot registrations by Local Environmental Plan zone are summarised in Table 6, Figure 3, Figure 4 and Figure 5.

Table 6 Residential Lot Registrations by Local Environmental Plan Zone

Region	Zoning	2006	2007	2008	2009	2010	2011	2012	2013	Total
Gosford LGA	R1 - General Residential	0	0	2	0	0	0	10	2	14
	R2 - Low Density Residential	75	103	71	62	24	46	14	62	457
	Gosford Total	**75**	**103**	**73**	**62**	**24**	**46**	**24**	**64**	**471**
Wyong LGA	R1 - General Residential	46	58	20	36	21	27	14	8	230
	R2 - Low Density Residential	376	127	325	316	209	90	203	122	1,768
	R3 - Medium Density Residential	10	2	0	0	2	10	3	2	29
	R5 - Large Lot Residential	0	0	10	0	0	2	3	0	15
	RE2 - Private Recreation	0	0	0	2	0	0	29	0	31
	SP3 - Tourist	42	37	17	20	9	0	15	0	140
	Wyong Total	**474**	**224**	**372**	**374**	**241**	**129**	**267**	**132**	**2,213**
Central Coast	R1 - General Residential	46	58	22	36	21	27	24	10	244
	R2 - Low Density Residential	451	230	396	378	233	136	217	184	2,225
	R3 - Medium Density Residential	10	2	0	0	2	10	3	2	29
	R5 - Large Lot Residential	0	0	10	0	0	2	3	0	15
	RE2 - Private Recreation	0	0	0	2	0	0	29	0	31
	SP3 - Tourist	42	37	17	20	9	0	15	0	140
	Central Coast Total	**549**	**327**	**445**	**436**	**265**	**175**	**291**	**196**	**2,684**

Lot registrations since 2006 have predominantly occurred in the R2 – Low Density Residential Zone in the both the Gosford LGA (97%) and Wyong LGA (80%), with Wyong LGA having greater diversity across the zones investigated. Of the 2,684 lots registered from 2006 to 2013, Wyong LGA accounted for 82% (2,213) and Gosford LGA 18% (471).

Gosford LGA had average annual lot registrations of 59 from 2006 to 2013. Lot registrations prior to 2009 were above this average, with lot registrations from 2010 to 2012 well below this average. The lot registrations in 2013 returned to 2006 to 2013 average for the Gosford LGA. Lot registrations in 2006, 2008 and 2009 were well above the 2006 to 2013 annual average of 277 in the Wyong LGA, while lot registrations of approximately 130 in 2011 and 2013 are less than half the average.

Overall, the Central Coast region had average annual lot registrations of 336 from 2006 to 2013, with 2006 to 2009 at or above this average, while 2010 to 2013 period is below this average. The data does not show an immediate fall in lot registrations in 2009 after the Global Financial Crisis. This is likely due to the completion of planning and construction in 2008 with related lot registrations occurring in 2009, or otherwise the completion of construction work and lot registrations in 2009 where construction was underway during the Global Financial Crisis. Nonetheless there is an observable fall in lot registrations in 2010 and generally below average lot registrations in the Central Coast region since.

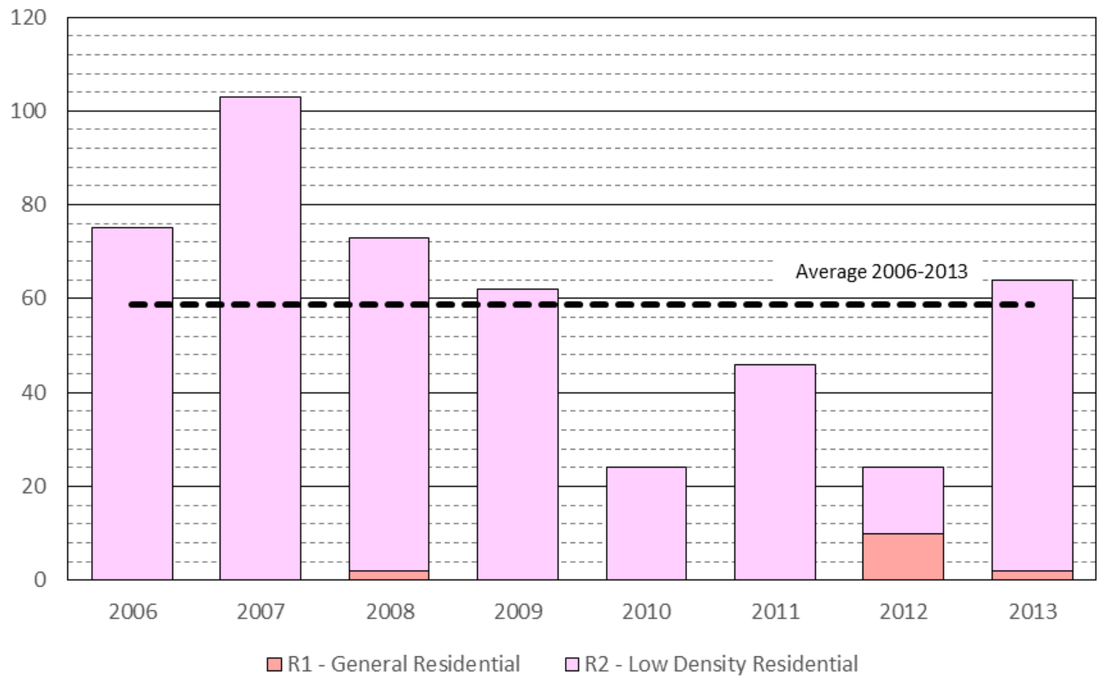

Figure 3 – Residential Lot Registrations in Gosford LGA by Zone

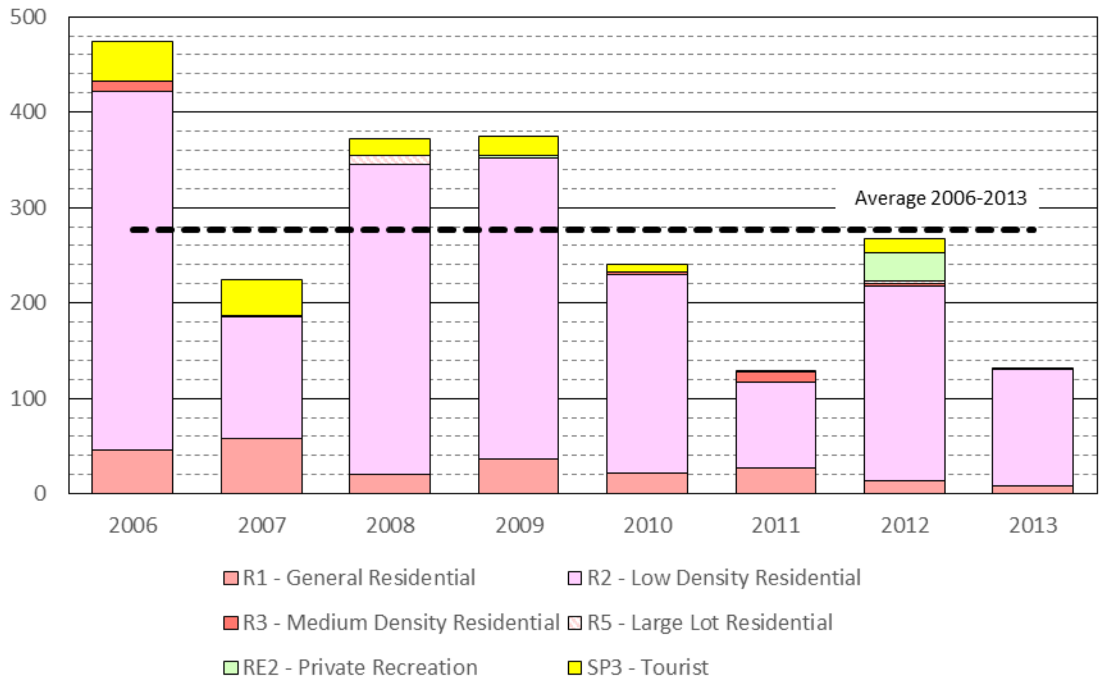

Figure 4 – Residential Lot Registrations in Wyong LGA by Zone

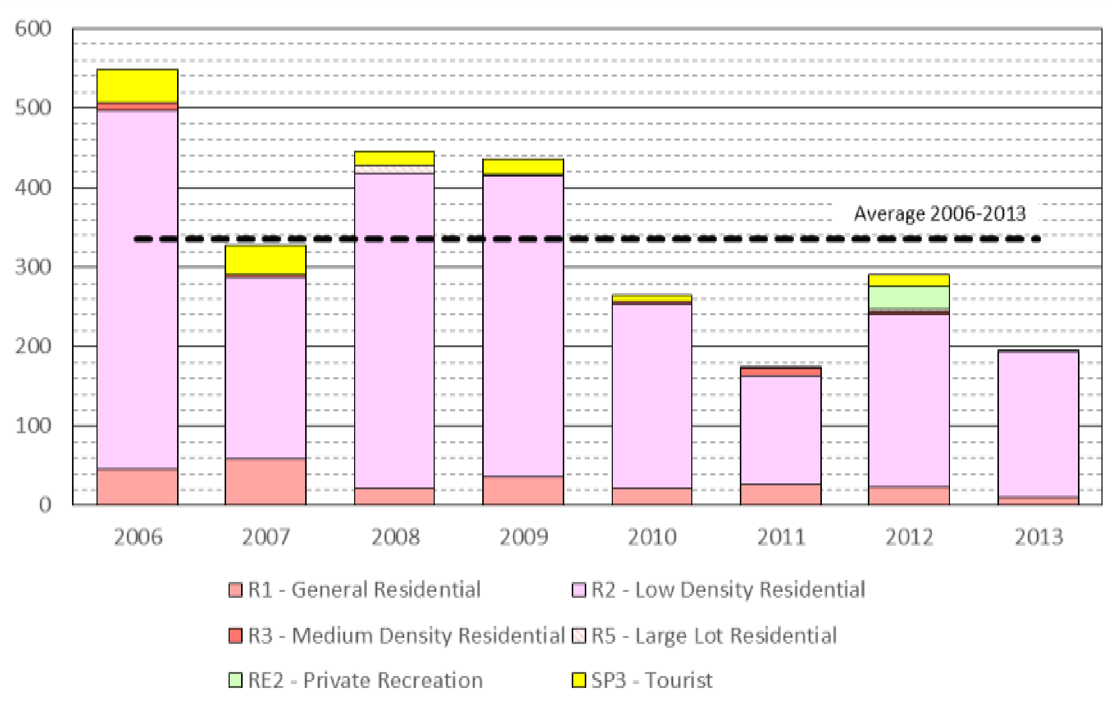

Figure 5 – Residential Lot Registrations in Central Coast Region by Zone

Residential lot registrations by subdivision category (Release Area, Residual Infill, Densification) are summarised in Table 7, Figure 6, Figure 7 and Figure 8. From 2006 to 2013 Gosford LGA had approximately 61% of lot registrations within Densification subdivisions, while Wyong had 61% of lot registrations within Release Area subdivisions for the same period.

While Residual Infill subdivisions contributed significantly to lot registrations in 2007 and 2008 within the Gosford LGA, Residual Infill subdivisions have generally contributed the least to overall lot registrations during the investigation period.

Table 7 Residential Lot Registrations by Subdivision Category

Region	Subdivision Category	2006	2007	2008	2009	2010	2011	2012	2013	Total
Gosford LGA	Residual Infill	23	64	38	19	0	13	8	21	186
	Densification	52	39	35	43	24	33	16	43	285
	Gosford Total	**75**	**103**	**73**	**62**	**24**	**46**	**24**	**64**	**471**
Wyong LGA	Release Area	293	86	244	263	158	60	171	81	1,356
	Residual Infill	39	26	29	25	29	0	38	22	208
	Densification	142	112	99	86	54	69	58	29	649
	Wyong Total	**474**	**224**	**372**	**374**	**241**	**129**	**267**	**132**	**2,213**
Central Coast	Release Area	293	86	244	263	158	60	171	81	1,356
	Residual Infill	62	90	67	44	29	13	46	43	394
	Densification	194	151	134	129	78	102	74	72	934
	Central Coast Total	**549**	**327**	**445**	**436**	**265**	**175**	**291**	**196**	**2,684**

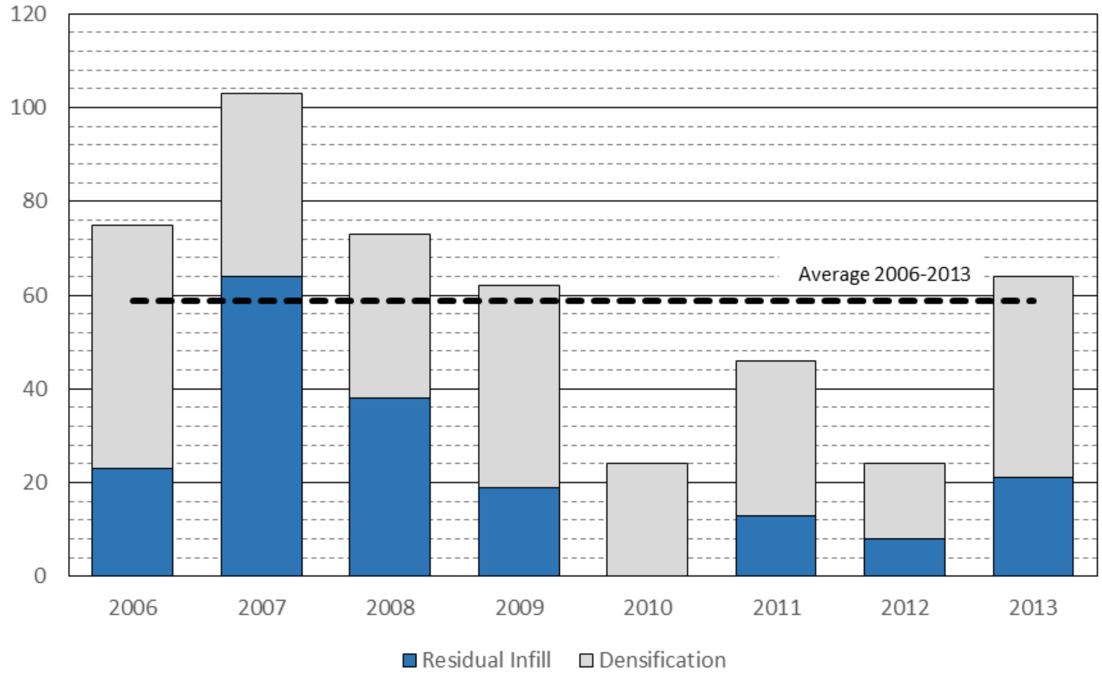

Figure 6 – Residential Lot Registrations in Gosford LGA by Subdivision Type

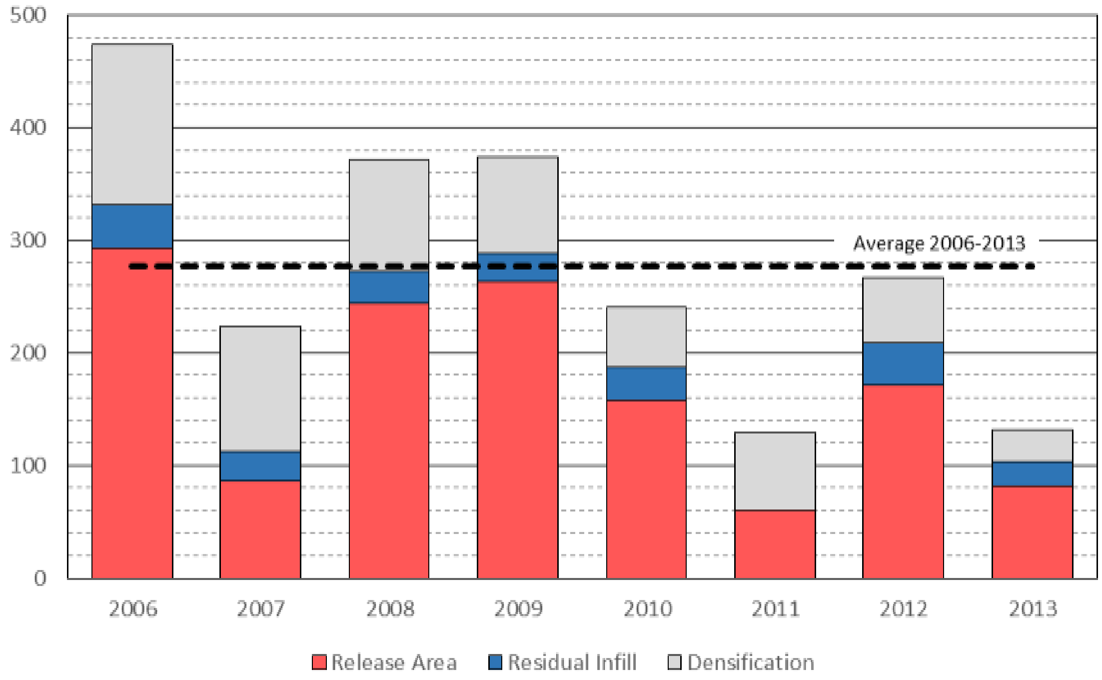

Figure 7 – Residential Lot Registrations in Wyong LGA by Subdivision Type

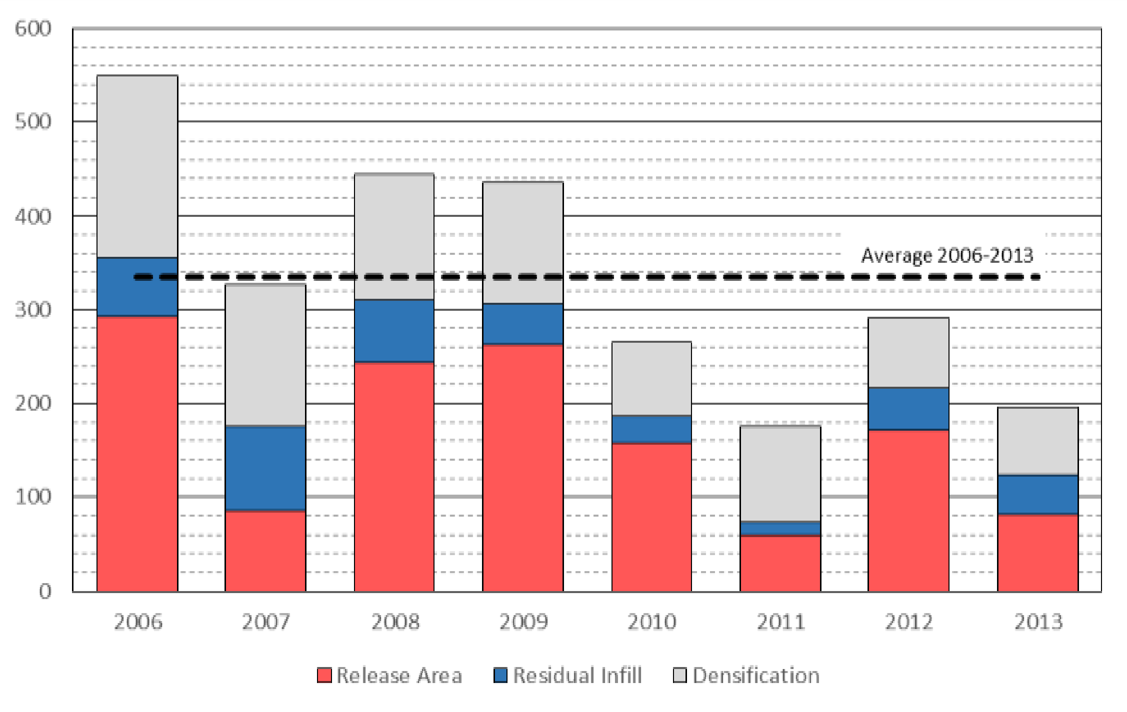

Figure 8 – Residential Lot Registrations in Central Coast Region by Subdivision Type

Table 8 presents lot registration for selected key Release Areas reported in the MDP, while Figure 9 presents the average lot size within Release Areas on the Central Coast. Wadalba has contributed the most lot registrations from 2006 to 2013 with 425 (20% of Wyong total), followed by Woongarrah with 322 (15% of Wyong total) and Hamlyn Terrace with 286 (13% of Wyong total).

Table 8 Selected Release Area Lot Registrations

Region	Release Area	2006	2007	2008	2009	2010	2011	2012	2013	Total
Wyong LGA	Blue Haven	11	0	0	0	0	0	0	14	25
	Hamlyn Terrace	47	45	45	43	78	9	19	0	286
	Tumbi Umbi	23	0	1	0	21	0	2	0	47
	Wadalba	112	3	94	62	20	5	64	65	425
	Woongarrah	58	1	87	27	30	46	71	2	322

An example of the spatial distribution of historic lot registrations in Hamlyn Terrace, Wadalba and Woongarrah is presented in Figure 10, with lot sizes in these areas presented in Figure 11.

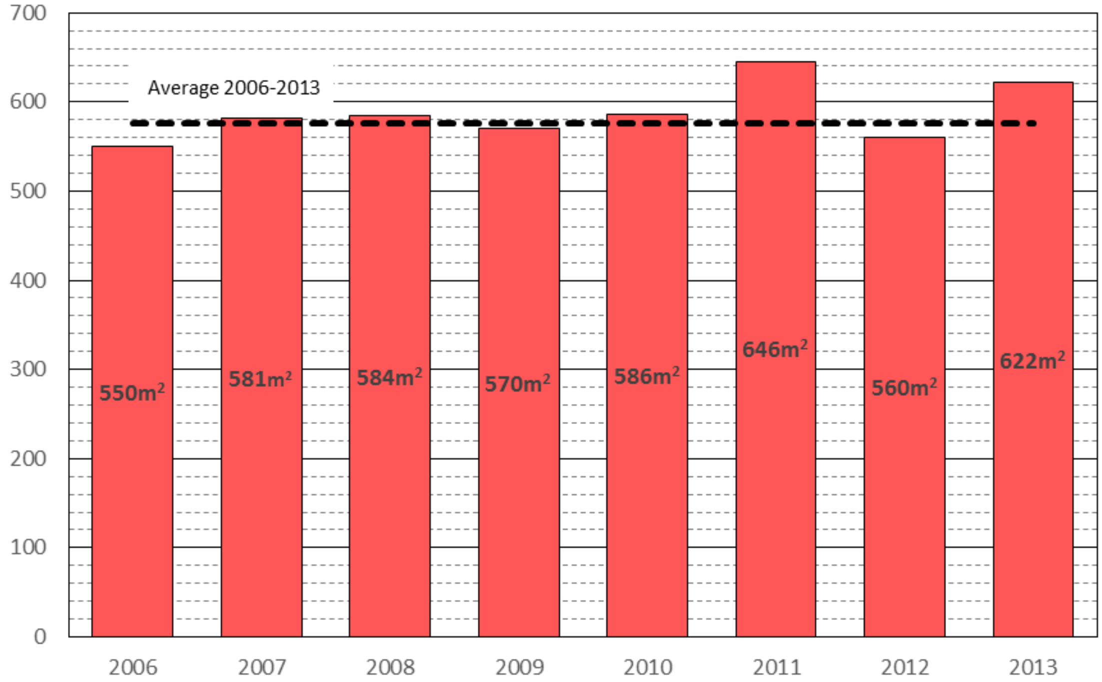

Figure 9 – Average Area of Lots Registered in Release Areas

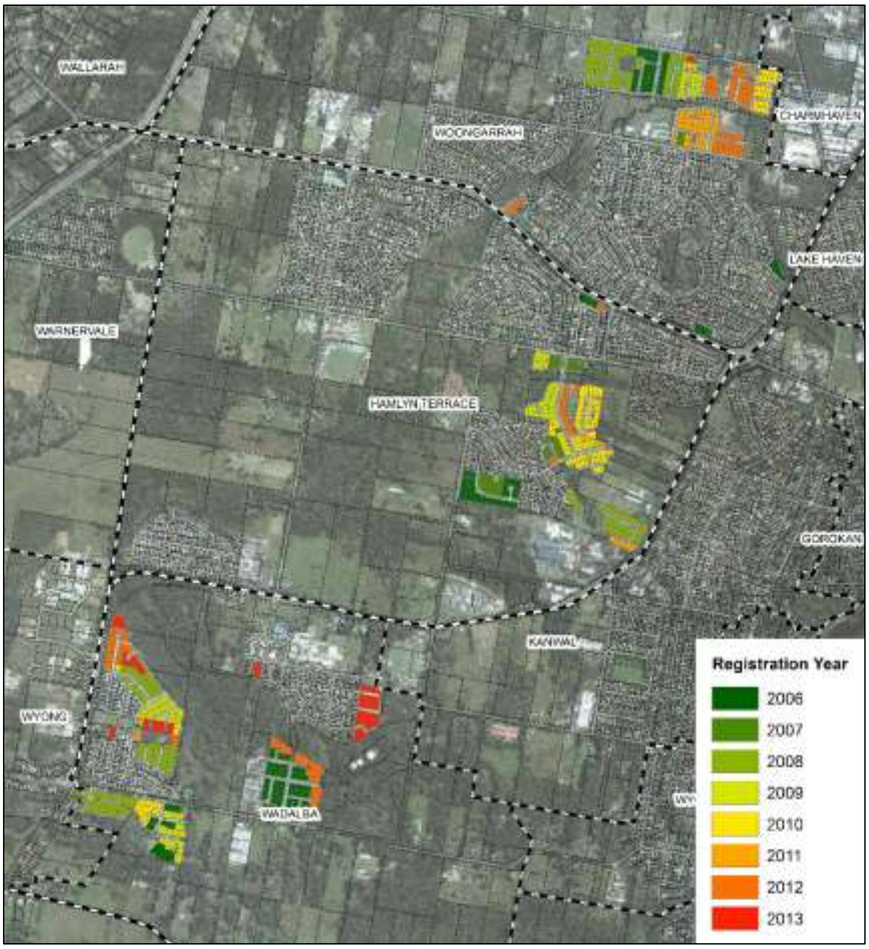

Figure 10 – Lot Registration Year in Key Release Areas

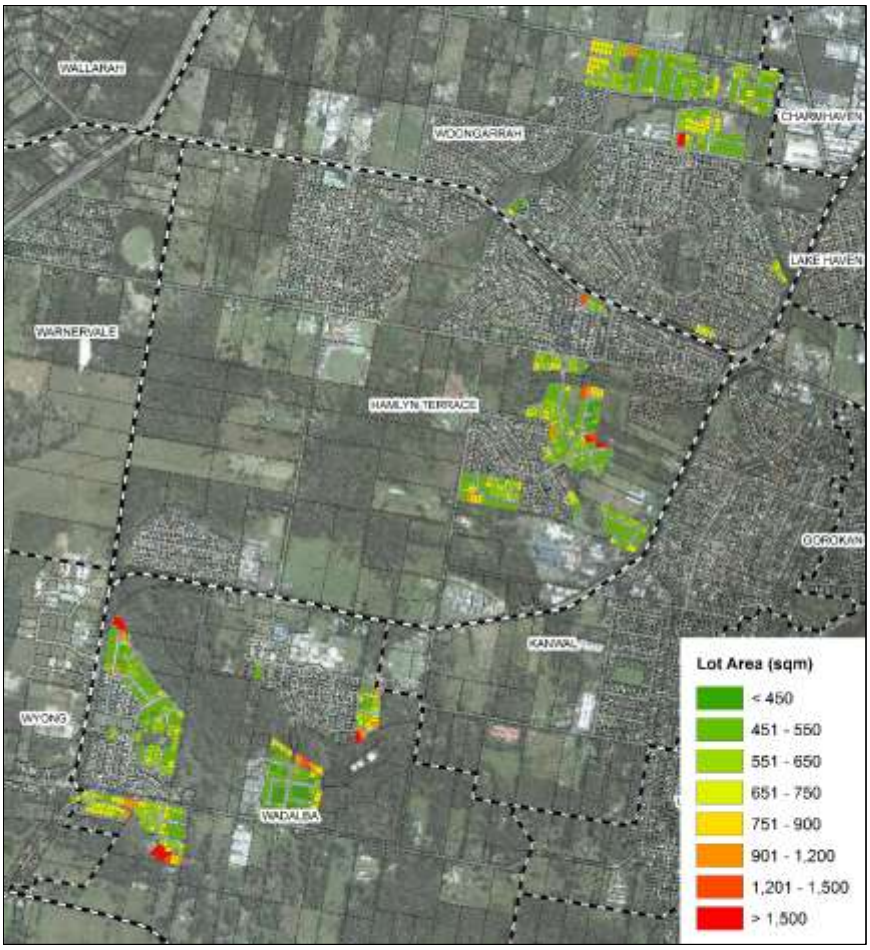

Figure 11 – Lot Areas in Key Release Areas

In order to validate the analysis methodology, lot registrations within key Release Areas were compared to Greenfield Lot Production reported in the Metropolitan Development Program, which uses a similar methodology to this analysis in conjunction with other data not publically available. The summary presented in

Table 9 demonstrates a good correlation between the results of this analysis and the MDP reporting, and therefore the likelihood that results for Residual Infill and Densification subdivision types undertaken in this analysis would be replicated by the MDP methodology for torrens title and community title subdivisions are high.

Table 9 Comparison with MDP Lot Registration Data

Release Area	**2009**		**2010**		**2011**		**2012**		**2013**	
	MDP[1]	**MP**	*MDP*[1]	**MP**	*MDP*[2]	**MP**	*MDP*[3]	**MP**	*MDP*[4]	**MP**
Blue Haven	*2*	**0**	*0*	**0**	*0*	**0**	*2*	**0**	*14*	**14**
Hamlyn Terrace	*46*	**43**	*81*	**78**	*8*	**9**	*19*	**19**	*0*	**0**
Mardi	*107*	**111**	*0*	**0**	*0*	**0**	*0*	**0**	*0*	**0**
Tumbi Umbi	*0*	**0**	*0*	**21**	*0*	**0**	*0*	**0**	*34*	**0**
Wadalba	*68*	**62**	*23*	**20**	*8*	**5**	*64*	**64**	*58*	**65**
Woongarrah	*29*	**27**	*31*	**30**	*46*	**46**	*66*	**71**	*0*	**2**

[1] From Table 3: Greenfield Lot Production in "*Metropolitan Development Program SIX MONTHLY MONITOR July – December 2010*"
[2] From Table 3: Greenfield Lot Production in "*Metropolitan Development Program SIX MONTHLY MONITOR July – December 2011*"

[3] From Table 3.6: Greenfield Lot Production in "*December 2012 QUARTERLY MONITOR Metropolitan Development Program*"
[4] MDP values are for January to September from Table 3.6: Greenfield Lot Production in "*September 2013 QUARTERLY MONITOR Metropolitan Development Program*"

4.2 LOT SALES

Residential sales by product type are summarised in

Table 10, Figure 12, Figure 13 and Figure 14. The initial scope of this investigation was to analyse vacant lot sales, but was expanded to include dwelling sales occurring as the first sale after lot registration.

Table 10 Residential Lot Sales by Product Type

Region	Product Type	2006	2007	2008	2009	2010	2011	2012	2013	Total
Gosford LGA	Vacant Lot	19	31	27	43	23	24	18	22	207
	With Dwelling	16	16	18	28	15	11	10	10	124
	Total Sales	**35**	**47**	**45**	**71**	**38**	**35**	**28**	**32**	**331**
Wyong LGA	Vacant Lot	48	67	72	216	217	88	58	94	860
	With Dwelling	125	143	111	200	109	109	115	102	1,014
	Total Sales	**173**	**210**	**183**	**416**	**326**	**197**	**173**	**196**	**1,874**
Central Coast	Vacant Lot	67	98	99	259	240	112	76	116	1,067
	With Dwelling	141	159	129	228	124	120	125	112	1,138
	Total Sales	**208**	**257**	**228**	**487**	**364**	**232**	**201**	**228**	**2,205**

Dwelling sales occurring as the first sale after lot registration accounted for 54% of sales in the Wyong LGA from 2006 to 2013, and 37% of sales in the Gosford LGA for the same period. These high proportions appears to be due to:

- Companies such as Allam Developments, AV Jennings, Clarendon, Mirvac and Orlit Pty Ltd apparently involved in both land subdivision and housing construction, offering both vacant residential lots and house-and-land packages to purchasers in the Wyong LGA.
- The high proportion of Densification subdivisions appear to be undertaken by builders, or with 1 into 2 lot subdivisions, retaining the existing dwelling and an additional dwelling being constructed and sold rather than a vacant lot sale. It is surmised that this is partly driven by the current planning regulations to the requirement for an integrated house and land subdivision.

It should be noted that the total first sales after lot registration of 2,205 is lower than the 2,684 lot registrations for the Central Coast. As outlined in the introduction, this can be partly attributed to the fact that this analysis does not report the net increase in lots (or necessarily net increase in dwellings), but the total number of lots resulting from a new registered plan. The worst case example is where 1 lot is subdivided into 2, with a net increase of 1 additional lot (or potentially 1 additional dwelling). In this case, 1 new lot (or dwelling) may be sold, but 2 lots are registered in the new plan. As previously stated, this will typically have a negligible impact on Release Area and Residual Infill subdivisions. Other examples that contribute to less sales compared lot registrations are unsold lots (or dwellings), (re)development of government or community housing, or dwellings being retained by the owner, rented and therefore not sold.

In general lot sales are smoother over time relative to lot registrations. This is due to lot registrations occurring as a "step function" with each subdivision or subdivision stage, while sales can occur over an extended period both before (pre-sales) and after lot registration. There is, however, a distinct spike in sales during 2009 in the Gosford LGA, and in 2009 and 2010 in the Wyong LGA. As there is no corresponding spike in registrations around a similar time, it is therefore likely that a significant take-up of available vacant lots and pre-sales of planned lots occurred during this period. Examination of this in relation to interest rates, home owner grants stamp duty exemptions and supply-demand is beyond the scope of this current analysis.

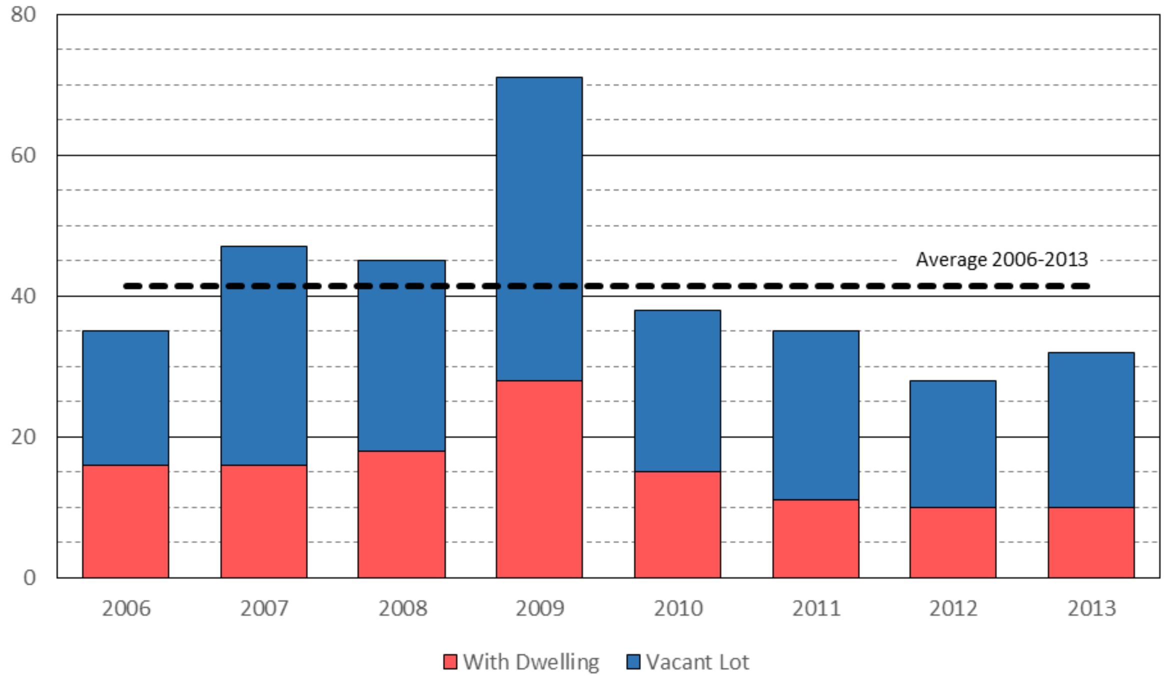

Figure 12 – Residential Sales in Gosford LGA by Product Type

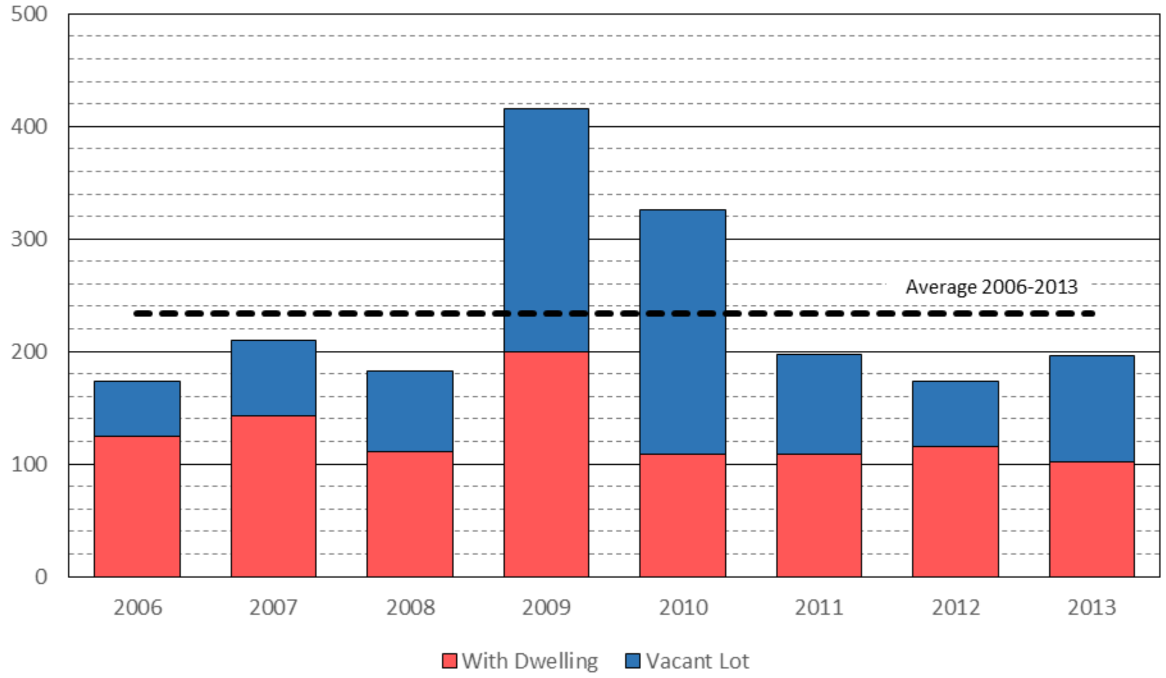

Figure 13 – Residential Sales in Wyong LGA by Product Type

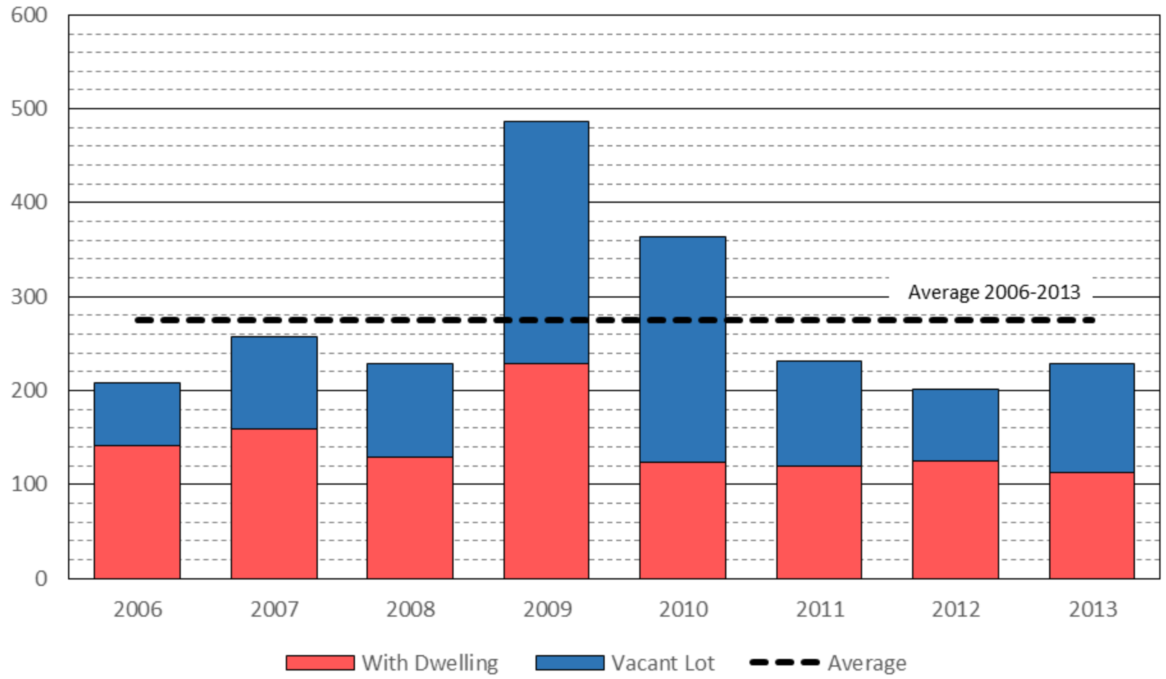

Figure 14 – Residential Sales in Central Coast Region by Product Type

Table 11 presents product sale type for Release Areas previously compared to the MDP, while an example of the spatial distribution of historic lot sales in Hamlyn Terrace, Wadalba and Woongarrah is presented in Figure 15.

Table 11 Selected Release Area Lot Sales by Product Type

Release Area	Product Type	2006	2007	2008	2009	2010	2011	2012	2013	Total
Blue Haven	Vacant Lot	0	0	0	0	0	0	0	10	10
	With Dwelling	9	2	0	0	0	0	0	0	11
	Total	**9**	**2**	**0**	**0**	**0**	**0**	**0**	**10**	**21**
Hamlyn Terrace	Vacant Lot	1	0	5	53	67	20	11	6	163
	With Dwelling	28	29	10	26	11	3	5	1	113
	Total	**29**	**29**	**15**	**79**	**78**	**23**	**16**	**7**	**276**
Mardi	Vacant Lot	0	0	4	56	41	8	2	0	111
	With Dwelling	0	0	0	0	0	0	0	0	0
	Total	**0**	**0**	**4**	**56**	**41**	**8**	**2**	**0**	**111**
Tumbi Umbi	Vacant Lot	15	3	0	2	17	0	1	0	38
	With Dwelling	1	0	0	0	0	0	3	1	5
	Total	**16**	**3**	**0**	**2**	**17**	**0**	**4**	**1**	**43**
Wadalba	Vacant Lot	7	22	25	46	39	28	11	48	226
	With Dwelling	1	8	19	46	20	15	17	23	149
	Total	**8**	**30**	**44**	**92**	**59**	**43**	**28**	**71**	**375**
Woongarrah	Vacant Lot	11	20	19	38	16	18	17	5	144
	With Dwelling	4	18	22	35	23	21	28	23	174
	Total	**15**	**38**	**41**	**73**	**39**	**39**	**45**	**28**	**318**

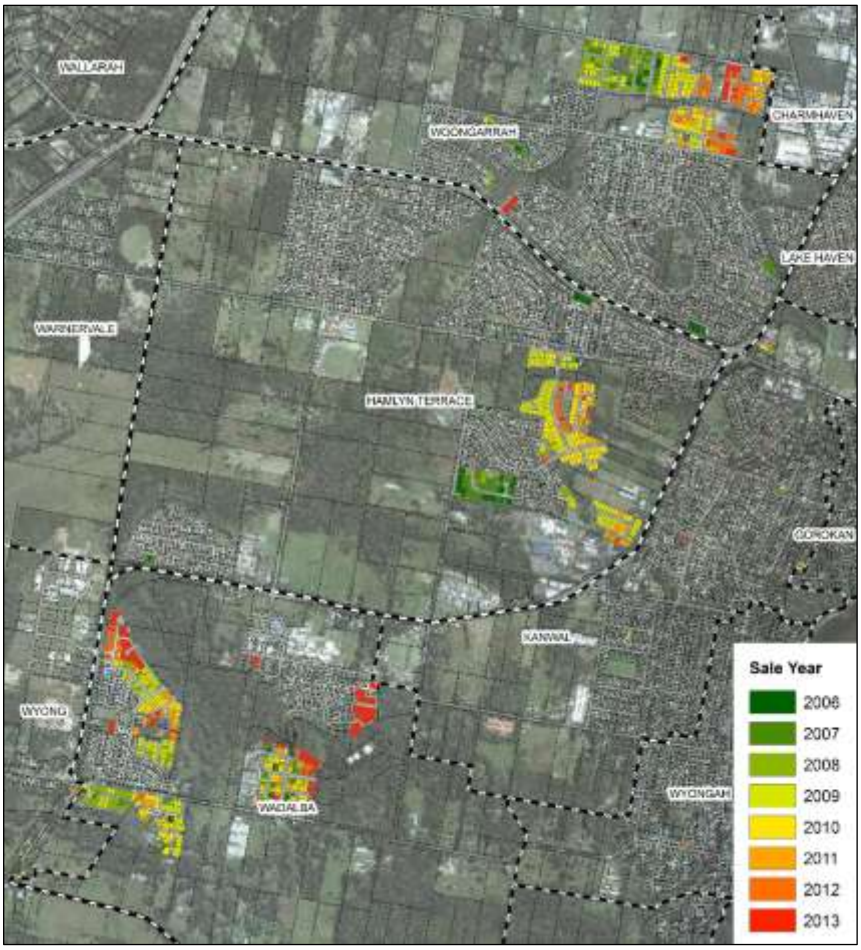

Figure 15 – Lot Sale Year in Key Release Areas

4.3 STRATA REGISTRATIONS

An analysis of registrations by title arrangements identifies that across the Central Coast approximately 46% of registrations are for strata titling (Table 12). This ranges from 72% of registrations in Gosford LGA to 33% in Wyong LGA. In the last two years of the reporting period, strata registrations have been relatively high in Gosford LGA.

Table 12 Selected Release Area Lot Registrations by Product Type

Region	Title	2006	2007	2008	2009	2010	2011	2012	2013	Total
Gosford LGA	Torrens, Community	75	103	73	62	24	46	24	64	471
	Strata	78	170	211	225	136	81	161	174	1,236
	Total	**153**	**273**	**284**	**287**	**160**	**127**	**185**	**238**	**1,707**
Wyong LGA	Torrens, Community	474	224	372	374	241	129	267	132	2,213
	Strata	166	250	186	119	160	91	53	61	1,086
	Total	**640**	**474**	**558**	**493**	**401**	**220**	**320**	**193**	**3,299**
Central Coast	Torrens, Community	549	327	445	436	265	175	291	196	2,684
	Strata	244	420	397	344	296	172	214	235	2,322
	Total	**793**	**747**	**842**	**780**	**561**	**347**	**505**	**431**	**5,006**

4.4 NET MDP DWELLING COMPLETIONS

The MDP uses Sydney Water Corporation and Hunter Water Corporation water connection data to assess net dwelling completions, but it is unclear what data from the Central Coast is used to measure or infer dwelling completions in the MDP. If water connection data is used for the Central Coast, then metering arrangements for strata developments, and dwelling counts associated with a single master meter, may directly affect the count of high density dwelling completion. However, since it unclear what data is used by the MDP for dwelling completions on the Central Coast, no further investigation of this data anomaly has been undertaken.

As
Table 9 previously demonstrated, a good correlation exists between the greenfield lot production reported in the MDP and a lot registrations prepared as part of this analysis. Therefore, a clearer accounting framework to validate the current analysis, MDP data and Census dwelling growth on the Central Coast could be achieved by:

1. Investigating new residential dwellings associated with strata plan registrations.
2. Understanding the data used to represent dwelling completions, net increase in lots and dwellings used in the MDP for the Central Coast.
3. Formally model and analyse the lifecycle from sale, plan registration, dwelling completion and dwelling occupancy with publically available data at appropriate spatial resolutions.

Table 13 Net MDP Dwelling Completions

Region	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Gosford LGA	245	357	200	222	164	172	344
Wyong LGA	801	666	343	445	431	315	414
Central Coast	**1,046**	**1,023**	**543**	**667**	**595**	**487**	**758**

[1] Net MDP Dwelling Completions from: http://www.planning.nsw.gov.au/LinkClick.aspx?fileticket=oGdUdz6uI9s%3d&tabid=579&portalid=0&language=en-AU

Metadata statement available at: http://www.planning.nsw.gov.au/LinkClick.aspx?fileticket=AZ9-mujuwtM%3d&tabid=579&portalid=0&language=en-AU

4.5 COMPARSION OF LOT REGISTRATION AND DWELLING GROWTH

This section compares dwelling completions reported in the MDP with the change in private dwellings from the 2006 to 2011 Census. The direct comparison of these values should be relatively valid given that the MDP data is reported on a financial year basis (July to June) and dwelling counts are based on data collected on Census nights of 8 August 2006 and 9 August 2011.

The analysis demonstrates a good correlation between total dwelling completions reported in the MDP and the increase in separate houses and medium density dwellings from the 2006 to 2011 Census, with only a 0.7% difference for the Gosford LGA and a 5% difference for the Wyong LGA. However, when compared to total private dwelling growth from the 2006 to 2011 Census (which includes high density dwellings), the correlation to the MDP dwelling completions significantly reduces. Total private dwellings in the Census data are 60% higher than the MDP dwelling completions for the Gosford LGA, and 17% higher in the Wyong LGA. The reasons for this variation are outside the scope of this report but may be due to a number of factors including registration and sales information recording arrangements for manufactured home estates and aged care facilities, secondary or multiple dwellings that cannot be subdivided from the parent lot, and potentially unauthorised secondary dwellings.

Table 14 Comparison of Census Dwellings, Net MDP Dwelling Completions and Residential Lot Registrations for the Five Years from 2006 to 2011

Region	Census Total Private Dwellings	MDP Net Dwelling Completions	Residential Lot Registrations
Gosford LGA	1,922	1,188	1,157
Wyong LGA	3,147	2,686	2,566
Central Coast	**5,069**	**3,874**	**3,723**

5. REMAINING RESIDENTIALLY ZONED LAND

An analysis of the remaining undeveloped residentially zoned land on the Central Coast was undertaken based on a similar approach to registrations and sales.

The analysis utilised the Digital Cadastre Database and Local Environmental Plan data within GIS to identify undeveloped portions of zoned Greenfield Release Areas. The identification and validation of Residual Infill and Densification sites is beyond scope of this analysis, given that detailed analysis of site constraints is required to appropriately determine realistic developable area, and likewise densification centres.

Existing developed sites such as schools, hospitals, retirement villages or other multi-dwelling developments on torrens title or community title lots were removed from the analysis based on the inspection of aerial photography, with any undeveloped residential portions of these sites not included in the analysis.

The summary of this analysis presented in Table 15 indicates that there is approximately 429 hectares of undeveloped residentially zoned land in Greenfield Release Areas on the Central Coast, with all occurring within the Wyong LGA. This compares to a value of 6,697 of rezoned lots as at October 2013 reported in Table 3.2 of the *September 2013 QUARTERLY MONITOR Metropolitan Development Program*. This equates to approximately 15 lots per gross hectare (assuming current analysis properly captures areas identified in the MDP). Based on the additional required dwellings up to 2031 presented in **Table 4** (18,062), then approximately 11,300 dwellings (61%) of future dwelling supply will need to come from outside undeveloped Release Areas already zoned for residential.

Notwithstanding, the implication of this finding is that if the net number of lots per hectare constructed on the ground is less than 15 lots/hectare as identified in the MDP publication, then the actual number of potential lots from already zoned land will be significantly less, and therefore more lots will be required from outside these Release Areas. In considering both the likely area available for development together with yields in greenfield areas, the North Wyong structure plan estimates that 70% of areas identified for development will be available for lot production (that is 30% will be constrained by ecological constraints, flooding, bushfire setbacks, etc), areas that have not produced lots but have approvals on them for the delivery of lots should be excluded from the total area available for future lot production and the lot yield is more likely to be 12 lots per hectare in the green field areas, as outlined in the Lower Hunter Regional strategy. This estimated yield is more consistent with the average lot size delivered on the central coast in green field areas over the last 10 years of 580 square metres per lot while taking into account the provision of roads, drainage, open space etc.

Using the above information, of the 429 hectares estimated to be available, 30% is assumed to be constrained and undevelopable leaving 300 hectares, approximately 30% of this land will be used for roads, open space and other social and physical infrastructure and the remaining land (210 hectares) is likely to achieve a yield of 2520 lots which equates to under 4 years of supply if green field lots required to meet the predictions of the strategy, however population growth has outstripped the strategy's population estimates suggesting the supply may be used up more quickly than predicted and lot sold as a percentage of new dwellings created between 2006 and 2011 was approximately 43% as opposed to the 41% estimated by the strategy. This is of significant concern, given that it currently takes approximately 5 years to rezone, gain development consent, undertake detailed engineering design and build the first stage of a subdivision which will then be delivered over several years if it is a larger subdivision of several hundred lots.

Table 15 Identified Remaining Undeveloped Residentially Zoned Land in Release Areas by Suburb

Area	Suburb	R1 -- General Residential	R2 – Low Density Residential	Total
Wyong LGA	Blue Haven[1]	2.0	7.8	9.8
	Crangan Bay	2.0	60.4	62.4
	Gwandalan	0	16.3	16.3
	Hamlyn Terrace	27.5	100.9	128.4
	Wadalba	0	45.4	45.4
	Wallarah	4.9	0	4.9
	Warnervale	9.8	61.3	71.2
	Woongarrah[1]	48.0	17.3	65.3
	Wyong	0	25.3	25.3
	Total	**94.3**	**334.9**	**429.2**

[1] Verification of 21.6 hectares is required for sites in these suburbs

UDIA Central Coast Committee feedback

This report was prepared in collaboration with the UDIA Central Coast Chapter. In reviewing this report they have provided information around what is happening with regards to land development locally. In this regard, the committee provided information on known projects and the likely timing of their commencement. In considering this information, the committee provided advice that there are currently 1900 DA-approved lots available that are ready for construction. The majority of those lots are expected to commence in 2015.

While the number of lots known by the committee as being approved is less than the expected number of lots available from the investigations in this report, it provides some ground truthing to the numbers provided. Further, the concerns raised in the report regarding the land release timing are further heightened where much of the existing zoned land is anticipated to commence development in 2015, diminishing the known available land. This will only serve to shorten time frames with regard to available land, particularly given current levels of demand witnessed by members of the committee on the Central Coast.

6. CONCLUSIONS AND SUMMARY

This report reviewed the growth in residential subdivisions on the Central Coast since the New South Wales Department of Planning released the Central Coast Regional Strategy (CCRS) in 2008.

The purpose of this report was to provide:

- A consistent time-series analysis of publicly available data to independently assess actual growth against the growth targets presented in the CCRS;
- A body of evidence to support future Urban Development Institute of Australia (UDIA) responses to the proposed review of the CCRS; and
- An evidence-based approach to urban planning advocated by the Department of Planning and Environment (DPE).

The analysis presented in this report identifies:

- The Central Coast Regional Strategy identified the need for an additional 56,000 dwellings in the Central Coast between 2006 and 2031 (2240 dwellings per year). The recent *Your Future Central Coast : A Discussion Paper* identifies the need for 36,800 dwellings over a twenty year period (1840 dwellings per annum);

- Some 70% of new development proposed in the Central Coast Regional Strategy is proposed to be located in Wyong LGA, while 29% of proposed new development will be within greenfield release areas;

- Between 1991 and 2011 just under 2000 private dwellings per annum were added to the housing stock in the Central Coast based on ABS data. This suggests that estimates in the current Central Coast Regional Strategy are reasonable. However, between 2006 and 2011 (the period during which the Central Coast Regional Strategy was released), only an average of 775 dwellings per annum have been added to the housing stock on the Central Coast;

- The Central Coast region had average annual lot registrations of 336 from 2006 to 2013, with 2006 to 2009 at or above this average, while 2010 to 2013 period is below this average;

- From 2006 to 2013 Gosford LGA had approximately 61% of lot registrations within Densification subdivisions, while Wyong had 61% of lot registrations within Release Area subdivisions for the same period. Residual Infill subdivisions have generally contributed the least to overall lot registrations during the investigation period;

- Wadalba has contributed the most lot registrations from 2006 to 2013 with 425 (20% of Wyong total), followed by Woongarrah with 322 (15% of Wyong total) and Hamlyn Terrace with 286 (13% of Wyong total);

- Residential lot sales over the reporting period (2006-2013) averaged 276 sales per annum, with Wyong LGA accounting for 85% of these sales. The majority of the lot sales were identified in Hamlyn Terrace, Wadalba and Woongarrah (approximately 40%);

- Once strata titling registrations are included in the analysis approximately 46% of registrations are for strata titling. This ranges from 72% of registrations in Gosford LGA to 33% in Wyong LGA;

- The analysis indicates that current supply (i.e. new dwellings on the ground) is well below the projected dwelling targets in strategic planning documents. This is identified in the recent *Your Future Central Coast: A Discussion Paper* prepared by DPE;

- There is approximately 429 hectares of undeveloped residentially zoned land in Greenfield Release Areas on the Central Coast, with all occurring within the Wyong LGA. Based on the additional required dwellings up to 2031 identified in strategic planning documents then at least 11,300 dwellings (61%) of future dwelling supply will need to come from outside undeveloped Release Areas already zoned for residential. This number could be significantly higher depending on the constraints of the land and thus number of lots per hectare developed on the ground.

- The area of land currently available may provide as little as four years of greenfield lot production, which is a conservative figure as population growth has outstripped estimates in the strategy and lots produced as a percentage of dwellings produced was marginally greater than predicted.

- It takes approximately five years to rezone land and bring the first lots to market for that land development, this is longer than the anticipated supply of greenfield land, which has been conservatively estimated at four years. This may lead to a shortage of supply of lots in the future, particularly if demand for housing surges over this time.

7. REFERENCES

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Appendix A

Summaries of New South Wales

State Government Planning Documents

Appendix B

Australian Bureau of Statistics

Fact Sheet:

"UNDERSTANDING CHANGES TO AUSTRALIA'S

REGIONAL POPULATION ESTIMATES"

Appendix C

Analysis Approach to Vacant Residential Lot Registraions and Sales

1. Analysis Approach

The scope of work was undertaken within a Geographic Information System (GIS) utilising three sources of publically available data:

- The Digital Cadastre Database (DCDB) held New South Wales Land and Property Information.
- Property sales data held by New South Wales Land and Property Information and distributed via subscription by third-party re-sellers.
- Local Environmental Plan zoning data freely available from the New South Wales Department of Planning.

These datasets were combined within GIS to spatially locate lot registrations and associated sales that have occurred within residentially zoned land since 2006. Key benefits associated with this approach are:

- The use of raw (or primary) data that has not been subjected to previous analytical processing or interpretation.
- The use of data at the finest spatial resolution available (i.e. data has not been aggregated or denatured).
- Transparent representation of the spatial distribution of lot registrations and sales, as well as the spatial rate of lot registrations and sales.
- Spatial representation and analysis of underlying lot geometry such as lot area and frontage, together with integrated analysis of topographic features such as elevation, slope and aspect.
- Spatial representation and analysis of attributes such as sale price and date.
- Intuitive representation of numerous layers of data that aligns with stakeholders' spatial understanding of urban growth on the Central Coast.

2. Analysis Methodology

The analysis framework outlined below addresses the specified scope of assessing the delivery of lots within residential subdivisions for purpose of constructing individual private dwellings on single lots.

Lot Registration Type

Torrens title lot registrations, with a plan purpose of subdivision, were initially identified for analysis. Through the course of investigation Community title lots were included where an individual lot was created for the purpose of a single private dwelling. No analysis was undertaken on torrens title or community title lots that appear to have multiple or non-private dwellings.

Though not initially included in the detailed analysis of residential lot registrations, strata plans were subsequently investigated in order to meaningfully compare lot registrations with dwelling growth from the MDP and Census data. The following zones were investigated for strata lots registrations, using the property count in the DCDB for each strata plan:

- B1 – Neighbourhood Centre.
- B2 – Local Centre.
- B4 – Mixed Use.
- All residential zones.

Zoning of Lot Registrations

The following residential zonings were initially identified for analysis of non-strata lots:

- R1 - General Residential.
- R2 - Low Density Residential.
- R3 - Medium Density Residential.
- R4 - High Density Residential.
- R5 - Large Lot Residential.

By virtue of zoning, no Torrens title lots with the R4 - High Density Residential zone appeared to be register for the purpose of subdivision and to subsequently deliver an individual dwelling on a single lot.

While undertaking the analysis, residential lots and dwellings were observed in the following zones and subsequently included in the analysis:

- RE2 - Private Recreation (Pacific Lakes, Lake Munmorah).
- SP3 - Tourist (Magenta Shores and Kooindah Waters).

No analysis was undertaken on the registration or sales of lots in any other zone or Deferred Matters within the Gosford or Wyong LGAs.

Sale and Product Type

All reported sales relate to the first sale after lot registration only. Subsequent resales (if any) are ignored in the reporting sale volumes.

A significant proportion of lot registrations never appear as a vacant lot sale, with the first sale after lot registration appearing as a dwelling sale. The typical example of this occurs where a builder has undertaken the subdivision and offered a house-and-land package. During the course of the analysis these types of sales were included due to their significant contribution.

Some lot registrations do not appear to have a sale record. These lots may be vacant lots that are unsold by the developer. In some instances dwellings exist on these lots, and may indicate the developer has constructed a dwelling that may be unsold or is being rented. Alternatively, or a community or government housing authority may have (re)developed a site.

Categorisation of Subdivision Type

The following subdivisions categories were adopted for purpose of characterising the nature of residential subdivisions:

- ***Release Areas*** are subdivisions that have occurred within large greenfield release areas identified by Councils and/or the Department of Planning. Smaller subdivisions that have occurred outside these greenfield areas, but represent an extension or are outside the existing urban footprint, are included in the category.
- ***Residual Infill*** are subdivisions generally in the order of 5 to 20 lots and appear to have occurred on large, residual lots within the existing urban footprint. The resulting lots sizes are typically standard lots in the order 600m^2 and are generally similar to lot sizes in the surrounding area.
- ***Densification*** are subdivisions with the resulting number of in the order of five lots or less. This category of subdivision occurs in established residential areas with the resulting lot sizes well below the average lot size of the surrounding area.

4. Limitations, Completeness and Expected Reliability

Analysis and reporting is limited to the scope of lot registrations and sales outlined above. This report does not analyse raw (or primary) data in relation to dwelling applications, dwelling approvals or dwelling completions, nor any existing subdivision approvals.

Lot registrations and sales are based on data current as of 24 March 2014. Lots that were first registered after 2006, but subsequently subdivided, will not appear in the registration or sale analysis. The resulting subdivided lots will appear as lot registrations and sales, if sales occurred.

The analysis of lot registrations is not reported as the net increase in lots, but the total number of lots resulting from a new registered plan. This will typically have a negligible impact on Release Area and Residual Infill subdivisions, but will impact on Densification subdivisions. The worst case example is where a 1 lot is subdivided into 2 lots, with a net increase of 1 lot, but with a total number of lots in the new plan being 2. This propagates as similar issue with lot and dwelling sale data.

Release Area boundaries are not publicly available in a spatial format. Release Areas are therefore identified by their suburb only. Release Area lots registrations and sales within a suburb are differentiated from Residual Infill or Densification by the attribute of Subdivision Type (previously defined).

Densification subdivisions may exhibit strong similarity to strata developments in their built form. Inclusion of residential and mixed-use strata lots would provide a more complete analysis of residential housing trends on the Central Coast, but is beyond the scope of this investigation.

No site inspections have been undertaken during this analysis, which is strictly a desktop investigation. Visual inspection of aerial photography, sales data and address data may have been used to infer or verify a product type.

Overall accuracy of lot registrations and sales is expected to be order of +/- 10% of the total values presented in this report, with the potential of up to +/- 15% for subcategories of Subdivision Types and Product Types. However, the expected accuracy and relativity between subcategories is believed to be sufficiently reliable to assess the growth of residential subdivisions in respect to the Central Coast Regional Strategy.

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