



Lower Hunter Building Blocks 2024 Update

We are city-shapers.

Urban Development
Institute of Australia
NSW



Overview and Key Findings

UDIA NSW in partnership with ADW Johnson is pleased to present this 2024 update to our *Building Blocks Report* for the Lower Hunter. Our report identifies the infrastructure required to deliver the major greenfield residential and employment land development sites in the local government areas (LGA) of Cessnock, Lake Macquarie, Maitland, Newcastle and Port Stephens over the next 20 years.

Building Blocks is a practical approach to housing supply and new jobs. Understanding what infrastructure is needed helps NSW Government and its agencies, councils and industry work together to facilitate funding pathways to get these assets planned, designed and constructed to support the timely delivery of new homes and jobs.

Building Blocks is an important contribution to the work of the NSW Government's Lower Hunter Urban Development Program (UDP), which was established to support the delivery of new development by identifying and making recommendations for infrastructure priorities. UDIA serves on the UDP Committee along with the Department of Planning, Housing and Infrastructure (DPHI), councils, state agencies and infrastructure providers.

This is a critical moment for the *Building Blocks update*. The NSW Government has tasked the Lower Hunter to deliver 30,400 new dwellings over the next 5 years to help meet the state's total commitment of 377,000 new homes under the National Housing Accord.

\$420 million (just \$14,000 per new dwelling) would support 29,000 dwellings in the next 5 years, nearly the entire Lower Hunter Housing Accord target.



The Housing Accord targets were determined by two assumptions: first, that the development projects already in the planning system would be delivered; and second, that additional dwellings would be delivered through the Government's new housing policies including the Transport Oriented Development (TOD) Program, and Low- and Mid-Rise Housing reforms. In the current economic climate, higher density development is proving difficult. UDIA's recent *Making TODs Work* research report showed the feasibility challenges facing that program, for example.

While UDIA supports the NSW Government policy focus on delivering more housing density and infill in urban areas, it is impossible to ignore that if we do not deliver the greenfield housing already in the pipeline, we will fail to deliver the housing supply required, and the type of housing supply that remains in strong demand from purchasers. Put simply: we need more of every type of housing in the Lower Hunter, including more greenfield housing with a backyard.

What we found




Building Blocks reveals that an upfront infrastructure investment of \$420 million now would enable the delivery of 29,000 greenfield dwellings in the next 5 years across the Lower Hunter. Which means that a targeted infrastructure investment by the NSW Government of \$14,483 per dwelling would unlock almost all the Lower Hunter Housing Accord target. Each new development will generate a NSW Housing & Productivity Contribution of \$8,000 per dwelling from the developer, meaning a large portion of the state's upfront investment will be recouped as the new housing is produced. This is without considering other state taxes and charges such as stamp duty, land tax and payroll taxes which will accrue to the Government as a result of these homes being built.

There is also an opportunity, on a case-by-case basis, through early infrastructure planning and investment to bring forward sites from the 5-10 year pipeline, where our report shows an additional \$380 million investment would support the delivery of a further 17,500 dwellings. In total, *Lower Hunter Building Blocks* identifies an investment of \$1.1 billion would unlock 54,000 dwellings over 20 years.

Supporting employment and job creation

While housing is the clear priority of the NSW Government, jobs and economic growth remain another top emphasis and *Building Blocks* also analyses the Lower Hunter's employment land sites. Our report reveals that just \$83 million in infrastructure would unlock 626 hectares of employment land that could support 30,000 new jobs over the next 5 years. At just \$2,800 per job, that would be a wise investment in our future.

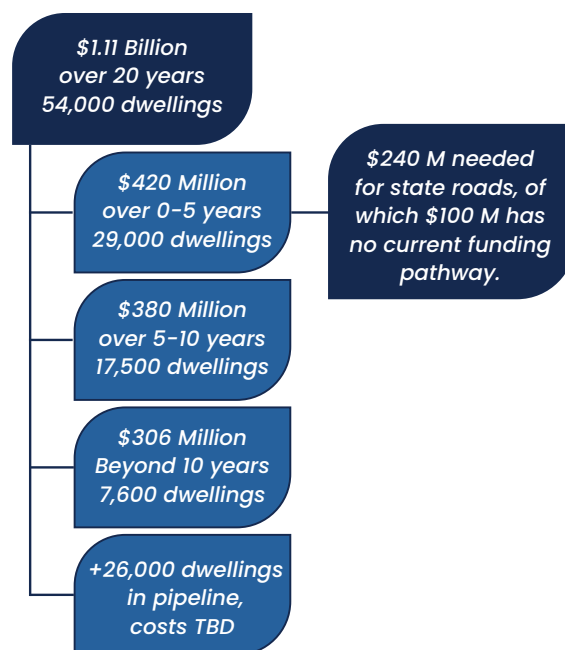
Delivering infrastructure is necessary to unlock the Lower Hunter development pipeline. But while necessary, it may not be sufficient to deliver all sites. Development is a complex and risky venture. To support more housing and jobs in the Lower Hunter, NSW Government must not only deliver enabling infrastructure, but also facilitate more efficient planning assessment and work with industry to achieve more certainty for biodiversity and development outcomes.

Requirement	Status	Solution
Deliver Enabling Infrastructure		Increase investment and improve coordination of enabling infrastructure
Efficient Planning Assessment		Apply solutions-focused, coordinated planning processes
Biodiversity Approvals		Improve certainty to deliver zoned development land

UDIA thanks ADW Johnson for their partnership in this 2024 update of the *Lower Hunter Building Blocks* Report. We are hopeful this analysis will assist NSW Government and infrastructure agencies to identify the infrastructure and focused policy areas needed to unlock the Lower Hunter's housing and employment land development pipeline.



Summary by Numbers - Housing



City	0-5 Infrastructure Investment Needed (\$ million)	Dwellings Supported by 0-5 Infrastructure Investment	5-Year Housing Accord Target	% of Housing Accord Supported by Investing Now
TOTALS	\$421 M	28,915	30,400	95%
Cessnock	\$114	11,945	3,900	300%
Lake Macquarie	\$116	6,510	8,000	80%
Maitland	\$51	6,615	5,300	125%
Newcastle	\$50	2,918	11,100	26%
Port Stephens	\$90	928	2,100	44%

Employment Land

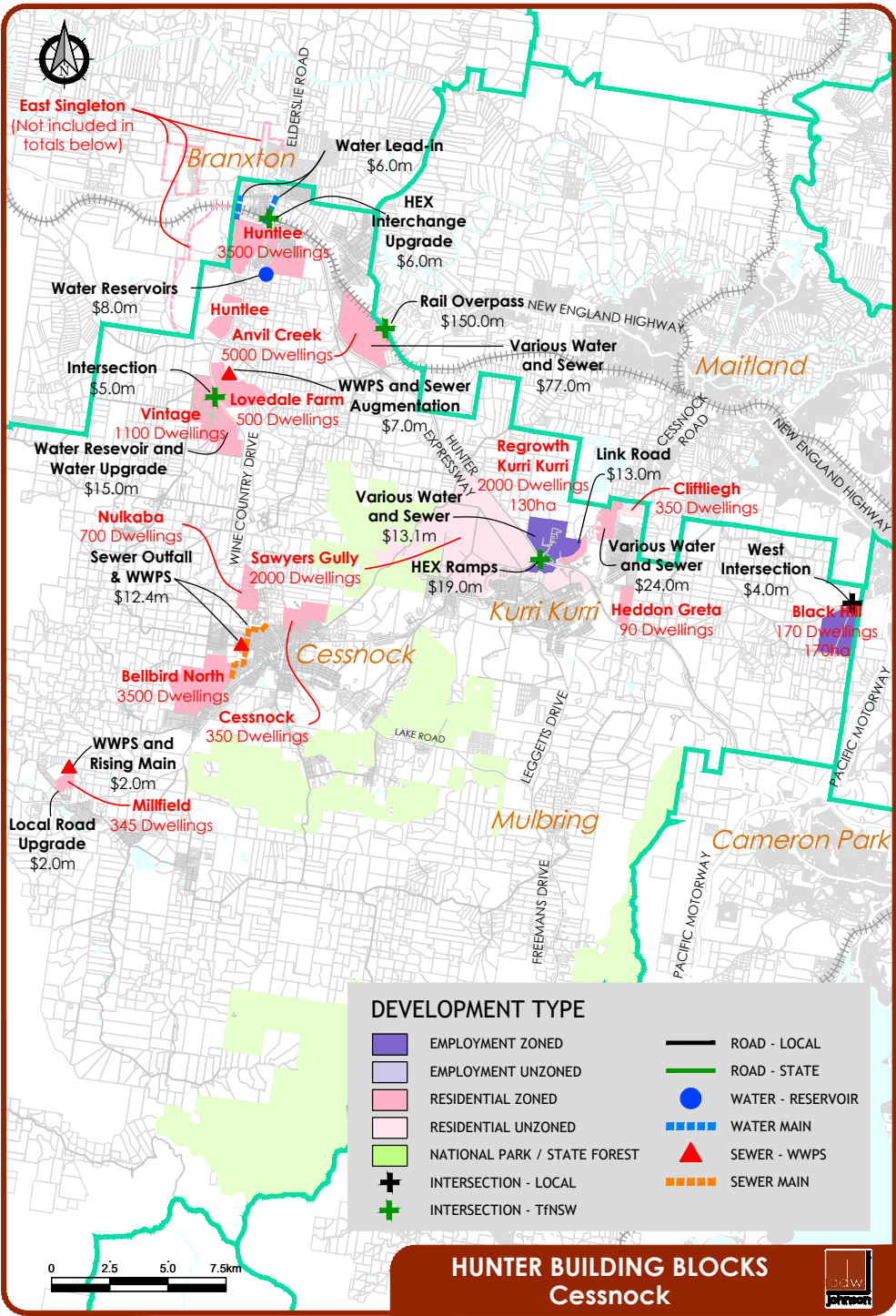
Investment of \$83 M could support the creation of 30,000 jobs over the next 5 years at a cost of \$2,800 per job.

Development Timeframe Based on Infrastructure Timing	Greenfield Employment Land Unlocked (ha)	Enabling Infrastructure Cost
0-5 Years	626 ha	\$83 M
5-10 Years	22 ha	\$20 M
10+ Year	-	-
Total	648 ha	\$103 M

Cessnock City Council Local Government Area

Development Yield

UDIA NSW identified land holdings in the Cessnock LGA as shown below which contain the following development yields constrained by enabling infrastructure.



Cessnock City Council Local Government Area

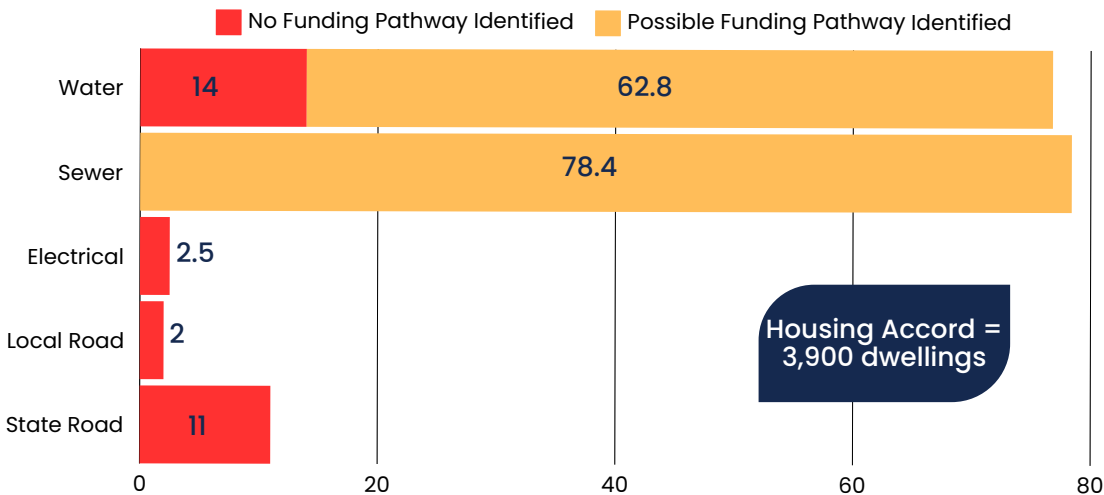
Summary of Findings

Development Timeframe Based on Infrastructure Timing	Greenfield Dwelling Yield Supported	Enabling Infrastructure Cost
0-5 Years	11,945	\$114 M
5-10 Years	3,000	\$45 M
10+ Year	1,000	\$162 M
Total	15,945	\$321 M

Total Investment of
\$20,100 per dwelling

Cessnock

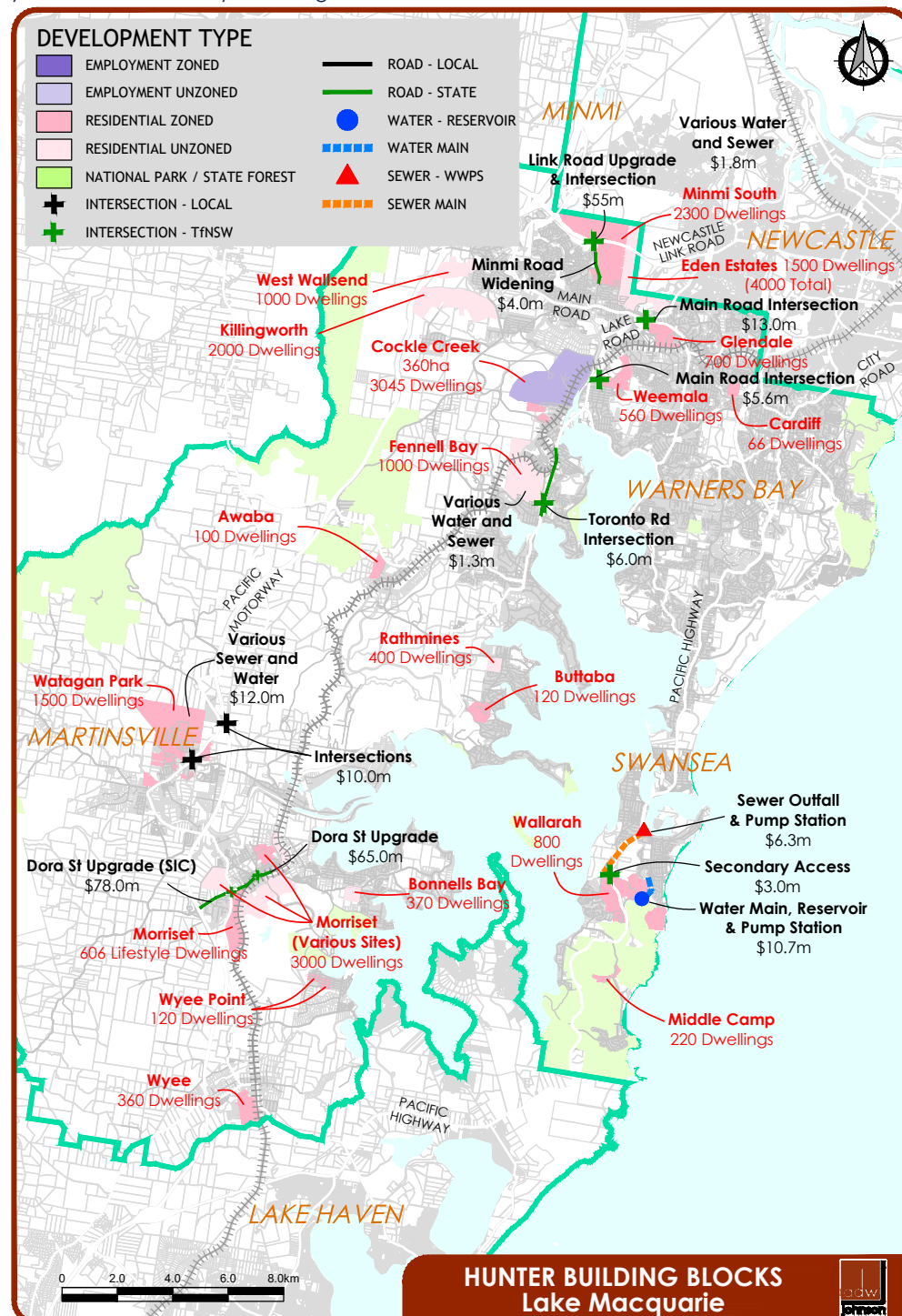
\$114 M over 5 years for 11,945 dwellings



Lake Macquarie City Council Local Government Area

Development Yield

UDIA NSW identified land holdings in the Lake Macquarie LGA as shown below which contain the following development yields constrained by enabling infrastructure.



Lake Macquarie City Council Local Government Area

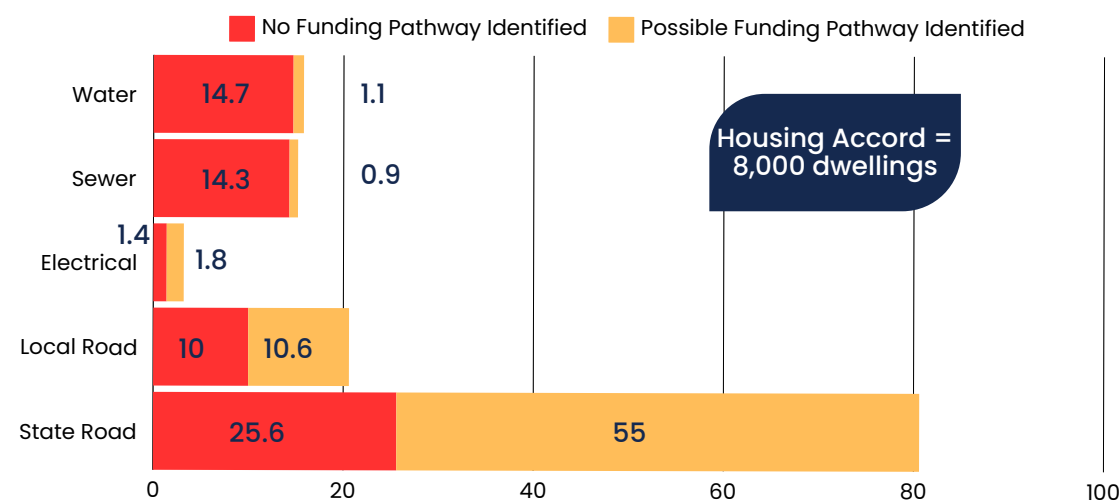
Summary of Findings

Development Timeframe Based on Infrastructure Timing	Greenfield Dwelling Yield Supported	Enabling Infrastructure Cost
0-5 Years	6,510	\$116 M
5-10 Years	3,150	\$162 M
10+ Year	-	-
Total	9,660	\$278 M

Total Investment of \$28,800 per dwelling

Lake Macquarie

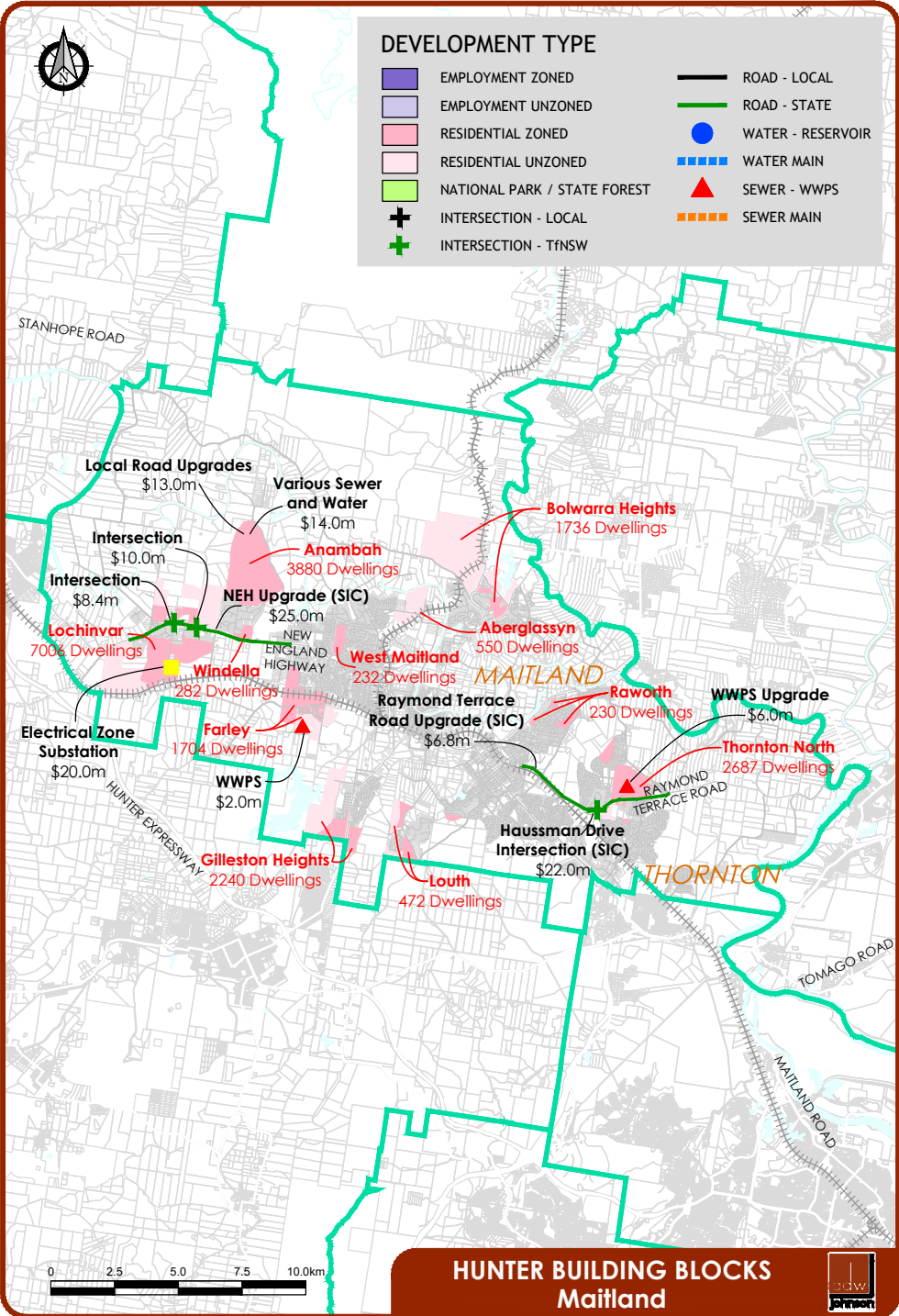
\$116 M over 5 years for 6,510 dwellings



Maitland City Council Local Government Area

Development Yield

UDIA NSW identified land holdings in the Maitland LGA as shown below which contain the following development yields constrained by enabling infrastructure.



Maitland City Council Local Government Area

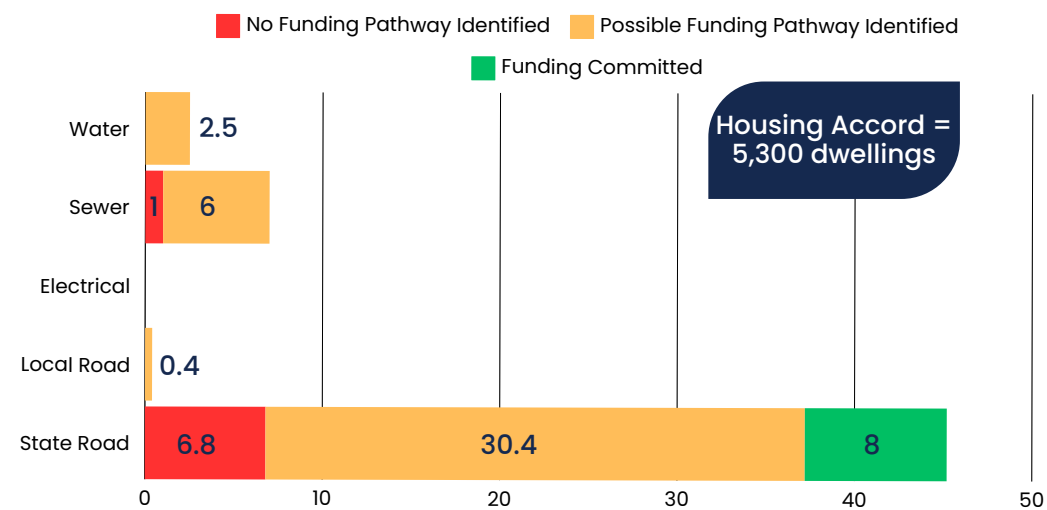
Summary of Findings

Development Timeframe Based on Infrastructure Timing	Greenfield Dwelling Yield Supported	Enabling Infrastructure Cost
0-5 Years	6,615	\$51 M
5-10 Years	5,819	\$83 M
10+ Year	1,179	\$18 M
Total	13,612	\$152 M

Total Investment of \$11,100 per dwelling

Maitland

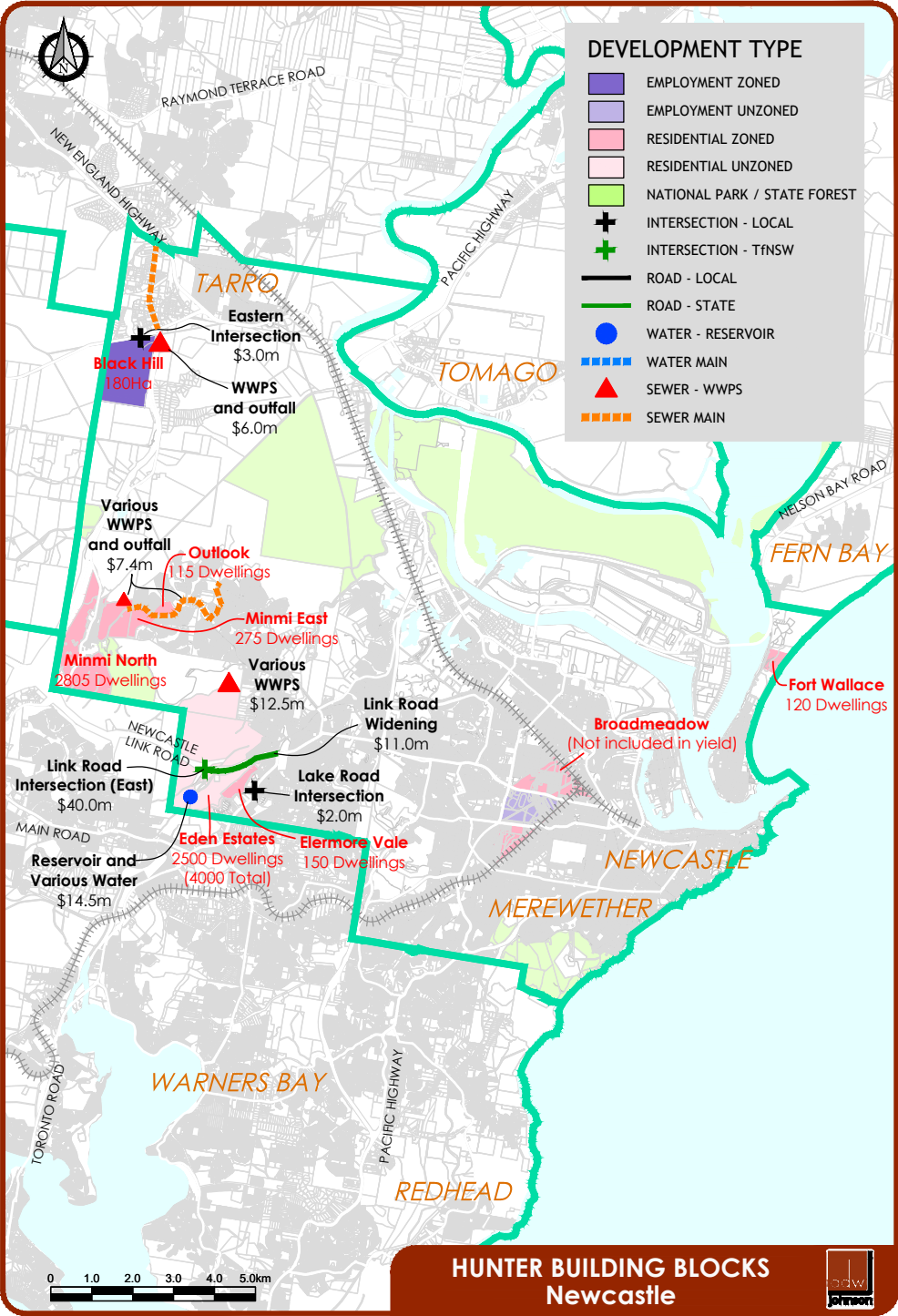
\$51 M over 5 years for 6,615 dwellings



Newcastle City Council Local Government Area

Development Yield

UDIA NSW identified land holdings in the Newcastle LGA as shown below which contain the following development yields constrained by enabling infrastructure.



Newcastle City Council Local Government Area

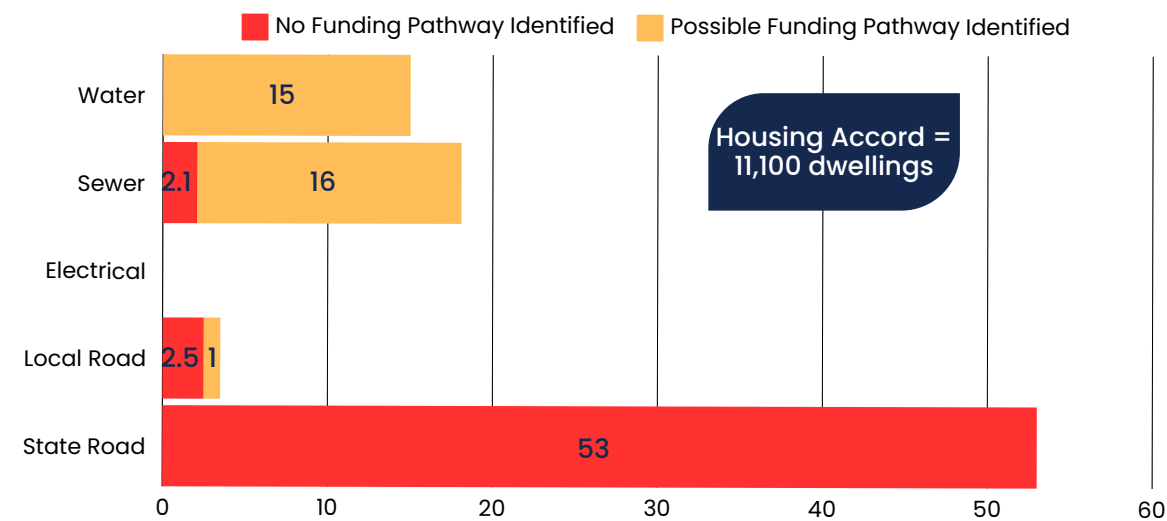
Summary of Findings

Development Timeframe Based on Infrastructure Timing	Greenfield Dwelling Yield Supported	Enabling Infrastructure Cost
0-5 Years	2,918	\$50 M
5-10 Years	2,653	\$43 M
10+ Year	-	-
Total	5,570	\$94 M

Total Investment of \$16,800 per dwelling

Newcastle

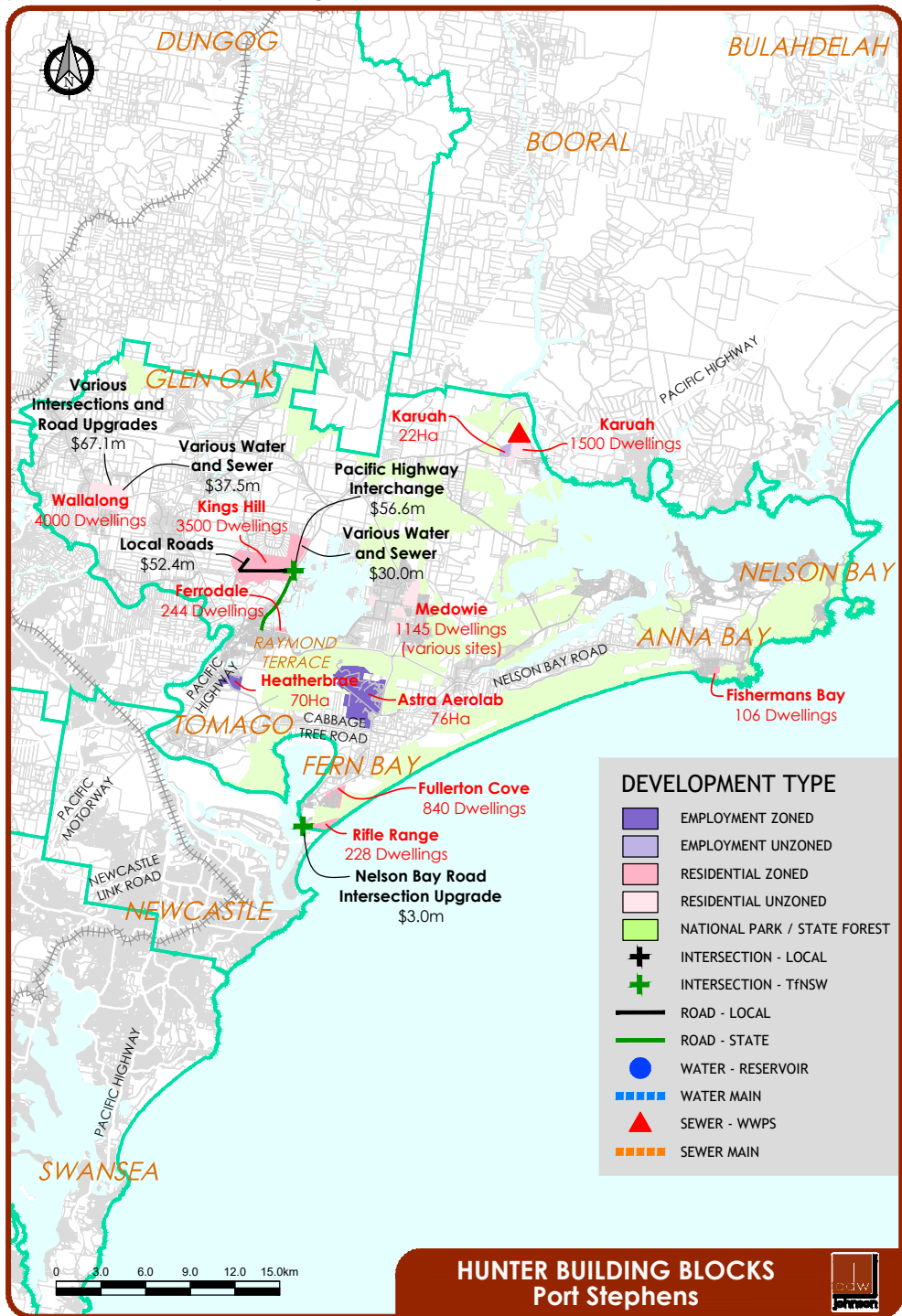
\$50 M over 5 years for 2,918 dwellings



Port Stephens City Council Local Government Area

Development Yield

UDIA NSW identified land holdings in the Port Stephens LGA as shown below which contain the following development yields constrained by enabling infrastructure.



Port Stephens City Council Local Government Area

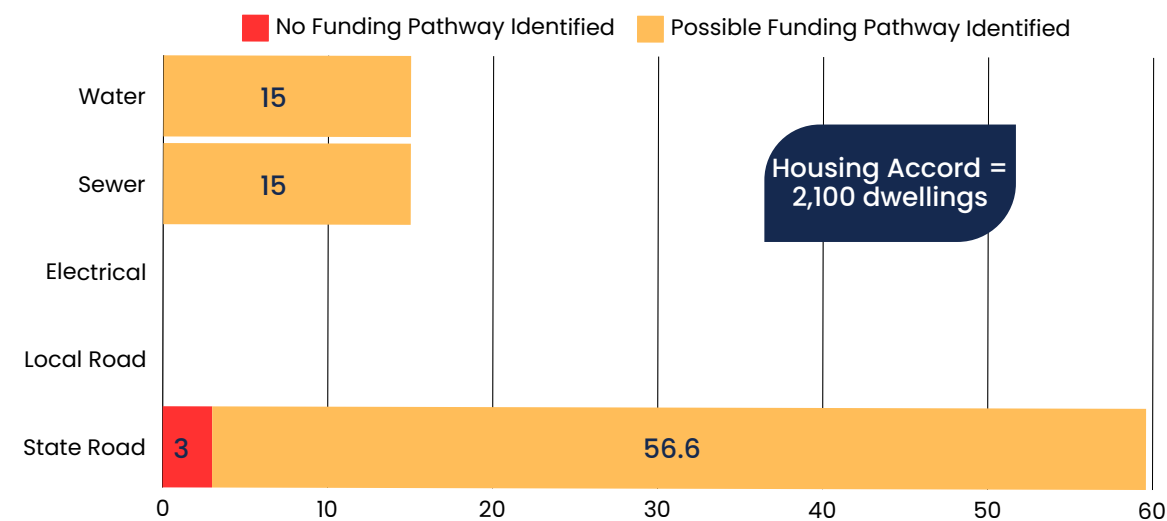
Summary of Findings

Development Timeframe Based on Infrastructure Timing	Greenfield Dwelling Yield Supported	Enabling Infrastructure Cost
0-5 Years	928	\$90 M
5-10 Years	2,867	\$51 M
10+ Year	5,433	\$126 M
Total	9,228	\$267 M

Total Investment of \$28,900 per dwelling

Port Stephens

\$90 M over 5 years for 928 dwellings



Appendix

LGA	Release Area (Project)	Total # project dwellings (or ha of employment land)	Infrastructure Item	Cost Estimate of infrastructure item (millions)	Estimated timing: when the infrastructure item is needed to deliver the project	Is there an agreed funding pathway? If so, please advise
Cessnock	Anvil Creek	5000	Various Water and Sewer Upgrades	\$77,000,000	0-10 years	Possible Funding
			Rail overpass Adjustments and new walkers hill train station	\$150,000,000	15-20 years	No Funding Pathway Identified
	Bellbird	3500	Trunk Sewer Upgrades	\$12,400,000	0-5 years	Possible Funding
			Water Upgrades	\$2,400,000	0-5 years	Possible Funding
			Booster Pump Station	\$400,000	0-5 years	Possible Funding
	Cessnock	350	Unknown	TBC	0-5 years	No Funding Pathway Identified
	Cliftleigh	350	Unknown	TBC	5-10 years	No Funding Pathway Identified
	Heddon Greta	90	Unknown	TBC	0-5 years	No Funding Pathway Identified
	Huntlee	3500	HEX Link Road Upgrades	\$3,500,000	0-5 years	No Funding Pathway Identified
			HEX Branxton Interchange Upgrade	\$2,500,000	0-5 years	No Funding Pathway Identified
			Electrical Feeders	\$2,500,000	0-5 years	No Funding Pathway Identified
			New Water Reservoirs	\$8,000,000	0-5 years	No Funding Pathway Identified
			Watermain Leadin	\$6,000,000	0-5 years	No Funding Pathway Identified
	Lovedale Farm	500	WWPS and Sewer Augmentation	\$7,000,000	0-5 years	Possible Funding
			Wine Country Drive Intersection	\$5,000,000	0-5 years	No Funding Pathway Identified
	Millfield	345	WWPS and SRM Upgrade	\$2,000,000	0-5 years	Possible Funding
			Mount View Road Upgrade	\$2,000,000	0-5 years	No Funding Pathway Identified
	Nulkaba	700	Unknown	TBC	0-5 years	No Funding Pathway Identified
	Regrowth - Kurri Kurri	2000	Sewer & Water Infrastructure	\$24,000,000	0-20 years	Possible Funding
	Sawyers Gully	2000	Unknown	TBC	10-20 years	No Funding Pathway Identified
	The Vintage	1100	Sewer Outfall	\$1,000,000	0-5 years	Possible Funding
			Water Upgrade Security of Supply and Reservoir	\$15,000,000	0-5 years	Possible Funding

LGA	Release Area (Project)	Total # project dwellings (or ha of employment land)	Infrastructure Item	Cost Estimate of infrastructure item (millions)	Estimated timing: when the infrastructure item is needed to deliver the project	Is there an agreed funding pathway? If so, please advise
Lake Macquarie	Awaba	100	Unknown	TBC	0-5 years	No Funding Pathway Identified
	Bonnells Bay	370	Unknown	TBC	5-10 years	No Funding Pathway Identified
	Buttaba	120	Unknown	TBC	0-5 years	No Funding Pathway Identified
	Cardiff	66	Unknown	TBC	0-5 years	No Funding Pathway Identified
	Cockle Creek	3045	Unknown	TBC	5-10 years	No Funding Pathway Identified
	Eden Estates	4000	Minmi Road Widening	\$4,000,000	0-10 years	No Funding Pathway Identified
			Main Road and Frederick Street Intersection Upgrade	\$13,000,000	0-10 years	No Funding Pathway Identified
	Fennell Bay	1000	Leadin Sewer	\$900,000	0-5 years	Possible Funding
			Pressure reducing valve	\$350,000	0-5 years	Possible Funding
			Toronto Road intersections	\$6,000,000	0-5 years	Possible Funding
			HV Relocation	\$1,800,000	0-5 years	Possible Funding
	Glendale	700	Unknown	TBC	0-5 years	No Funding Pathway Identified
	Killingworth	2000	Unknown	TBC	10-20 years	No Funding Pathway Identified
	Middle Camp	220	Unknown	TBC	0-5 years	No Funding Pathway Identified
	Minmi South	3300	Minmi Road and Newcastle Link Road intersection	\$55,000,000	0-5 years	Possible Funding
			800m of DN200 water main	\$710,000	0-5 years	Possible Funding
	Morisset	3000	Unknown	TBC	0-5 years	No Funding Pathway Identified
			Updgrade of Mandalong Rd from M1 motorway to Dora St including intersection upgrades at Gateway Boulevard and Wyee Rd/Freemans Dr	\$78,000,000	5-10 years	Funding Committed
			Upgrade of Dora Street and Macquarie Street including multiple intersections	\$65,000,000	5-10 years	No Funding Pathway Identified
	Morisset Lifestyle	606	Unknown	TBC	0-5 years	No Funding Pathway Identified
	Rathmines	400	Unknown	TBC	5-10 years	No Funding Pathway Identified
	Wallarah	800	Trunk Leadin sewer	\$550,000	0-10 years	No Funding Pathway Identified
			Swansea 20 WWPS and new rising main	\$5,700,000	0-10 years	No Funding Pathway Identified
			Caves Beach 2 Water pump station	\$3,500,000	0-10 years	No Funding Pathway Identified
			Pinny Beach 2 Water Reservoir	\$7,200,000	0-10 years	No Funding Pathway Identified
			Pacific Highway on Ramp	\$3,000,000	0-10 years	No Funding Pathway Identified
			HV Relocation	\$650,000	0-10 years	No Funding Pathway Identified
			Comms Relocation	\$700,000	0-10 years	No Funding Pathway Identified
	Watagan Park	1500	R01,R02,R10 Awaba St Upgrades	\$4,600,000	0-5 years	Possible Funding
			Sewer Infrastructure	\$8,000,000	0-5 years	No Funding Pathway Identified
			Water Infrastructure	\$4,000,000	0-5 years	No Funding Pathway Identified
			Intersections at Freemans Drive, Alton, Newport and future access	\$10,000,000	0-5 years	No Funding Pathway Identified
	Weemala	560	Main Road Roundabout	\$5,600,000	0-5 years	No Funding Pathway Identified
	West Wallsend	1000	Unknown	TBC	5-10 years	No Funding Pathway Identified
	Wyee	360	Unknown	TBC	0-5 years	No Funding Pathway Identified
	Wyee Point	120	Unknown	TBC	0-5 years	No Funding Pathway Identified

LGA	Release Area (Project)	Total # project dwellings (or ha of employment land)	Infrastructure Item	Cost Estimate of infrastructure item (millions)	Estimated timing: when the infrastructure item is needed to deliver the project	Is there an agreed funding pathway? If so, please advise
Maitland	Aberglassyn	550	Unknown	TBC	5-10 years	No Funding Pathway Identified
	Anambah	3880	Trunk Sewer Upgrades	\$12,000,000	5-10 years	Possible Funding
			Trunk Water Upgrades	\$2,000,000	5-10 years	Possible Funding
			Local Roads	\$12,000,000	5-10 years	No Funding Pathway Identified
			NEH Upgrades	\$25,000,000	5-10 years	No Funding Pathway Identified
			Electrical Feeders	\$1,000,000	5-10 years	No Funding Pathway Identified
	Bolwarra Heights	380	Unknown	TBC	0-5 years	No Funding Pathway Identified
		1356	Unknown	TBC	5-10 years	No Funding Pathway Identified
	Farley	944	WWPS (half cost)	\$1,000,000	0-5 years	No Funding Pathway Identified
		760	WWPS (half cost)	\$1,000,000	5-10 years	No Funding Pathway Identified
	Gilleston Heights	1325	Unknown	TBC	0-5 years	No Funding Pathway Identified
		915	Unknown	TBC	5-10 years	No Funding Pathway Identified
	Lochinvar	3536	Intersections - TCS - New England Highway West Intersection with Southern Ring Rd	\$8,400,000	5-10 years	Possible Funding
			Intersections - TCS - Southern Ring Road - At Station Lane	\$400,000	0-5 years	Possible Funding
			Potential New Lochinvar Zone Substation	\$20,000,000	5-15 years	Possible Funding
			Misc Road upgrades to Allandale Road.	\$5,000,000	5-15 years	Possible Funding
			Western Intersection	\$8,400,000	0-10 years	Possible Funding
			Water booster	\$500,000	0-10 years	Possible Funding
			Trunk Water Main	\$2,000,000	0-5 years	Possible Funding
			Intersection NEH and Wyndella Road	\$10,000,000	5-15 years	No Funding Pathway Identified
			Unknown	TBC	5-15 years	No Funding Pathway Identified
	Louth	237	Unknown	TBC	0-5 years	No Funding Pathway Identified
		330	Unknown	TBC	5-10 years	No Funding Pathway Identified
	Raworth	230	Unknown	TBC	0-5 years	No Funding Pathway Identified
	Regrowth- Kurri Kurri	2000	3-way Signalised intersection Cessnock Road	\$8,000,000	0-5 years	Possible Funding
	Thornton North	2492	Haussman Drive Intersection	\$22,000,000	0-5 years	Possible Funding
		195	Thornton 3 WWPS Upgrades	\$6,000,000	0-5 years	Possible Funding
	West Maitland	232	Raymond Terrace Road Upgrade	\$6,800,000	0-5 years	No Funding Pathway Identified
	Windella	282	Unknown	TBC	5-10 years	No Funding Pathway Identified

LGA	Release Area (Project)	Total # project dwellings (or ha of employment land)	Infrastructure Item	Cost Estimate of infrastructure item (millions)	Estimated timing: when the infrastructure item is needed to deliver the project	Is there an agreed funding pathway? If so, please advise
Newcastle	Eden Estates	4000	Water Reservoir	\$8,000,000	0-10 years	Possible Funding
			Trunk Water Infrastructure	\$6,500,000	0-10 years	Possible Funding
			Trunk Sewer Infrastructure	\$12,500,000	0-10 years	Possible Funding
			Link Road Intersection (East)	\$40,000,000	0-10 years	No Funding Pathway Identified
			Link Road Widening	\$11,000,000	0-10 years	No Funding Pathway Identified
			Local Intersection Upgrades	\$1,000,000	0-10 years	No Funding Pathway Identified
	Elernmore Vale	150	Lake Road Intersection	\$2,000,000	0-5 years	No Funding Pathway Identified
	Fort Wallace	120	Unknown	TBC	0-5 years	No Funding Pathway Identified
	Minmi East	275	Unknown	TBC	5-10 years	No Funding Pathway Identified
	Minmi North	2805	Minmi Road / Woodford Street Intersection Upgrade	\$1,048,335	0-5 years	Possible Funding
			Water Transfer Main Precincts 3-5	\$1,065,625	5-10 years	Possible Funding
			Trunk Sewer Upgrades Phase 2	\$3,463,281	0-5 years	Possible Funding
			Trunk Sewer Upgrades Phase 3	\$2,894,948	5-10 years	Possible Funding
			Trunk Water Main Precinct 1 Phase 2	\$503,212	0-5 years	Possible Funding
			Trunk Sewer Main Precincts 3-5	\$1,077,465	0-5 years	No Funding Pathway Identified
	Outlook	115	Minmi Road intersection	\$1,500,000	0-5 years	No Funding Pathway Identified
			WWPS	\$1,000,000	0-5 years	No Funding Pathway Identified
Port Stephens	Ferodale	244	Unknown	TBC	5-10 years	No Funding Pathway Identified
	Fishermans Bay	106	Unknown	TBC	5-10 years	No Funding Pathway Identified
	Fullerton Cove	840	Unknown	TBC	0-10 years	No Funding Pathway Identified
	Karuah	1500	WWTW Upgrade (half cost)	\$20,000,000	5-10 years	Possible Funding
	Kings Hill	3500	East/west collector road (land acquisition and capital costs)	\$32,400,000	5-25 years	Possible Funding
			Intersection of east/west collector road and North/south road (land acquisition and capital costs)	\$4,300,000	5-25 years	Possible Funding
			Intersection of east/west collector road and Newline Road (land acquisition and capital costs)	\$4,000,000	5-25 years	Possible Funding
			Newline Road - road upgrades	\$2,500,000	5-25 years	Possible Funding
			Intersection upgrade at Newline Road, Seaham Road, Port Stephens Street & William Baily Drive	\$4,300,000	5-25 years	Possible Funding
			Shared pathway along Newline Road	\$4,900,000	5-25 years	Possible Funding
			Sewer & Water Infrastructure	\$30,000,000	0-5 years	Possible Funding
			Road Works (Interchange & Stormwater Diversion Channel) & School	\$56,600,000	0-5 years	Possible Funding
	Medowie	1145	Unknown	TBC	0-10 years	No Funding Pathway Identified
	Rifle Range	228	Nelson Bay Road Upgrade	\$3,000,000	0-5 years	No Funding Pathway Identified
	Wallalong	4000	Road Works (Local Network Capacity)	\$35,000,000	5-35 years	Possible Funding
			Sewer & Water Infrastructure	\$37,500,000	5-35 years	Possible Funding
			Road Works (Bridge Signalisation, New Bridge, etc.)	\$24,400,000	5-35 years	Possible Funding
			Road Works (PMF Flood Free Access)	\$7,700,000	5-35 years	Possible Funding

We are city-shapers.

Urban Development
Institute of Australia
NSW



T (02) 9262 1214 | E udia@udiansw.com.au
Lvl 5/56 Clarence St, Sydney NSW 2000

www.udiansw.com.au