



Hawkesbury City Council

Attachment 4
to
item 179

Draft Hawkesbury Local Housing
Strategy - Synopsis

date of meeting: 24 September 2019
location: council chambers
time: 6:30 p.m.

HAWKESBURY LOCAL HOUSING STRATEGY

Summary report



Prepared for the City of Hawkesbury

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Report Details

| | |
|----------------------|-------------------|
| Job Reference Number | P19063 |
| Version | 1.1 |
| File Name | Summary report |
| Date Issued | 19 September 2019 |

Executive Summary

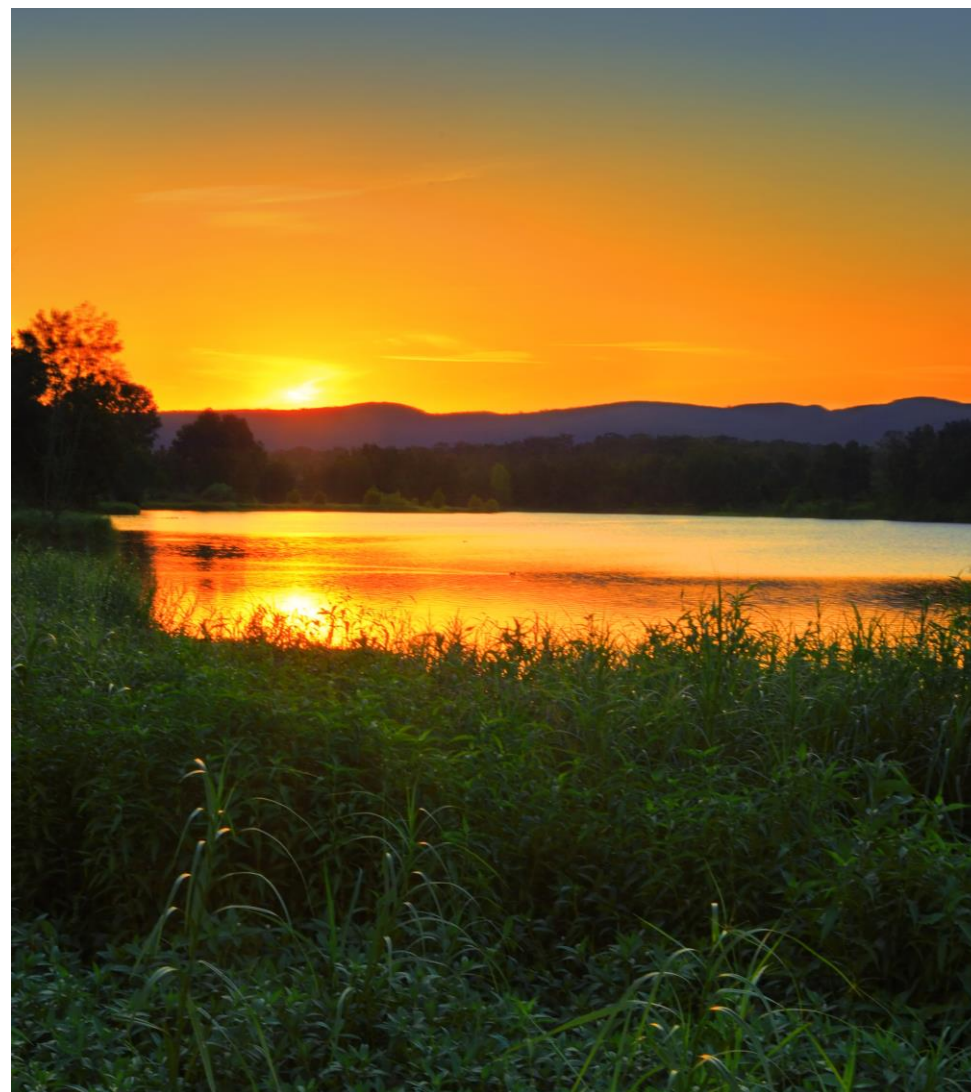
Hawkesbury Local Government Area is a unique place to live in the Greater Sydney Region. Its high value natural environment and strong cultural heritage support communities and settlements that are diverse and rich in character. The LGA's productive agricultural lands and river systems provide a highly scenic setting for urban and semi-rural lifestyles.

The population of the LGA is growing and a clear strategy is needed to accommodate this growth. The strategy must balance the need for growth with:

- The significant physical environmental constraints such as heritage, flooding and bushfires prone land
- The importance of the character of the LGAs local centres and rural villages
- The need to protect productive agricultural land for its purpose
- The needs to support communities and promote healthy, liveable urban environments.

The Hawkesbury Local Housing Strategy sets a clear plan for housing in the LGA for the next 10 and 20 years. The strategy:

- Sets a clear plan for the delivery of housing to meet future needs
- Aligns housing delivery with the NSW Government's strategic plans
- Has regard for a comprehensive evidence base on housing needs, infrastructure availability, physical constraints and present opportunities.



1.0 INTRODUCTION

Hawkesbury Local Government Area is a unique place to live in the Greater Sydney Region. Its high value natural environment and strong cultural heritage support communities and settlements that are diverse and rich in character. The LGA's productive agricultural lands and river systems provide a highly scenic setting for urban and semi-rural lifestyles.

The population of the LGA is growing and a clear strategy is needed to accommodate this growth. The strategy must balance the need for growth with:

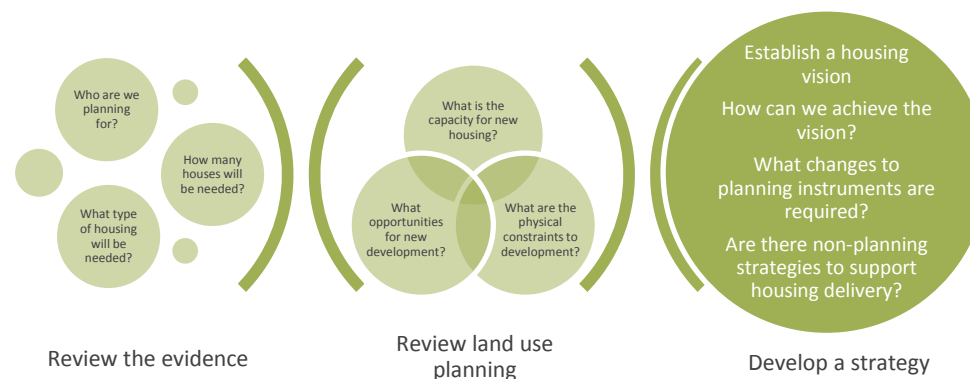
- The significant physical environmental constraints such as heritage, flooding and bushfires prone land
- The importance of the character of the LGAs local centres and rural villages
- The need to protect productive agricultural land for its purpose
- The needs to support communities and promote healthy, liveable urban environments.

This Hawkesbury Housing Strategy sets in place a plan for delivery of new housing in the LGA for the next 10 - 20 years. The strategy has informed the development of the Hawkesbury Local Strategy Planning Statement. This Strategy supports Council's vision to align the housing growth with supporting and necessary infrastructure and social services.

1.1 Approach

The approach to preparing the Hawkesbury Housing Strategy is outlined below. The approach has been developed to be consistent with the NSW Government's Local Housing Strategy Guideline dated 2018.

Figure 1: Simplified approach to developing the Housing Strategy



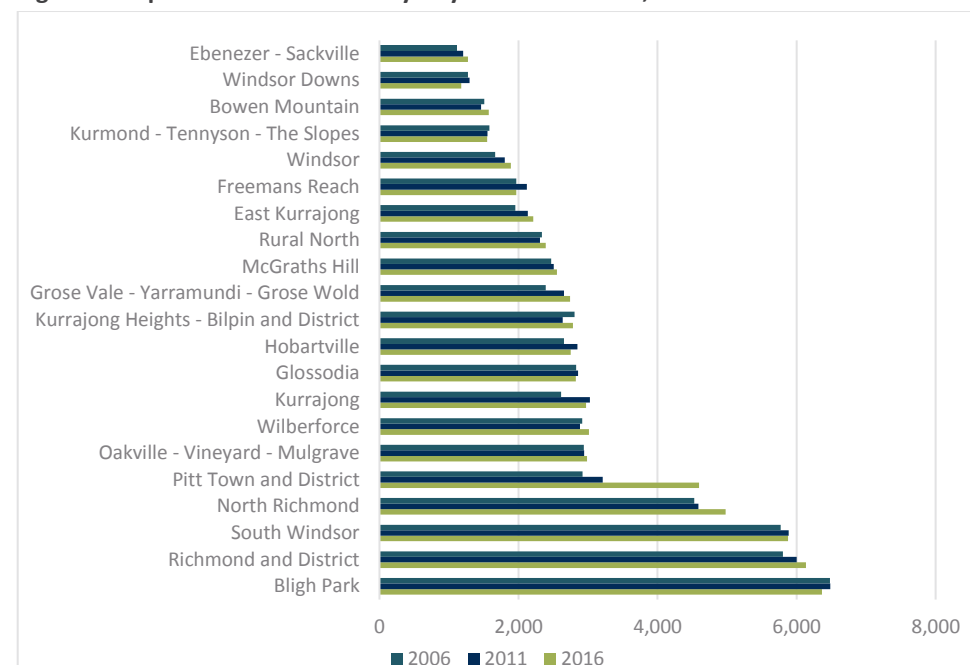
2.0 DEMOGRAPHY

2.1 Overview

The population of Hawkesbury LGA is estimated to be 67,083¹. The LGA has 21,743 households predominantly detached, single dwellings with only 13% of the LGA's housing being medium or high density. 13,565 (44%) of Hawkesbury residents live and work in the Local Government Area.

The change in population between the 2006, 2011 and 2016 Census across LGA are shown in Figure 2. There is a significant mix of population growth and decline across the suburbs with Windsor Downs registering a decline of 0.7 per cent per annum in the decade since 2006. Bligh Park and Kurmond-Tennyson-The Slopes also registered marginal declines. Pitt Town registered a significant increase at a rate of 5.6 percent per annum. The remainder had average growth or stable populations.

Figure 2: Population of Hawkesbury City suburbs in 2006, 2011 and 2016

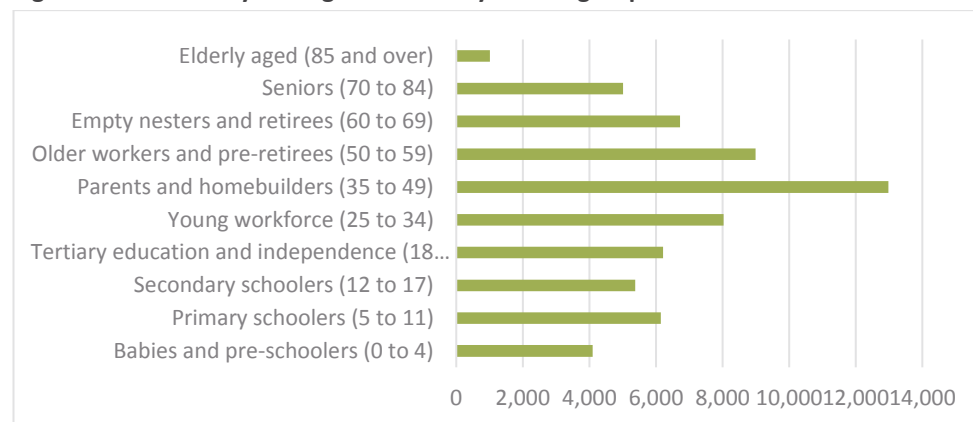


Source: ABS 2006, 2011, 2016

Hawkesbury LGA has a median age of 38 years old, matching the state average, but 2 years above the Greater Sydney median. Hawkesbury LGA's population profile is similar to that of other Sydney fringe LGAs, showing higher proportions of families with older children and higher empty nesters than Greater Sydney and NSW.

¹ ABS Estimated Resident Population, 2018

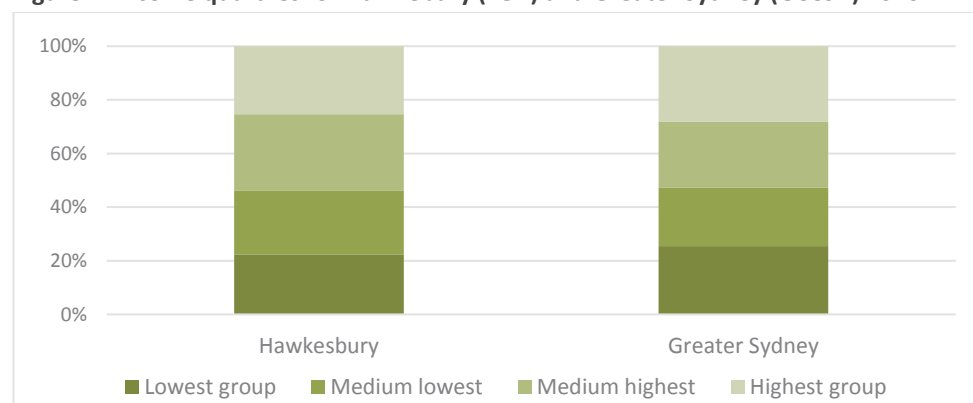
Figure 3: Hawkesbury LGA age structure by service group



Source: Population.id

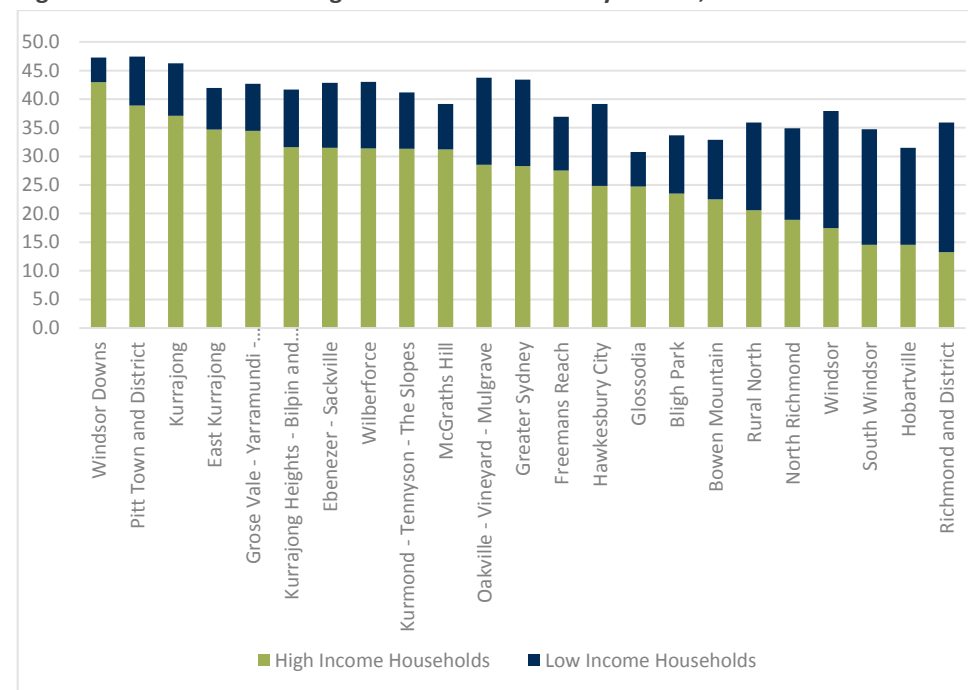
Hawkesbury LGA's median household income is \$1,663 which is below that of Greater Sydney (\$1,745)². An examination of differences in household income levels between Hawkesbury LGA and Greater Sydney demonstrates that there are higher proportions of lower income households (those earning less than \$650 per week), and lower proportions of higher income households, particularly over \$3,500 per week.

Figure 4: Income quartiles for Hawkebury (LGA) and Greater Sydney (GCCSA) 2016



² ABS Census, 2016

Figure 5: Low Income and High Income Households by Suburb, 2016



NOTES: High income households refer to those receiving more than \$2,500 per week (before tax in 2016). Low income households refer to those receiving less than \$650 per week (before tax in 2016).

2.1.1 Housing Stress

.id defines Housing Stress is defined using the NATSEM (National Centre for Social and Economic Modelling) model. Under this model households are identified as being in stress if they fall within the lowest 40% of equivalised incomes (income adjusted by ABS using equivalence factors to remove the effect of household size and composition on income nationally), who are paying more than 30% of their usual gross weekly income on mortgage or rent repayments. More specifically, a household is defined as being with housing stress when it:

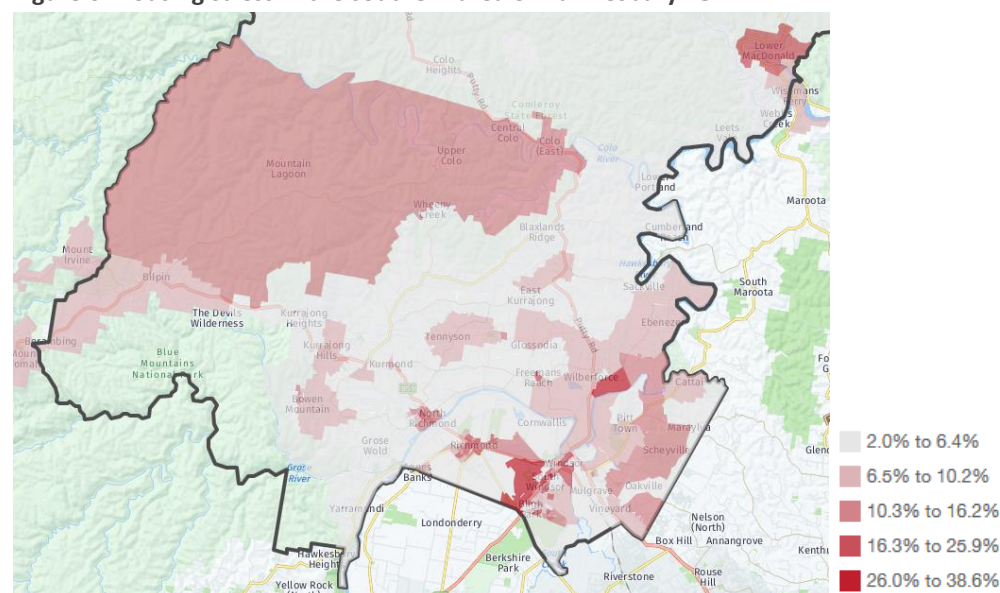
- is in the bottom two quintiles (40 per cent) of equivalent disposable household income distribution (in the respective state or territory); and

- has a housing cost (rent plus mortgage minus rent assistance) that represents 30 per cent or more of its disposable income (exclusive of rent assistance)³

Mortgage stress and rental stress are defined using the same criteria but pertain only to households of those occupancy types.

Overall, 10.5% of Hawkesbury LGA households were experiencing housing stress compared with 11.8% in greater Sydney. Whilst Hawkesbury had a lower rate than Greater Sydney, it is important to note that this is significantly varied across the LGA. More detail on this is provided in the subsequent sections.

Figure 6: Housing stress in the southern area of Hawkesbury LGA



Source: Population.id

2.1.2 Housing market

In accordance with the NSW housing sales data as at September 2018, the Hawkesbury LGA median house prices is \$770,000, showing a **-8%** growth over the past 12 months. The median unit price is \$495,000 representing a **-4%**. This negative growth in the area demonstrates the slowing of the residential market.

Discussions with local agents indicated that the market is starting to really slow with sale prices dropping as much as 20% to 40% over the last 18 months. Combined with the banks tightening on both lending to developers and mums and dads this has started to provide housing stress in the LGA. A variety of smaller and mid-range developments would be in demand for both the young professionals with young families and the over 55 year olds who are looking to downsize near activated village areas.

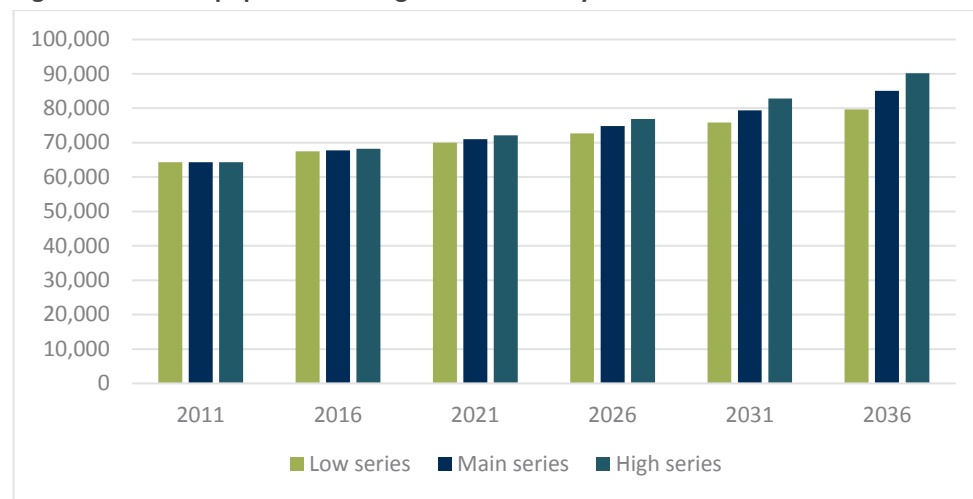
2.2 Projected population and housing growth

In 2016, the NSW Department of Planning Industry and Environment forecast that the annual population growth rate is expected to increase steadily from 0.9% (2016-2021) to 1.4% to (2031-36)⁴. In terms of total population forecasts, the LGA is forecasted to have 74,800 persons in 2026, 79,400 in 2031 and 85,050 in 2036. Population growth is primarily being driven by high fertility rates.

³ (Phillips, Chin, & Harding, 2006, p. 3)

⁴ NSW Department of Planning and Environment, NSW State and Local Government Area Population and Household Projections, 2016.

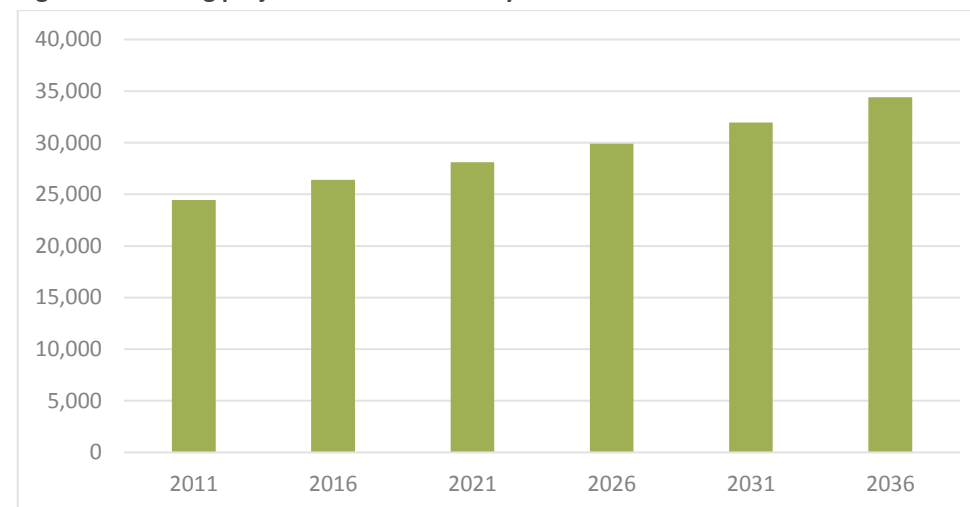
Figure 7: Forecast population change in Hawkesbury LGA



While all age groups are expected to grow, the greatest increase will be in the older population. The projections indicate that the population aged 65-84 years will increase by 6,100 people between 2016 and 2036. The very old population aged 85 years and over is expected to triple, increasing from 1,650 persons in 2016 to 3,050 in 2036, an increase of 190%.

The total number of households in Hawkesbury LGA will increase from 24,600 in 2016 to 29,700 in 2031 and 32,000 in 2036. The average annual household growth remains fairly constant (between 1.2% and 1.5%) over the 20 year period.

Figure 8: Dwelling projections in Hawkesbury LGA



3.0 HOUSING TARGETS

As part of the *Greater Sydney Region Plan* and accompanying *Western City District Plan*, the Greater Sydney Commission has established short terms housing targets, as well as processes for councils to develop housing strategies to determine medium- and longer-term dwelling targets.

Table 1: GSC Western Sydney District targets

| Timeframe | Target |
|--------------------------|--|
| 0-5 years (2016–2021) | 39,850 (district wide) |
| 20 years | 184,500 (district wide) Average 9,225 per annum |

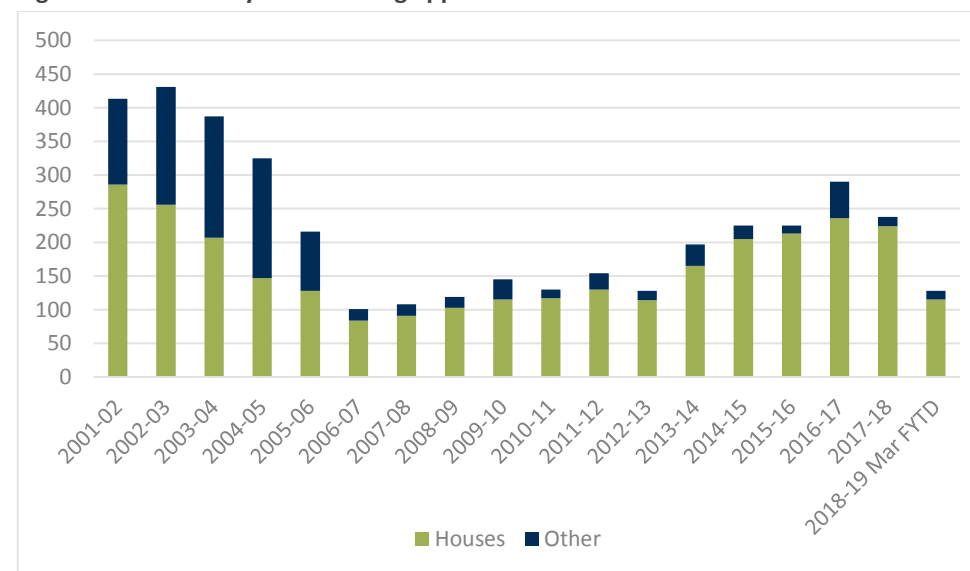
Table 2: GSC Hawkesbury City LGA targets

| Timeframe | Target | Status |
|--------------------------|--------------------|--|
| 0-5 years (2016–2021) | 1,150 | Dwelling projections: <ul style="list-style-type: none"> 2014/15 to 2018/19: 868 dwellings 2018/19 to 2022/23: 550 dwellings (110 per annum) |
| 20 years | Estimated 5,350 | Approximately 268 dwellings per annum. |

Source: GSC

An analysis of dwelling approvals indicates the cyclical nature of housing construction in Hawkesbury LGA, like other location in NSW. Notably, the total number of approvals in recent years has been well below that of the last peak in 2002-03, largely due to the small number of “other dwellings” approvals that have occurred since 2006-07. It is thought that the reduction in other dwellings coincides with changes to the LGA’s planning controls which restricted dual occupancy dwelling development.

Figure 9: Hawkesbury LGA dwelling approvals



Irrespective of the more recent reduced rate of approvals, Hawkesbury is on track to meet the short term new dwellings target defined under the Western City District Plan.

4.0 DEVELOPMENT CONSTRAINTS

Development constraints have been mapped and examined. The purpose of this work was to identify locations with potential to accommodate additional housing growth. Hawkesbury LGA is uniquely affected by naturally occurring constraints such as bushfires and flooding, largely as a result of the LGAs position within the Hawkesbury catchment and surrounding bushland. As a result, capacity is assumed to largely lie within existing developed centres in the south eastern portion of the LGA. Figure 10 and Figure 11 identify the extent of bushfire and flood affected areas.

Figure 10: Bushfire prone land within Hawkesbury LGA

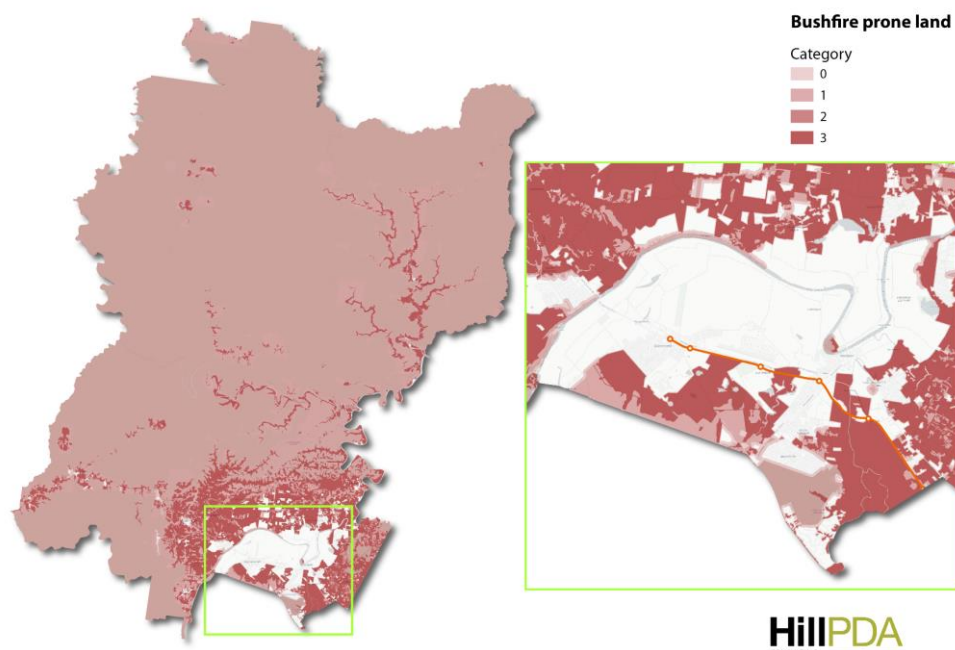
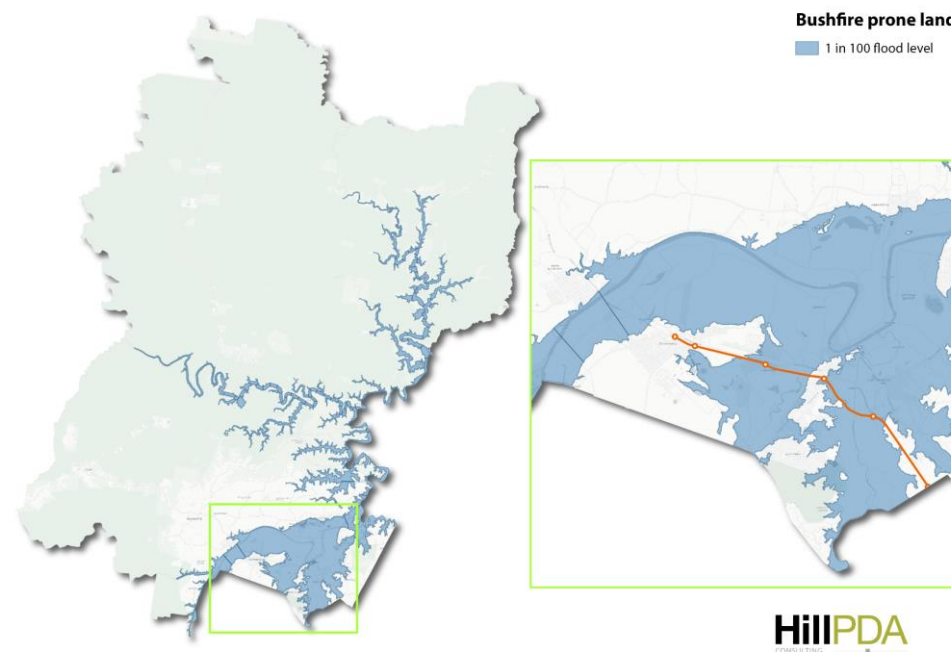
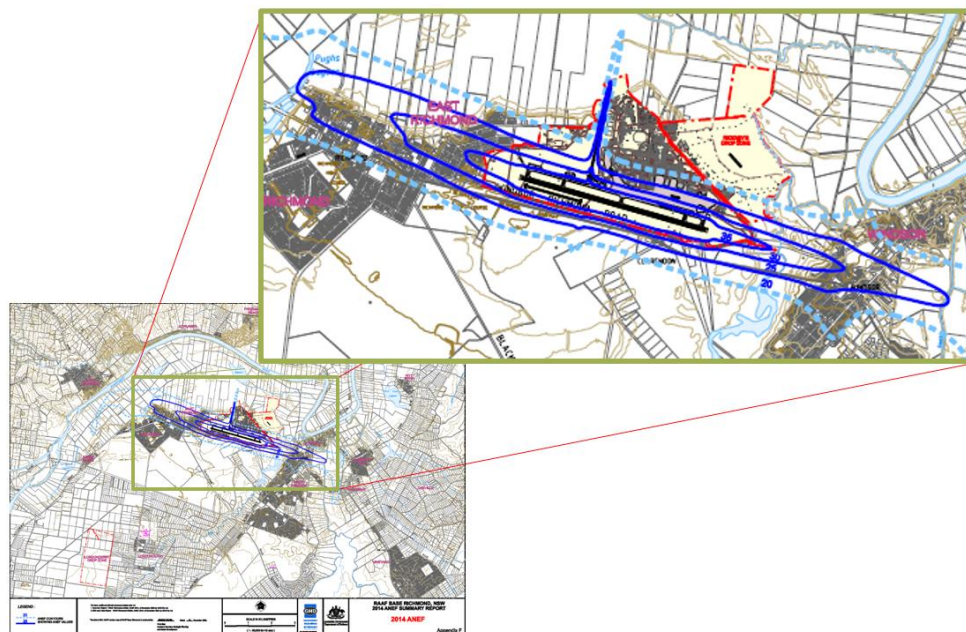


Figure 11: Flood prone land (1 in 100 level) within Hawkesbury LGA



The centres of Richmond, Windsor and surrounds are also affected by the presence of the Richmond Airbase, which introduces the additional constraint of aircraft noise, which can be predicted through Aircraft Noise Exposure Forecast (ANEF) mapping. Areas with ANEF contours exceeding 25 are not suitable for residential development. Figure 12 shows the areas and extent of the areas affected by aircraft noise.

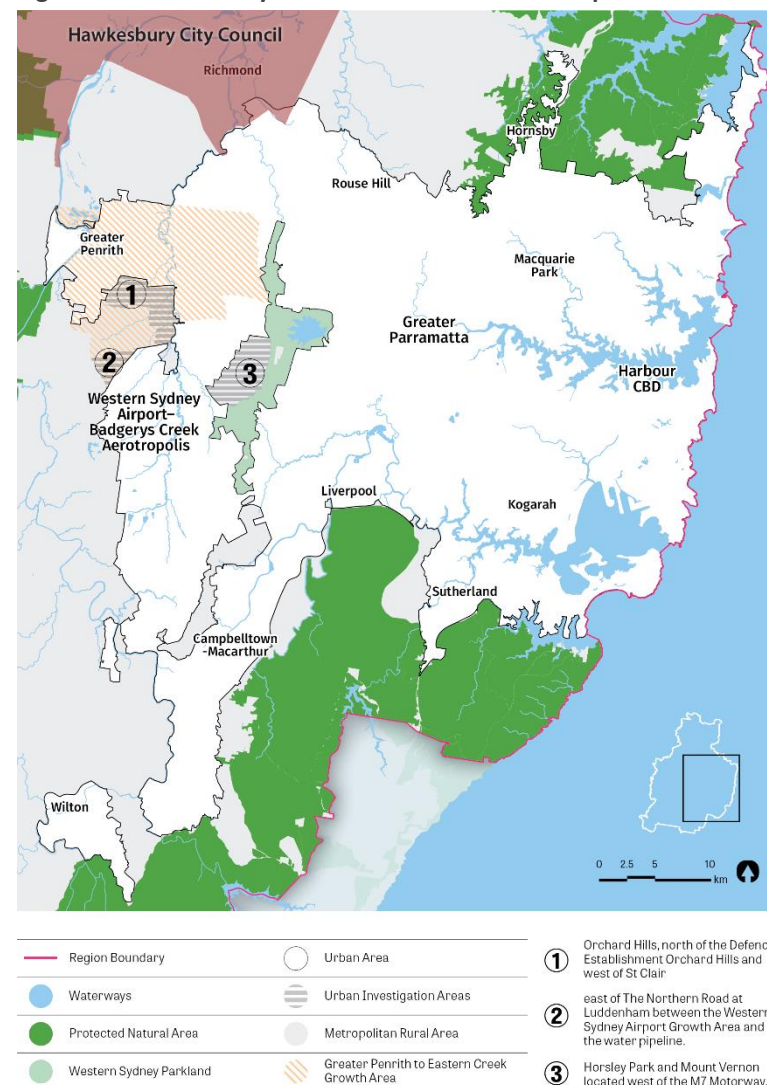
Figure 12: ANEF contours within Richmond and Windsor town centres



As part of the Greater Sydney Region Plan, the Greater Sydney Commission has identified land which should be preserved for rural uses, which it has designated the Metropolitan Rural Area (MRA). At the preparation of this report, a detailed strategy for these areas is not yet available, however it is understood that repurposing of lands currently employed for rural uses, particularly those with rural zoning, is strongly discouraged within the MRA.

Figure 13 shows that Hawkesbury LGA lies almost entirely within the MRA, meaning that the repurposing of rural lands for additional residential capacity is unlikely.

Figure 13: Hawkesbury LGA overlaid with the Metropolitan Rural Area



5.0 THEORETICAL CAPACITY

The capability of the existing urban area to accommodate additional dwellings has been assessed on a theoretical basis. This work has focussed on the potential for additional housing in walking distance of centres. The theoretical capacity of unconstrained lots has been estimated based on current planning controls.

The maximum extent of development has been assumed to mean detached dwellings on R2 zoned land, medium density housing on R3 zoned land and residential flats on R1 zoned land (calculated to the maximum permissible height).

In determining the theoretical capacity within the identified centres, constraints were mapped against each lot, with affected lots removed from the capacity calculation. The constraints mapped to the centres included: ANEF contours of 25 or over, lots affected by flooding at the 1 in 100 level, heritage items and land zoned for recreation or special purposes. In addition, lots that were identified as being part of an existing strata plan or recently developed were eliminated on the principal of feasibility.

There is very limited potential for additional dwellings in Windsor. Of the centres investigated South Windsor has the largest capacity to accommodate additional dwellings.

Table 3: Projected capacity in existing centres

| Centre | Capacity |
|----------------|----------------------------|
| Windsor | 148 additional dwellings |
| South Windsor | 1,609 additional dwellings |
| Richmond | 723 additional dwellings |
| Hobartville | 1,322 additional dwellings |
| North Richmond | 731 additional dwellings |

Existing urban release areas also have capacity to accommodate future housing growth, as indicated in Table 4.

Table 4: Projected capacity arising from release areas

| Release area | Total dwelling yield |
|--------------------|--|
| Vineyard (Stage 1) | 2,395 additional net dwellings |
| Redbank | 1,396 additional net dwellings (excl. existing seniors living facility) |
| Jacaranda ponds | 570 dwellings |

The mapping that follows demonstrates the assumptions underlying the capacity mapping undertaken for each centre, specifically the identification of lots affected by the various constraints mentioned above, and those lots which are unaffected by constraints, which are then form the basis of the centre capacity calculation.

Figure 14: Richmond centre capacity map

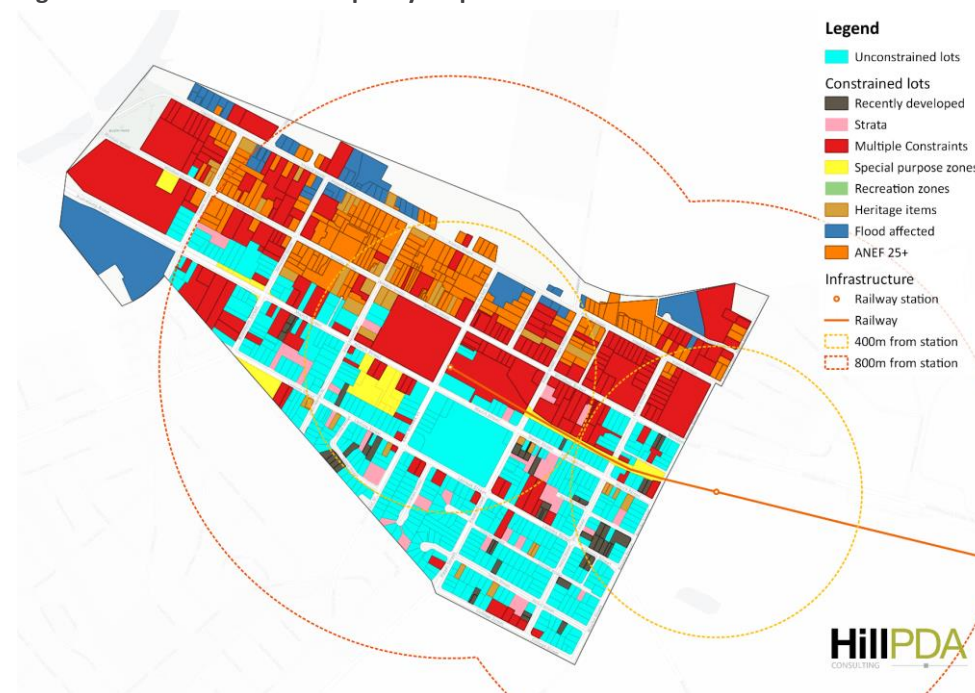


Figure 15: Windsor centre capacity map

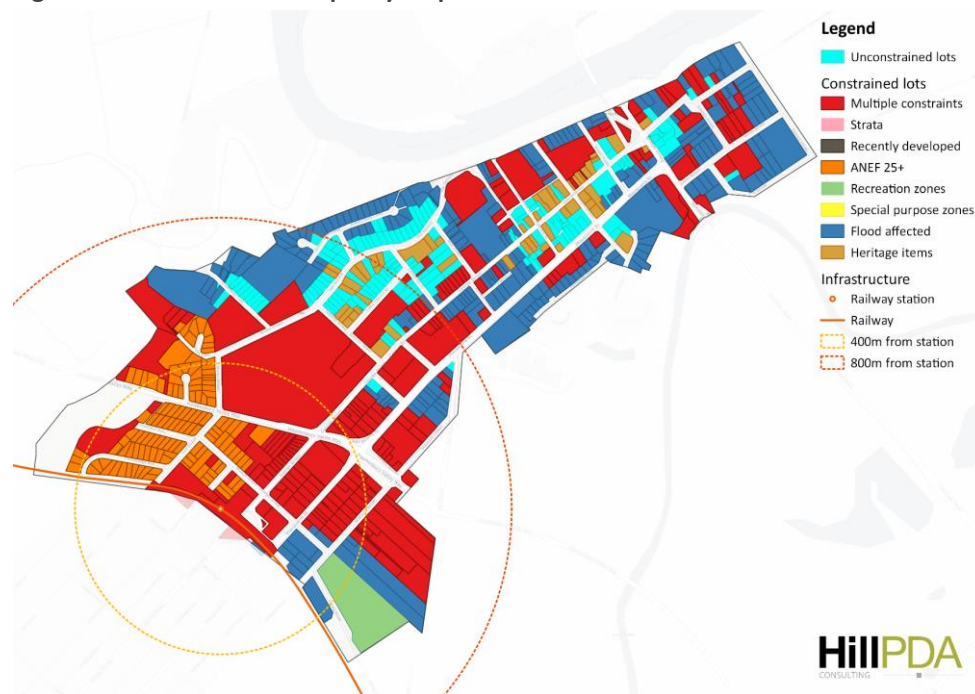


Figure 16: South Windsor centre capacity map

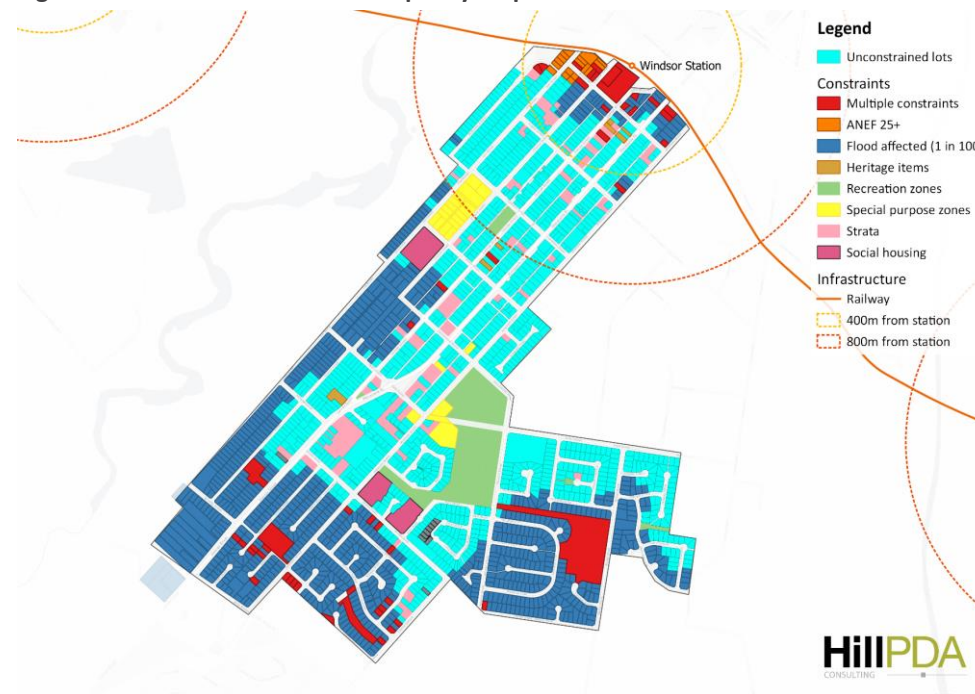


Figure 17: Hobartville centre capacity map



Figure 18: North Richmond centre capacity map



6.0 HOUSING STRATEGY

6.1 Key directions

The follow strategic directions are proposed to guide the development of future housing:

- New growth should continue to be primarily focused within the state identified release areas and managed through the growth centres planning process
- Focus new housing in existing urban areas which are well serviced by existing infrastructure (transport, health, education and other urban services)
- Accommodate continued steady growth whilst maintaining local character and respecting environmental constraints
- Opportunities for incremental growth in rural villages that:
 - Respects the natural environment
 - Appropriately manages environmental constraints
 - Does not impact on the viability of rural land and agricultural activities.

6.2 Strategy objectives

The strategy to delivery housing that will meet the needs of the future population will:

- Maximise the potential of existing urban lands
- Focus new housing in centres
- Continue release areas
- Target specific housing needs
 - Students
 - Seniors
 - Homelessness
 - infill affordable rental housing

6.3 Investigate long term supply options

It is important to maintain a long term supply of residential zoned land, including land that is zoned and services, to allow the market to respond to increases in demand while avoiding supply constrained price increases. Sources of increased residential land supply that are under investigations include the following;

- Large lot rural residential, pursuant to outcome of Council’s investigation
- Potential investigation area to the north of Vineyard Stage 1 and 2 areas (pursuant to finalisation of Outer Sydney Orbital)
- Potential rezoning scenarios within centres to focus new housing in areas with existing or planned services.

6.4 Options to increase the supply of smaller dwellings

As the population of Hawkesbury LGA ages and as the prevalence of lone person households increases there is a need for smaller dwellings. Smaller dwellings can be encouraged by enabling medium density development which tends to result in smaller dwellings or by encouraging the uptake of the affordable rental housing SEPP and the development types that it provides for, notably secondary dwellings.

As the population ages there will be a need to provide smaller dwellings that are suited to older persons. This will include dwellings located in areas that have walkable access to shops, health services and community facilities. Dwellings that are large enough to accommodate the needs of a downsizing couple or single person and that is within the vicinity of where they previously lived close to existing social networks.

Work is progressing to identify areas across the LGA where this form of housing can occur to good effect.

6.5 Potential for medium density in R3 zones

R3 medium density is utilised within Hawkesbury LGA in many of the existing urban areas adjacent to rail. The corresponding density controls however do not reflect the objectives

of the zone and are mostly indiscernible from the density controls of the R2 zoned land often having the same maximum height. The uses that are permissible within the R3 zone are more focused on delivering medium density development. In areas that are located within 800m of a train station, consideration is being given to up zone to R3 to encourage increased housing diversity. To encourage take-up of these zonings consideration could be given to increasing heights in these areas to 16m to build additional capacity into the controls and providing zonings for future growth rather than zoning for the status quo.

6.6 Shop top housing in existing centres

Shop top housing is permitted within centres with a R1, B1 or B2 land use zoning. Many of the B1 sites within the smaller centres of the LGA have identified only small parcels with B1 zoning and have heights that would restrict substantial development. The more substantial centre, within 400m of a rail line have more opportunity of attracting shop top housing – South Windsor, Windsor and Richmond. North Richmond, though not on the rail line but a substantial centre could attract shop top housing with the right controls. The heights of South Windsor, Windsor and Richmond are between 10m and 12m including sites zoned B2. There is capacity to increase heights in the B2 zone to encourage shop top housing.

6.7 Review planning controls

Council is required to review and update the Hawkesbury Local Environmental Plan. This provides an opportunity to review planning controls with the intent of refining the controls that affect housing delivery. Some revisions that could be considered include:

- Increase heights (density) around the centres outside of the constrained sites (flooding/ANEF). Look at extending B1 zoning in Windsor north of the Station and across all centres change R2 zone to R3 zone to facilitate more housing choice.
- Building centres through new development controls and urban design studies to allow greater expansion of shop to housing to activate these centres, while maintaining the character of the area, possibly through increasing heights to 16m to facilitate this.

- Permitting low rise medium density housing within the R3 land of Hobartville, South Windsor and Richmond to encourage increased housing diversity. The LEP should make provision for multi dwelling units in those locations.

6.8 Affordable housing options

Opportunities to provide more affordable housing include:

- Affordable housing target on infill development -limited benefit due to low numbers of units/infill
- Affordable housing target on planning proposals (say 5%)
- Affordable housing as part of Voluntary Planning Agreements
- Direct provision –being explored by Affordable Housing Working Group –subject to council review of assets

6.9 Other actions

A broad range of housing issues has emerged through out the study. The following actions could be considered to address the issues raised.

- Collaborate with DP&I for the release of vineyard stage 2
- Advocate for more crisis housing in Windsor and Richmond where there is homelessness
- Encourage the uptake of the ARH SEPP during pre DA meetings/discussions
- Encourage land consolidation in the centres to facilitate site amalgamation to facilitate renewal. Potential for a height bonus for lots greater than 1500 sq. m
- Encourage uptake of seniors living housing.
- Identify a council owned site where there could be direct provision of affordable housing

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