Shellharbour City Council

Draft Local Housing Strategy

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DCP	Development Control Plan
DP&E	NSW Department of Planning and Environment
FSR	Floor Space Ratio
LEP	Local Environmental Plan
LHS	Local Housing Strategy
SEPP	State Environmental Planning Policy
UDP	Urban Development Program

1 INTRODUCTION

1.1 Executive Summary

The Shellharbour Local Housing Strategy has been prepared in accordance with the Department of Planning and Environment's Local Housing Strategy Guideline (including the template contained within the Guideline), which provides a step-by-step process for producing a local housing strategy.

The Shellharbour Local Housing Strategy (LHS) has been developed to address the appropriate provision of all forms of housing for Shellharbour, by broadly addressing and responding to housing demand/supply issues and their policy implications. The LHS also provides the evidence-base for any potential changes to the Shellharbour Local Environmental Plan 2013 (LEP) for controls that may influence the location of where the Low Rise Medium Density Housing Code (LRMDH Code) can be applied within the City, which has currently been deferred for application within Shellharbour until July 2019.

Council undertook community consultation, stakeholder engagement, modelling and planning analysis to assist with the preparation of the draft LHS, the results of which are outlined within further sections of this document. The approach of this LHS is to ensure that the land use planning controls and other mechanisms are sufficient to facilitate the achievement of dwelling development to meet the projected needs of the community.

The key findings and recommendations for the draft Local Housing Strategy are as follows:

1. The population of the Shellharbour LGA is expected to grow by 24,385 people over the next 25 years and there is demand for approximately 10,625 dwellings in Shellharbour to 2041, which can be met by the existing supply in both greenfield and infill residential areas. With more than half of this growth being greenfield development, there may be a requirement for a diversity of dwelling types within greenfield areas.
2. The potential amount and type of development that Council's existing land use controls would deliver if it were developed to its full current capacity should more than adequately provide for the housing demand projected for Shellharbour to 2041 (i.e. 10,625 dwellings to 2041). Overall, housing supply to adequately meet housing demand is not considered to be an issue in the delivery of total numbers of housing for Shellharbour in the future. Rather, it is whether the current controls sufficiently facilitate the provision of a diversity of housing products within the LGA, to provide the choice in dwelling types that is projected to be needed, based on the analysis undertaken.
3. The approach of this Local Housing Strategy is to identify opportunities for facilitating additional housing densities, diversity and choice, within appropriate locations. Areas with the potential to facilitate further development capacity are further addressed in section 3.2 of this LHS. It is reiterated that those areas with identified development capacity are not required to meet a housing supply issue. Rather, they are to provide additional opportunities for the development of a range of dwelling types, in meeting the needs of the community, in terms of affordability and dwelling types that meet the various requirements of all age groups and life stages within Shellharbour.
4. New residential development should be developed at a density that is appropriate for its location and should meet high quality design outcomes.
5. There is a need for greater housing diversity and choice, including affordable housing for people with low to medium incomes and for specific at-risk groups.
6. There is a need for additional, affordable social and public housing to be facilitated within the planning framework for Shellharbour – this could include the facilitation of opportunities for redevelopment of existing, aged public housing stock, to provide products that are better suited to resident needs. In addition to the LEP providing for these redevelopment opportunities, Council could also consider developing a policy around its commitment to assisting in the provision of affordable and additional social and public housing stock which is updated to better suit the needs of those requiring housing assistance. Such housing should be distributed across different areas of Shellharbour and have good access to public transport, schools, hospitals, shops and other essential community services and facilities.

7. The application of the Low Rise Medium Density Housing Code within Shellharbour is not necessary for application across existing R2 and R3 zoned land within the city in terms of meeting the projected housing demand. However, the potential impact of its introduction is deemed to be low, in terms of the LRMDH Code provisions being sufficient to guide good quality design outcomes for the development of future dual occupancies, terrace houses and manor houses. Council may consider applying for its limited application across the city, in those areas identified on Maps 1, 1a, 1b and 1c. These maps identify all currently zoned R3 areas and areas that could potentially be rezoned to R3, as appropriate for the application of the Code, as these represent areas where low rise medium density development may be applicable or reasonably contemplated. This also avoids the application of this Code across R2 zoned areas of the city. It may also assist in terms of retention of existing housing character within the R2 zone of Shellharbour, which is essentially intended to be the city's low density residential zone. This was raised as an important issue in the consultation conducted with stakeholders.
8. The drafting of the Local Strategic Planning Statement (LSPS) should account for the vision for housing as developed within the LHS.
9. The existing R2 zoned land shown within Maps 1, 1a, 1b and 1c, are areas where increased residential densities could potentially be contemplated within the city to facilitate greater housing diversity and choice. The inclusion of these areas within the R3 zone may achieve this and are accompanied by principles under which increased residential densities could be considered (refer section 3.2.5.2). The Shellharbour LEP 2013 would need to be amended to reflect this outcome.

   The appropriateness of rezoning the R2 areas as R3 as indicated on Maps 1, 1a, 1b and 1c, does not preclude these areas/sites from needing to satisfactorily address or consider any site/locality specific issues associated with the land when development proposals are being contemplated, including:

   a. Physical land constraints such as flood, bushfire, ecology, geotechnics/topography and the like;
   b. Ability to provide safe access to and from the site;
   c. Ability to create appropriate street layouts/dimensions;
   d. Appropriate lot sizes/dimensions;
   e. Appropriate densities in light of proximity to employment, transport and other services;
   f. Maintaining desired neighbourhood built form and natural character;
   g. Age of existing housing stock and viability for redevelopment.
10. Council may consider reviewing the densities within its Business zones and for residential areas immediately surrounding these zones (where appropriate), as a means of further encouraging greater housing diversity, choice and affordability. This should also be subject to meeting the principles under which increased residential densities could be considered (refer section 3.2.5.2). The Shellharbour LEP 2013 would need to be amended to reflect this outcome.
11. The LEP and/or DCP may be amended after giving consideration to the application of location-specific provisions to achieve specific housing character outcomes, subject to Council undertaking finer-grained planning.
12. A range of non-planning mechanisms are recommended for consideration in facilitating opportunities to provide a greater diversity of housing within the Shellharbour LGA, including development of information packages, consideration of incentives and development of a pilot project for affordable housing.

The below Flow Chart provides a summary of the LHS process undertaken to date:

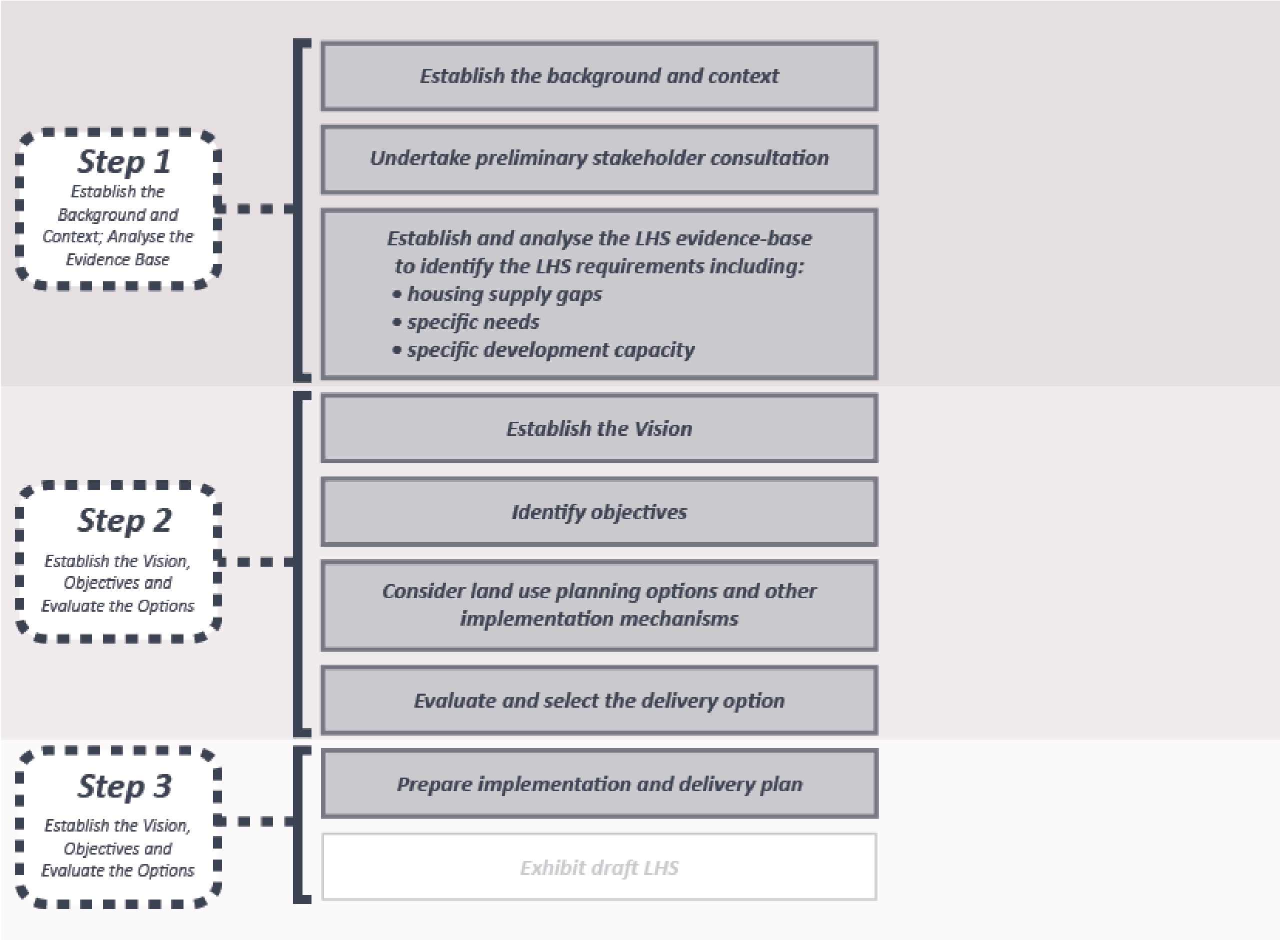
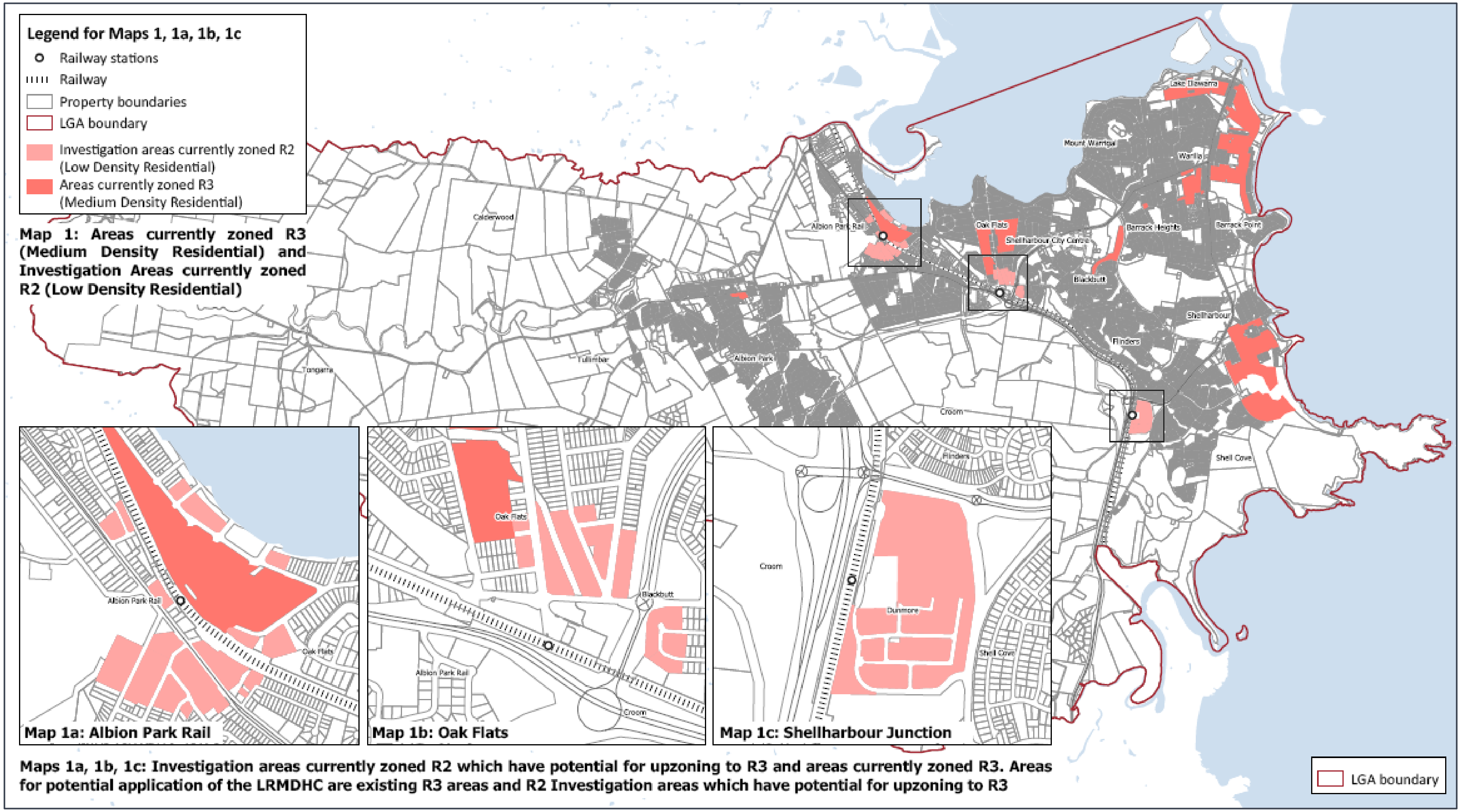


Figure 1: LHS Process



Maps 1, 1a, 1b and 1c: Areas for Potential Upzoning to R3 and Application of LRMDH Code

1.2 Planning Policy and Context

There are numerous federal, state and local government legislation, strategies, plans and policies that have assisted in the establishment of the planning and policy context for the development of the Shellharbour LHS.

An overview of the relevant policies and other information is provided in *Appendix 1* and includes relevant:

- Federal Policies;
- State Policies;
- Regional Plans and Strategies; and
- Shellharbour LGA planning documents and other strategies and studies.

The development of the LHS is consistent with these policies and strategies and seeks to reflect local housing outcomes for Shellharbour in a way that is consistent with the overarching national, state and regional objectives. These objectives are broadly to provide for affordable housing, through the facilitation of housing diversity by offering a range of dwelling types and choices at varying densities, in the appropriate locations of the Shellharbour LGA.

1.3 Local Government Area Snapshot

Shellharbour City is located in the Illawarra Region of New South Wales, approximately 100 kilometres south of Sydney (refer Map 2). Shellharbour Local Government Area (LGA) is home to 72,000 people in a city that spans 147 square kilometres and has a population density of 4.78 persons per hectare. Council's neighbours are Wollongong to the north, Kiama to the south and Wingecarribee LGA to the west.

Shellharbour City is home to a high number of young people and families in the new release areas of Shell Cove, Flinders, Tullimbar and Calderwood. Existing suburbs (such as Warilla, Mount Warrigal, Barrack Point and Barrack Heights) tend to show an increasing trend in the ageing population. This dynamic age structure and cultural diversity amongst the population, and the new urban release areas located in the LGA is a major challenge for Council in a range of areas including housing provision. Cross boundary issues exist between Wollongong and Shellharbour with the delivery of additional housing in the master planned estate at Calderwood, which spans both LGAs.

The median household gross income in the Shellharbour LGA has increased from $983 in 2006 to $1,343 in 2016, an annual growth rate of 3.2% which was lower than the surrounding LGAs of Kiama and Wollongong where median household income had grown by 3.7% between 2006 and 2016.

The unemployment rate in the Shellharbour LGA as of June 2018 was 5.0% and has decreased steadily since June 2011. The unemployment rate in 2018 in Shellharbour LGA was lower than Regional NSW but slightly higher than NSW, but was significantly higher than these areas in previous years. In 2016, 17.5% of the labour force residing in the Shellharbour LGA were employed as technicians and trades workers. Professionals made up 14.2% of the Shellharbour LGA labour force in 2016, and this proportion has been increasing slowly over time. The proportions of managers and community and personal service workers have also been increasing slightly over time. The share of clerical and administrative workers, technicians and trades workers, and machinery operators and drivers has decreased slightly over time. Overall, the mix of occupations of Shellharbour LGA residents has remained relatively constant over time.

Shellharbour is comprised of a number of centres, including major commercial centres and local centres, such as:

- Shellharbour City Centre;
- Shellharbour Village;
- Shell Cove;
- Albion Park;
- Albion Park Rail;
- Oak Flats;
- Warilla Grove;

- Warilla; and
- Barack Heights.

Geographically, Shellharbour City is bounded by the Illawarra Escarpment in the west and the South Pacific Ocean to the east. Significant features of the city include Lake Illawarra, Macquarie Pass National Park, Killalea State Park, Bass Point Reserve, Blackbutt Forest, Croom Voluntary Conservation Area, various beaches and the Myimbarr Wetlands (Shellharbour City Council, 2019).

Shellharbour is located on the Illawarra railway line, linking south to Kiama and north to Wollongong and Sydney. It contains the train stations of Albion Park, Oak Flats and Shellharbour Junction. Major road infrastructure includes the Princes Highway and the M1 Princes Motorway, also connecting Shellharbour north to Wollongong and Sydney and south to Kiama.

Shellharbour is relatively well serviced by infrastructure. It has areas that are subject to potential constraints such as flooding, bushfire hazards and vegetation, with bushfire hazard areas and vegetation being primarily located outside of the existing established suburbs. Almost the entire LGA is subject to potential Aboriginal heritage, however the extent to which this applies is subject to first identifying whether any Aboriginal Objects or places of such cultural heritage significance are located within a specific site and if so, whether the intended future use of those lands would be inconsistent with appropriate heritage management standards. Where this is triggered there may potentially be a need to identify appropriate heritage assessment and management practices that might inform future development applications.

Coastal hazards and fish habitat constraints are factors for consideration along the coastline or other water systems. Flooding hazards also potentially exist across the LGA. Any constraints would be subject to site-specific verification at the time of planning proposals or development applications being lodged for new housing development.

As at 2016, Shellharbour is currently characterised by housing stock comprised of approximately 79% as separate houses; 18.8% as medium density development; 0.1% as high density development; and 1.3% as other (caravans, houseboats and cabins). This is reflective of an LGA that has a higher proportion of detached dwellings compared to NSW as whole (64.9%), but with slightly higher rates of medium density development (NSW – 17.9%), and significantly less high density development (NSW – 15.3%).

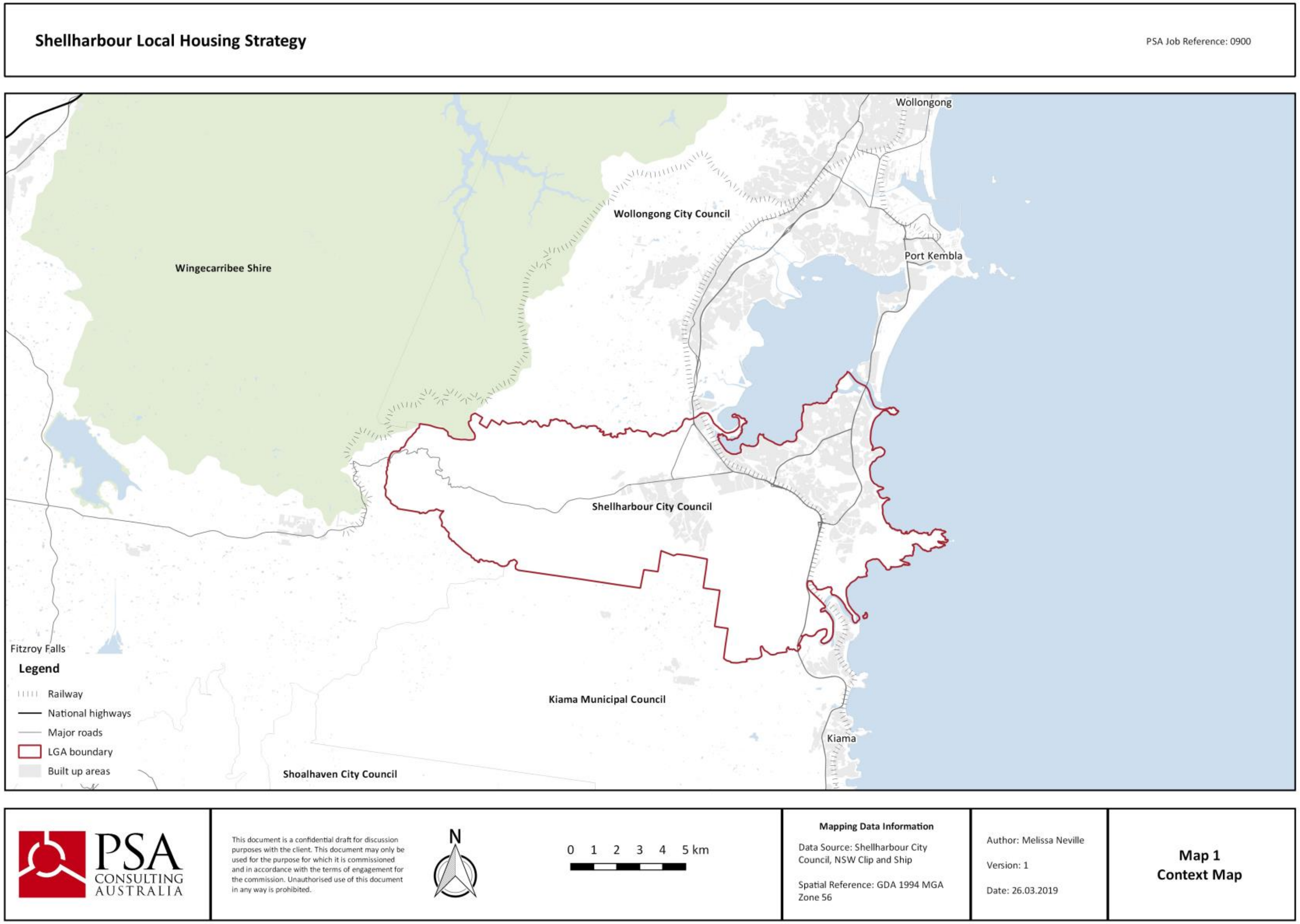
1.4 Housing Vision

The housing vision for Shellharbour describes the community's priorities and aspirations for housing in the LGA over the next twenty years. It has been informed by the community engagement undertaken prior to the preparation of the LHS. The vision will inform the vision for housing in the Local Strategic Planning Statement, which is currently being developed and has also been informed by the overarching strategic vision for the Shellharbour community as established within the Community Strategic Plan, which is:

In 2030, Shellharbour is a dynamic city that values and celebrates the unique diversity of our people, places and environment. We are a connected community working together to create a safe, sustainable future that provides opportunities for all to achieve their potential.

The Housing Vision for Shellharbour is:

Shellharbour has a diversity of housing, providing for the lifestyle and needs of its residents. Housing choice offers affordable options and a range of housing products to meet community needs. Housing caters for changing needs over time and is adequately serviced with essential infrastructure. Residential areas have high quality design, a range of densities and character attributes.



Map 2: Shellharbour Local Government Area (Source: PSA Consulting Australia)

2 THE EVIDENCE

2.1 Demographic Overview

This section analyses demographic data and information to identify changes and trends within the population, and to help understand the housing need of the future population.

2.1.1 Population Change

The population of the Shellharbour LGA was 68,460 people in 2016 based on place of usual residence on census night[1] (Table 1). The population has grown by 1.3% annually between 2006 and 2016, which was a higher rate than for Regional NSW but a similar rate to NSW. The largest locality in 2016 was Albion Park – Rural West with a population of 14,333 people. The Shell Cove – Dunmore locality was the fastest growing locality in the region, growing by 2,783 people or 6.7% annually between 2006 and 2016, followed by the Flinders locality which grew by 2,526 people or 4.9% annually.

Table 1: Population (place of usual residence), Study areas, 2006, 2011 and 2016

Area	2006	2011	2016	Change 2006-2016	Annual Growth Rate (2006-2016)
Albion Park – Rural West	12,668	13,616	14,333	1,665	1.2%
Albion Park Rail – Croom	7,029	7,055	6,975	-54	-0.1%
Barrack Heights	5,884	6,010	5,885	1	0.0%
Blackbutt – Shellharbour City Centre	3,106	3,177	3,548	442	1.3%
Flinders	4,153	5,198	6,679	2,526	4.9%
Lake Illawarra	3,143	3,137	3,200	57	0.2%
Mount Warrigal	4,950	4,680	4,818	-132	-0.3%
Oak Flats	6,395	6,301	6,408	13	0.0%
Shell Cove – Dunmore	3,057	4,233	5,840	2,783	6.7%
Shellharbour – Barrack Point	3,852	3,945	4,253	401	1.0%
Warilla	6,096	6,222	6,507	411	0.7%
Shellharbour LGA	60,335	63,605	68,460	8,125	1.3%
Regional NSW	2,430,573	2,512,935	2,643,536	212,963	0.8%
NSW	6,549,175	6,917,601	7,480,228	931,053	1.3%

Notes: Based on place of usual residence.
Source: Informed Decisions 2018 [Community Profile];

The estimated resident population of the Shellharbour LGA was 70,994 people in 2017[2] (Table 2). The population has grown by 1.2% annually between 2012 and 2017, which is a similar rate to Regional NSW but lower than NSW. The largest locality in the Shellharbour LGA in 2017 was Albion Park – Rural West with a population of 14,905. The fastest growing locality was Shell Cove – Dunmore, growing at 5.7% between 2012 and 2017 followed by the Flinders locality at 4.4% annual growth.

[1] This population figure is the number of people who listed the area as their usual place of residence at the 2016 census.

[2] This population figure is an estimate of the actual resident population at 30 June in each year.

Table 2: Population growth (estimated resident population), Study areas, 2012-2017

Area	2012	2013	2014	2015	2016	2017	Annual Growth Rate (2012-17)
Albion Park – Rural West	14,175	14,298	14,402	14,529	14,706	14,905	1.0%
Albion Park Rail – Croom	7,293	7,281	7,252	7,204	7,114	7,024	-0.7%
Barrack Heights	6,325	6,264	6,193	6,159	6,069	6,061	-0.8%
Blackbutt – Shellharbour City Centre	3,403	3,460	3,530	3,611	3,641	3,624	1.3%
Flinders	5,662	5,918	6,295	6,583	6,896	7,037	4.4%
Lake Illawarra	3,268	3,278	3,306	3,297	3,300	3,329	0.4%
Mount Warrigal	4,908	4,942	4,918	4,927	4,965	4,951	0.2%
Oak Flats	6,598	6,609	6,609	6,621	6,576	6,655	0.2%
Shell Cove – Dunmore	4,669	5,015	5,407	5,715	6,027	6,149	5.7%
Shellharbour – Barrack Point	4,154	4,225	4,298	4,370	4,392	4,562	1.9%
Warilla	6,435	6,480	6,567	6,610	6,705	6,697	0.8%
Shellharbour LGA	66,890	67,771	68,777	69,625	70,391	70,994	1.2%
Regional NSW	2,627,048	2,646,668	2,667,004	2,685,979	2,707,935	2,729,319	1.2%
NSW	7,308,205	7,409,082	7,517,195	7,627,418	7,732,858	7,861,674	1.5%

Notes: Based on estimated resident population.
Source: Informed Decisions 2018 [Community Profile];

Table 3: Population projections (Informed Decisions), Study areas, 2016-2041

Area	2016	2021	2026	2031	2036	2041	Annual Growth Rate (2016-2041)
Albion Park	13,603	13,856	14,162	14,394	14,591	14,669	0.3%
Albion Park Rail	7,064	7,102	7,050	7,079	7,174	7,208	0.1%
Barrack Heights	6,042	6,117	6,127	6,142	6,185	6,299	0.2%
Blackbutt – Shellharbour City Centre	3,675	4,626	5,896	6,571	6,971	7,147	2.7%
Flinders	6,937	7,206	7,242	7,315	7,401	7,509	0.3%
Lake Illawarra	3,298	3,480	3,714	3,805	3,874	3,941	0.7%
Mount Warrigal	4,965	4,924	4,798	4,836	4,935	5,052	0.1%
Oak Flats	6,636	6,905	7,177	7,465	7,676	7,875	0.7%
Rural Balance*	1,325	3,198	5,298	8,223	11,153	13,839	9.8%
Shell Cove	5,845	7,369	9,328	9,256	9,049	8,932	1.7%
Shellharbour – Barrack Point	4,417	4,365	4,510	4,552	4,672	4,901	0.4%
Warilla	6,684	6,805	6,992	7,185	7,363	7,504	0.5%
Shellharbour LGA	70,492	75,953	82,293	86,824	91,045	94,877	1.2%
NSW	7,748,000	8,297,500	8,844,700	9,386,850	9,925,550	10,463,900	1.2%

Notes: The localities of Shell Cove – Dunmore, Albion Park Rail – Croom and Albion Park-Rural West used for the Community Profile have been split by Informed Decisions into Shell Cove, Albion Park Rail, Albion Park and Rural Balance for Population Forecast.

**Rural Balance consists of the suburbs of Macquarie Pass, Tongarra, Calderwood, North Macquarie, Tullimbar, Part of Yellow Rock, Part of Croom and Dunmore.*

Source: Informed Decisions 2019 [Population Forecast];

In the Shellharbour LGA, population growth due to natural increase is anticipated to remain steady until 2023 before the rate of growth decreases steadily through to 2041 (Figure 2). Population change due to net migration is expected to fluctuate between 2017 and 2041, with higher rates of positive net migration between in 2020 and 2021 before declining through to 2041 (Figure 3).

- *The population of the Shellharbour LGA is projected to be 94,877 people in 2041 according to projections formulated by Informed Decisions and Shellharbour City Council (Table 3).*
- *The population is anticipated to grow by 1.2% annually between 2016 and 2041, which is on par with NSW.*
- *The largest projected locality in the Shellharbour LGA in 2041 is anticipated to be in Albion Park with a population of 14,669.*
- *The Rural Balance locality is anticipated to be the fastest growing locality in the Shellharbour LGA, growing at 9.8% annually between 2016 and 2041, followed by the Blackbutt-Shellharbour City Centre locality at 2.7% annually.*

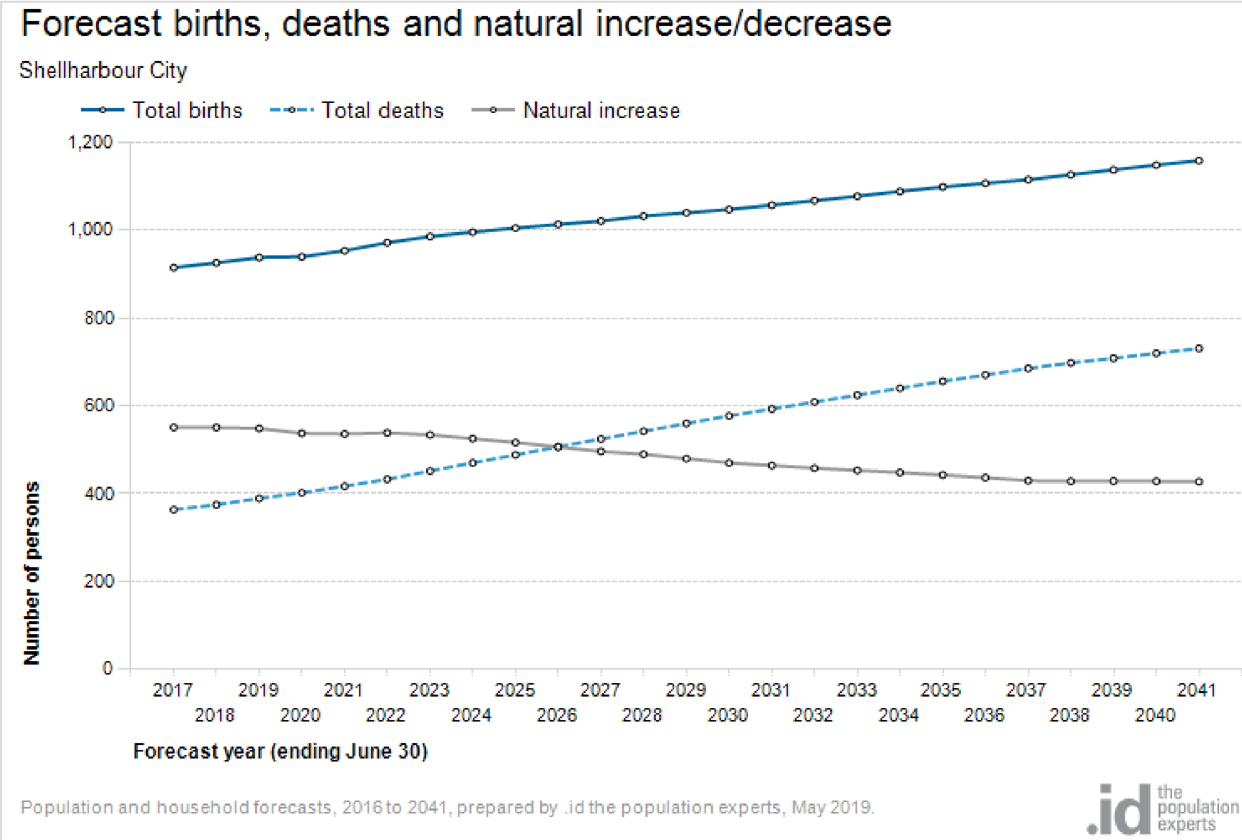


Figure 2: Components of population change (births and deaths), Shellharbour LGA, 2016 – 2041

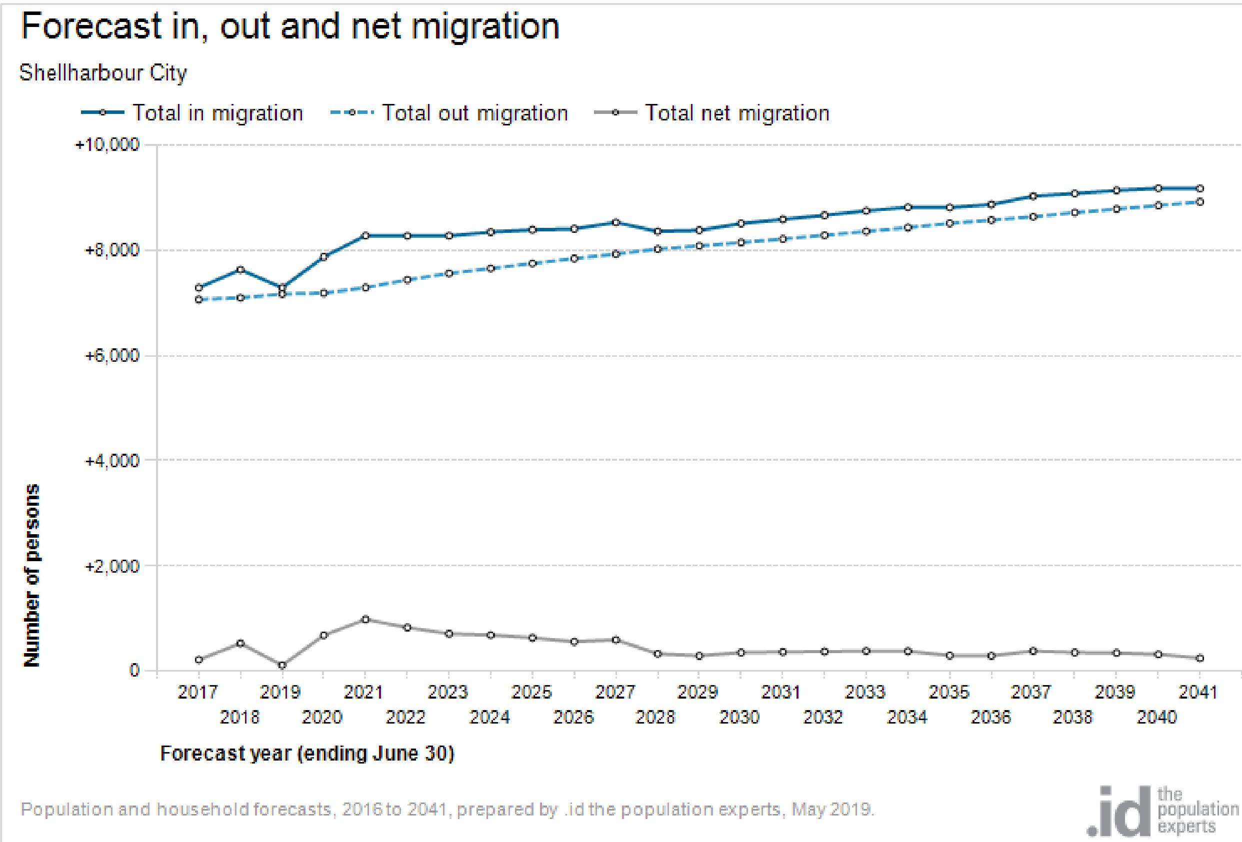


Figure 3: Components of population change (migration), Shellharbour LGA, 2016 - 2041

The population of the Shellharbour LGA is projected to grow to 90,500 people in 2036 according to NSW Government projections (Table 4). The population is anticipated to grow by 1.2% annually between 2016 and 2036, which was a higher rate of growth than for neighbouring LGAs of Kiama and Wollongong LGA (1.0% and 0.7% respectively) but a similar rate to NSW (1.2%).

Table 4: Population projections (NSW Government), Shellharbour LGA, 2016-2036

Area	2016	2021	2026	2031	2036	Annual Growth Rate (2016-2036)
Shellharbour LGA	71,150	76,200	81,100	85,850	90,500	1.2%
Kiama LGA	22,150	23,450	24,700	25,900	27,100	1.0%
Wollongong LGA	211,750	220,750	229,250	237,150	244,400	0.7%
NSW	7,748,000	8,297,500	8,844,700	9,386,850	9,925,550	1.2%

Source: NSW Government 2016;

A comparison of population projections is included below (Figure 4). The population projections from these two sources are very similar.

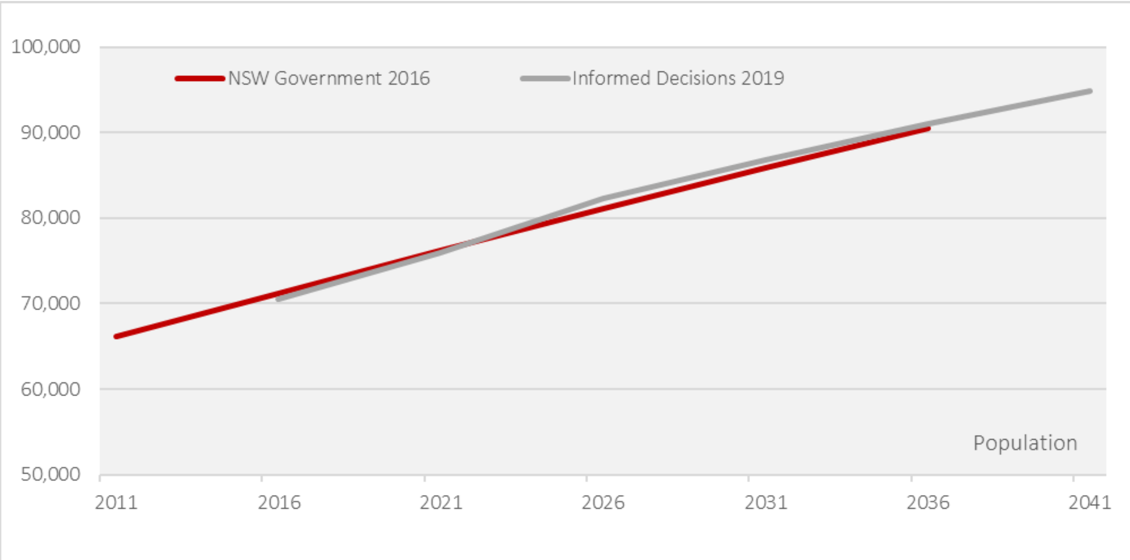


Figure 4: Comparison of Population Projections, Shellharbour LGA, 2011 - 2041

2.1.2 Population Sex and Age

The population of Shellharbour LGA in 2016 included a slightly higher proportion of females than males (51.1% females and 48.9% males) (Table 5). Shellharbour LGA had a slightly higher proportion of females, compared to Regional NSW and NSW in total.

The median age of the population of Shellharbour LGA was 40 years in 2016, which was slightly higher than for NSW but less than for Regional NSW (Table 5). The median age has increased from 35 years in 2006 in Shellharbour LGA, to 38 years in 2011, and 40 years in 2016, indicating an ageing population. The Flinders, Albion Park – Rural West and Shell Cove – Dunmore localities had the lowest median ages within the Shellharbour LGA, suggesting these areas may be populations with young adults and families with children.

Table 5: Median age and sex breakdown, Study areas, 2006, 2011 and 2016

Area	2006	2011	2016	Males 2016	Females 2016
Albion Park – Rural West	32	34	36	48.4%	51.6%
Albion Park Rail – Croom	35	38	39	48.7%	51.3%
Barrack Heights	37	39	40	48.5%	51.5%
Blackbutt – Shellharbour City Centre	36	38	41	46.7%	53.3%
Flinders	32	35	34	49.4%	50.6%
Lake Illawarra	40	43	44	48.2%	51.8%
Mount Warrigal	38	42	42	49.4%	50.6%
Oak Flats	38	42	43	49.0%	51.0%
Shell Cove – Dunmore	34	36	36	49.5%	50.5%
Shellharbour – Barrack Point	39	36	45	49.9%	50.1%
Warilla	40	36	44	48.8%	51.2%
Shellharbour LGA	35	38	40	48.9%	51.1%
Regional NSW	39	42	43	49.2%	50.8%
NSW	36	39	39	49.3%	50.7%

Notes: Based on place of usual residence.
Source: Informed Decisions 2018 [Community Profile];

The Shellharbour LGA has higher proportions of children and young adults (under 24 years of age) and lower proportions of older people (over the age of 55 years) compared to Regional NSW (Figure 5).

The Flinders and Shell Cove – Dunmore localities appeared to have higher proportions of young adults and families with young children. While the Warilla and Oak Flats localities appeared to have higher proportions of older people.

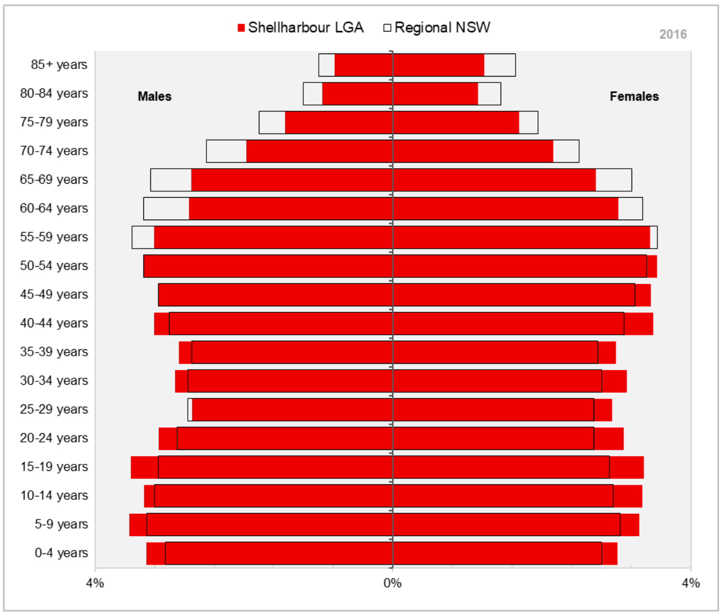


Figure 5: Age profile, Study areas, 2016

Notes: Based on place of usual residence.
Source: Informed Decisions 2018 [Community Profile];

The age structure can also be presented by age groups that more closely align with specific stages of life and the services that might be required by people during these stages. In the Shellharbour LGA, high proportions of young and middle-aged adults are visible in these service age groups (Table 6 and Figure 6). Shellharbour LGA had higher proportions of children, young adults and 35-49 year old people. The proportion of individuals under the age of 25 years accounted for 33.0% of total Shellharbour LGA population compared to 30.0% for Regional NSW and 31.1% for NSW. There were also lower proportions of individuals over the age 60 years in the Shellharbour LGA, accounting for 22.5% of total population compared to 27.2% in Regional NSW and 21.9% in NSW.

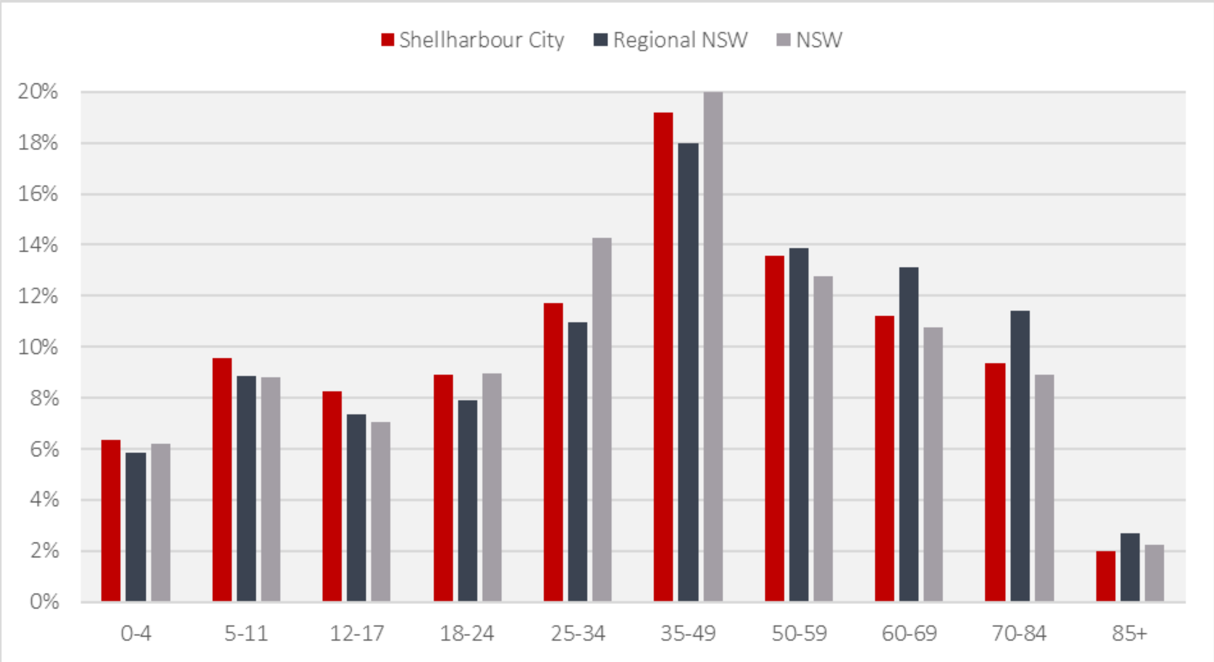


Figure 6: Population service age groups, Study areas, 2016

Notes: Based on place of usual residence.
Source: Informed Decisions 2018 [Community Profile];

2.1.3 Dwelling Requirements

Based on the demographic overview presented above, the implied dwelling requirements can initially be determined by looking at both the population change and the population age, to ascertain what type of dwelling requirements might be needed to service the LGS in the future. The age profile of the Shellharbour LGA also suggests that the LGA has higher proportions of young adults and young families, and lower proportions of older age groups (compared to Regional NSW). This age structure is changing over time, with ageing of the population occurring between 2006 and 2016. Older age groups may therefore require different dwellings types to younger families, and this may have implications for dwelling needs over time, including an increase in the need for smaller dwelling types over time.

Given that the population of the Shellharbour LGA is expected to grow by 24,385 people (10,625 dwellings) over the next 25 years, with more than half of this growth mostly being greenfield development, there may be a requirement for a diversity of dwelling types within greenfield areas.

Table 6: Population service age groups, Study areas, 2016

Area	0-4	5-11	12-17	18-24	25-34	35-49	50-59	60-69	70-84	85+	Total
Albion Park – Rural West	1,014 (7.1%)	1,484 (10.3%)	1,380 (9.6%)	1,338 (9.3%)	1,751 (12.2%)	2,957 (20.6%)	1,919 (13.4%)	1,296 (9.0%)	919 (6.4%)	292 (2.0%)	14,350 (100%)
Albion Park Rail – Croom	460 (6.6%)	597 (8.6%)	504 (7.2%)	625 (9.0%)	944 (13.6%)	1,147 (16.5%)	945 (13.6%)	839 (12.1%)	679 (9.8%)	218 (3.1%)	6,962 (100%)
Barrack Heights	383 (6.5%)	554 (9.5%)	374 (6.4%)	529 (9.0%)	732 (12.5%)	1,045 (17.8%)	776 (13.2%)	731 (12.5%)	636 (10.9%)	96 (1.6%)	5,858 (100%)
Blackbutt – Shellharbour City Centre	205 (5.7%)	266 (7.5%)	301 (8.4%)	315 (8.8%)	433 (12.1%)	669 (18.8%)	488 (13.7%)	444 (12.4%)	328 (9.2%)	119 (3.3%)	3,568 (100%)
Flinders	513 (7.7%)	762 (11.4%)	581 (8.7%)	594 (8.9%)	924 (13.8%)	1,579 (23.7%)	709 (10.6%)	577 (8.6%)	378 (5.7%)	58 (0.9%)	6,675 (100%)
Lake Illawarra	196 (6.1%)	229 (7.1%)	181 (5.6%)	300 (9.3%)	406 (12.6%)	538 (16.6%)	507 (15.7%)	391 (12.1%)	393 (12.2%)	87 (2.7%)	3,232 (100%)
Mount Warrigal	277 (5.8%)	428 (8.9%)	401 (8.3%)	412 (8.6%)	488 (10.1%)	827 (17.2%)	612 (12.7%)	677 (14.1%)	607 (12.6%)	80 (1.7%)	4,812 (100%)
Oak Flats	401 (6.2%)	496 (7.7%)	485 (7.5%)	558 (8.7%)	736 (11.5%)	1,096 (17.1%)	987 (15.4%)	855 (13.3%)	688 (10.7%)	124 (1.9%)	6,426 (100%)
Shell Cove – Dunmore	378 (6.5%)	785 (13.5%)	610 (10.5%)	470 (8.1%)	530 (9.1%)	1,425 (24.4%)	715 (12.3%)	521 (8.9%)	359 (6.2%)	33 (0.6%)	5,831 (100%)
Shellharbour – Barrack Point	181 (4.3%)	363 (8.5%)	345 (8.1%)	353 (8.3%)	409 (9.6%)	780 (18.3%)	708 (16.7%)	579 (13.6%)	465 (10.9%)	69 (1.6%)	4,252 (100%)
Warilla	400 (6.1%)	523 (8.0%)	483 (7.4%)	590 (9.0%)	690 (10.5%)	1,074 (16.4%)	891 (13.6%)	772 (11.8%)	935 (14.2%)	202 (3.1%)	6,564 (100%)
Shellharbour LGA	4,335 (6.3%)	6,532 (9.5%)	5,644 (8.2%)	6,085 (8.9%)	8,009 (11.7%)	13,139 (19.2%)	9,279 (13.6%)	7,667 (11.2%)	6,393 (9.3%)	1,377 (2.0%)	68,460 (100%)
Regional NSW	154,615 (5.8%)	234,745 (8.9%)	194,165 (7.3%)	208,828 (7.9%)	290,388 (11.0%)	474,700 (18.0%)	366,049 (13.8%)	346,771 (13.1%)	301,871 (11.4%)	71,398 (2.7%)	2,643,530 (100%)
NSW	465,135 (6.2%)	659,412 (8.8%)	528,495 (7.1%)	671,382 (9.0%)	1,067,524 (14.3%)	1,495,329 (20.0%)	955,264 (12.8%)	804,511 (10.8%)	665,669 (8.9%)	167,506 (2.2%)	7,480,227 (100%)

Notes: Based on place of usual residence.
Source: Informed Decisions 2018 [Community Profile];

2.1.4 Households

The total number of households in the Shellharbour LGA increased from 21,556 in 2006 to 24,729 households in 2016 (Table 7). The Shell Cove – Dunmore and Flinders localities experienced significant changes in the number of total households between 2006 and 2016. The Shell Cove – Dunmore locality grew by 835 households or 6.4% annually, and Flinders grew by 809 people or 4.7% annually.

Table 7: Households, Study areas, 2006, 2011 and 2016

Area	2006	2011	2016	Change 2006-2016	Annual Growth Rate (2006-2016)
Albion Park – Rural West	4,059	4,445	4,646	587	1.4%
Albion Park Rail – Croom	2,508	2,540	2,492	-16	-0.1%
Barrack Heights	2,156	2,226	2,262	106	0.5%
Blackbutt – Shellharbour City Centre	1,112	1,179	1,277	165	1.4%
Flinders	1,378	1,751	2,187	809	4.7%
Lake Illawarra	1,376	1,438	1,460	84	0.6%
Mount Warrigal	1,748	1,723	1,725	-23	-0.1%
Oak Flats	2,339	2,366	2,383	44	0.2%
Shell Cove – Dunmore	970	1,297	1,805	835	6.4%
Shellharbour – Barrack Point	1,468	1,512	1,613	145	0.9%
Warilla	2,443	2,529	2,626	183	0.7%
Shellharbour LGA	21,556	23,001	24,729	3,173	1.4%
Regional NSW	948,939	997,644	1,055,202	106,263	1.1%
NSW	2,470,418	2,599,174	2,774,866	304,448	1.2%

Notes: Based on place of enumeration.
Source: Informed Decisions 2018 [Community Profile];

The number of households in the Shellharbour LGA is projected to increase to 35,687 households in 2041, increasing at annual rate of 1.3% between 2016 and 2041 (Table 8). These projections estimate total resident households, not just those at home on census night, and therefore are different to household counts above which are based on place of enumeration on census night and exclude visitor only and other non-classifiable household types. The Rural Balance locality is anticipated to grow very strongly, increasing at an annual rate of 10.0% and growing by a total of 4,508 households between 2016 and 2041. The Blackbutt – Shellharbour City Centre and Shell Cove localities are also anticipated to grow strongly by annual growth rates of 2.9% and 2.3% between 2016 and 2041, respectively.

Table 8: Household projections (Informed Decisions), Study area, 2016-2041

Area	2016	2021	2026	2031	2036	2041	Annual Growth Rate (2016-2041)
Albion Park	4,474	4,693	4,871	4,987	5,073	5,132	0.6%
Albion Park Rail	2,592	2,658	2,687	2,698	2,711	2,723	0.2%
Barrack Heights	2,292	2,344	2,377	2,405	2,433	2,479	0.3%
Blackbutt – Shellharbour City Centre	1,304	1,664	2,159	2,437	2,604	2,694	2.9%
Flinders	2,305	2,448	2,511	2,568	2,627	2,685	0.6%
Lake Illawarra	1,528	1,595	1,631	1,664	1,697	1,730	0.5%
Mount Warrigal	1,840	1,870	1,889	1,909	1,932	1,958	0.2%
Oak Flats	2,515	2,680	2,819	2,941	3,036	3,116	0.9%
Rural Balance*	456	1,179	1,890	2,914	3,969	4,964	10.0%
Shell Cove	1,819	2,338	3,045	3,135	3,154	3,174	2.3%
Shellharbour – Barrack Point	1,752	1,817	1,872	1,900	1,946	2,016	0.6%
Warilla	2,718	2,785	2,841	2,899	2,958	3,016	0.4%
Shellharbour LGA	25,595	28,071	30,592	32,457	34,140	35,687	1.3%
NSW	2,983,800	3,215,100	3,442,000	3,669,300	3,896,850	4,123,200	1.3%

Notes: The localities of Shell Cove – Dunmore, Albion Park Rail – Croom and Albion Park -Rural West used for the Community Profile have been split by Informed Decisions into Shell Cove, Albion Park Rail, Albion Park and Rural Balance for Population Forecast.

**Rural Balance consists of the suburbs of Macquarie Pass, Tongarra, Calderwood, North Macquarie, Tullimbar, Part of Yellow Rock, Part of Croom and Dunmore.*

Source: Informed Decisions 2019 [Population Forecast];

The NSW Government household projections (Table 9) indicate the number of households in the Shellharbour LGA is anticipated to increase from 26,900 in 2016 to 36,300 in 2036. This represents an average annual growth rate of 1.5%, which is higher than the growth rate for Kiama LGA (1.3%), Wollongong LGA (0.8%) and NSW (1.3%).

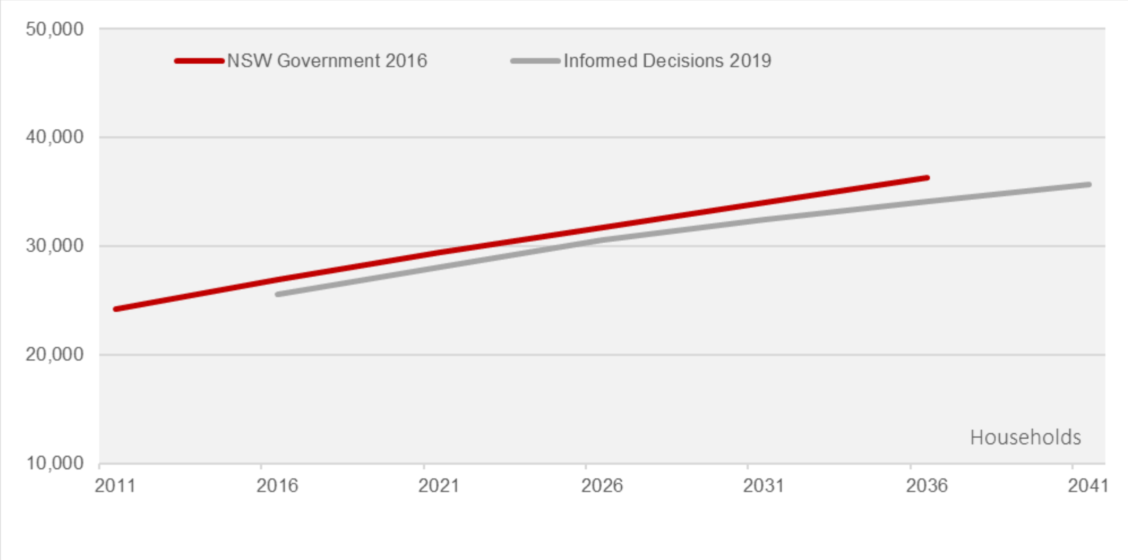
Table 9: Household projections (NSW Government), Study area, 2016-2036

Area	2016	2021	2026	2031	2036	Annual Growth Rate (2016-2036)
Shellharbour LGA	26,900	29,400	31,750	34,050	36,300	1.5%
Kiama LGA	8,850	9,500	10,100	10,750	11,350	1.3%
Wollongong LGA	83,850	88,250	92,150	95,800	99,150	0.8%
NSW	2,983,800	3,215,100	3,442,000	3,669,300	3,896,850	1.3%

Source: NSW Government 2016;

The NSW Government household projections suggest a slightly higher number of households in the Shellharbour LGA over time compared to the Informed Decisions projections (Figure 7). Given the very similar population projections from both sources, the Informed Decisions projections must assume a higher average household size resulting in lower household projections.

Figure 7: Comparison of Household Projections, Shellharbour LGA, 2011-2041



2.1.5 Household Types and Family Composition

Of the approximately 24,729 households in the Shellharbour LGA, 34.1% were couple families with children, 25.2% were couple families with no children, 19.6% were lone person households, 13.9% were one parent families and 1.9% were group households.

The Shellharbour LGA had higher proportions of couple families with children and one parent families compared to Regional NSW and NSW as a whole. Conversely, there were lower proportions of lone person and group households, compared to Regional NSW and NSW (Table 10 and Figure 8).

Within the LGA, couple families with children made up large proportions of households in Shell Cove – Dunmore (52.4%), Flinders (46.5%) and Albion Park – Rural West (44.0%) localities. Lone person households made up large proportions of households in Lake Illawarra (35.1%) and Warilla (29.1%).

Table 10: Household type, Study areas, 2016

Area	Couple family with no children	Couple family with children	One-parent family	Other family type	Lone person	Group	Total
Albion Park – Rural West	1,190 (25.6%)	2,045 (44.0%)	588 (12.7%)	11 (0.2%)	637 (13.7%)	44 (0.9%)	4,646 (100%)
Albion Park Rail – Croom	668 (26.8%)	720 (28.9%)	404 (16.2%)	19 (0.8%)	524 (21.0%)	46 (1.8%)	2,492 (100%)
Barrack Heights	557 (24.6%)	649 (28.7%)	384 (17.0%)	32 (1.4%)	510 (22.5%)	41 (1.8%)	2,262 (100%)
Blackbutt – Shellharbour City Centre	325 (25.5%)	447 (35.0%)	165 (12.9%)	10 (0.8%)	263 (20.6%)	18 (1.4%)	1,277 (100%)
Flinders	506 (23.1%)	1,016 (46.5%)	232 (10.6%)	14 (0.6%)	312 (14.3%)	45 (2.1%)	2,187 (100%)
Lake Illawarra	299 (20.5%)	271 (18.6%)	244 (16.7%)	20 (1.4%)	512 (35.1%)	50 (3.4%)	1,460 (100%)

Area	Couple family with no children	Couple family with children	One-parent family	Other family type	Lone person	Group	Total
Mount Warrigal	530 (30.7%)	533 (30.9%)	276 (16.0%)	3 (0.2%)	293 (17.0%)	26 (1.5%)	1,725 (100%)
Oak Flats	655 (27.5%)	713 (29.9%)	353 (14.8%)	15 (0.6%)	513 (21.5%)	44 (1.8%)	2,383 (100%)
Shell Cove – Dunmore	508 (28.1%)	946 (52.4%)	153 (8.5%)	3 (0.2%)	144 (8.0%)	16 (0.9%)	1,805 (100%)
Shellharbour – Barrack Point	441 (27.3%)	495 (30.7%)	180 (11.2%)	9 (0.6%)	340 (21.1%)	27 (1.7%)	1,613 (100%)
Warilla	564 (21.5%)	572 (21.8%)	432 (16.5%)	33 (1.3%)	763 (29.1%)	73 (2.8%)	2,626 (100%)
Shellharbour LGA	6,242 (25.2%)	8,429 (34.1%)	3,430 (13.9%)	223 (0.9%)	4,856 (19.6%)	460 (1.9%)	24,729 (100%)
Regional NSW	285,009 (27.0%)	267,930 (25.4%)	116,497 (11.0%)	9,447 (0.9%)	269,364 (25.5%)	32,214 (3.1%)	1,055,202 (100%)
NSW	670,870 (24.2%)	875,264 (31.5%)	295,957 (10.7%)	32,437 (1.2%)	620,783 (22.4%)	109,004 (3.9%)	2,774,866 (100%)

Note: Based on place of enumeration. Data for families and households have been combined here by considering only the type of family of the primary family in the small number of multi-family households.
Source: Informed Decisions 2018 [Community Profile];

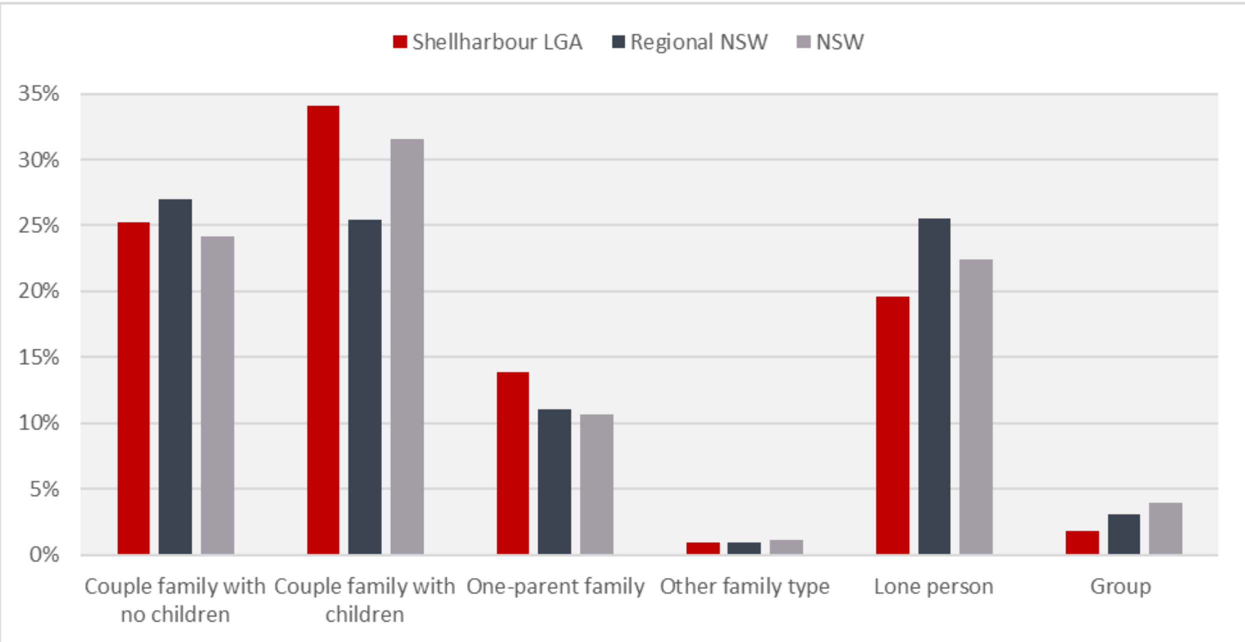


Figure 8: Household type, Shellharbour LGA, 2016

Note: Based on place of enumeration. Data for families and households have been combined here by considering only the type of family of the primary family in the small number of multi-family households.
Source: Informed Decisions 2018 [Community Profile];

Although, the numbers of couples with no children, one parent families, and group households have increased over time in the Shellharbour LGA, the proportions of total households that these household types make up have remained fairly constant from 2006 to 2016. The proportion of couple families with children has decreased during this time from 37.3% in 2006 to 34.1% in 2016. The incidence of lone person households has slightly increased from 18.5% in 2006 to 19.6% in 2016 (Table 11). These trends reflect a general ageing of the population.

Table 11: Household type change, Shellharbour LGA, 2006, 2011 and 2016

Area	Couple family with no children	Couple family with children	One-parent family	Other family type	Lone person household	Group household	Total
Shellharbour LGA							
2006	5,368 (24.9%)	8,037 (37.3%)	2,903 (13.5%)	177 (0.8%)	3,992 (18.5%)	349 (1.6%)	21,556 (100.0%)
2011	5,813 (25.3%)	8,159 (35.5%)	3,222 (14.0%)	224 (1.0%)	4,632 (20.1%)	379 (1.6%)	23,001 (100.0%)
2016	6,242 (25.2%)	8,429 (34.1%)	3,430 (13.9%)	223 (0.9%)	4,856 (19.6%)	460 (1.9%)	24,729 (100.0%)
Regional NSW 2016	285,009 (27.0%)	267,930 (25.4%)	116,497 (11.0%)	9,447 (0.9%)	269,364 (25.5%)	32,214 (3.1%)	1,055,202 (100.0%)
NSW 2016	670,870 (24.2%)	875,264 (31.5%)	295,957 (10.7%)	32,437 (1.2%)	620,783 (22.4%)	109,004 (3.9%)	2,774,866 (100.0%)

Note: Based on place of enumeration. Data for families and households have been combined here by considering only the type of family of the primary family in the small number of multi-family households.
Source: Informed Decisions 2018 [Community Profile];

Figure 9 shows the change in household types between 2006 and 2016 at a greater level of detail. It shows that in the Shellharbour LGA, the number of households with older people increased (shown in red), including older couples, older lone person households, couple families with older children, and one parent families with older children. While the number of households with younger people all decreased between 2006 and 2016 (shown in dark grey), including couple families with young children, young lone person households, one parent families with young children and young couples.

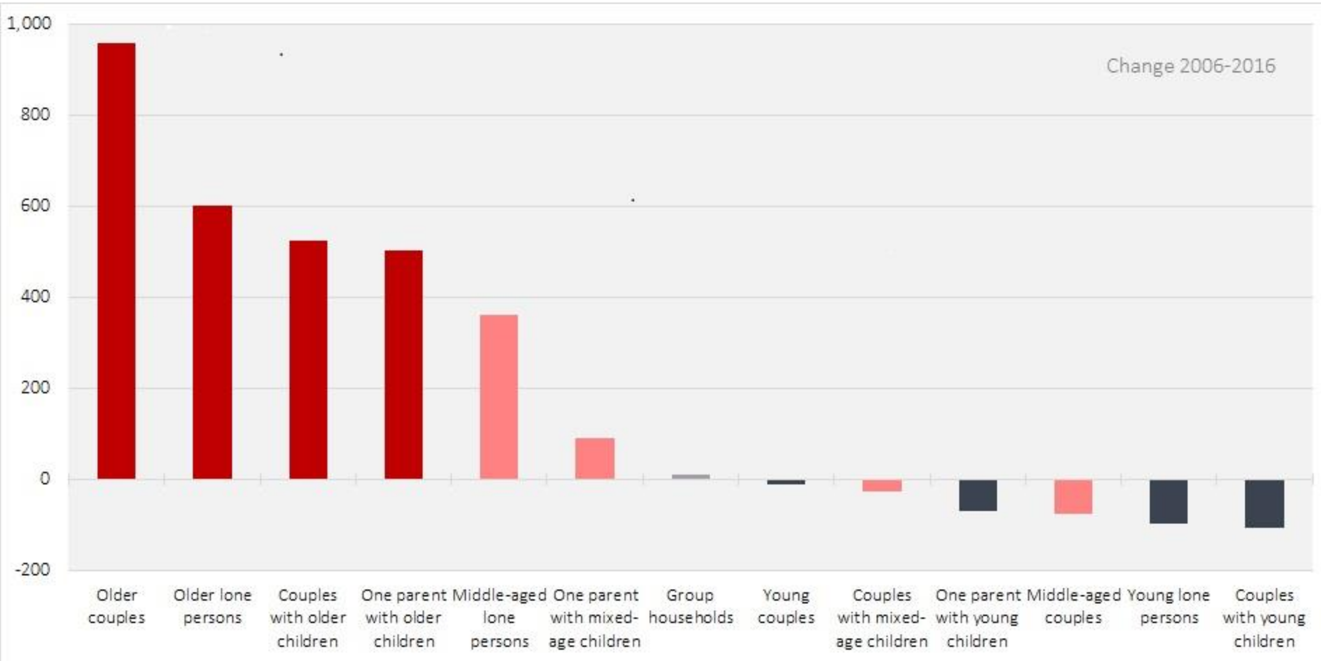


Figure 9: Change in Household Types (Detailed), Shellharbour LGA, 2006-2016

Note: Based on place of enumeration. Data for families and households have been combined here by considering only the type of family of the primary family in the small number of multi-family households.
Source: Informed Decisions 2018 [Community Profile];

2.1.6 Average Household Size

The average household size (Table 12) in the Shellharbour LGA has decreased slightly from 2.74 people per household to 2.7 people per household between 2006 and 2016. However, the average household size in the Shellharbour LGA is larger than the average household size in Regional NSW and NSW. Within the LGA, average household sizes were highest in Shell Cove – Dunmore (3.18 people), Albion Park – Rural West (2.95 people), and Flinders (2.93 people) localities and lowest in Lake Illawarra (2.18) and Warilla (2.40 people).

Between 2006 and 2016, average household sizes have decreased in most of the localities in the Shellharbour LGA, except in Shell Cove – Dunmore locality where the average size has increased from 3.11 in 2006 to 3.18 in 2016.

Table 12: Average household size, Study areas, 2006, 2011 and 2016

Area	2006	2011	2016
Albion Park – Rural West	3.06	2.99	2.95
Albion Park Rail – Croom	2.72	2.67	2.62
Barrack Heights	2.69	2.67	2.55
Blackbutt – Shellharbour City Centre	2.65	2.65	2.64
Flinders	2.97	2.92	2.93
Lake Illawarra	2.23	2.15	2.18
Mount Warrigal	2.76	2.65	2.72
Oak Flats	2.7	2.63	2.61
Shell Cove – Dunmore	3.11	3.19	3.18
Shellharbour – Barrack Point	2.59	2.57	2.53
Warilla	2.43	2.38	2.40
Shellharbour LGA	2.74	2.70	2.70
Regional NSW	2.47	2.43	2.41
NSW	2.58	2.59	2.61

Notes: Based on place of enumeration.
Source: Informed Decisions 2018 [Community Profile];

2.1.7 Dwelling Structure

A total 26,417 dwellings were counted in the Shellharbour LGA in 2016, this included 23,642 dwellings that were occupied by residents on census night (89.5%), 1,084 dwellings that were occupied by visitors only (4.1%), and 1,704 unoccupied dwellings (6.5%).

The Australian Bureau of Statistics (ABS) classifies dwellings into a range of categories according to the definitions outlined below (and provided in the ABS Census 2016 Dictionary):

- Separate house: This is a house which is separated from other dwellings by a space of at least half a metre. A separate house may have a flat attached to it, such as a granny flat or converted garage (and this would be counted as a flat). The number of storeys of separate houses is not recorded. Also included in this category are occupied accommodation units in manufactured home estates which are identified as separate houses. This category is often referred to as 'detached dwellings'.
- Semi-detached, row or terrace house, townhouse, etc.: These dwellings have their own private grounds and no other dwelling above or below them. They are either attached in some structural way to one or more dwellings or are separated from neighbouring dwellings by less than half a metre. This category is often referred to just as 'semi-detached dwellings'.

- Flat or apartment: This category includes all dwellings in blocks of flats or apartments. These dwellings do not have their own private grounds and usually share a common entrance foyer or stairwell. This category also includes flats attached to houses such as granny flats, and houses converted into two or more flats. This category is often referred to as 'attached dwellings'.

The remaining dwelling types are outlined below, and are often grouped into one category ('other dwellings'):

- Caravan: This category includes all occupied caravans, regardless of where they are located. Occupied campervans are also included.
- Cabins and houseboats: This category includes all occupied cabins and houseboats. Cabins are self-contained and not intended for long term residential use. This includes occupied cabins located in residential parks or set up as temporary accommodation. Houseboats are occupied mobile dwellings (intended for use on water). They are not typically intended for long term use (although could be currently used on a permanent or semi-permanent basis). Occupied houseboats are treated as occupied private dwellings regardless of location. It also includes occupied small boats.
- Improvised home, tent, sleepers out: This category includes sheds, tents, humpies and other improvised dwellings, occupied on census night. This category also includes people sleeping out, such as those sleeping on the streets, in abandoned buildings, under bridges or in cars.
- House or flat attached to a shop, office, etc. A house or flat attached to a shop, office, factory or any other non-residential structure is included in this category.

The breakdown of dwellings by dwelling type is shown below (Table 13). Of the 23,642 dwellings occupied by residents on census night 2016, 80.1% were separate houses, 14.0% were semi-detached dwellings, 3.9% were flats and apartments, and 1.5% were other types of dwellings.

There was less diversity of dwellings within the Shellharbour LGA for residents (14.0% semi-detached dwellings and 3.9% flats and apartments), compared to Kiama LGA (11.5% semi-detached dwellings and 8.4% flats and apartments) and Wollongong LGA (12.4% semi-detached dwellings and 16.8% flats and apartments).

Table 13: Dwelling types, Shellharbour LGA, 2016

Area	Separate house	Semi-detached	Attached: Flat or apartment	Other: Caravan, Cabin, Shop, Tent	Total
Shellharbour LGA					
Occupied Dwellings – Residents	18,943 (80.1%)	3,301 (14.0%)	930 (3.9%)	352 (1.5%)	23,642 (100.0%)
Occupied Dwellings – Visitors	723 (66.7%)	182 (16.8%)	95 (8.8%)	66 (6.1%)	1,084 (100.0%)
Unoccupied Dwellings	1,203 (70.6%)	337 (19.8%)	144 (8.5%)	15 (0.9%)	1,704 (100.0%)
Total Dwellings	20,864 (79.0%)	3,824 (14.5%)	1,166 (4.4%)	429 (1.6%)	26,417 (100.0%)
Kiama LGA – Residents	6,064 (78.5%)	888 (11.5%)	651 (8.4%)	55 (0.7%)	7,721 (100.0%)
Wollongong LGA – Residents	51,368 (69.5%)	9,156 (12.4%)	12,455 (16.8%)	513 (0.7%)	73,958 (100.0%)
Regional NSW – Residents	805,594 (82.2%)	90,211 (9.2%)	63,149 (6.4%)	14,457 (1.5%)	980,440 (100.0%)
NSW – Residents	1,729,819 (66.4%)	317,446 (12.2%)	519,380 (19.9%)	23,585 (0.9%)	2,604,303 (100.0%)

Notes: Based on place of enumeration. 'Not stated' responses are not shown but are included in totals.
Source: ABS 2016 [TableBuilder Pro];

The number of flats and apartments occupied by residents in the Shellharbour LGA decreased between 2011 and 2016 (Table 14). The decrease was not explained by a rise in flats and apartments occupied by visitors or unoccupied dwellings as these increased only slightly or were stable during this period (respectively). There was also a large number of dwellings where the dwelling type was 'not stated' in 2016. These dwellings are not shown in the table below, but amounted to 136 dwellings in total in 2016, compared to 0 dwellings in 2011 and 18 dwellings in 2006. This issue may be associated with a different methodology used by the ABS for recording dwellings types in 2016 compared to previous years. It is likely that the 2016 figures are more accurate than in previous years for flats and apartments dwellings, although the high number of dwellings where the dwelling type was not available, also suggests issues with the way this data was collected in 2016.

Table 14: Dwelling types, Shellharbour LGA, 2006-2016

Area	Separate house	Semi-detached	Attached: Flat or apartment	Other: Caravan, Cabin, Shop, Tent	Total
Occupied Dwellings – Residents					
2006	17,259 (82.9%)	2,129 (10.2%)	1,130 (5.4%)	287 (1.4%)	20,831 (100%)
2011	18,461 (82.3%)	2,493 (11.1%)	1,146 (5.1%)	333 (1.5%)	22,438 (100%)
2016	18,943 (80.1%)	3,301 (14.0%)	930 (3.9%)	352 (1.5%)	23,642 (100%)
Occupied Dwellings – Visitors					
2006	522 (72.0%)	110 (15.2%)	78 (10.8%)	18 (2.5%)	725 (100%)
2011	370 (65.6%)	77 (13.7%)	73 (12.9%)	45 (8.0%)	564 (100%)
2016	723 (66.7%)	182 (16.8%)	95 (8.8%)	66 (6.1%)	1,084 (100%)
Unoccupied Dwellings					
2006	915 (67.0%)	231 (16.9%)	217 (15.9%)	3 (0.2%)	1,365 (100%)
2011	1,083 (73.8%)	231 (15.7%)	148 (10.1%)	3 (0.2%)	1,468 (100%)
2016	1,203 (70.6%)	337 (19.8%)	144 (8.5%)	15 (0.9%)	1,704 (100%)
Total Dwellings					
2006	18,697 (81.6%)	2,471 (10.8%)	1,423 (6.2%)	308 (1.3%)	22,915 (100%)
2011	19,916 (81.4%)	2,801 (11.4%)	1,364 (5.6%)	390 (1.6%)	24,475 (100%)
2016	20,864 (79.0%)	3,824 (14.5%)	1,166 (4.4%)	429 (1.6%)	26,417 (100%)

Notes: Based on place of enumeration. 'Not stated' responses are not shown but are included in totals.
Source: ABS 2016 [TableBuilder Pro];

Informed Decisions in their historic and current data groups dwelling types differently to the ABS categories by considering medium density and high density dwellings, instead of semi-detached dwellings and flats and apartments. Medium density dwellings include semi-detached dwellings (such as attached townhouses and villas) as well as one and two story flats and apartments and flats attached to houses. High density dwellings include only flats and apartments in three or more storey blocks.

Of the approximately 26,428 dwellings in the Shellharbour LGA in 2016, 79.0% were separate houses and 18.8% were medium density dwellings (Table 15). The Shellharbour LGA had a similar incidence of separate houses compared to Regional NSW (both around 80%), but significantly higher than NSW (79.0%, compared to 64.9% for NSW). Conversely, NSW had a higher proportion of high density dwellings than the Shellharbour LGA (0.1% for Shellharbour, compared to 15.3% for NSW).

Within the LGA, the Mount Warrigal locality had the highest proportion of separate houses (97.7%) with almost no dwelling type diversity, whereas the Lake Illawarra locality had the highest proportion of medium density dwellings in the Shellharbour LGA (at 48.8% medium density dwellings).

Table 15: Dwelling types (Informed Decision Categories), Study areas, 2016

Area	Separate House	Medium density (a)	High density (b)	Caravans, cabin and houseboat	Total
Albion Park – Rural West	4,287 (86.7%)	641 (13.0%)	0 (0.0%)	0 (0.0%)	4,942 (100%)
Albion Park Rail – Croom	2,121 (77.5%)	545 (19.9%)	0 (0.0%)	0 (0.0%)	2,738 (100%)
Barrack Heights	2,109 (87.5%)	294 (12.2%)	0 (0.0%)	5 (0.2%)	2,411 (100%)
Blackbutt – Shellharbour City Centre	898 (66.5%)	449 (33.3%)	0 (0.0%)	3 (0.2%)	1,350 (100%)
Flinders	1,684 (71.3%)	665 (28.2%)	0 (0.0%)	0 (0.0%)	2,361 (100%)
Lake Illawarra	804 (50.1%)	783 (48.8%)	5 (0.3%)	0 (0.0%)	1,604 (100%)
Mount Warrigal	1,805 (97.7%)	43 (2.3%)	0 (0.0%)	0 (0.0%)	1,848 (100%)
Oak Flats	2,181 (85.1%)	350 (13.7%)	0 (0.0%)	0 (0.0%)	2,562 (100%)
Shell Cove – Dunmore	1,779 (93.3%)	115 (6.0%)	0 (0.0%)	3 (0.2%)	1,907 (100%)
Shellharbour – Barrack Point	1,192 (65.9%)	516 (28.5%)	6 (0.3%)	83 (4.6%)	1,809 (100%)
Warilla	1,963 (70.7%)	557 (20.1%)	0 (0.0%)	254 (9.1%)	2,778 (100%)
Shellharbour LGA	20,866 (79.0%)	4,978 (18.8%)	19 (0.1%)	355 (1.3%)	26,428 (100%)
Regional NSW	965,443 (80.2%)	171,821 (14.3%)	29,897 (2.5%)	19,893 (1.7%)	1,203,863 (100%)
NSW	1,986,588 (64.9%)	548,076 (17.9%)	466,690 (15.3%)	23,253 (0.8%)	3,059,610 (100%)

Notes: Based on place of enumeration. All occupied and unoccupied dwellings. (a) 'Medium density' includes all semi-detached, row, terrace, townhouses and villa units, plus flats and apartments in blocks of 1 or 2 storeys, and flats attached to houses. (b) 'High density' includes flats and apartments in 3 storey and larger blocks. 'Other dwelling types', which includes houses and flats attached to shops or offices and improvised homes, tents and sleepers out, and 'Not stated' responses are not shown but are included in totals.
Source: Informed Decisions 2018 [Community Profile];

2.1.8 Number of Bedrooms

At 2016, the total number of occupied dwellings within the Shellharbour LGA was 24,729 dwellings, comprising of 10,755 dwellings with three bedrooms, 7,323 dwellings with four bedrooms, 2,913 dwellings with two bedrooms, 1,611 dwellings with five bedrooms and 643 dwellings with one bedroom or studios (Table 16). The Shellharbour LGA had higher proportion of three- and four-bedroom dwellings compared to Regional NSW and NSW. Conversely, Regional NSW and NSW had higher proportions of dwellings with two bedrooms or less compared to the Shellharbour LGA.

Table 16: Bedrooms, Shellharbour LGA, 2016

Area	0-1 bedroom	2 bedrooms	3 bedrooms	4 bedrooms	5+ bedrooms	Total
Shellharbour LGA	643 (3.0%)	2,913 (12.0%)	10,755 (43.0%)	7,323 (30.0%)	1,611 (7.0%)	24,729 (100%)
Regional NSW	47,641 (5.0%)	178,678 (17.0%)	425,856 (40.0%)	258,957 (25.0%)	59,031 (6.0%)	1,055,186 (100%)
NSW	182,550 (7.0%)	585,581 (21.0%)	978,213 (35.0%)	637,014 (23.0%)	184,451 (7.0%)	2,774,864 (100%)

Notes: Based on place of enumeration. All occupied dwellings.
Source: Informed Decisions 2018 [Community Profile];

In the Shellharbour LGA, separate houses had the highest average number of bedrooms of all dwelling types with 3.5 bedrooms per dwelling, which was similar to the NSW average but above Regional NSW (Table 17). The average number of bedrooms in semi-detached dwellings and flats and apartments was lower than for separate houses (at 2.5 bedrooms per dwelling for semi-detached dwellings and 2.1 for flats and apartments, compared to 3.5 for separate houses).

Table 17: Average Bedrooms by dwelling type, Shellharbour, 2016

Area	Separate house	Semi-Detached	Attached: Flat or apartment	Other: Caravan, Cabin, Shop, Tent	All Dwellings
Shellharbour LGA	3.5	2.5	2.1	1.7	3.3
Regional NSW	3.3	2.4	2.0	1.9	3.1
NSW	3.5	2.7	1.9	2.0	3.0

Notes: Based on place of enumeration. Resident occupied dwellings.
Source: ABS 2016 [TableBuilder Pro];

A breakdown of dwelling size by dwelling type for the Shellharbour LGA is shown below (Figure 10). Shellharbour LGA had a low proportion of small houses (with two bedrooms or less), and a low proportion of large flats and apartments (with three bedrooms or more). Semi-detached dwellings provided a good mix of two- and three-bedroom dwellings.

Compared to Regional NSW (Figure 11), Shellharbour LGA had similar levels of housing size diversity, with a mix of dwelling sizes for each dwelling type. The proportion of smaller houses was lower in Shellharbour LGA compared to Regional NSW, while the proportion of three-bedroom semi-detached dwellings was higher in Shellharbour LGA compared to Regional NSW.

Figure 10: Housing size diversity, Shellharbour LGA, 2016

Notes: Based on place of enumeration. Resident occupied dwellings.
Source: ABS 2017;

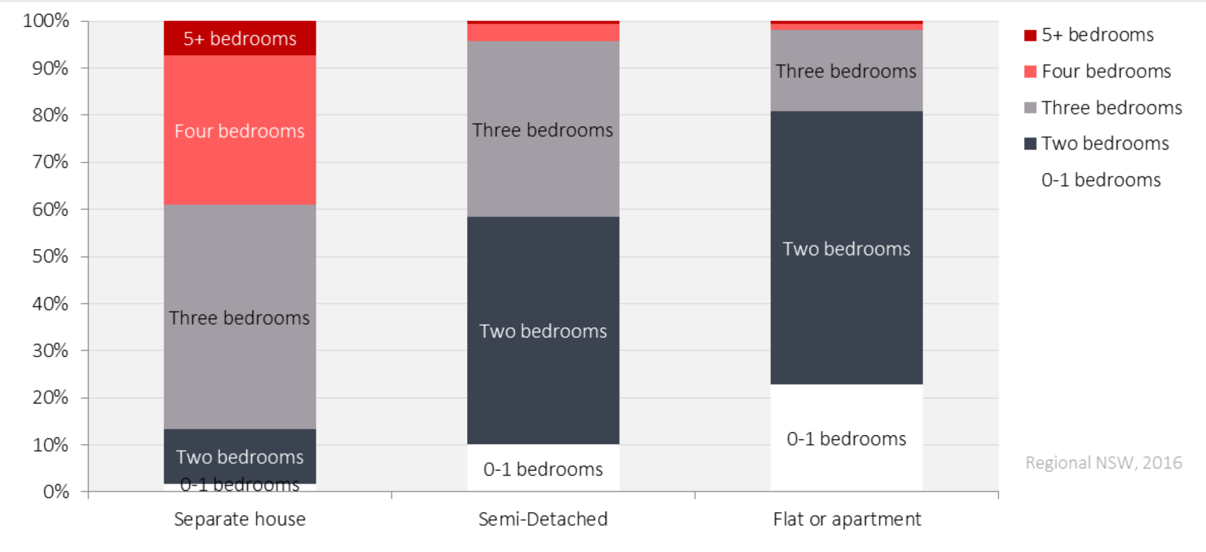


Figure 11: Housing size diversity, Regional NSW, 2016

Notes: Based on place of enumeration. Resident occupied dwellings.
Source: ABS 2017;

A comparison of household size and bedroom numbers is shown below (Table 18). This analysis shows that there were a large proportion of households where just one person is usually resident living in two- and three-bedroom dwellings (28.0% and 44.8% respectively). Similarly, more than half of households with two people were residing in three-bedroom dwellings in 2016 in the Shellharbour LGA.

Table 18: Bedrooms by household size, Shellharbour LGA, 2016

Number of persons usually resident	0-1 bedroom	2 bedrooms	3 bedrooms	4 bedrooms	5+ bedrooms	Total
1 person	471 (9.7%)	1,358 (28.0%)	2,173 (44.8%)	540 (11.1%)	55 (1.1%)	4,851 (100%)
2 people	103 (1.3%)	1,174 (15.0%)	4,118 (52.8%)	2,008 (25.7%)	242 (3.1%)	7,803 (100%)
3 people	17 (0.4%)	234 (5.8%)	2,081 (51.8%)	1,421 (35.3%)	217 (5.4%)	4,021 (100%)
4 people	13 (0.3%)	94 (2.2%)	1,694 (39.8%)	1,996 (46.9%)	421 (9.9%)	4,254 (100%)
5 people	0 (0.0%)	18 (1.0%)	481 (26.5%)	978 (54.0%)	316 (17.4%)	1,812 (100%)
6 people	0 (0.0%)	3 (0.5%)	133 (21.0%)	260 (41.1%)	232 (36.7%)	632 (100%)
7 people	0 (0.0%)	0 (0.0%)	27 (17.0%)	63 (39.6%)	69 (43.4%)	159 (100%)
8 people +	0 (0.0%)	0 (0.0%)	4 (5.1%)	27 (34.6%)	47 (60.3%)	78 (100%)
Total	611 (2.4%)	2,887 (11.4%)	10,712 (42.2%)	7,298 (28.8%)	1,605 (6.3%)	25,370 (100%)

Notes: Based on place of enumeration. Resident occupied dwellings.
Source: ABS 2017;

The ABS provides a measure of housing suitability based on the Canadian National Occupancy Standard (CNOS) which evaluates the bedroom requirements of households using the following criteria:

- There should be no more than two persons per bedroom
- Children less than five years of age of different sexes may reasonably share a bedroom
- Children five years of age or older of opposite sex should have separate bedrooms
- Children less than 18 years of age and of the same sex may reasonably share a bedroom
- Single household members 18 years or older should have a separate bedroom, as should parents or couples.

Using this criterion, households that need at least one additional bedroom are considered to experience some level of overcrowding. The CNOS is sensitive to both household size and composition. As households pass through different life-cycle stages, their minimum housing requirements and actual utilisation of housing changes.

While the incidence of spare bedrooms indicates reasonable space to accommodate more people, spare bedrooms are often fully utilised for other activities such as study office, hobby room, play room and as guest rooms.

Within the Shellharbour LGA, the majority of dwellings have at least one spare room. A higher proportion of separate houses have multiple spare rooms (more than two rooms) compared to semi-detached dwellings and flats and apartments. It should be noted, that this data is likely to overestimate the number of spare bedrooms for various households given the criteria used (as outlined above); specifically, that Australians are more likely to want to have each child in a separate bedroom, especially when over five years of age.

There was some 'overcrowding' of dwellings evident in Shellharbour LGA in 2016 with a small proportion of each dwelling type (less than 5%) requiring one or two additional bedrooms according to this analysis.

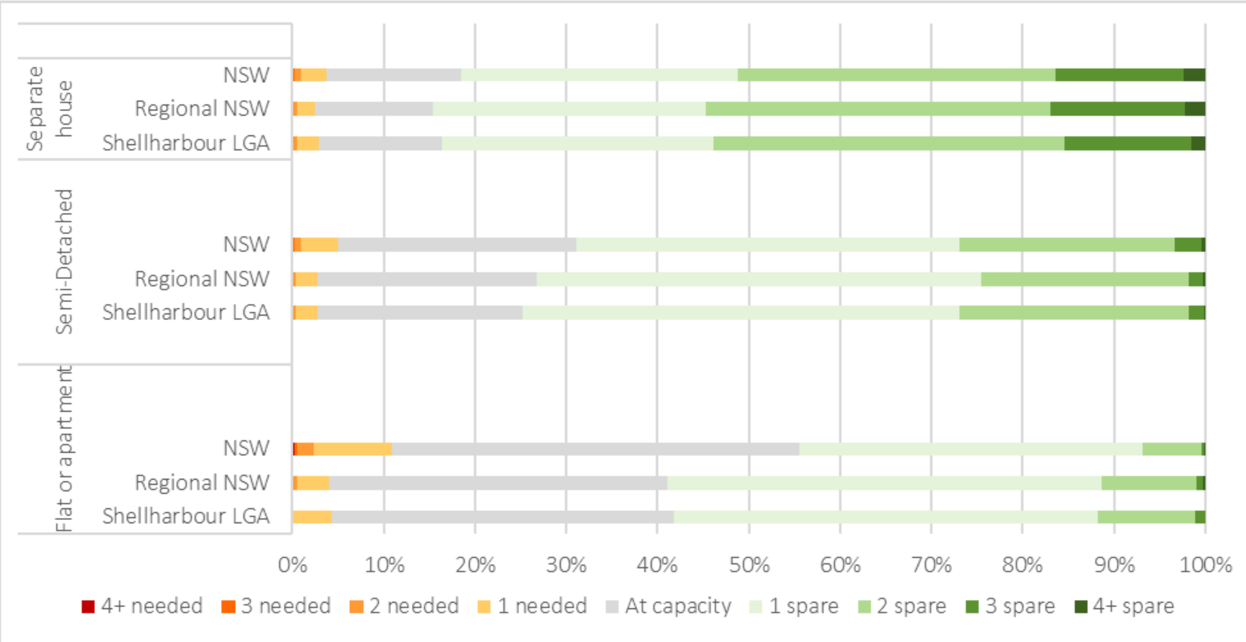


Figure 12: Housing suitability, Shellharbour LGA, 2016

Notes: Based on place of enumeration. Resident occupied dwellings.
Source: ABS 2017;

2.1.9 Tenure and Landlord Type

In 2016, 33.0% of households owned their dwelling outright and a further 34.5% were paying a mortgage and 25.6% were renting (including 6.9% renting from a housing authority or community organisation) (Table 19). The proportion of households that owned their dwelling outright in Shellharbour LGA in 2016 (33.0%) was significantly lower than for Kiama LGA (48.6%), and slightly lower than for Wollongong LGA (34.8%) and Regional NSW (35.5%), but higher than for NSW (30.7%). There was a higher incidence of households owning their dwelling with a mortgage or renting from a housing authority or community organisation in Shellharbour LGA than in Regional NSW and NSW.

The mix of tenures in Shellharbour LGA remained relatively constant between 2006 and 2016. At 2016, the proportion of households within the Shellharbour LGA that owned their dwelling outright or with mortgage, or renting from housing authority has decreased slightly over time whereas the proportion of households that rented has increased slightly over time.

Table 19: Dwelling tenure, Shellharbour LGA, 2006, 2011 and 2016

Area	Owned Outright	Owned with Mortgage	Rented	Rented from Housing Authority or Community Organisation (a)	Total
Shellharbour LGA					
2006	7,232 (33.6%)	7,600 (35.3%)	5,435 (25.2%)	1,749 (8.1%)	21,555 (100%)
2011	7,596 (33.0%)	8,345 (36.3%)	5,963 (25.9%)	1,771 (7.7%)	23,000 (100%)
2016	8,152 (33.0%)	8,523 (34.5%)	6,324 (25.6%)	1,705 (6.9%)	24,713 (100%)
Kiama LGA 2016	3,751 (48.6%)	2,391 (31.0%)	1,466 (19.0%)	74 (1.0%)	7,719 (100%)
Wollongong LGA 2016	25,727 (34.8%)	23,035 (31.1%)	22,378 (30.3%)	5,296 (7.2%)	73,953 (100%)
Regional NSW 2016	374,868 (35.5%)	302,103 (28.6%)	279,465 (26.5%)	44,523 (4.2%)	1,055,188 (100%)
NSW 2016	850,865 (30.7%)	844,378 (30.4%)	839,521 (30.3%)	123,263 (4.4%)	2,774,848 (100%)

Notes: Based on place of enumeration. All occupied dwellings. (a) Includes households renting from a State/Territory Government housing authority (generally referred to as public housing) and households renting from a housing co-operative, community organisation or church group.
Source: Informed Decisions 2018 [Community Profile];

2.1.10 Household Income

The median household gross income (Table 20) in the Shellharbour LGA has increased from $983 in 2006 to $1,343 in 2016, an annual growth rate of 3.2% which was lower than the surrounding LGAs of Kiama and Wollongong where median household income had grown by 3.7% between 2006 and 2016. The Shellharbour LGA median household income for 2016 was lower than NSW but higher than Regional NSW, the annual growth rate was higher in both Regional NSW and NSW compared to Shellharbour LGA.

Table 20: Median household gross income, Shellharbour LGA, 2006, 2011 and 2016

Area	2006	2011	2016	Annual growth rate, 2006-2016
Shellharbour LGA	$983	$1,126	$1,343	3.2%
Kiama LGA	$1,052	$1,234	$1,509	3.7%
Wollongong LGA	$933	$1,101	$1,339	3.7%
Regional NSW	$795	$961	$1,168	3.9%
NSW	$1,036	$1,237	$1,486	3.7%

Notes: Based on place of enumeration. Income is total gross income; it includes total income from wages and salary, government benefits, business income, and investment income, and does not deduct tax or superannuation.
Source: Informed Decisions 2018 [Community Profile];

The NSW Government (2016) Department of Family and Community Services publishes a range of data sources as part of a Housing Kit Database to help inform local housing strategies. It categorises households by household income into three low income categories:

- Very low income households: households earning less than 50% of the NSW or Sydney median income, depending on where they live. They include workers in a range of lower paid occupations, particularly in areas such as retail or manufacturing, as well as people earning the minimum wage or who are on an aged or disability pension or other government benefit.
- Low income households: households earning more than 50% but less than 80% of the NSW or Sydney median income, depending on where they live. They include many people working in jobs such as a child care worker, secretary or cleaner.

- Moderate income households: households described as being on a moderate income are those earning between 80-120% of the NSW or Sydney median income.

For Shellharbour LGA, it appears that these measures compare household incomes to the median for Greater Sydney, rather than NSW as a whole. This is different to other parts of this report that have compared Shellharbour LGA to Regional NSW. Measures for previous years were not available.

This data suggests that in 2016, 45.3% of households in the Shellharbour LGA were classified as very low- and low-income households, which was a high proportion compared to Greater Sydney at 39.4% (Table 21).

Table 21: Low and moderate income households, Shellharbour LGA, 2016

Area	Very low- and low-income households	Moderate income households	High income households	Total
Shellharbour LGA	10,711 (45.3%)	5,243 (22.2%)	7,672 (32.5%)	23,626 (100%)
Greater Sydney	640,273 (39.4%)	328,823 (20.2%)	654,813 (40.3%)	1,623,909 (100%)

Source: NSW Government 2018 [NSW Local Government Housing Kit];

2.1.11 Rental and Mortgage Stress

The NSW Government Housing Kit Database (2016) also provides information on rental and mortgage stress for 2016 (Table 22). Housing stress is defined as spending more than 30% of gross household income on rent or mortgage repayments. Again, this is based on median incomes in Greater Sydney, and is therefore likely to underestimate the level of rental and mortgage stress in the local area given the significantly lower median household gross income in the Shellharbour LGA compared to Greater Sydney ($1,343, compared to $1,750 in Greater Sydney in 2016).

In the Shellharbour LGA in 2016, 96.3% of households earning very low incomes that were renting, were in rental stress. In addition, 72.7% of low income households were experiencing rental stress and 30.7% of moderate income households were experiencing rental stress. Levels of rental stress were similar in Shellharbour LGA to Greater Sydney for very low income households (96.3% compared to 96.1% for Greater Sydney), but slightly higher for low income households (72.7% compared to 70.3% for Greater Sydney), and much lower for moderate income households (30.7% compared to 40.1% for Greater Sydney).

In the Shellharbour LGA in 2016, 67.9% of households earning very low incomes that were paying a mortgage, were in mortgage stress, 45.6% of households earning low incomes were in mortgage stress, and 24.7% of households earning moderate incomes were in mortgage stress. These levels of housing stress were all lower than for Greater Sydney by around five percentage points, at 72.9%, 49.3% and 29.1% respectively.

Table 22: Rental and mortgage stress by household income, Shellharbour LGA, 2016

Area	Rental Stress			Paying Mortgage		
	Very Low Income	Low Income	Moderate Income	Very Low Income	Low Income	Moderate Income
Shellharbour LGA	815 (96.3%)	850 (72.7%)	331 (30.7%)	396 (67.9%)	592 (45.6%)	540 (24.7%)
Greater Sydney	87,294 (96.1%)	56,738 (70.3%)	39,069 (40.1%)	39,915 (72.9%)	36,390 (49.3%)	35,220 (29.1%)

Source: NSW Government 2018 [NSW Local Government Housing Kit];

2.1.12 Employment and Key Workers

The unemployment rate in the Shellharbour LGA as of June 2018 was 5.0% and has decreased steadily since June 2011 (Table 23). The unemployment rate in 2018 in Shellharbour LGA was lower than Regional NSW but slightly higher than NSW, but was significantly higher than these areas in previous years.

Table 23: Unemployment rate, Study Area, 2011-2018

Area	Jun-11	Jun-12	Jun-13	Jun-14	Jun-15	Jun-16	Jun-17	Jun-18
Shellharbour LGA	7.4%	7.3%	7.2%	6.6%	7.1%	6.9%	6.2%	5.0%
Regional NSW	5.5%	5.4%	5.9%	6.3%	7.3%	6.1%	5.3%	5.6%
NSW	5.2%	5.0%	5.6%	5.6%	5.8%	5.0%	4.8%	4.8%

Notes: Based on place of usual residence.
Source: Informed Decisions 2018 [Community Profile];

In 2016, 17.5% of the labour force residing in the Shellharbour LGA were employed as technicians and trades workers (Table 24) and this was also the most common occupation in 2006 and 2011. Professionals made up 14.2% of the Shellharbour LGA labour force in 2016, and this proportion has been increasing slowly over time. . The proportions of managers and community and personal service workers have also been increasing slightly over time. The share of clerical and administrative workers, technicians and trades workers, and machinery operators and drivers has decreased slightly over time. Overall, the mix of occupations of Shellharbour LGA residents has remained relatively constant over time.

Table 24: Occupation of residents, Shellharbour LGA, 2006-2016

Occupation	2006	2011	2016
Managers	2,177 (8.7%)	2,435 (8.9%)	2,683 (9.1%)
Professionals	3,209 (12.8%)	3,740 (13.6%)	4,211 (14.2%)
Technicians and Trades Workers	4,514 (18.0%)	4,821 (17.6%)	5,193 (17.5%)
Community and Personal Service Workers	2,621 (10.4%)	3,165 (11.5%)	3,884 (13.1%)
Clerical and Administrative Workers	3,522 (14.0%)	3,942 (14.4%)	3,985 (13.5%)
Sales Workers	2,895 (11.5%)	3,089 (11.3%)	3,325 (11.2%)
Machinery Operators and Drivers	2,678 (10.7%)	2,760 (10.1%)	2,674 (9.0%)
Labourers	3,007 (12.0%)	3,017 (11.0%)	3,179 (10.7%)
Not stated or inadequately described	468 (1.9%)	436 (1.6%)	469 (1.6%)
Total employed persons aged 15+	**25,091 (100%)**	**27,405 (100%)**	**29,603 (100%)**

Notes: Based on place of usual residence.
Source: Informed Decisions 2018 [Community Profile];

The significant industries of employment of persons residing within the Shellharbour LGA (Table 25) in 2016 were health care and social assistance (14.5% of workers), retail trade (12.3%), and construction (11.1%). The main occupations in 2006 were manufacturing (14.7% of workers), retail trade (14.0%) and health care and social assistance (11.1%). The share of workers employed in the manufacturing industry has decreased significantly since 2006 (and a total reduction of around 1,600 jobs). Conversely, the shares of workers employed in construction, education and training and public administration and safety have increased.

Table 25: Industry of employment of residents, Shellharbour LGA, 2006-2016

Industry	2006	2011	2016
Agriculture, Forestry and Fishing	95 (0.4%)	96 (0.4%)	133 (0.4%)
Mining	433 (1.7%)	665 (2.4%)	681 (2.3%)
Manufacturing	3,679 (14.7%)	3,218 (11.7%)	2,081 (7.0%)
Electricity, Gas, Water and Waste Services	274 (1.1%)	324 (1.2%)	354 (1.2%)
Construction	2,347 (9.4%)	2,539 (9.3%)	3,300 (11.1%)
Retail Trade	3,504 (14.0%)	3,524 (12.9%)	3,634 (12.3%)
Wholesale trade	701 (2.8%)	774 (2.8%)	608 (2.1%)
Accommodation and Food Services	1,630 (6.5%)	1,844 (6.7%)	2,119 (7.2%)
Transport, Postal and Warehousing	1,362 (5.4%)	1,612 (5.9%)	1,540 (5.2%)
Information Media and Telecommunications	258 (1.0%)	208 (0.8%)	245 (0.8%)
Financial and Insurance Services	735 (2.9%)	838 (3.1%)	869 (2.9%)
Rental, Hiring and Real Estate Services	443 (1.8%)	434 (1.6%)	453 (1.5%)
Professional, Scientific and Technical Services	924 (3.7%)	1,060 (3.9%)	1,065 (3.6%)
Administrative and Support Services	805 (3.2%)	873 (3.2%)	1,028 (3.5%)
Public Administration and Safety	1,551 (6.2%)	1,835 (6.7%)	2,074 (7.0%)
Education and Training	1,646 (6.6%)	1,906 (7.0%)	2,295 (7.8%)
Health Care and Social Assistance	2,792 (11.1%)	3,579 (13.1%)	4,289 (14.5%)
Arts and Recreation Services	322 (1.3%)	341 (1.2%)	328 (1.1%)
Other Services	1,051 (4.2%)	1,240 (4.5%)	1,324 (4.5%)
Inadequately described or not stated	538 (2.1%)	497 (1.8%)	1,185 (4.0%)
Total employed persons aged 15+	**25,090 (100%)**	**27,407 (100%)**	**29,605 (100%)**

Notes: Based on place of usual residence.
Source: Informed Decisions 2018 [Community Profile];

2.1.13 Summary of Demographic Overview

- *The population of the Shellharbour LGA is expected to grow by 24,385 people over the next 25 years. More than half of this growth is projected to occur in the Rural Balance locality (12,514) people, and mostly will be greenfield development. Blackbutt – Shellharbour City Centre, and Shell Cove, also grow significantly over this time in terms of the number of new residents (3,472 people and 3,087 people respectively), which are greenfield developments offering more diverse dwelling types.*
- *The age profile of the Shellharbour LGA suggests that the LGA has higher proportions of young adults and young families, and lower proportions of older age groups (compared to Regional NSW). This age structure is changing over time, with ageing of the population occurring between 2006 and 2016. Older age groups may require different dwellings types to younger families, and this may have implications for dwelling needs over time.*
- *The Shellharbour LGA is popular with families. Within the LGA, couple families with children made up large proportions of households in Shell Cove – Dunmore (52.4%), Flinders (46.5%) and Albion Park – Rural West (44.0%) localities. Lone person households made up large proportions of households in Lake Illawarra (35.1%) and Warilla (29.1%).*
- *The ageing of the population is also evident in changes in household types between 2006 and 2016, with strong growth in households that are older couples, older lone person households, couples with older children and one parent families with older children. Older couples and older lone person households may have different dwelling preferences to other household types, and this may increase the need for smaller dwelling types over time.*
- *There was less diversity of dwellings within the Shellharbour LGA (14.0% semi-detached dwellings and 3.9% flats and apartments), compared to neighbouring LGAs, particularly Wollongong. A higher proportion of flats and apartments may be needed in Shellharbour LGA.*
- *There was a good diversity of dwelling sizes (based on bedroom number) within each of these dwelling types. However, the proportion of smaller houses (less than three bedrooms) was lower in Shellharbour LGA compared to Regional NSW, as was the proportion of smaller semi-detached dwellings. A higher proportion of smaller dwellings may be needed in Shellharbour LGA.*
- *A large proportion of households with one person were living in two- and three-bedroom dwellings and more than half of households with two people were living in three-bedroom dwellings in 2016 in the Shellharbour LGA. This may suggest a need for additional dwelling diversity and choice in dwelling sizes in the Shellharbour LGA.*
- *For households paying rent in the Shellharbour LGA in 2016, 96.3% of very low income households and 72.7% of low income households were experiencing rental stress. For households paying a mortgage, 67.9% of very low income households were in mortgage stress and 45.6% of low income households were experiencing mortgage stress. These were slightly lower proportions than being experienced in Greater Sydney and are likely to underestimate the level of rental and mortgage stress given median household gross incomes in Shellharbour LGA are lower than in Greater Sydney.*
- *Median household incomes within the Shellharbour LGA have been growing at 3.2% annually since 2006 (which was lower than in other comparison areas), and unemployment has been decreasing over the last eight years.*
- *The top industries of employment in 2016 were health care and social assistance, (14.5% of workers), retail trade (12.3%), and construction (11.1%). The share of workers employed in the manufacturing industry has decreased significantly since 2006 (a total reduction of around 1,600 jobs). Conversely, the shares of workers employed in construction, education and training, and public administration and safety have increased.*

2.2 Housing Demand

This section analyses the demand for new housing within Shellharbour to identify the type and level of housing needed to support the LGA.

2.2.1 Projected Dwelling Demand

The Shellharbour LGA is anticipated to require 37,210 dwellings in total in 2041 (Table 26), increasing by 1.4% annually between 2016-2041, which is a similar growth rate to NSW as a whole. These dwelling projections represent all dwellings, including dwellings that might be used by visitors and dwellings that are unoccupied. The Rural Balance locality is anticipated to have the largest dwelling requirements in 2041 in the Shellharbour LGA, increasing to 5,370 dwellings and growing at 10.2% annually between 2016 and 2041. The Blackbutt-Shellharbour City Centre and Shell Cove localities are also projected to grow strongly, increasing at 2.9% and 2.3% annually between 2016 and 2041, respectively.

Table 26: Dwelling projections (Informed Decisions), Study area, 2016-2041

Area	2016	2021	2026	2031	2036	2041	Annual Growth Rate (2016-2041)
Albion Park	4,631	4,843	5,007	5,125	5,214	5,274	0.5%
Albion Park Rail	2,716	2,785	2,816	2,828	2,841	2,853	0.2%
Barrack Heights	2,422	2,470	2,500	2,530	2,560	2,609	0.3%
Blackbutt – Shellharbour City Centre	1,364	1,736	2,247	2,536	2,710	2,805	2.9%
Flinders	2,373	2,521	2,585	2,645	2,705	2,765	0.6%
Lake Illawarra	1,633	1,701	1,736	1,771	1,806	1,841	0.5%
Mount Warrigal	1,878	1,910	1,930	1,950	1,975	2,000	0.3%
Oak Flats	2,582	2,752	2,897	3,022	3,122	3,207	0.9%
Rural Balance*	471	1,245	2,044	3,153	4,294	5,370	10.2%
Shell Cove	1,871	2,407	3,142	3,235	3,255	3,275	2.3%
Shellharbour – Barrack Point	1,831	1,890	1,936	1,966	2,014	2,086	0.5%
Warilla	2,813	2,885	2,945	3,005	3,065	3,125	0.4%
Shellharbour LGA	26,585	29,145	31,785	33,766	35,561	37,210	1.4%
NSW	3,284,700	3,535,100	3,779,900	4,024,950	4,269,650	4,512,950	1.3%

Notes: Total dwellings (resident and visitor households, and unoccupied dwellings). The localities of Shell Cove – Dunmore, Albion Park Rail – Croom and Albion Park -Rural West used for the Community Profile have been split by Informed Decisions into Shell Cove, Albion Park Rail, Albion Park and Rural Balance for Population Forecast.

**Rural Balance consists of the suburbs of Macquarie Pass, Tongarra, Calderwood, North Macquarie, Tullimbar, Part of Yellow Rock, Part of Croom and Dunmore.*

Source: Informed Decisions 2019 [Population Forecast];

The NSW Government dwelling projections (Table 27) indicate the total dwelling requirement in the Shellharbour LGA is anticipated to increase from 28,650 in 2016 to 38,650 dwellings in 2036. The number of dwellings required is projected to increase at 1.5% annually between 2016 and 2036 which is a slightly higher rate of growth than for Kiama LGA, Wollongong LGA and NSW.

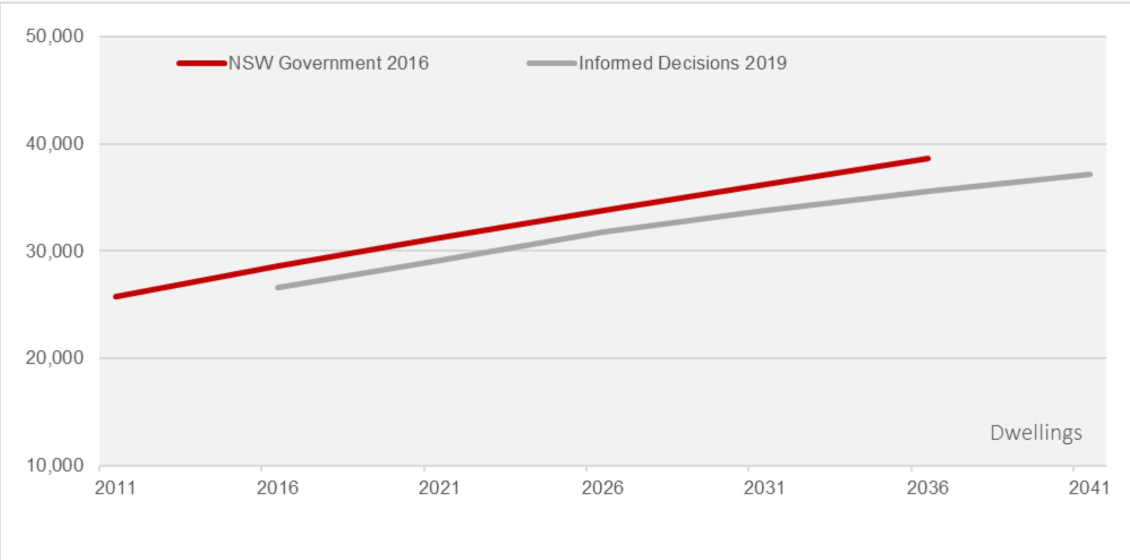
Table 27: Dwelling projections (NSW Government), Study area, 2016-2036

Area	2016	2021	2026	2031	2036	Annual Growth Rate (2016-2036)
Shellharbour LGA	28,650	31,300	33,800	36,250	38,650	1.5%
Kiama LGA	10,850	11,600	12,350	13,150	13,900	1.2%
Wollongong LGA	90,500	95,200	99,450	103,350	107,000	0.8%
NSW	3,284,700	3,535,100	3,779,900	4,024,950	4,269,650	1.3%

Notes: Total dwellings (resident and visitor households, and unoccupied dwellings);
Source: NSW Government 2016;

The NSW Government dwelling projections suggest a slightly higher number of dwellings required in the Shellharbour LGA over time compared to the Informed Decisions projections (Figure 13). Given the very similar population projections from both sources, the Informed Decisions projections must assume a higher average household size resulting in lower dwelling requirements.

Figure 13: Comparison of Dwelling Projections, Shellharbour LGA, 2011-2041



2.2.2 Rents and Property Sales Prices

2.2.2.1 Rental Prices

Median weekly rents in the Shellharbour LGA have increased in the past four years across different dwelling types (Table 28). Median rental prices for separate houses with two bedrooms increased from $350 per week in 2014 to $390 per week in 2018, for three-bedroom separate houses, median rental prices have increased from $395 per week in 2014 to $450 per week in 2018. The median rental prices for flats/units consisting of two bedrooms increased from $290 per week in 2014 to $330 per week in 2018, while median prices for one bedroom flat/units were not available in many periods due to the low number of these dwellings being rented. Median rental prices have remained relatively steady throughout 2018 for all dwelling types.

Table 28: Median rental by dwelling type, Shellharbour LGA, 2014-2018

Quarter	Separate Houses (2 bedroom) ($)	Separate Houses (3 bedroom) ($)	Flat/units (1 bedroom) ($)	Flat/units (2 bedroom) ($)
Dec-18	$390	$450	n/a	$330
Sep-18	$395	$460	$310	$330
Jun-18	$377	$460	$300	$345
Mar-18	$390	$460	n/a	$332
Jun-17	$350	$460	n/a	$320
Jun-16	NA	$440	n/a	$300
Jun-15	$350	$413	n/a	$300
Jun-14	$350	$395	n/a	$290

Source: NSW Government 2019;

2.2.2.2 Sale Prices

Median dwelling sale prices in the Shellharbour LGA have increased across non-strata (detached dwellings) and strata dwellings (semi-detached dwellings and flats and apartments) since 2014 (Table 29). A significant increase was experienced in the one year period between June 2016 and June 2017 for both dwelling types, jumping by $113,000 for non-strata dwellings and $71,000 for strata dwellings. The median sale price of non-strata dwellings has been consistently higher than strata dwellings, and the gap between the two has increased slightly over time (Figure 14).

Table 29: Median sales price by strata type, Shellharbour LGA, 2014-2018

Year	Non-strata – Detached Dwellings	Strata – Attached Townhouses and Apartments
Sep-18	$635,000	$520,000
Jun-18	$639,000	$526,000
Mar-18	$647,000	$512,000
Jun-17	$673,000	$508,000
Jun-16	$560,000	$437,000
Jun-15	$490,000	$400,000
Jun-14	$420,000	$338,000

Source: NSW Government 2019;

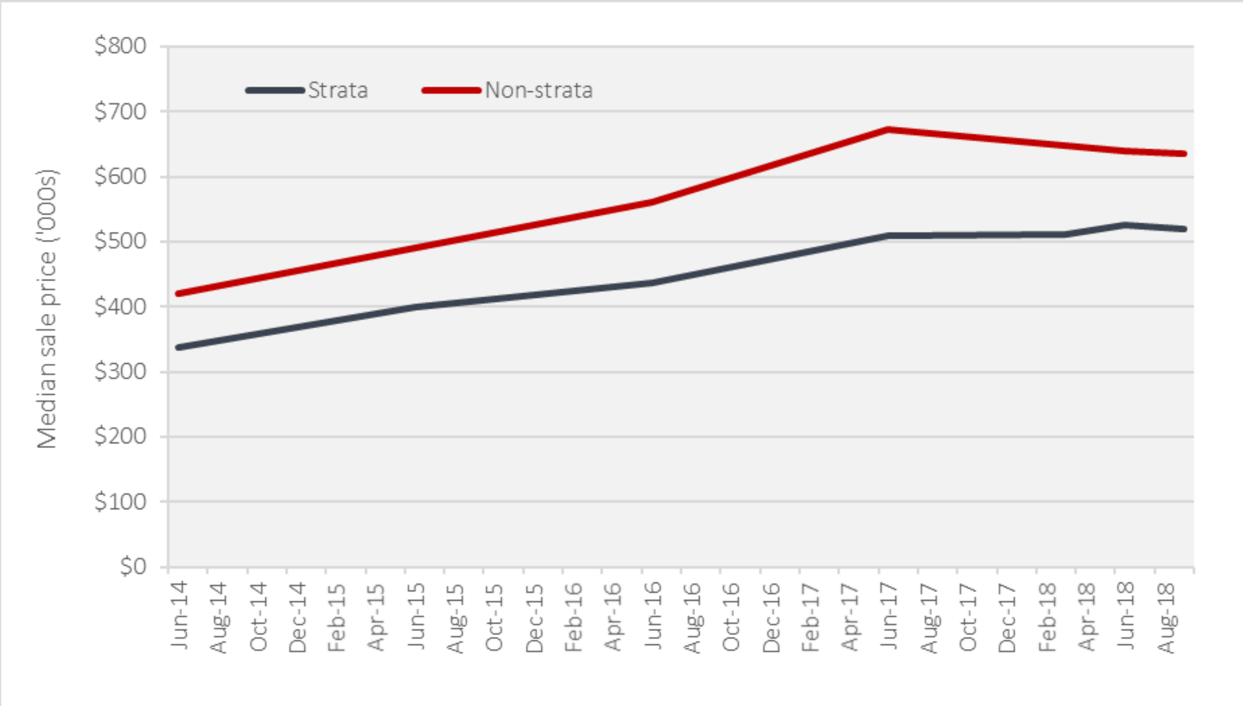


Figure 14: Median sales price by strata type, Shellharbour LGA, 2014-2018

Source: NSW Government 2019;

Data from PriceFinder (2019) (Figure 15) and shown in detail in *Appendix 2*) suggests that median sale prices for houses and units increased steadily between 2008 and 2013 before increasing significantly until 2017. In the past two years, median prices have levelled off and appear to have declined slightly in 2019 (although only data for January and February is included in the 2019 data).

The highest median sale prices for both houses and units occurred in 2017, with the median house price reaching $650,000 and median unit price reaching $516,000. These prices represent significant increases compared to just four years earlier in 2013 when the median house price was $390,000 and median unit price was $335,000, representing growth of 13.6% and 11.4% annually, respectively. These median sale price increases in Shellharbour LGA are well above corresponding household income growth (averaging 3.2% between 2006 and 2016) and therefore negatively impact affordability over this period.

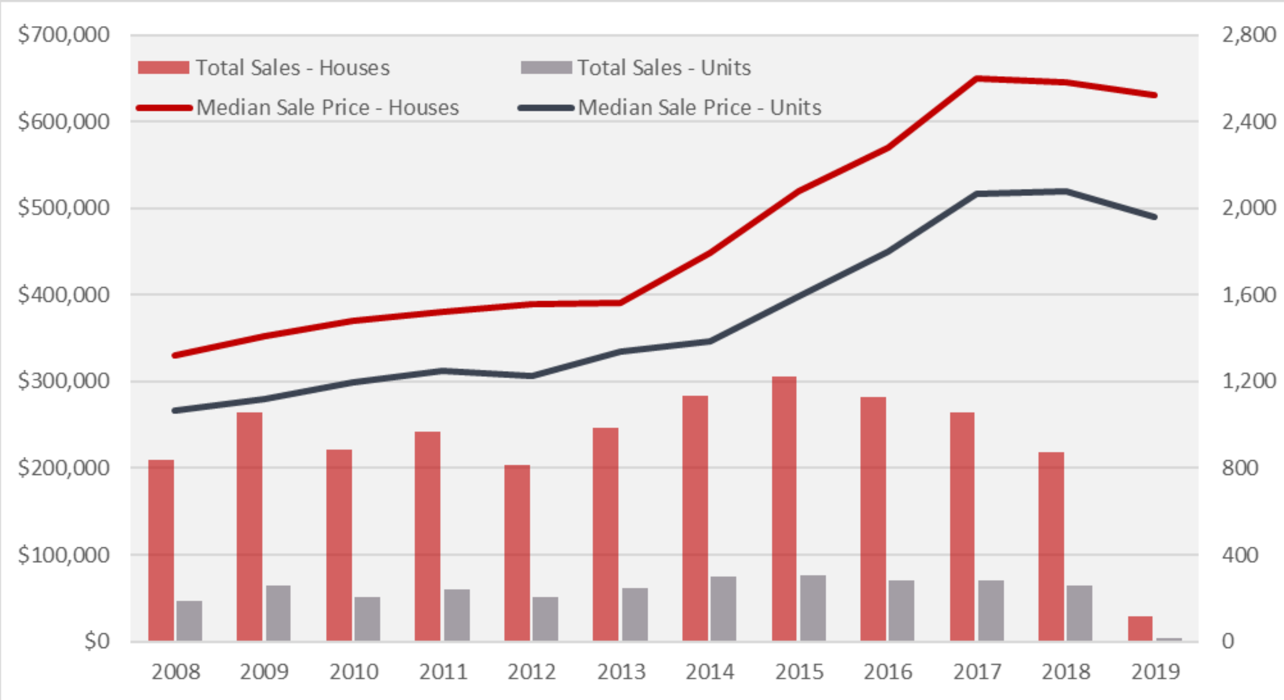


Figure 15: Median sale prices and total sales, Shellharbour LGA, 2008-2019

Notes: Lots <25,000sqm only. Data for 2019 is January and February only.
Source: Pricefinder 2019;

The average number of days that properties spent on the market declined substantially from 2014 to 2017 (Figure 16), from around 100 days before and after the period to around 50-60 days. This aligns with the period of strong growth in median prices. Although units have returned to spending an average of around 100 days on the market in 2018 and 2019, houses have only increased to around 80 days on the market.

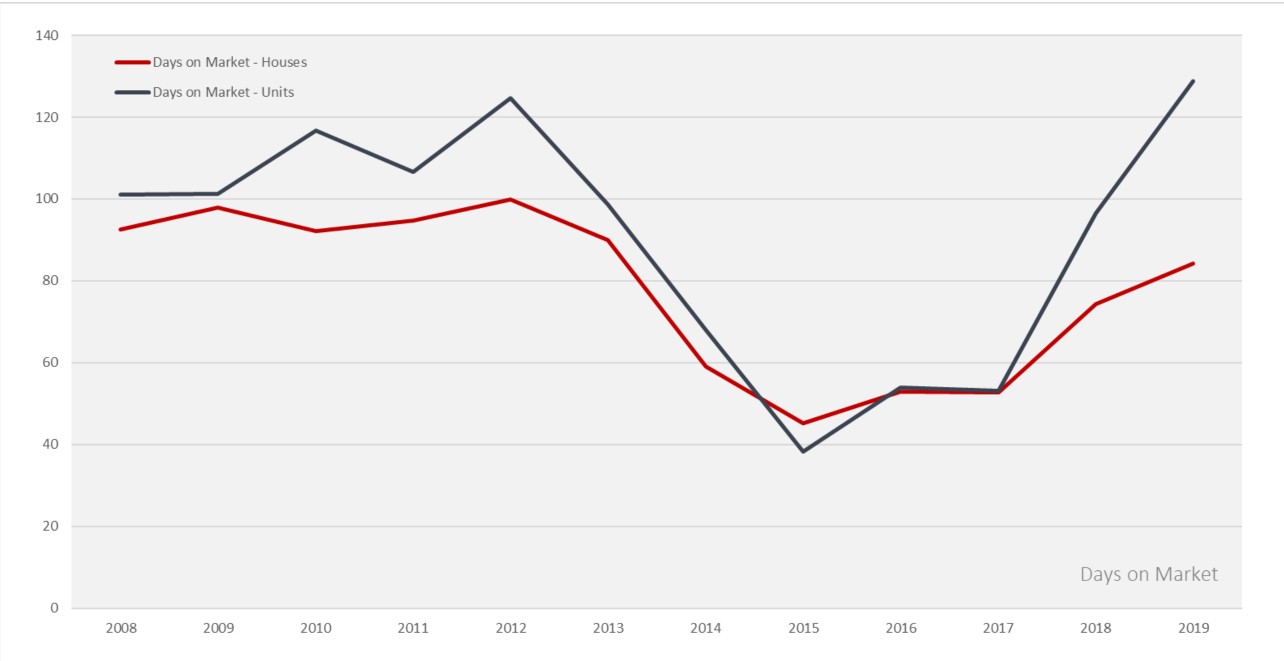


Figure 16: Average days on market, Shellharbour LGA, 2008-2019

Notes: Lots <25,000sqm only. Excludes negative days on market. Data for 2019 is January and February only.
Source: Pricefinder 2019;

2.2.2.3 Social Housing

Social housing waiting times within the Shellharbour LGA are identical across the different localities as they are all within the Shellharbour Allocation Zone (Table 30).

The waiting time for a studio or one-bedroom dwelling and three-bedroom dwelling ranges between 5-10 years, whereas for two- or four-bedroom dwelling, the waiting time is 10 years or more.

As of June 2018, there were 638 applicants waiting on the social housing wait list in the Shellharbour Allocation Zone, with 28 of these listed as priority applicants which means they have been assessed to be in urgent need of housing and are unable to address their housing needs in the private rental market due to their complex life circumstances.

Table 30: Social housing waiting times, Shellharbour LGA, 2018

Area	Studio/ 1 bedroom	2 bedroom	3 bedroom	4+ bedroom
Shellharbour Allocation Zone	5-10 years	10+ years	5-10 years	10+ years

Source: NSW Government 2018 [Housing assistance: Social housing expected waiting times];

2.2.3 Housing for Particular Needs

At 2016, 77.4% of the Shellharbour LGA population was born in Australia which was significantly higher than NSW at 65.5% but lower than Regional NSW at 80.9% (Table 31). The Shellharbour LGA had higher proportions of residents born in predominately English-speaking countries and non-English speaking countries compared to Regional NSW. The proportion of individuals born in non-English speaking countries was significantly higher in NSW than in the Shellharbour LGA.

Table 31: Country of birth, Shellharbour LGA, 2016

Area	Born in Australia	Born overseas – Mainly English speaking	Born overseas – Mainly non-English speaking	Other / Not Stated	Total
Shellharbour LGA	52,957 (77.4%)	5,002 (7.3%)	6,394 (9.3%)	4,105 (6.0%)	68,458 (100%)
Regional NSW	2,139,775 (80.9%)	138,783 (5.2%)	156,504 (5.9%)	208,472 (7.9%)	2,643,534 (100%)
NSW	4,899,202 (65.5%)	474,443 (6.3%)	1,593,589 (21.3%)	512,987 (6.9%)	7,480,221 (100%)

Notes: Based on place of usual residence.
Source: ABS 2016 [TableBuilder Pro];

As of the 2016 Census, the total number of residents who identified as being Aboriginal and / or Torres Strait Islander people was 2,625 people in the Shellharbour LGA (Table 32). And these Aboriginal and Torres Strait Islander people made up 3.8% of the total population, which was slightly lower than for Regional NSW at 5.5% and slightly higher than for NSW at 2.9%.

Table 32: Indigenous population, Shellharbour LGA, 2016

Area	Aboriginal	Torres Strait Islander	Both Aboriginal and Torres Strait Islander	Total Indigenous population	Total population
Shellharbour LGA	2,509 (3.7%)	70 (0.1%)	46 (0.1%)	2,625 (3.8%)	68,460 (100%)
Regional NSW	139,471 (5.3%)	2,883 (0.1%)	2,832 (0.1%)	145,186 (5.5%)	2,643,535 (100%)
NSW	207,256 (2.8%)	4,842 (0.1%)	4,083 (0.1%)	216,181 (2.9%)	7,480,230 (100%)

Notes: Based on place of usual residence.
Source: ABS 2016 [TableBuilder Pro];

At 2016, 4,589 residents of Shellharbour LGA, or 6.7% of the total population, needed assistance with core activities. This was a slightly higher proportion of population than for Regional NSW and NSW (Table 33). These residents may have specialised housing needs, however at a minimum, adaptable housing features may assist with every day activities and allow modifications at a reduced cost.

Table 33: Need for assistance, Shellharbour LGA, 2016

Area	Has need for assistance with core activities	Does not need, Not stated	Total
Shellharbour LGA	4,589 (6.7%)	63,867 (93.3%)	68,460 (100%)
Regional NSW	165,295 (6.3%)	2,478,239 (93.7%)	2,643,535 (100%)
NSW	402,049 (5.4%)	7,078,181 (94.6%)	7,480,230 (100%)

Notes: Based on place of usual residence.
Source: ABS 2016 [TableBuilder Pro];

The homeless population (Table 34) in the Shellharbour LGA in 2016 was estimated to be 180 people, and the homeless population has more than doubled since 2006. In nearby Wollongong LGA, the homeless population in 2016 was also significantly larger than 2006, growing to 816 people in 2016. These were larger rates of growth in homelessness than for Regional NSW and NSW as a whole.

For this measure, homeless people are considered to include:

- Persons living in improvised dwellings, tents, or sleeping out
- Persons in supported accommodation for the homeless
- Persons staying temporarily with other households
- Persons living in boarding houses
- Persons in other temporary lodgings
- Persons living in 'severely' crowded dwellings.

This estimate is likely to underestimate homelessness particularly young people, people displaced due to domestic and family violence and Aboriginal and Torres Strait Islander people.

Table 34: Number of homeless people, Shellharbour LGA, 2016

Area	2006	2011	2016
Shellharbour LGA	84	134	180
Kiama LGA	8	30	20
Wollongong LGA	440	811	816
Regional NSW	6,815	7,942	8,703
NSW	22,219	27,483	37,692

Source: ABS 2016 [TableBuilder Pro];

Specific at-risk or vulnerable people, including the elderly, women, people with disabilities and carers are at risk in social housing estates unless there are integrated policies across various jurisdictions. This will help to ensure that factors impacting on safety are identified and managed across policy areas and funding streams. In addition, cheaper and more affordable housing tends to be located in areas of poorer amenity, away from employment centres or with limited access to public transport. Measures are needed to encourage infill development and reduce concentrations of disadvantage.

Affordable, social and public housing should be distributed across different areas in the Shellharbour LGA. This will assist in reducing the waiting list, decreasing crime, minimising costs of repair, demolition and relocation, and increasing the number of properties that are perceived as desirable.

2.2.4 Projected Dwelling Need and Housing Demand Model

In order to identify the projected dwelling need and to better identify the types of housing that may be required to address particular needs, a housing demand model was developed to help ascertain this.

2.2.4.1 Methodology, assumptions and limitations

Future dwelling type demand in the Shellharbour LGA has been estimated based on the development of two scenarios:

- Scenario 1: Existing Policy and Propensities: Assumes no change in the propensity of particular household types to live in particular dwelling types, that is, the propensities of particular household types to live in particular dwelling types is assumed to remain the same as it was in 2016. It also assumes no change in land use policy.
- Scenario 2: Housing Preferences / Aspirations: The propensities of particular household types to live in particular dwelling types is adjusted from 2016 based on the results of telephone survey of residents (Housing Preferences Survey).

Shellharbour City Council commissioned a telephone survey of residents to help gather baseline data on housing preferences. The survey was undertaken by a third-party research company with interviews taking place between 16-21 December 2018.

In total, 605 respondents were included in the survey, and the responses were weighted by age and sex of participants so that the sample more closely resembled the Shellharbour LGA population.

In terms of affordability, 12% noted that their current housing situation was not affordable. For those that noted their current housing situation was not affordable, factors which contributed to unaffordable housing included[3]:

- Wages not increasing with cost of living (69%)
- Council rates (50%)
- Rent (41%)
- Having a single income household (38%)
- Cost of commuting to work (23%)
- Mortgage repayments (22%)

[3] Respondents could select multiple responses for this question.

- Commute times to employment (21%)
- Access to services (19%)
- Other expenses (21%).

In terms of dwelling type preferences, 24% would prefer to live in another dwelling type. Of those that would prefer to live in another dwelling type, the following dwelling types were preferred:

- A bigger dwelling of the same type (36%): reasons for this preference included desiring more space for a growing family, more internal and external space, room for animals, and more personal space
- House on its own block (26%): reasons for this preference included desiring space and independence, and issues with neighbours
- A smaller dwelling of the same type (12%): reasons for this preference included desiring an easier to manage space, a single level home, less space required for smaller household size, and downsizing
- Apartment in large complex (6%)
- Freestanding townhouse (6%)
- Freestanding villa (6%)
- Attached townhouse (4%)
- Retirement unit (1%)
- Unit, apartment, flat or granny flat (1%)
- A newer dwelling of the same type (0.8%)
- Attached villa (0.3%)
- Other dwelling type (0.8%).

A range of adjustments to data and assumptions were made in the demand model (mainly for Scenario 2 in order to use the outputs of the Housing Preferences Survey). These adjustments included:

For both scenarios household type projections were utilised from Informed Decisions; however, these were only available for broad household types (couples with children, couples without children, one parent families and lone person households). These projections were broken down into more detailed household types as below:

- Couples with children into: couples with young children, couples with mixed-age children, and couples with older children
- Couples without children into: young couples, middle-aged couples, and older couples
- One parent families into: one parent with young children, one parent with mixed-age children, and one parent with older children
- Lone person households into: young lone persons, middle-aged lone persons and older lone persons.
- These more detailed household types were broken down based on trends in this breakdown in 2006, 2011 and 2016 (a logarithmic trend was utilised for projection years). The breakdown of household types used in the analysis for 2018, 2028 and 2038 are included in *Appendix 3*.
- Unoccupied dwellings are assumed for each period based on the difference between projections for households and dwellings by Informed Decisions. The breakdown of dwelling types for unoccupied dwellings is assumed to continue as they were in 2016, 70.8% separate houses, 19.8% semi-detached dwellings, 8.5% flats and apartments, and 0.9% other dwelling types, and are therefore not impacted by household preferences.
- For the projection years, the small number of 'not stated' dwelling types were excluded from the analysis, in effect, this assumes that these (unknown) dwellings had a similar dwelling type breakdown as dwellings where the dwelling type was recorded.
- For the projection years, dwellings generally occupied by visitors are not considered separately by Informed Decisions, and therefore have not been considered separately in the analysis.

For scenario 2:

- There were no 'other families' included in the Housing Preferences Survey, therefore the 'preferences' of these households were assumed to be as in accordance with their actual housing breakdown in the 2016 census, 74.6% separate houses, 17.9% semi-detached dwellings, 5.8% flats and apartments, and 1.8% other dwelling types.
- The Housing Preferences Survey results were weighted to ensure that the survey results aligned with the breakdown of households in 2016. General findings of the Housing Preference Survey summarised in Section 4 are weighted by age group and sex of respondent and therefore are not directly comparable with the inputs used in the model. Results of the housing demand analysis modelling using the age and sex weighting is included in *Appendix 4* for reference.
- Classification of dwelling types used in the Housing Preferences Survey were classified into ABS categories as follows:
    - Separate House: house on its own block, freestanding townhouse, and freestanding villa
    - Semi-Detached Dwelling: attached townhouse, attached villa, and duplex, as well as retirement living units
    - Flat or Apartment: apartment in large complex, dual occupancy one on top of the other, two level walk up apartment, and apartment / unit
    - Other Dwellings: caravan, and relocatable home.
- Preferences for retirement living accommodation were allocated into semi-detached dwellings as an audit of retirement units in the Shellharbour LGA noted that the majority of retirement living units were of this type.
- Some participants in the Housing Preferences Survey suggested that they would prefer to live in some other dwelling type, but when asked the type of dwelling they would prefer to live in, noted a dwelling of the same type as they were currently living in. Therefore, some of the responses in the survey have required to be adjusted / cleaned.
- Many participants suggested that they would prefer a larger or smaller dwelling of the same type as their current dwelling. This response was outside the scope of the demand assessment model, and was therefore recorded as being no change in preference. Although not included in the demand assessment model, general findings of the Housing Preference Survey are summarised in Section 4, and these preferences for smaller and larger dwellings of the same dwelling type are considered throughout the Local Housing Strategy.

2.2.4.2 Results

The results of the housing demand model are summarised in Table 35 below and the figures that follow. For both scenarios, a total of 9,839 dwellings are needed between 2016 and 2038. It is noted that this is a different projection year than the previous analysis in this report, which is to 2041. This projection year was chosen in order to align with planning decisions to be undertaken over the next 20 years.

For scenario one, the model suggests that between 2016 and 2038:

- 8,103 separate houses are needed
- 1,321 semi-detached dwellings are needed
- 234 flats and apartments are needed
- As well as, 181 dwellings of other types.

For scenario two, the model suggests that between 2016 and 2038:

- 10,307 separate houses are needed
- 1,028 *fewer* semi-detached dwellings are needed
- 748 flats and apartments are needed
- As well as, 189 *fewer* dwellings of other types.

Table 35: Results of housing demand model scenarios, 2018, 2028 and 2038

Year	Scenario	Separate house	Semi-detached	Flat or apartment	Other - Caravan, cabin, shop, tent	Total dwellings
2006	NA	18,712	2,483	1,438	315	22,948
2011		19,911	2,793	1,365	380	24,449
2016		20,971	3,832	1,180	432	26,415
2018	Scenario 1	21,993	3,965	1,157	419	27,534
	Scenario 2	23,875	1,951	1,483	225	27,534
2028	Scenario 1	26,151	4,654	1,311	526	32,642
	Scenario 2	28,239	2,422	1,740	241	32,642
2038	Scenario 1	29,074	5,152	1,414	614	36,254
	Scenario 2	31,278	2,804	1,928	243	36,254

Figure 17: Results of dwelling demand model (Scenario 1)

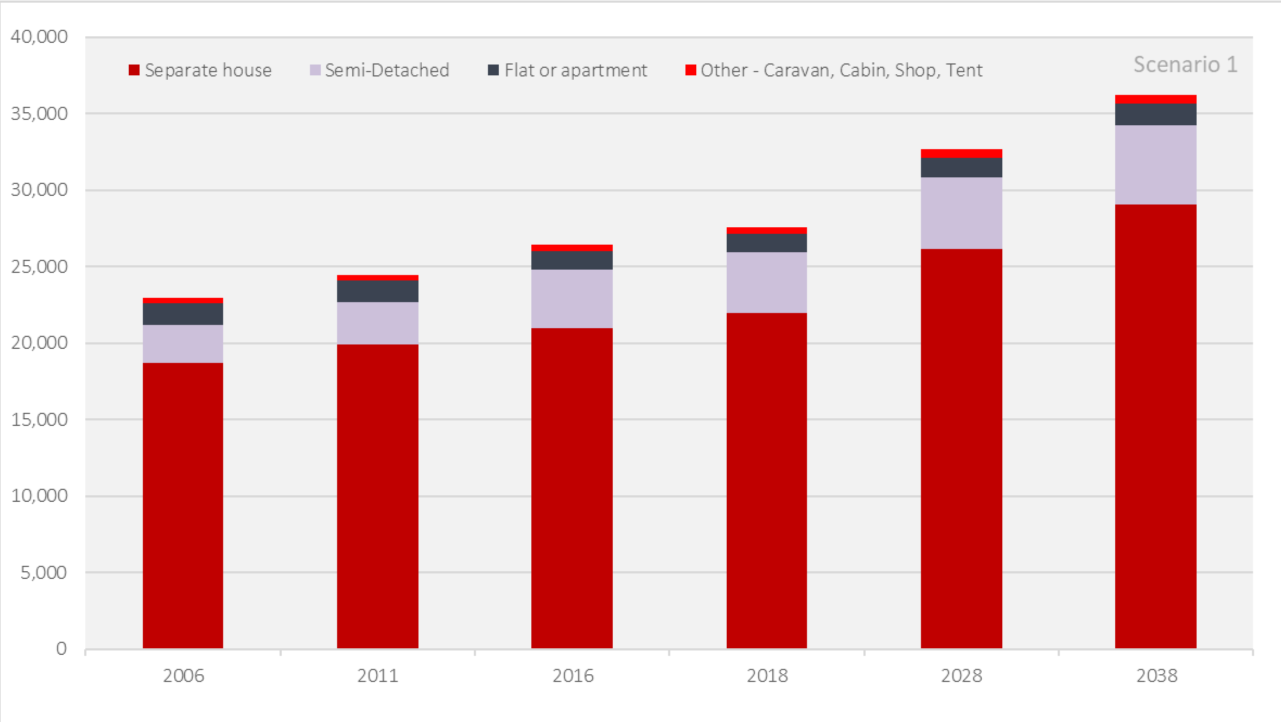


Figure 18: Results of dwelling demand model (Scenario 2)

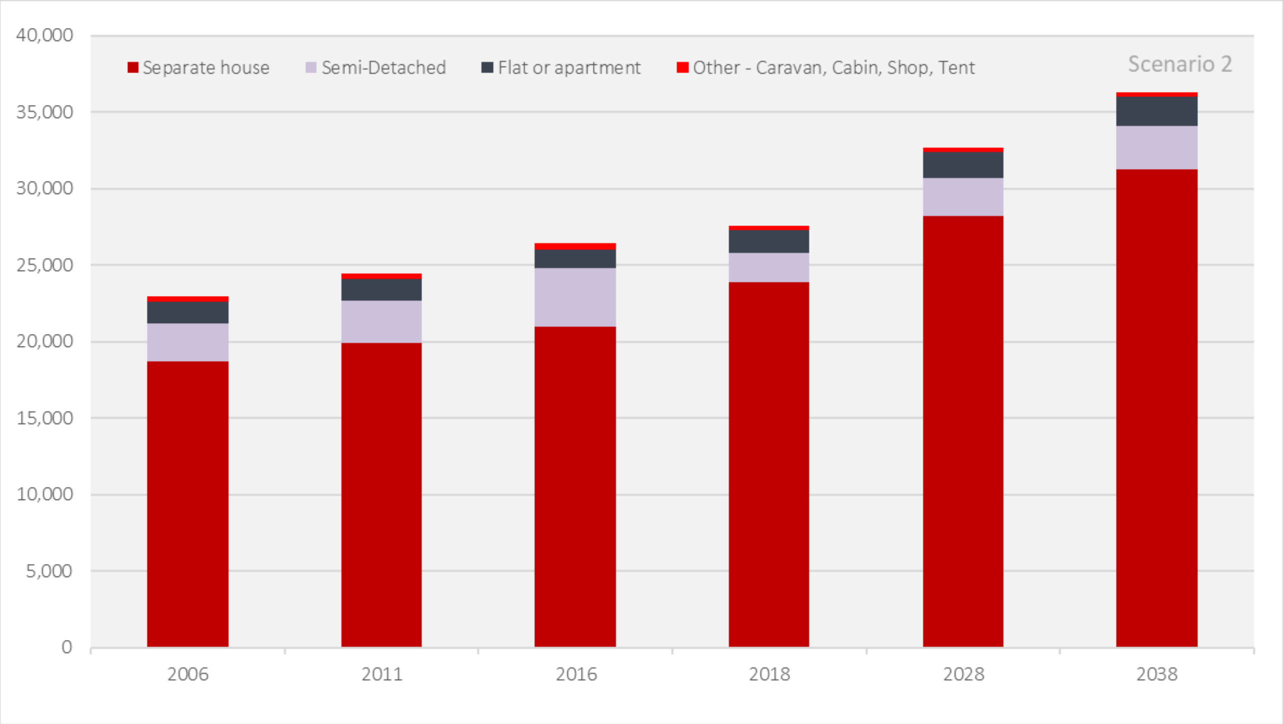
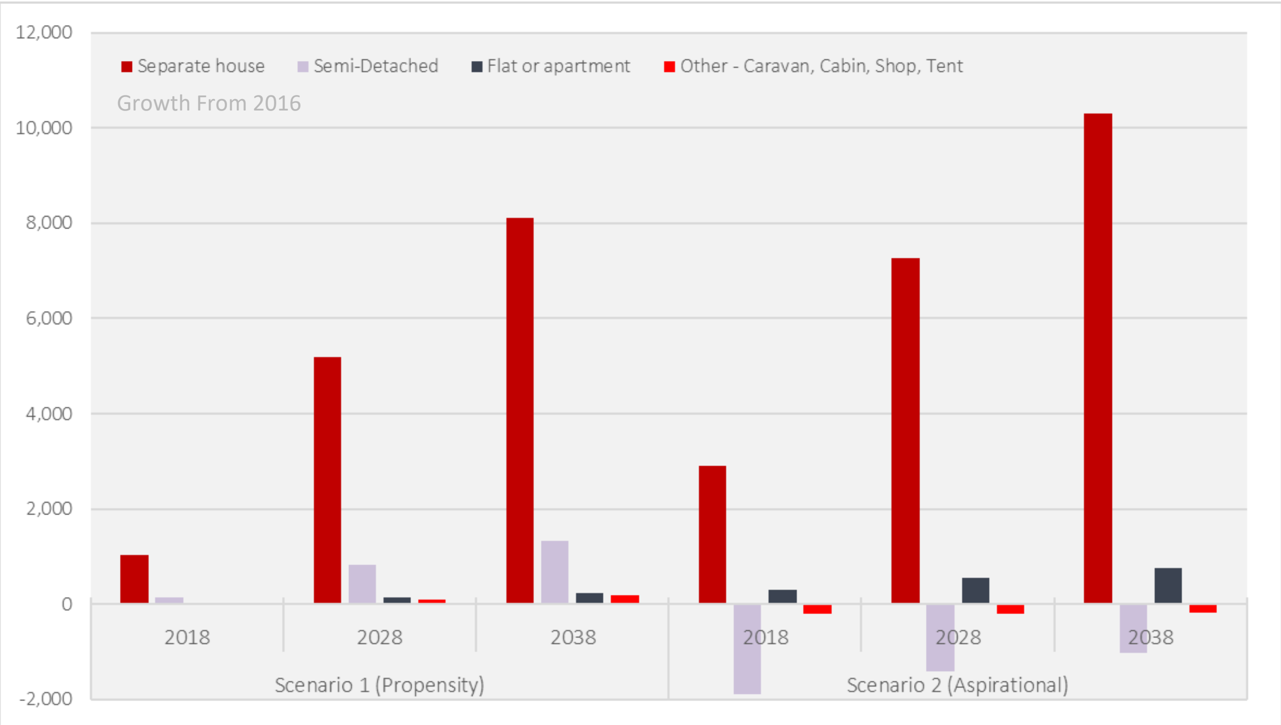


Figure 19: Comparison of results of dwelling demand model (Scenario 1 and 2)



Compared to Scenario 1, Scenario 2 suggests the need for additional separate houses in all future years (Table 36). Most of this preference was at the expense of semi-detached dwellings, but also other dwelling types (caravans, cabins, shop-top, improvised dwellings, etc.). Scenario 2 also suggested greater preferences for flats/apartments.

Table 36: Scenario 2 requires greater or less dwellings than Scenario 1 as per Table 36

Year	Separate house	Semi-detached	Flat or apartment	Other - Caravan, cabin, shop, tent	Total dwellings
2018	1,882	-2,014	326	-194	0
2028	2,087	-2,232	429	-285	0
2038	2,205	-2,348	514	-370	0

2.3 Housing Supply

This section analyses the supply of housing, the capacity and feasibility of the existing planning controls, and other sources of new housing for Shellharbour. Housing supply is considered in terms of the total supply of housing and the amount of new housing.

Establishing the housing supply that is already available in Shellharbour, considers an analysis of:

- amount and type of current and planned housing stock;
- rental vacancies (where possible) and vacancy rate;
- price and type of dwellings for sale;
- capacity within the existing land use controls for additional housing; and
- potential displacement of existing housing due to redevelopment.

2.3.1 Current and Planned Housing

Dwellings projections developed by Informed Decisions outlined in previous sections of this report, considered current and planned housing in determining dwelling projections for the whole LGA and for areas within the LGA. A range of data sources were considered for current and planned housing including:

- Dwelling approvals data provided by Shellharbour City Council for a three-year period between 2015 and 2018;
- Dwelling yields for approved master-planned communities;
- An analysis of infill capacity in existing residential areas; and
- Consideration of the capacity of key vacant development sites.

These data sources have not been revisited in determining future housing supply. Instead, the dwelling projections developed by Informed Decisions have been used as a key input to the housing strategy as an indication of future housing supply.

2.3.1.1 Illawarra-Shoalhaven UDP Update 2016

The Illawarra-Shoalhaven UDP Update 2016 report provides the most recent reporting on land supply for the region and provides a number of insights into the land and housing supply situation for Shellharbour. For greenfield release and infill areas/centres of Shellharbour, the report states that:

- Since 2009/10 there has been an upward trend in the total number of dwellings completed.
- Total dwellings completed for 2014/15 is the highest over the last 10 years.
- The number of dwellings completed from greenfield areas (294) in 2014/15 is the highest in the last ten years.

- The majority of dwellings completed in Shellharbour LGA are supplied from greenfield release areas, accounting for 73% of dwellings in the last five years (2010/11 to 2014/15).
- Shellharbour LGA has consistently had a strong and robust greenfield housing market over the last 10 years accounting for at least 72% of dwellings completed.

For detached and multi-unit dwellings, the report states:

- The total number of dwellings completed has been increasing gradually since 2009/10.
- 2014/15 has the highest number of detached dwellings (366) completed in the last ten years since 2005/06.
- The importance of new detached dwellings has increased over the last ten years. Detached dwellings accounted for 66% of new dwellings in the first 5 years (2005/06-2009/10) compared to 83% of new dwellings in the last 5 years (2010/11 – 2014/15).
- The dwelling density split for the first 5 years (2005/06 to 2009/10) is 66:34 (66% detached and 34% multi-unit).
- The dwelling density split for the last 5 years (2010/11 to 2014/15) is 83:17 (83% detached and 17% multi unit).

For dwelling approvals the report states:

- There were 537 dwelling approvals for 2014/15 which is the highest in ten years.
- There were 312 multi-unit dwelling approvals for 2014/15, also the highest in ten years. The majority were for medium density (192) and flats/apartments of 1-2 storeys (116).
- Approvals for detached dwellings have slightly decreased over the last 10 years, accounting for 76% of approvals in the first 5 years (2005/06 to 2010/11) and 56% in the last five years (2010/11 to 2014/15).
- Approvals for multi-unit dwellings have increased over the last 10 years, accounting for 23% of approvals in the first 5 years (2005/06 to 2009/10) and 44% in the last five years (2010/11 to 2014/15).

The full copy of this report should be referred to. The Illawarra Shoalhaven Urban Development Program Update 2018 report is due for release shortly, which will provide updated statistics in relation to land and housing supply for the Shellharbour LGA and other LGAs within the Illawarra-Shoalhaven region. These updated statistics were made available to and utilised by Informed Decisions in their recent forecasting work, referred to in this LHS.

2.3.1.2 Dwelling Sales

The volume of house sales fluctuated between 2008 and 2012 between around 800-1,000 dwelling sales each year. The volume of unit sales was also fairly flat at around 200 dwelling sales each year. Total sales volume gradually increased between 2013 and 2015 before decreasing steadily again. The total sales of houses and units hit a high in 2015 of 1,223 sales of houses and 307 sales of units.

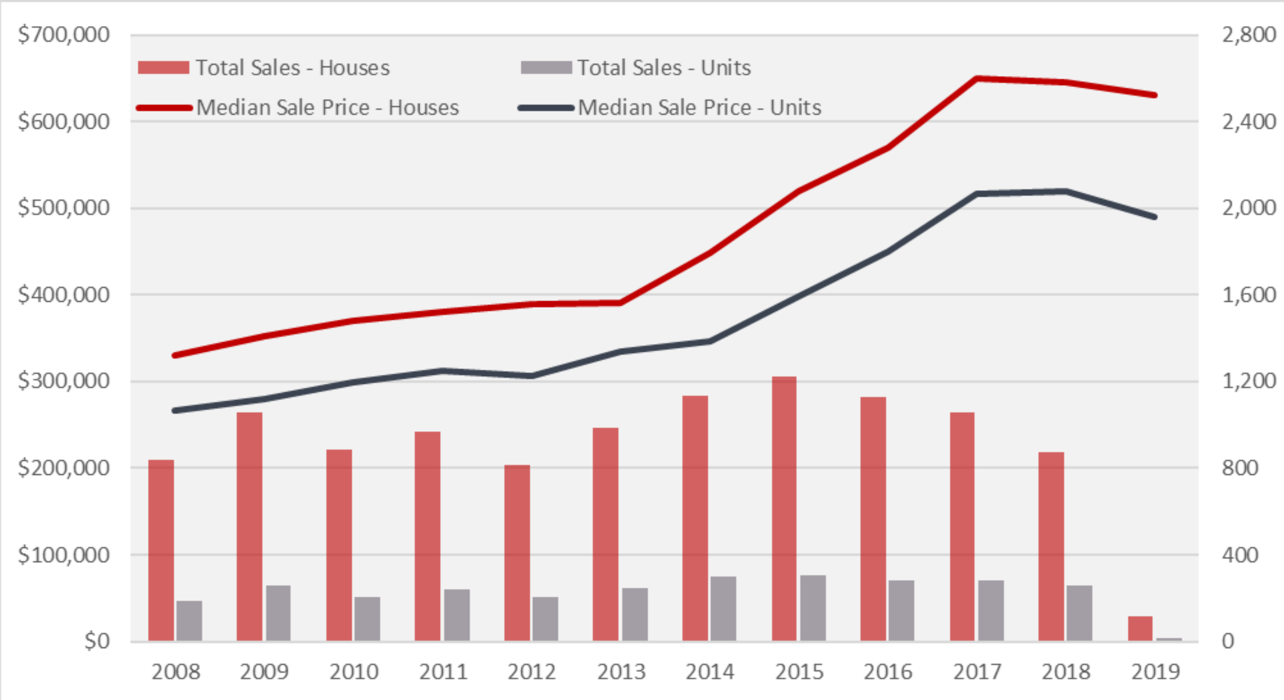


Figure 20: Median sale prices and total sales, Shellharbour LGA, 2008-2019

Notes: Lots <25,000sqm only. Data for 2019 is January and February only.
Source: Pricefinder 2019;

2.3.2 Rental Vacancies

2.3.2.1 Dwellings for Rent

The total number of new bonds lodged in the Shellharbour LGA has fluctuated since the June quarter 2014 across different dwelling types (Table 37). The number of new bonds lodged each quarter for all dwellings has remained between around 400 and 510 bonds (based on the data for quarters analysed). The total bonds held across all dwelling types has increased slowly over time from 4,275 in the June quarter 2014 to 4,699 bonds in December 2018 (Table 37). The total stock of rental dwellings reached a peak of around 4,850 dwellings in the June quarter 2017 and has since declined slightly. While the stock of separate houses has increased quite steadily over time, the stock of flats and units has been more variable.

Table 37: Bonds lodged by dwelling type, Shellharbour LGA, 2014-2017

Quarter	New Bonds Lodged					Total Bonds Held				
	Separate houses	Flats/Units	Town-house	Other	All Dwellings	Separate houses	Flats/Units	Town-house	Other	All Dwellings
Dec-18	286	74	106	<10	474	2,556	917	835	391	4,699
Sep-18	303	86	91	<30	510	2,501	907	803	421	4,632
Jun-18	248	56	92	<30	417	2,453	895	788	428	4,564
Mar-18	274	64	85	37	460	2,383	908	761	438	4,490
Jun-17	235	86	n/a	n/a	470	2,331	957	n/a	n/a	4,854
Jun-16	183	85	n/a	n/a	412	2,155	923	n/a	n/a	4,584
Jun-15	222	83	n/a	n/a	434	2,116	925	n/a	n/a	4,468
Jun-14	231	97	n/a	n/a	441	2,077	930	n/a	n/a	4,275

Note: For June 2017 and preceding quarters, the number of bonds for townhouses and other dwellings types was not collected or separately reported.
Source: NSW Government 2019;

An estimate of rental vacancies and rental vacancy rates is available each month based on postcodes from SQM Research (2019). For the Shellharbour LGA the corresponding postcodes are 2527, 2528 and 2529. The rental vacancy rates for the three postcode areas that make up the Shellharbour LGA suggests a very tight rental market, and the rental market seems to have been very tight for a number of years. Each of the postcode areas are considered separately below.

The postcode area 2527 comprises the localities of Albion Park – Rural West and Albion Park Rail – Croom localities. As of February 2019, the area had a rental vacancy rate of 1.7% (28 total vacancies). The area has experienced fluctuations in the rental vacancy rate in the last five years, however the rate has generally been very low (between 0% to 2%).

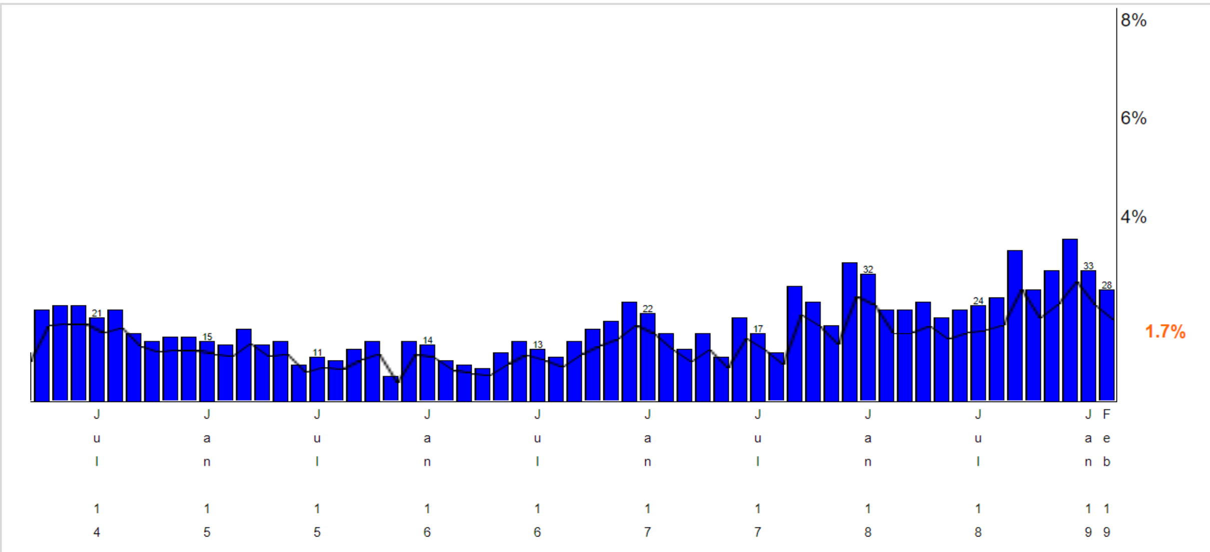


Figure 21: Rental vacancy rate, Postcode 2527, 2014-2018

Source: SQM Research 2019;

The postcode area 2528 comprises the localities of Barrack Heights, Lake Illawarra, Mount Warrigal and Warilla, and as of February 2019 had a rental vacancy rate of 1.3% (with 49 total vacancies). The rental vacancy rate in this postcode area was the lowest within the Shellharbour LGA. The vacancy rate has been very low throughout the last four years (mostly below 1%).

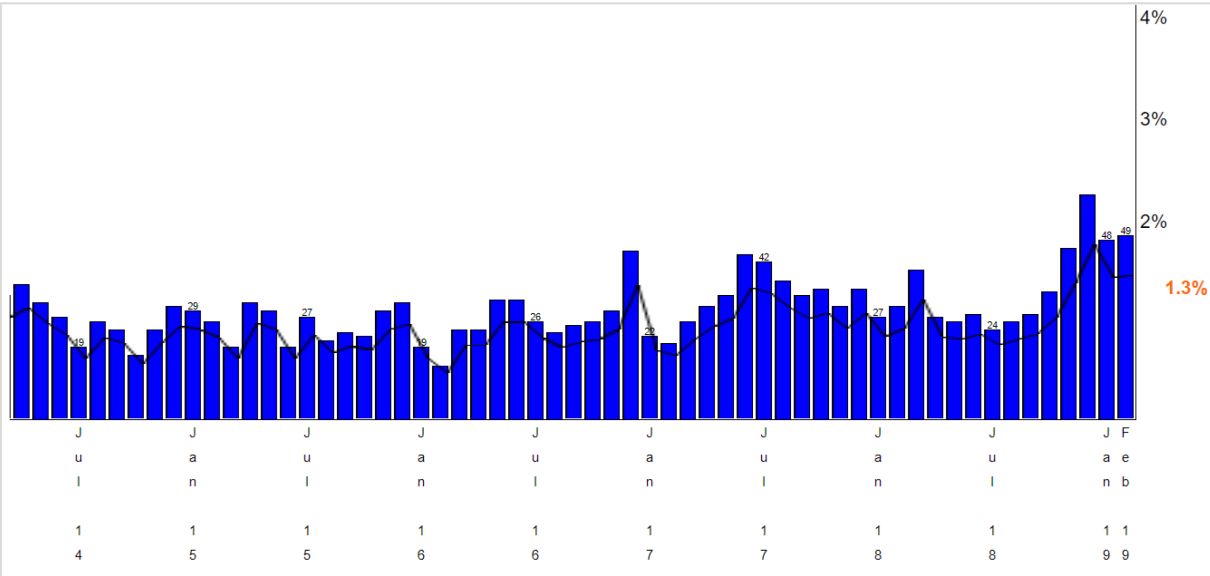


Figure 22: Rental vacancy rate, Postcode 2528, 2014-2018

Source: SQM Research 2019;

The postcode area 2529 comprises the localities of Blackbutt – Shellharbour City Centre, Flinders, Oak Flats, Shell Cove – Dunmore and Shellharbour – Barrack Point, and as of February 2019 had a rental vacancy rate of 1.5% (with 38 total vacancies). The area has had a very low vacancy rate throughout the past four years (between 0% and 2%).

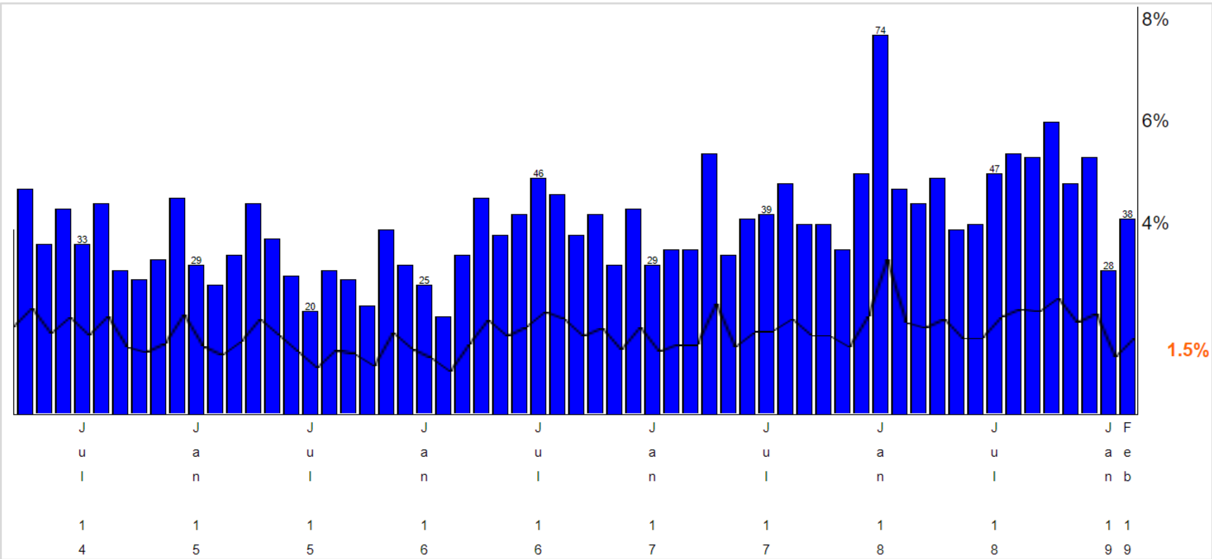


Figure 23: Rental vacancy rate, Postcode 2529, 2014-2018

Source: SQM Research 2019;

> *The stock of dwellings available for rent that are considered affordable for very low income households was around 1% in 2017 and has fallen dramatically over the past 15 years or so, from 29.8% in 2001 (Table 38). Although, over the last few years (2014-2016), the proportion has been around 7.5%. For low income households, the proportion of dwellings that are affordable to rent has also fallen dramatically, from around 80% in 2001 to 15% in 2017. Rental affordability appears to be an increasingly significant issue for very low and low income households in the Shellharbour LGA.*

For this measure, a very low-income household is defined as earning 50% or less of the Greater Sydney median household income, low income households are those earning between 50% and 80% of the Greater Sydney median household income and moderate-income households earn an income between 80% and 120% of the Greater Sydney median household income.

Table 38: Proportion of rental stock that is affordable, Shellharbour LGA, 2001-2017

Income	2001	2006	2011	2012	2013	2014	2015	2016	2017
Very Low Income	29.8%	25.1%	12.0%	12.2%	13.1%	7.5%	7.6%	7.4%	1.1%
Low Income	80.4%	68.8%	32.9%	37.0%	39.4%	23.7%	39.9%	34.5%	13.9%
Moderate Income	93.6%	91.1%	76.5%	83.0%	86.6%	83.7%	86.7%	87.8%	76.8%

Source: NSW Government 2018 [NSW Local Government Housing Kit];

The stock of dwellings available for purchase that are considered affordable for very low income households has been consistently low over the past 15 years, at around 1-2% (
Table 39). The situation is similar for low income households, with the proportion of stock affordable for low income households falling from 42.6% in 2001, to around 1% in 2006 and 2011, to between 2% and 9% in recent years. Purchasing a dwelling is out of reach for the majority of very low income, low income and moderate income households of Shellharbour LGA.

Table 39: Proportion of purchase stock that is affordable, Shellharbour LGA, 2001-2017

Income	2001	2006	2011	2012	2013	2014	2015	2016	2017
Very Low Income	2.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%	0.0%	1.1%
Low Income	42.6%	0.8%	1.3%	5.7%	8.6%	7.6%	5.7%	3.6%	2.2%
Moderate Income	81.8%	27.3%	28.6%	48.8%	59.4%	54.2%	59.3%	49.3%	6.9%

Source: NSW Government 2018 [NSW Local Government Housing Kit];

2.3.2.2 Social Housing

There were 1,718 public housing dwellings in the Shellharbour LGA in 2017 (Table 40).

Table 40: Public housing stock, Shellharbour LGA, 2017

Area	Public Housing stock Jun 2017
Shellharbour LGA	1,718
Rest of NSW	36,431

Source: NSW Government 2018 [NSW Local Government Housing Kit];

2.3.2.3 Housing for Particular Needs

There were no private boarding homes or hostels for the homeless, for night shelter or for refuge identified in the Shellharbour LGA in 2016 (ABS 2016). Although, there are services in Shellharbour LGA that provide access to properties to support homeless people, for example, Southern Youth and Family Services provides accommodation to homeless and vulnerable young people and their families.

There were 303 residents living in self-contained retirement village dwellings on census night in 2016 (Table 41). These residents lived in 210 dwellings, indicating an average household size of 1.4 people. There were no manufactured home estate dwellings identified within the Shellharbour LGA as of the 2016 Census.

There were also 303 dwellings located in caravan / residential park or camping grounds that were occupied by residents on the census night in 2016. These households may be experiencing acute affordability issues and may be vulnerable to homelessness.

Table 41: Retirement and other forms of living, Shellharbour LGA, 2016

Form of living	Persons	Total Dwellings	Dwellings Occupied by Residents	Average Household Size
Retirement village (self-contained)	303	252	210	1.4
Manufactured home estate	0	0	0	n/a
Caravan / residential park or camping ground	n/a	348	303	n/a

Source: ABS 2016;

2.3.3 Capacity of the Land Use Controls

The potential amount and type of development that Council's existing land use controls would deliver if it were developed to its full current capacity should more than adequately provide for the housing demand projected for Shellharbour to 2041 (i.e. 10,625 dwellings to 2041). Overall housing supply to adequately meet housing demand is not considered to be an issue in the delivery of total numbers of housing for Shellharbour in the future. Rather, it is whether the current controls sufficiently facilitate the provision of a diversity of housing products within the LGA, to provide the choice in dwelling types that is projected to be needed, based on the analysis undertaken.

2.3.4 Summary of Housing Supply

- *The total volume of sales for houses and units has been trending downward since 2015, implying that there is less choice available for buyers over the last few years even as the population and number of households grows strongly.*
- *The rental vacancy rates for the three postcode areas that make up the Shellharbour LGA suggests a very tight rental market, and the rental market seems to have been very tight for a number of years.*
- *The stock of dwellings available for rent that are considered affordable for very low income households is very limited (perhaps as low as 1% in 2017). For low income households, the dwelling stock is limited (perhaps as low as 14% in 2017). The stock of dwellings available for sale that are considered affordable for very low and low income households is extremely limited at around 1-2% and has been at very low levels for a number of years. Additional affordable dwelling stock is needed.*
- *There was a total of 1,718 public housing dwellings in the Shellharbour LGA at June 2017, but 638 approved applicants on the social housing wait list. This suggests a considerable increase in existing public housing stock may be needed to meet demand. There may be opportunities to include redevelopment of public housing stock to deliver smaller, newer and more appropriate dwelling types for people requiring public housing (for example, adaptable dwellings).*
- *There were just 210 retirement dwellings and no manufactured home park dwellings that were occupied by residents in the Shellharbour LGA in 2016. A detailed analysis has not been undertaken to assess retirement living demand, however, given this low level of supply, there may be a need to develop further retirement housing to accommodate older residents now and into the future.*
- *There were 303 dwellings located in caravan / residential park or camping grounds that were occupied by residents on census night in 2016. These households may be experiencing acute affordability issues and may be vulnerable to homelessness.*

Below provides an overview of the land use opportunities and constraints.

2.4 Land Use Opportunities and Constraints

There are a range of land use opportunities and constraints within the Shellharbour LGA that will need to be considered in the provision of new housing for Shellharbour.

2.4.1 Opportunities

There are a range of opportunities for Shellharbour to meet the demand for dwellings within the LGA. These opportunities are spread across a variety of localities and scenarios, including:

- options for infill development within the established suburbs through redevelopment of existing ageing housing stock or development of existing vacant land;
- increasing densities within and around existing employment centres, around key public transport nodes and where there is good access to essential community and social infrastructure (e.g. schools, parks, hospital/health and other community facilities); and
- significant opportunities for greenfield development to continue in the major greenfield estates that have already commenced within Shellharbour.

The approach of this LHS is to ensure that the land use planning controls and other mechanisms are sufficient to facilitate the achievement of dwelling development to meet the projected needs of the community. Improving and enhancing urban form and liveability through new residential housing development in terms of scale, form, character, open space, connectivity, walkability and the like is also encouraged and presents an opportunity for Shellharbour. Potential mechanisms and opportunities for achieving this are outlined in section 3 of this Local Housing Strategy.

2.4.2 Constraints

A number of constraints apply across Shellharbour that have the potential to impact residential and housing development. This includes flood hazard, vegetation constraints, bushfire hazard, coastal hazard, fish habitat, Aboriginal heritage etc. Consideration must also be given to incompatible uses and any reverse amenity impacts – such as those from industrial development or other uses which could potentially impact on residential amenity. Any constraints that exist within those areas of Shellharbour that are identified for future residential housing development will need to be recognised and considered at the time of specific planning proposals or development applications being brought forward. The approval of the master planned estates presumably have addressed the constraints for these areas in establishing their suitability to be developed for residential purposes.

2.4.3 Infrastructure

Shellharbour generally tends to be serviced with appropriate infrastructure to service its residential communities. This includes the provision of water, sewer, telecommunications, electricity, open space and parks, community facilities and transport infrastructure. Any intention to develop land for additional housing will need to ensure that sufficient and adequate infrastructure is in place to service the residential communities sought to be developed as part of the proposal. It is acknowledged that providing the necessary infrastructure at the right time is key to supporting the development of new housing within Shellharbour. However, the approach of the LHS is such that there are no major new areas being identified for additional housing supply which would necessitate the planning of, or provision for new key infrastructure to support this.

Key State infrastructure currently planned for Shellharbour, including the proposed extension of the M1 Princes Motorway between Yallah and Oak Flats to bypass Albion Park Rail should not be compromised through the recommendations of the LHS. Other planned key infrastructure, being the redevelopment of the Shellharbour Hospital, Shell Cove Marina and Shellharbour Airport (new passenger terminal), should also not be compromised as a result of the LHS recommendations.

2.5 Analysis of the Evidence-Base

This section analyses the data presented in the previous sections to determine what the current housing need is, where the gaps are and where the gaps are likely to be in the future. The identification of areas with development capacity to meet the projected dwelling demand is also outlined within this section.

The evidence-base identifies:

- gaps in general housing supply;
- gaps in housing for specific needs – such as housing diversity and affordable rental housing;
- any barriers to supply such as high land fragmentation or limited feasibility; and
- the areas with development capacity.

2.5.1 Housing Supply and Housing Supply Gaps

A summary of the dwelling supply gap for Shellharbour can be outlined as follows:

- Dwelling projections for Shellharbour LGA suggest the need for around 10,625 new dwellings over the 25 year period to 2041. Almost half of these new dwellings are projected to be located in the Rural Balance area (around 4,900 dwellings), with large numbers also projected in Blackbutt- Shellharbour City Centre (around 1,440 dwellings) and Shell Cove (around 1,400 dwellings).
- Median rental prices across separate houses and flats and apartments within the Shellharbour LGA have increased over the past four years, but in the most recent quarter (December 2018) median rental prices decreased slightly.
- According to NSW Government data, median house and unit sale prices have declined slightly since 2017 highs. Median house and unit sale prices increased strongly between 2014 and 2017.

- A similar trend is evident in data from PriceFinder (2019), with median house and unit sale prices increasing by 13.6% and 11.4% (respectively) per year between 2013 and 2017. In the past two years, median prices have levelled off and appear to have declined slightly in 2019 (although only data for January and February is included in the 2019 data).
- The average number of days that properties spent on the market declined substantially from around 100 days between 2008 and 2013 to around 50-60 days between 2014 and 2017. These reduced times on the market align with the period of strong price growth in the Shellharbour LGA.
- There is unmet demand for social housing places in the Shellharbour Allocation Zone with wait times for all types of dwellings being at least five years. The wait times for 2 bedroom and 4+ bedroom dwellings are at least ten years.
- In terms of housing for groups with particular needs:
    - The proportion of residents with a severe disability was higher in Shellharbour LGA than for Regional NSW and NSW. In total 4,589 residents had a severe disability requiring assistance with core activities. This population and the households that they live in, may require dwellings that incorporate adaptable housing design and these figures would suggest that 10% of dwellings in the Shellharbour LGA require adaptable features as an absolute minimum.
    - The homeless population within the Shellharbour LGA more than doubled between 2006 and 2016 to an estimate of 180 people according to the ABS (likely to be an underestimation of actual homelessness). This suggests that there may be a need for low-cost dwellings for low income households as well as specific accommodation options for at-risk groups.
- A housing demand model was developed in order to consider the future dwelling requirements for the Shellharbour LGA in terms of the mix of dwelling types that may be required. Based on a range of inputs and assumptions, two scenarios were developed, scenario one, a continuation of existing trends, and scenario two, based on dwelling preferences gathered from a telephone survey of residents. For both scenarios, a significant number of separate houses are required to 2038, but for scenario two, the number of separate houses required is higher, mostly at the expense of semi-detached dwellings. For scenario two, a higher number of flats and apartments are required to meet resident preferences.
- Based on the housing demand model, there is a gap between demand based on trends (Scenario 1) and demand based on preferences (Scenario 2). In 2038, there would be a preference for 2,205 additional separate houses, 514 additional flats / apartments and 2,348 fewer semi-detached, when compared to demand based on trends.

  Despite the gap identified between the two scenarios, Shellharbour City Council is not necessarily bound by this, particularly the model's projection that over 2,300 fewer semi-detached dwellings would be required within Shellharbour based on people's aspirations, effectively to allow for more separate houses. The aspirational scenario has captured people's preferences at a point in time and is based on responses to set questions which formed part of the Housing Preferences Survey. The vast majority of residents surveyed currently live in detached houses on separate lots (84%), with 76% of respondents stating that they did not prefer to live in another dwelling. However, issues such as affordability and housing to accommodate at risk or vulnerable persons also need to be considered when determining the future provision of housing for Shellharbour. Not everybody can actually afford to live in a large detached dwelling, even though many people may like to be able to. In developing the recommendations for the Shellharbour LHS, a pragmatic interpretation and application of the community/industry engagement outcomes has been undertaken. The Housing Preferences Survey is just one of a range of factors considered in developing the housing strategy.

  A number of other matters have been taken into account when determining the approach for the future provision of housing in Shellharbour. This has been primarily based on the feedback received from the community/industry engagement conducted, which revealed a strong desire for greater housing diversity and choice, as well as higher densities in appropriate locations, with good quality design outcomes. Anecdotal evidence would also suggest that there has been relatively good take-up of semi-detached and attached dwellings when these are developed within Shellharbour, such as in Shell Cove, demonstrating that these housing products are in high demand where well located.

  In seeking to achieve greater dwelling diversity and choice, it would be counter-intuitive for Council to adopt a policy of reducing the number of semi-detached dwellings within the LGA by over 2,300. By the same token, the location for these types of dwellings, as well as flats and apartments, should be in appropriate locations and adopt a range of good quality design features commensurate with the community/industry engagement outcomes. There are specific areas where higher density residential development may be more appropriate (e.g. around centres and major public transport nodes) and this is addressed in a further section of this Local Housing Strategy.

In addressing the actual and/or perceived gaps, there will be a large supply of additional detached houses in accordance with the expected continuation of existing trends and including on smaller more affordable lots. As will there be opportunities for further semi-detached, attached and apartment dwelling products, which may better meet the needs of residents in many circumstances. This is particularly in terms of affordability and meeting the life stage needs of the community. Additionally, a more efficient redevelopment of current social and public housing stock could potentially see the needs of a greater number of at risk or vulnerable persons met. This is especially important for Shellharbour where it has been identified that there is a high demand for social and public housing, which needs to be distributed throughout the city.

2.5.2 Identifying different areas with development capacity

The propensity scenario outlined in previous sections of this report demonstrates that the demand for dwellings will be adequately met by supply within Shellharbour. This is shown both in Table 26 and Table 35 for scenario 1, which indicates what type of dwellings will be provided for the forecast households based on existing policy/trends.

Given that demand can be met by supply and there is no requirement for Shellharbour to identify major new land release areas or to develop a fundamentally different policy approach to the provision of housing to meet future needs within the LGA, there is considered to be adequate development capacity to meet the projected demand.

However, in light of the previous discussion in section 2.5.1, the approach of this Local Housing Strategy is to identify opportunities for facilitating additional housing densities, diversity and choice, within appropriate locations. Areas with the potential to facilitate further development capacity are further addressed in section 3.2 of this LHS. It is reiterated that those areas with identified development capacity are not required to meet a housing supply issue. Rather, they are to provide additional opportunities for the development of a range of dwelling types, in meeting the needs of the community, in terms of affordability and dwelling types that meet the various requirements of all age groups and life stages within Shellharbour.

There are adequate approvals and areas zoned for residential development within the city currently which can meet the projected housing demand. It may be appropriate to increase the area of land zoned for Residential R3, to facilitate more opportunities for more low to medium density housing to meet the needs of residents in terms of affordability and specific life stage needs. The plans for major master planned estates in greenfield areas should provide ample development capacity. Redevelopment opportunities of older housing stock within the established suburbs of Shellharbour should also provide sufficient options to provide new and different forms of housing stock within the city.

Development opportunity areas consist of areas within Shellharbour that:

- Are predominantly greenfield areas and which are expected to provide the majority of the dwelling supply for Shellharbour to 2041 – i.e. areas at Calderwood, Tullimbar, Shell Cove and Dunmore;
- Provide infill through redevelopment opportunities across a number of established localities within the Shellharbour LGA, or on vacant land within established suburbs. For example, Oak Flats has been identified as providing for an additional 625 dwellings between 2016-2041. There may also be opportunities to change the zoning of some current R2 zoned land to R3, to facilitate development for more low to medium density housing, dependent on a number of principles being applied and a range of other factors being considered (refer section 3.2 for further detail). Consideration could also be given to increasing densities within and around existing employment centres, in providing opportunities for greater housing choice and diversity, which is in proximity to essential services, such as transport, education, health care and other community facilities.

Development opportunities may be constrained by areas that:

- Are constrained by natural hazards or features, such as land subject to flooding, bushfire hazards, vegetation, or other. Any constraints that exist within those areas of Shellharbour that are identified for future residential housing development will need to be recognised and considered at the time of specific planning proposals or development applications being brought forward;

- Are already fragmented (e.g. redevelopment of older, established areas) and could provide less opportunity for redevelopment than greenfield areas that are currently undeveloped and are subject to master planning.

Initial consultation was undertaken with both the community, agencies (both state and local government), the industry (including developers, consultants, housing providers, industry bodies) and councillors (refer Community Consultation Report in *Appendix 5*). The intention of this consultation was to determine what the various interest groups saw as the desired future housing character for Shellharbour, which has directly influenced the approach that this LHS is taking with respect to future housing provision. It is intended to undertake further consultation as part of the public notification of the draft LHS to get further inputs into the LHS.

2.5.3 Summary of Evidence-Base Analysis

The analysis conducted has highlighted the following:

- *<u>The population of the Shellharbour LGA is expected to grow by 24,385 people over the next 25 years</u>. More than half of this growth is projected to occur in the Rural Balance locality (12,514 people) and will mostly comprise greenfield development. Blackbutt – Shellharbour City Centre, and Shell Cove, will also grow significantly over this time in terms of the number of new residents (3,472 people and* 3,087 *people respectively), which are greenfield developments offering opportunities for more diverse dwelling types.*
- *The age profile of the Shellharbour LGA suggests that the LGA has higher proportions of young adults and young families, and lower proportions of older age groups (compared to Regional NSW). This age structure is changing over time, with ageing of the population occurring between 2006 and 2016. <u>Older age groups may require different dwellings types to younger families, and this may have implications for dwelling needs over time.</u>*
- *<u>The Shellharbour LGA is popular with families</u>. Within the LGA, couple families with children made up large proportions of households in Shell Cove – Dunmore (52.4%), Flinders (46.5%) and Albion Park – Rural West (44.0%) localities. Lone person households made up large proportions of households in Lake Illawarra (35.1%) and Warilla (29.1%).*
- *The ageing of the population is also evident in changes in household types between 2006 and 2016, with strong growth in households that are older couples, older lone person households, couples with older children and one parent families with older children. <u>Older couples and older lone person households may have different dwelling preferences to other household types, and this may increase the need for smaller dwelling types over time.</u>*
- *There was less diversity of dwellings within the Shellharbour LGA (14.0% semi-detached dwellings and 3.9% flats and apartments), compared to neighbouring LGAs, particularly Wollongong. <u>A higher proportion of flats and apartments may be needed in Shellharbour LGA.</u>*
- *There was a good diversity of dwelling sizes (based on bedroom number) within each of these dwelling types. However, the proportion of smaller houses (less than three bedrooms) was lower in Shellharbour LGA compared to Regional NSW, as was the proportion of smaller semi-detached dwellings. <u>A higher proportion of smaller dwellings may be needed in Shellharbour LGA.</u>*
- *A large proportion of households with one person were living in two- and three-bedroom dwellings and more than half of households with two people were living in three-bedroom dwellings in 2016 in the Shellharbour LGA. This may <u>suggest a need for additional dwelling diversity and choice in dwelling sizes in the Shellharbour LGA</u>.*
- *For households paying rent in the Shellharbour LGA in 2016, 96.3% of very low income households and 72.7% of low income households were experiencing rental stress. For households paying a mortgage, 67.9% of very low income households were in mortgage stress and 45.6% of low income households were experiencing mortgage stress. These were slightly lower proportions than being experienced in Greater Sydney and are likely to underestimate the level of rental and mortgage stress given median household gross incomes in Shellharbour LGA are lower than in Greater Sydney.*

- *Median household incomes within the Shellharbour LGA have been growing at 3.2% annually since 2006 (which was lower than in other comparison areas), and unemployment has been decreasing over the last eight years.*
- *Dwelling projections for Shellharbour LGA suggest the need for around 10,625 new dwellings over the 25 year period to 2041. Almost half of these new dwellings are projected to be located in the Rural Balance area (around 4,900 dwellings), with large numbers also projected in Blackbutt- Shellharbour City Centre (around 1,440 dwellings) and Shell Cove (around 1,400 dwellings).*
- *Median rental prices across separate houses and flats and apartments within the Shellharbour LGA have increased over the past four years, but in the most recent quarter (December 2018) median rental prices decreased slightly.*
- *According to NSW Government data, median house and unit sale prices have declined slightly since 2017 highs. Median house and unit sale prices increased strongly between 2014 and 2017.*
- *A similar trend is evident in data from PriceFinder (2019), with median house and unit sale prices increasing by 13.6% and 11.4% (respectively) per year between 2013 and 2017. In the past two years, median prices have levelled off and appear to have declined slightly in 2019 (although only data for January and February is included in the 2019 data).*
- *The average number of days that properties spent on the market declined substantially from around 100 days between 2008 and 2013 to around 50-60 days between 2014 and 2017. These reduced times on the market align with the period of strong price growth in the Shellharbour LGA.*
- *There is unmet demand for social housing places in the Shellharbour Allocation Zone with wait times for all types of dwellings being at least five years. The wait times for 2 bedroom and 4+ bedroom dwellings are at least ten years.*
- *In terms of housing for groups with particular needs:*
  - *The proportion of residents with a severe disability was higher in Shellharbour LGA than for Regional NSW and NSW. In total 4,589 residents had a severe disability requiring assistance with core activities. This population and the households that they live in, may require dwellings that incorporate adaptable housing design and these figures would suggest that 10% of dwellings in the Shellharbour LGA require adaptable features as an absolute minimum.*
  - *The homeless population within the Shellharbour LGA more than doubled between 2006 and 2016 to an estimate of 180 people according to the ABS (likely to be an underestimation of actual homelessness). This suggests that there may be a need for low-cost dwellings for low income households as well as specific accommodation options for at-risk groups.*
- *A housing demand model was developed in order to consider the future dwelling requirements for the Shellharbour LGA in terms of the mix of dwelling types that may be required. Based on a range of inputs and assumptions, two scenarios were developed, scenario one, a continuation of existing trends, and scenario two, based on dwelling preferences gathered from a telephone survey of residents. For both scenarios, a significant number of separate houses are required to 2038.*
- *Compared to Scenario 1 (Propensity), Scenario 2 (Aspirational) suggests the need for additional separate houses in all future years. Most of this preference was at the expense of semi-detached dwellings, but also other dwelling types (caravans, cabins, shop-top, improvised dwellings, etc.). Scenario 2 also suggested greater preferences for flats and apartments.*
- *The total volume of sales for houses and units has been trending downward since 2015, implying that there is less choice available for buyers over the last few years even as the population and number of households grows strongly.*

- *The rental vacancy rates for the three postcode areas that make up the Shellharbour LGA suggests a very tight rental market, and the rental market seems to have been very tight for a number of years.*
- *The stock of dwellings available for rent that are considered affordable for very low income households is very limited (perhaps as low as 1% in 2017). For low income households, the dwelling stock is limited (perhaps as low as 14% in 2017). The stock of dwellings available for sale that are considered affordable for very low and low income households is extremely limited at around 1-2% and has been at very low levels for a number of years. Additional affordable dwelling stock is needed.*
- *There was a total of 1,718 public housing dwellings in the Shellharbour LGA at June 2017, but 638 approved applicants on the social housing wait list. This suggests a considerable increase in existing public housing stock may be needed to meet demand. There may be opportunities to include redevelopment of public housing stock to deliver smaller, newer and more appropriate dwelling types for people requiring public housing (for example, adaptable dwellings).*
- *There were just 210 retirement dwellings and no manufactured home park dwellings in the Shellharbour LGA that were occupied by residents in 2016. A detailed analysis has not been undertaken to assess retirement living demand, however, given this low level of supply, there may be a need to develop further retirement housing to accommodate older residents now and into the future.*
- *There were 303 dwellings located in caravan / residential park or camping grounds that were occupied by residents on census night in 2016. These households may be experiencing acute affordability issues and may be vulnerable to homelessness.*
- *There are adequate approvals and areas zoned for residential development within the city currently which can meet the projected housing demand. It may be appropriate to increase the area of land zoned for Residential R3, to facilitate more opportunities for more low to medium density housing to meet the needs of residents in terms of affordability and specific life stage needs. The plans for major master planned estates in greenfield areas should provide ample development capacity. Redevelopment opportunities of older housing stock within the established suburbs of Shellharbour should also provide sufficient options to provide new and different forms of housing stock within the city.*

3 THE PRIORITIES

This section describes the priorities for the provision of housing within Shellharbour, by bringing all of the previous information together to produce an integrated picture of what the current context is for housing within Shellharbour, what the future state should be and what the roadmap is for getting from one to the other.

3.1 The Local Housing Strategy Objectives

The analysis has not revealed any need for additional land release areas or a dramatic change in provisions to cater for additional dwelling supply. Rather, it is largely about maintaining the existing state with some potential for rezoning some R2 land to R3 to increase opportunities for higher density housing in those areas, subject to complying with established principles or criteria (refer section 3.2 for further detail). The below LHS objectives are focused around the facilitation of opportunities for affordability, housing diversity and choice and redevelopment opportunities, with the overarching goal to ensuring the provision of 10,625 dwellings to 2041 to meet the projected dwelling demand. The following LHS objectives are informed by community and stakeholder engagement and the evidence base analysis undertaken to date. They represent Council's long term goals for housing within Shellharbour and are also consistent with the Illawarra Shoalhaven Regional Plan.

Objective 1 -

Shellharbour provides over 10,625 new dwellings to 2041, as a combination of existing committed greenfield development and infill supply.

Objective 2 –

Additional housing supply in Shellharbour is achieved by encouraging a concentration of medium density development within existing urban centres and around key public transport nodes.

Objective 3 –

Housing within Shellharbour meets the needs of its changing population through provision of dwelling diversity and choice, including a range of different dwelling types to meet the demand over time.

Objective 4 –

The Shellharbour LEP and associated planning controls continues to provide opportunities for new residential development through already committed greenfield estates and redevelopment opportunities within established communities, to meet the needs of its residents. No new land release areas are required.

Objective 5 –

Affordable housing is encouraged within Shellharbour through provision of a range of different dwelling types to cater for the needs of its residents.

Objective 6 –

Shellharbour facilitates the provision of low-rise medium density development in appropriate locations, whist still providing for detached dwellings.

Objective 7 –

Adaptable housing design features are incorporated within new dwelling design.

Objective 8 -

Low-cost dwellings are provided for low income households as well as specific accommodation options for at-risk groups.

Objective 9 –

Opportunities to increase public housing stock through redevelopment are provided, to deliver smaller, newer and more appropriate dwelling types for people requiring public housing.

Objective 10 –

Shellharbour protects areas of environmental, cultural heritage or other significance, by ensuring that development of areas constrained by these and other factors are not compromised by new dwelling development.

Objective 11 –

Identify and account for neighbouring character attributes in redevelopment and new development of dwellings.

Objective 12 –

High quality design outcomes are achieved through new residential housing development, improving and enhancing urban form and liveability in terms of scale, form, character, open space, connectivity and walkability.

3.2 Land Use Planning Approach

The land use planning approach is a key part of the Local Housing Strategy and informs Council's planning controls, to ensure that the land use planning controls support the objectives for future housing development. The land use planning approach should facilitate the objectives sought for the provision of housing within Shellharbour, in terms of achieving diversity and density in the right locations. Below outlines how the approach is consistent with the overarching Illawarra Shoalhaven Regional Plan, as well as how the Shellharbour LEP 2013 currently facilitates the provision of a diversity of housing within the city.

3.2.1 Illawarra Shoalhaven Regional Plan

The Illawarra and Shoalhaven Regional Plan provides the strategic policy, planning and decision-making framework to guide 20 year sustainable regional growth for the region, which incorporates Shellharbour, as well as Wollongong, Kiama and Shoalhaven.

The Regional Plan anticipates that 9,350 additional dwellings are required within Shellharbour to 2036, which is consistent with the further analysis undertaken in the preparation of the LHS, which suggests a need for 10,625 additional dwellings to 2041.

The Regional Plan also recognises that there is enough potential for the market to supply housing across a range of locations and housing types for the long term. Therefore, no new release areas are required for Wollongong, Shellharbour and Shoalhaven beyond those already identified under the Illawarra Shoalhaven Urban Development Program and Shoalhaven Growth Management Strategy.

The Regional Plan states:

"Councils are to plan for the mix of housing that suits the projected growth, changing demographics (such as an ageing population) and market demand particular to their area. This means that zonings and planning controls maintain, or in some cases, increase capacity for housing, as well as other Council activities (such as streamlining assessment processes and planning for local infrastructure and town centre revitalisation) to promote development opportunities."

There are a number of Directions and associated Actions within the Regional Plan that relate to the provision of housing, which hold relevance for the LHS. These are as follows:

- DIRECTION 2.1 Provide sufficient housing supply to suit the changing demands of the region
- DIRECTION 2.2 Support housing opportunities close to existing services, jobs and infrastructure in the region's centres
- DIRECTION 2.3 Deliver housing in new release areas best suited to build new communities, provide housing choice and avoid environmental impact
- DIRECTION 2.4 Identify and conserve biodiversity values when planning new communities
- DIRECTION 2.5 Monitor the delivery of housing to match supply with demand

The preparation of the LHS objectives has considered the Regional Plan to ensure that the directions of the Regional Plan are translated into the Shellharbour-specific context, whilst also reflecting the key findings from the analysis undertaken. The land use strategy that has been developed is outlined below and is also broadly consistent with the ISRP, in terms of provision of sufficient housing supply within both greenfield and infill areas to meet the projected demand and encouraging housing diversity and choice and increased densities which are close to existing services, jobs and infrastructure (e.g. around town centres and train stations).

3.2.2 Application of the LRMDH Code

One of the key matters to be addressed through the LHS is the appropriateness of applying the LRMDH code within Shellharbour, which is currently deferred until July 2019. The evidence-base analysis has shown that there is generally sufficient supply available to meet the dwelling demand for the Shellharbour LGA as a whole. There is not a pressing need for Council to facilitate or fast track the development of additional low-rise medium density dwellings in order to meet demand. However, options for increasing dwelling densities and diversity in the right locations should be explored.

Maps 1, 1a, 1b and 1c (refer Section 1.1 - Executive Summary), indicates those areas where increased dwelling densities could potentially be contemplated, which generally includes areas that are currently zoned R3, as well as R2 areas that could also be rezoned to R3 – i.e. within approximately 400m walking distance of major public transport nodes, such as train stations. It may be appropriate that these areas are targeted for application of the LRMDH Code within Shellharbour, and/or for further increased densities than currently permitted. This largely depends on the character of housing that Shellharbour is seeking to achieve.

However, consideration of the provisions of the LRMDH Code and what it provides for, compared with the current LEP provisions shows that development of housing for any 1 or 2 storey dual occupancy, terrace house and manor house will be regarded as complying development only where they meet the stringent criteria of the LRMDH Code. In the context of Shellharbour, this would only apply to dual occupancies and terrace houses that are proposed where the development is currently permissible with consent under an environmental planning instrument applying to the land on which the development is carried out. In addition, Manor houses are deemed to be permitted with consent on land in the R2 and R3 zones if multi dwelling housing or residential flat buildings (or both) are permitted in the zones. Under the Shellharbour LEP2013, multi dwelling houses are currently permitted with consent in the R2 zone, whilst both multi dwelling housing and residential flat buildings are permitted with consent in the R3 zone. Therefore, Manor houses would potentially also be complying development in the R2 and R3 zones for Shellharbour.

The extent to which the LRMDH code will be applied within Shellharbour will depend on the development industry. The LEP currently permits these types of development subject to consent and considering that certain criteria must be complied with in order to remain complying development under the LRMDH Code, the potential impacts of the application of this Code to all R2 and R3 zones is considered relatively minor, as the code and design guide provides sufficient design guidance and other provisions, to deliver good outcomes (in principle). This includes lot sizes, lot widths, setbacks and other provisions related to bush fire prone or flood control lots. These requirements of the Code all need to be complied with, in order for a development application not to be triggered. If a development application is required, Clause 92 of the *Environmental Planning and Assessment Act 1979* requires the Medium Density Design Guide for Development Applications to be considered. Development activity data for Shellharbour suggests that demand for this type of product is increasing, however the Code should provide sufficient rigour to direct reasonable planning outcomes.

However, Council may consider applying to DP&E for the limited application of the LRMDH Code across the city, for those areas identified on Maps 1, 1a, 1b and 1c. These maps identify all currently zoned R3 areas, as well as proposed R3 zoned areas (i.e. areas currently zoned R2 and within approximately 400m of existing train stations), as potentially appropriate for the Code's application, as these represent areas where low rise medium density development may be applicable or reasonably contemplated. This would also avoid the application of this Code across R2 zoned areas of the city, which may not necessarily benefit from the potential development of dual occupancies, terrace houses and manor homes as complying development (i.e. no development application required). This argument is particularly relevant as the city does not appear to be experiencing an undersupply of housing, nor is there inadequate capacity to cater for the additional housing projected. This may also assist in terms of retention of existing housing character where appropriate within the R2 zone of Shellharbour, which is essentially intended to be the city's low density residential zone. This was raised as an important issue in the initial consultation conducted with stakeholders.

The appropriateness of rezoning the R2 areas as R3 as indicated on Maps 1, 1a, 1b and 1c, does not preclude these areas/sites from needing to satisfactorily address or consider any site/locality specific issues associated with the land when development proposals are being contemplated, including:

- Physical land constraints such as flood, bushfire, ecology, geotechnics/topography and the like;
- Ability to provide safe access to and from the site;
- Ability to create appropriate street layouts/dimensions;

- Appropriate lot sizes/dimensions;
- Appropriate densities in light of proximity to employment, transport and other services;
- Maintaining desired neighbourhood built form and natural character;
- Age of existing housing stock and viability for redevelopment.

Rezoning these areas to R3 will not negate the need for such site-specific constraints and issues to be considered and satisfactorily addressed when seeking to develop land for housing (or other) purposes. Some of these sites/areas may potentially be constrained in terms of further development opportunities, however it is expected that this would be addressed at any detailed planning proposal/development application stage.

The application of the LRMDH Code to areas that are only within or proposed to be included in the R3 zone does not preclude development applications from being made to Council for these forms of low rise medium density development within the R2 zone, however any approval would be subject to Council assessment.

In addition to those areas indicated on Maps 1, 1a, 1b and 1c, consideration could also be given to potentially increasing residential densities within and around Shellharbour's existing employment and retail based centres as a further means to achieving greater housing diversity and choice, where certain principles or criteria can be satisfied (refer section 3.2.5.2).

The application of the Low Rise Medium Density Housing Code within Shellharbour is not necessary for application across all existing R2 and R3 zoned land within the city in terms of meeting the projected housing demand. Council may consider applying to DP&E for its limited application across the city, in those areas identified on Maps 1, 1a, 1b and 1c. These maps identify all currently R3 zoned and proposed R3 zoned areas (i.e. areas currently zoned R2 and within approximately 400m of existing train stations), as potentially appropriate for its application, as these represent areas where low rise medium density development may be applicable or reasonably contemplated. This would also avoid the application of this Code across R2 zoned areas of the city and may also assist in terms of retention of existing housing character where appropriate within the R2 zone of Shellharbour, which is essentially intended to be the city's low density residential zone.

3.2.3 Local Strategic Planning Statement

Council is currently in the process of preparing its Local Strategic Planning Statement (LSPS), which will give overall strategic direction to the focus for housing and other growth (among other things) within the city. The LHS will inform the preparation of the LSPS.

It is recommended that the LSPS vision for housing account for that developed within the LHS, to ensure consistency and alignment.

3.2.4 LEP Provisions

There are currently three LEPs which apply to Shellharbour. These are the Shellharbour LEP 2013, Shellharbour Rural LEP 2004 and the Shellharbour LEP 2000.

The Shellharbour LEP 2013 is the primary LEP which regulates development for much of Shellharbour and it currently facilitates the development of a range of housing types within the primary residential zones of the R2, R3 and R5 zones, by allowing for the following types of housing within each zone as permitted with consent:

Table 42 Residential Uses Permitted with Consent in R2, R3 and R5 zones of Shellharbour LEP 2013

Land Use	R2	R3	R5
Attached dwellings;	X	x	
Bed and breakfast accommodation;	X	x	x
Boarding houses	X	x	
Dual occupancies;	X		
Dual occupancies (attached);			x
Dwelling houses;	X		x
Exhibition homes;	X	x	
Exhibition villages	X	x	
Group homes;	X	x	

Land Use	R2	R3	R5
Multi dwelling housing;	X	x	
Residential accommodation[4];		x	
Respite day care centres;	X	x	x
Secondary dwellings;	X		
Semi-detached dwellings;	X		
Seniors housing;	X	x	
Serviced apartments		x	

It can be seen that different types and forms of residential housing within Shellharbour is generally already facilitated within the existing zoning framework. A range of housing types are also permitted with consent in the various Business zones of Shellharbour, including shop top housing, which would facilitate increased densities of housing in a number of areas. The greenfield areas that generally fall under different approval requirements also provide for a range of different housing types to be achieved. The redevelopment of older housing stock within established suburbs should facilitate redevelopment of land at higher densities than standard detached housing, but may be constrained to some degree by land fragmentation. This will prevent large scale redevelopment of areas for multi dwellings. Greenfield estates provide better opportunities for this type and scale of medium density residential development.

The Shellharbour LEP 2013 does not apply to land identified as a Deferred Matter on the Land Application Map. Deferred matters (or deferred land) are controlled under the Shellharbour Rural LEP 2004 or the Shellharbour LEP 2000. For the Shellharbour Rural LEP 2004, this generally relates to the Illawarra Regional Business Park site to the immediate west of the Illawarra Regional Airport; land on the Illawarra Highway to the west of Yellow Rock Road; and land on the Princes Highway to the north west of Shellharbour Road. The Rural LEP 2004 is not considered to be overly applicable to the preparation of the LHS due to its limited application to residential development within the Shellharbour LGA and the fact that there are no R2 or R3 zones within that LEP, to which the LRMDH Code could potentially be applied.

Likewise, the Shellharbour LEP 2000 also applies to other land identified as a Deferred Matter on the Land Application Map contained within the Shellharbour LEP 2013. For example, the 2000 LEP is applicable to the emerging residential area of Tullimbar. It also applies to other areas within the LGA, such as land south of Shell Cove. This LEP also does not contain any R2, R3 or R5 zones, therefore it has limited applicability with respect to the application of the LRMDH Code in Shellharbour.

3.2.5 Recommendations

Based on the analysis from the Projected dwelling demand of this strategy, recommendations for any policy intervention to appropriately manage the demand and supply for relevant dwelling types, can be summarised as follows:

3.2.5.1 Applying the LRMDH Code

The application of the Low Rise Medium Density Housing Code within Shellharbour is not necessary for application across all existing R2 and R3 zoned land within the city in terms of meeting the projected housing demand. However, the risk of its introduction is deemed to be low, in terms of the LRMDH Code and Design Guide provisions being sufficient to guide good quality design outcomes for the development of future dual occupancies, terrace houses and manor houses. The Code (where complied with), provides a mechanism to fast track the approval process for these types of development and the Code is not considered to be at odds with the general intent of the Shellharbour LEP 2013 for these types of uses. Council may consider applying to DP&E for the limited application of the LRMDH Code across the city, for those areas identified on Maps 1, 1a, 1b and 1c, which generally relate to land currently and proposed to be zoned R3. This argument is particularly relevant as the city does not appear to be experiencing an undersupply of housing, nor is there inadequate capacity to cater for the additional housing projected. This may also assist in terms of retention of existing housing character within the R2 zone of Shellharbour, which is essentially intended to be the city's low density residential zone. This was raised as an important issue in the initial consultation conducted with stakeholders.

[4] Residential accommodation includes: attached dwellings, boarding houses, dual occupancies, dwelling houses, group homes, hostels, multi dwelling housing, residential flat buildings, rural workers' dwellings, secondary dwellings, semi-detached dwellings, seniors housing, shop top housing, but does not include tourist and visitor accommodation or caravan parks.

3.2.5.2 Reflecting the Housing Vision within the LSPS

The drafting of the Local Strategic Planning Statement (LSPS) should account for the vision for housing as developed within the LHS. Areas where increased densities could potentially be contemplated within the city's residential zones to facilitate greater housing diversity and choice have been determined and are shown on Maps 1, 1a, 1b and 1c and are accompanied by principles under which increased residential densities could be considered. Council may also consider increasing residential densities within and around its existing employment and retail centres where the principles below are able to be satisfied, as a means of facilitating opportunities for greater housing diversity and choice.

These principles include:

a. the increase in residential density is in an appropriate location, relative to existing services, employment and/or key public transport nodes; and

b. the increased densities are capable of addressing key site-specific constraints; and

c. potential amenity impacts can be satisfactorily mitigated; and

d. the use maintains and/or contributes to the existing or proposed character of the area in which it is to be developed and is of a scale, bulk and height that is commensurate with the surrounds;

e. the use is capable of being adequately serviced and is not out-of-sequence; and

f. the use contributes to the consolidation of residential densities and directly contributes to the provision of housing products that meet the needs of the community.

The LSPS may need to reflect this, in terms of broadly reflecting an intent to consider the provision of increased densities in these areas. Rezoning areas to R3 and/or allowing higher densities of those areas shown on Maps 1, 1a, 1b and 1c, does not negate the need for site-specific constraints and other matters to be adequately addressed in determining the land's suitability for higher density residential development.

3.2.5.3 LEP Amendments

Areas where increased densities could potentially be contemplated within the city's residential zones to facilitate greater housing diversity and choice have been determined and shown on Maps 1, 1a, 1b and 1c and are accompanied by principles under which increased residential densities could be considered, which may need to be reflected in the LSPS. Council may also consider increasing residential densities within and around its existing employment and retail centres where those principles are able to be satisfied, as a means of facilitating opportunities for greater housing diversity and choice. The accompanying LEP amendments may need to consider the application of amended residential densities for the applicable areas shown on Maps 1, 1a, 1b and 1c, which are within approximately 400m of key public transport nodes. In addition, the residential densities permitted within the applicable Business zones (e.g. B1-B5 inclusive) and potentially those residential areas immediately surrounding these zones, may need to be reviewed to ensure that the density provisions are sufficient to facilitate increased densities, where deemed appropriate.

It is stressed that the review of densities within these zones is not in response to a projected mismatch between housing demand and supply within the LGA, but rather, as a proactive measure to ensure that a range and diversity of housing choices can be provided within these areas.

In developing a distinct character for housing within specific localities of Shellharbour, Council may seek to review the level of differentiation between the residential development controls applicable for each specific area/locality within Shellharbour, which could be explored through the development of amended provisions to potentially be applied at an LEP or DCP level (as appropriate), in terms of elements such as minimum lot sizes, building heights, FSR/plot ratio, density of any permitted residential development etc., depending on the desired character for housing for each locality, which would be determined through a more fine-grained, location-specific planning process.

3.2.5.4 Non-Planning Instrument Measures

There are potentially a number of measures available to Council to drive the facilitation of housing affordability and diversity within the city. This includes:

1. Developing information packages for developers to assist in guiding where/how Council wishes intensified residential development to be concentrated and what factors need to be considered;

2. Partnering with housing provider/s to provide land to initiate residential housing development for affordable low cost housing as a pilot project;
3. Incentives packages to encourage specific forms of housing in certain areas – for example, a targeted marketing program or ongoing business and other support; and
4. Development of specific policies around social and public housing and affordable housing, to make Council's policy intent clear in this regard. Affordable, social and public housing should be distributed across different areas in the Shellharbour LGA. This will assist in reducing the waiting list, decreasing crime, minimising costs of repair, demolition and relocation, and increasing the number of properties that are perceived as desirable.

3.3 Mechanisms to Deliver the Options

The table below outlines some of the potential mechanisms to deliver the options, including both LSPS and LEP-based recommendations, as well as other recommendations. These mechanisms seek to facilitate the achievement of the housing objectives outlined in section 3.1, in terms of meeting the needs for affordable housing and diversity to meet the needs of the Shellharbour community with respect to specific housing needs.

NO.	MECHANISM/RECOMMENDATION	REASONS
LEP/LSPS MECHANISM/RECOMMENDATIONS		
1.	Council to consider supporting the restricted application of the LRMDH Code within Shellharbour, recognising: a. Its limited application across the city (i.e. as per Maps 1, 1a, 1b and 1c); and b. That Council is not relying on the application of the LRMDH code to support the provision of adequate dwelling supply to meet the housing demand, given that there is sufficient supply and capacity to meet the projected housing demand.	Council is not relying on the application of the LRMDH code to support the provision of adequate dwelling supply to meet the housing demand, as there is sufficient capacity to meet the demand. The Code's limited application to all current and proposed R3 zoned areas is therefore justifiable.
2.	The drafting of the LSPS vision and planning priorities is to account for the following: Shellharbour has a diversity of housing, providing for the lifestyle and needs of its residents. Housing choice offers affordable options and a range of housing products to meet community needs. Housing caters for changing needs over time and is adequately serviced with essential infrastructure. Residential areas have high quality design, a range of densities and character attributes.	It is important that the housing vision established by the LHS be accounted for within the development of the LSPS vision, as this will ensure consistency and alignment between the two.
3.	The drafting of the LSPS vision and planning priorities and future LEP amendments are to acknowledge the importance of facilitating increased housing densities in appropriate locations within the City, subject to meeting the following principles: a. the increase in residential density is in an appropriate location, relative to existing services, employment and/or key public transport nodes; and b. the increased densities are capable of addressing key site-specific constraints; and	The application of specific principles for allowing increased residential densities within the city will help to guide decisions in this regard, particularly through the LSPS. This meets a core tenet of the LHS which is to encourage greater housing diversity, choice and affordability, through facilitation of increased residential densities in the right circumstances.

NO.	MECHANISM/RECOMMENDATION	REASONS
	c. potential amenity impacts can be satisfactorily mitigated; and d. the use maintains and/or contributes to the existing or proposed character of the area in which it is to be developed and is of a scale, bulk and height that is commensurate with the surrounds; e. the use is capable of being adequately serviced and is not out-of-sequence*; and f. the use contributes to the consolidation of residential densities and directly contributes to the provision of housing products that meet the needs of the community. *"not out-of-sequence" means not resulting in unreasonable costs for extending infrastructure and/or not being located in isolation from those areas that already have provision of services, or which are more easily able to be serviced, relative to its location to existing infrastructure.	
4.	Differentiation between the residential development controls applicable for each specific area/locality within Shellharbour, could be explored through the development of amended provisions to potentially be applied at an LEP or DCP level (as appropriate), in terms of elements such as minimum lot sizes, building heights, FSR/plot ratio, density of any permitted residential development etc., depending on the desired character for housing for each locality.	Council could undertake this exercise through a finer grained planning process in reviewing its desired residential character for specific localities, which could inform future LEP and/or DCP amendments with respect to those aspects identified. This could result in locally-specific outcomes being achieved for housing development, which reflects local character and desired housing outcomes.
5.	Maps 1, 1a, 1b and 1c should be considered for inclusion in the LSPS as a strategic, spatial representation of the areas where Council may encourage increased residential densities within the residential zones. Approval for increasing residential densities is not to be to the detriment of compromising any environmental or other physical constraints which exist within the area, or on a particular site.	Inclusion of Maps 1, 1a, 1b and 1c (or similar) within the LSPS would provide spatial recognition of those areas where Council may contemplate increased residential densities, in seeking to facilitate greater housing diversity, choice and affordability, which is a key premise of this LHS.
6.	Council to review the density provisions of the current Business zones of each centre as part of a future LEP amendment process (as well as the residential areas immediately surrounding these zones), to help facilitate the provision of housing diversity and choice within and around key centres that provide access to employment, services and other essential infrastructure and facilities.	Undertaking this review to determine whether density provisions are still current and appropriate within the Business zones and the residential areas immediately surrounding these centres, will allow for an update of these provisions, in facilitating opportunities to achieve greater housing diversity, choice and affordability.
OTHER MECHANISMS/RECOMMENDATIONS		
7.	Council to develop information packages to assist developers in guiding them on where/how Council wishes intensified residential development to be concentrated and what factors need to be considered in terms of:	Development of information packages will assist Council in articulating what needs to be addressed when development applications are brought forward for new housing development and provides guidance on preferred locations for intensified residential development. This will

NO.	MECHANISM/RECOMMENDATION	REASONS
	a. addressing any constraints (soils, flooding, waterways, slope, bushfire hazards, vegetation etc.); b. ensuring that there are no adverse impacts on surrounding amenity, particularly established communities and residents; c. suitable access to infrastructure or the ability to provide sufficient infrastructure to service the development, particularly including water, electricity and gas; d. access to key transport networks such as road and rail; e. demonstrated synergies with the existing character of the surrounding area; and f. proven benefits to the LGA in terms of the provision of housing products and types that are in demand and can meet a housing gap within the LGA. Any existing information already produced and published by the NSW State government should be incorporated within these information packages.	ensure that a consistent message is being conveyed.
8.	In partnership with the housing sector/providers, Council to consider providing land to initiate residential housing development for affordable low-cost housing, as a demonstration of what it seeks to achieve in terms of housing affordability, dwelling design, character and location.	Undertaking a joint partnership with a housing provider or developer by providing land as a demonstration project for the provision of affordable housing can act as a catalyst for further development of this type if it is demonstrated how it can be done well. It also shows Council's commitment to the provision of affordable housing, by being willing to invest in development of this type.
9.	Consider incentives packages for key types of housing that Council is seeking to encourage within the region, including affordable housing, social housing, smaller dwellings etc. This could include: A. a targeted marketing program to attract certain types of residential housing products to the region; and B. ongoing business and other support to developers seeking to develop targeted types of housing within the region, particularly housing that will meet the needs of at risk or vulnerable persons.	Consideration of incentives packages will allow Council to target those types of housing it is seeking to encourage within the region. Provision of specific incentives may prompt developers and housing providers to target the provision of particular housing products, which could include social and public housing and smaller or more affordable dwellings.
10.	Council to consider developing specific policy positions around its commitment to the provision of social and public housing and affordable housing within Shellharbour and investigate further mechanisms to deliver on these policy positions. Affordable, social and public housing should be distributed across different areas in the Shellharbour LGA and have good access to public transport, schools, hospitals, shops and other essential community services and facilities. This will assist in reducing the waiting list, decreasing	Development of specific policies around social and public housing and affordable housing demonstrates a commitment by Council to assisting in the provision of greater levels of these types of housing within Shellharbour, which the LHS has demonstrated is needed. This also provides opportunities for collaboration with other agencies and the industry to deliver housing products that meet the needs of the community.

NO.	MECHANISM/RECOMMENDATION	REASONS
	crime, minimising costs of repair, demolition and relocation, and increasing the number of properties that are perceived as desirable.	

3.4 Evaluation of the Options

The above detailed analysis has provided a roadmap for some of the actions and options that Council could take with respect to facilitating the provision of future housing for Shellharbour that addresses supply and demand, with an emphasis on providing greater housing diversity and choice, to improve affordability within the city.

Given the overall findings of the analysis that there should be sufficient capacity to meet the housing demand for Shellharbour, the main focus of this LHS is to facilitate opportunities to improve or increase the provision of affordable housing and housing diversity to meet the needs of residents into the future, versus identification of new areas for land release or additional housing development, which is already well supplied in the LGA.

In evaluating the options, Council needs to consider each potential planning and non-planning option in terms of its feasibility of application and its appetite from a Council policy perspective to adopt the suggested mechanisms.

The evaluation should test the different mechanisms identified against the LHS objectives and stakeholder priorities to determine the best delivery mechanisms with a consideration of timing, cost, and quadruple bottom line factors (social, environmental, economic and leadership).

This exercise will be conducted upon completion of public exhibition of the draft Local Housing Strategy.

4 ACTIONS

4.1 Implementation and Delivery Plan

See Step 3.1 of DP&Es Guideline

4.2 Planning Proposal (if applicable)

Council to do any planning proposals. No input required from the consultant.
Step 3.3 of DP&Es Guideline

4.3 Monitoring and Reviews

Council to do statement/process. No input required from the consultant.
Step 4 of DP&Es Guideline

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APPENDIX 1: BACKGROUND DOCUMENT RESEARCH

AP01

FEDERAL POLICIES

There are a number of Commonwealth policies and programs that relate to housing within Australia. Several of these hold relevance for the LHS and are outlined below.

National Housing and Homeless Agreement

The National Housing and Homelessness Agreement took effect on 1 July 2018 and recognises the Commonwealth and the State's mutual interest in improving housing outcomes across the housing spectrum, including outcomes for Australians who are homeless or at risk of homelessness, and need to work together to achieve those outcomes. A Bilateral Agreement exists between the Commonwealth and NSW, whose purpose is "to provide an indication of how New South Wales intends to implement the conditions agreed in the Agreement, including the actions that will be undertaken as stated in New South Wales' housing and homelessness strategies, and any actions to be undertaken by New South Wales to support the Data Schedule."

The Agreement states that a range of planning and zoning reforms to increase housing supply and make housing more affordable are being implemented across NSW, including the introduction of the Low Rise Medium Density Housing Code, which was a major catalyst for the preparation of the Shellharbour LHS.

Smart Cities Plan

The Smart Cities Plan outlines the Australian Government's vision for our cities, and our plan for maximising their potential. It incorporates the three pillars of Smart Investment, Smart Policy and Smart Technology.

Of broad policy relevance to the preparation of the LHS for Shellharbour is the intent to prioritise projects that facilitate housing affordability. Through incentivising reforms, additional benefits will be generated for the economy making cities better places to live in and do business.

The Smart Cities Plan applies to cities of all sizes across Australia which are facing different opportunities and challenges. "While congestion and affordability are critical issues in capital and major cities, many regional cities are suffering from low or negative growth, as jobs lost in the manufacturing sector, or more recently the resources and energy sectors, are not replaced quickly enough. We need to plan for the future of regional cities, maximising their unique advantages and supporting their long term growth. The Smart Cities Plan provides a platform for long term investment and coordinated planning to help Australian cities reach their full potential" (Smart Cities Plan, 2016).

With respect to housing, the Smart Cities Plan specifically states (emphasis added):

"<u>All governments in Australia, and the private sector, have a role in increasing housing supply in the right locations</u>. The Australian Government makes contributions to infrastructure investment. We also provide the settings for taxation, finance, welfare, superannuation and foreign investment policy. States and territories control stamp duty and land tax, which affect the cost of owning a home and the willingness of homeowners to move. <u>State and local governments are responsible for zoning and development approvals including developer charges, affecting the location, extent of supply and type of housing constructed. Coordinating these policy, planning, and regulatory levers can better support the supply of affordable and diverse housing</u>."

The concept of City Deals are provided for within the Smart Cities Plan, which will be structured around nationally and locally informed objectives. The primary focus will be on economic growth, jobs creation, housing affordability, and environmental outcomes. A number of City Deals have already been announced for Western Sydney, Launceston, Townsville, Darwin, Hobart and Geelong.

The preparation of a Local Housing Strategy for Shellharbour broadly aligns with the national agenda for Smart Cities with regards to the intent for the supply of affordable and diverse housing across all cities in Australia.

STATE AND REGIONAL POLICIES

A number of State and Regional Policies are also applicable to the preparation of a LHS for Shellharbour and these can be outlined as follows:

State Environmental Planning Policy (Exempt and Complying Development Codes) 2008

State Environmental Planning Policies (SEPPs) address matters of State or regional environmental planning significance. There are a range of SEPPs which apply across NSW, addressing a variety of issues. Of particular relevance to the preparation of the LHS is SEPP (Exempt and Complying Development Codes) 2008 and in particular, section 3B – Low Rise Medium Density Housing Code (LRMDH Code), which was a catalyst for Council resolving to prepare the LHS.

The LRMDH Code allows for any 1 or 2 storey dual occupancy, manor house or multi dwelling housing (terraces), either attached or detached, to be complying development (the development must be permissible with consent under an environmental planning instrument applying to the land on which the development is carried out). Despite this, Manor houses are permitted with consent on land in any of the following land use zones if multi dwelling housing or residential flat buildings (or both) are permitted in the zone:

(a) Zone RU5 Village;

(b) Zone R1 General Residential;

(c) Zone R2 Low Density Residential;

(d) Zone R3 Medium Density Residential.

A range of development standards are outlined within the Code and an accompanying Design Guideline has also been prepared which contains the Design Criteria that must be met in order to obtain a complying development certificate (CDC) under Part 3B of the LRMDH Code. The Design Guideline is underpinned by a series of design principles which are a recognised means of assessing design quality and ensuring the development carried out under this guide can be healthy, responsive, integrated, equitable and resilient.

The intended benefits of the code include:

- increasing the supply of housing across NSW, especially in Sydney, which will help improve housing affordability;
- better meet the needs of our changing population by providing a broader range of housing options to suit different lifestyle needs;
- help to maintain the local character of neighbourhoods with a two storey height limit. This will ensure the size and scale of development will fit into established streetscapes and new release areas; and
- ensure a consistent approach to the good design of medium density housing across NSW.

Further consideration of the application of the LRMDH Code (including specific locations within Shellharbour where it may potentially be applied or excluded and/or any amendments to the design provisions) will be given as part of the preparation of the LHS. It is noted that the Shellharbour LGA contains land that is zoned both R2 and R3, which will potentially be impacted by the introduction of the LRMDH Code.

State Environmental Planning Policy (State Significant Precincts) 2005

In January 2011 the Calderwood Urban Development Site was declared as a State Significant Site and was gazetted in the *State Environmental Planning Policy (State Significant Precincts) 2005*. The site is included within both the Wollongong and Shellharbour LGAs, presenting cross-boundary issues for the delivery of housing for the approximately 700ha area, which is located to the north west of Albion Park. The project is a Part 3A Approved development and is excluded from the Shellharbour Local Environmental Plan (LEP) 2013 due to its State Significant Site listing. Schedule 3 of the *State Environmental Planning Policy 2005 (State Significant Precincts)* stipulates the development controls for this area.

With an aim of delivering 4,800 residential dwellings, 50 hectares of mixed use land, open space, environmental lands, internal roads, service infrastructure and community facilities, the concept plan approval for this area will have implications for the development of the LHS, which will need to consider the capacity of Calderwood in providing future housing to meet the needs of the Shellharbour community.

Other Applicable SEPPs

There are a range of other SEPPs that could potentially apply when preparing the LHS. This could include:

- SEPP No 1 – Development Standards
- SEPP No 21 – Caravan Parks
- SEPP No 36 – Manufactured Home Estates
- SEPP No 65 – Design Quality of Residential Apartment Development

- SEPP No 70 – Affordable Housing (Revised Schemes)
- SEPP (Affordable Rental Housing) 2009
- SEPP (Exempt and Complying Development Codes) 2008
- SEPP (Housing for Seniors of People with a Disability) 2004
- SEPP (Infrastructure) 2007
- SEPP (State and Regional Development) 2011

To the extent relevant, appropriate consideration has been given to all applicable SEPPs when preparing the LHS. In particular, SEPP 70 – Affordable Housing (Revised Schemes) and SEPP (Affordable Rental Housing) 2009 are highly relevant and are discussed below:

<u>SEPP 70 – Affordable Housing (Revised Schemes)</u>

The State Environmental Planning Policy 70 – Affordable Housing (Revised Schemes) identifies the need for affordable housing across NSW. The Policy:
(a) identifies that there is a need for affordable housing across the whole of the State, and
(b) describes the kinds of households for which affordable housing may be provided, and
(c) makes a requirement with respect to the imposition of conditions relating to the provision of affordable housing.

The SEPP applies across the State and recognises that there is a need for affordable housing within each area of NSW. A series of principles are contained within the SEPP which are as follows:

1. *Where any of the circumstances described in section 7.32 (1) (a), (b), (c) or (d) of the Act occur, and a State environmental planning policy or local environmental plan authorises an affordable housing condition to be imposed, such a condition should be imposed so that mixed and balanced communities are created.*
2. *Affordable housing is to be created and managed so that a socially diverse residential population representative of all income groups is developed and maintained in a locality.*
3. *Affordable housing is to be made available to very low, low or moderate income households, or any combination of these.*
4. *Affordable housing is to be rented to appropriately qualified tenants and at an appropriate rate of gross household income.*
5. *Land provided for affordable housing is to be used for the purpose of the provision of affordable housing.*
6. *Buildings provided for affordable housing are to be managed so as to maintain their continued use for affordable housing.*
7. *Rental from affordable housing, after deduction of normal landlord's expenses (including management and maintenance costs and all rates and taxes payable in connection with the dwellings), is generally to be used for the purpose of improving or replacing affordable housing or for providing additional affordable housing.*
8. *Affordable housing is to consist of dwellings constructed to a standard that, in the opinion of the consent authority, is consistent with other dwellings in the vicinity.*

With respect to complying with section 7.32.3(a) of the *Environmental Planning and Assessment Act 1979,* which allows for the imposition of conditions on development consents a consent authority is to have regard to the above affordable housing principles before imposing applicable conditions.

Given the LHS's recognition of the need for greater housing affordability (among other things), the application of this SEPP to the assessment of relevant development applications is highly applicable. Council should be giving consideration to the imposition of appropriate conditions related to affordable housing, where the relevant provisions of the Act and the SEPP are triggered in relation to affordable housing.

<u>SEPP (Affordable Rental Housing) 2009</u>

The State Environmental Planning Policy (Affordable Rental Housing) 2009 has the following aims:

(a) to provide a consistent planning regime for the provision of affordable rental housing,

(b) to facilitate the effective delivery of new affordable rental housing by providing incentives by way of expanded zoning permissibility, floor space ratio bonuses and non-discretionary development standards,

(c) to facilitate the retention and mitigate the loss of existing affordable rental housing,

(d) to employ a balanced approach between obligations for retaining and mitigating the loss of existing affordable rental housing, and incentives for the development of new affordable rental housing,

(e) to facilitate an expanded role for not-for-profit-providers of affordable rental housing,

(f) to support local business centres by providing affordable rental housing for workers close to places of work,

(g) to facilitate the development of housing for the homeless and other disadvantaged people who may require support services, including group homes and supportive accommodation.

The SEPP applies to development for the purposes of a range of affordable housing types including:

1. infill development;
2. secondary dwellings;
3. boarding houses;
4. supportive accommodation;
5. residential flat buildings - social housing providers, public authorities and joint ventures;
6. residential development – Land and Housing Corporation
7. group homes

For each of these types of housing/development, provisions are generally articulated within the SEPP that can either not be used as grounds for refusal, and/or it outlined the circumstances in which development may be carried out without consent.

As per SEPP 70 and given the LHS's recognition of the need for greater housing affordability including for rentals (among other things), the application of this SEPP to the assessment of relevant development applications for affordable rental housing is highly applicable and Council should be giving consideration to this, where triggered.

Illawarra and Shoalhaven Regional Plan 2015

The Illawarra and Shoalhaven Regional Plan provides the strategic policy, planning and decision-making framework to guide 20 year sustainable regional growth for the region, which incorporates the LGAs of Kiama, Shoalhaven, Shellharbour and Wollongong.

The following key principles underpin the Regional Plan (emphasis added):

- identify and protect land with high environmental value and recognise cultural heritage values;
- support the sustainable use of land and water resources and build resilience to natural hazards and climate change;
- support a strong, resilient and diversified economy that will enable the community to respond to environmental, economic and social challenges;
- integrate transport and land use planning, and support improvements in active transport (walking and cycling), public transport and transport infrastructure (including freight);
- <u>take a balanced approach to housing that provides choice, affordability, and supports the orderly supply of land for development;</u>
- <u>increase housing density around centres that have access to jobs and transport and are already appealing to residents;</u>
- encourage urban design that reduces car dependency, improves the public domain, promotes energy efficiency and supports healthier environments; and

- improve infrastructure coordination.

The Regional Plan states that the population will change over the next 20 years, with growth anticipated to be moderate in most age groups, except in the 65-and-over group, particularly in Kiama and Shoalhaven. More one- and two-person households are predicted, with growth in the region leading to a need for at least 35,400 additional homes, of which 9,350 additional dwellings are predicted to be required within Shellharbour to 2036.

The Regional Plan furthermore states that:

"Evidence from the Urban Feasibility Model, Illawarra Urban Development Program and Shoalhaven Growth Management Strategy show there is enough potential for the market to supply housing across a range of locations and housing types for the long term. Therefore, no new release areas are required for Wollongong, Shellharbour and Shoalhaven beyond those already identified under the Illawarra Urban Development Program and Shoalhaven Growth Management Strategy."

It further states:

"Councils are to plan for the mix of housing that suits the projected growth, changing demographics (such as an ageing population) and market demand particular to their area. This means that zonings and planning controls maintain, or in some cases, increase capacity for housing, as well as other Council activities (such as streamlining assessment processes and planning for local infrastructure and town centre revitalisation) to promote development opportunities."

The Regional Plan therefore places an expectation on both Shellharbour City Council (and the other councils within the region) to plan for the particular growth and mix of housing that is projected for the LGA.

There are a number of Directions and associated Actions within the Regional Plan that relate to the provision of housing, which hold relevance for consideration in preparing the LHS. These are as follows:

- *DIRECTION 2.1 Provide sufficient housing supply to suit the changing demands of the region*
- *DIRECTION 2.2 Support housing opportunities close to existing services, jobs and infrastructure in the region's centres*
- *DIRECTION 2.3 Deliver housing in new release areas best suited to build new communities, provide housing choice and avoid environmental impact*
- *DIRECTION 2.4 Identify and conserve biodiversity values when planning new communities*
- *DIRECTION 2.5 Monitor the delivery of housing to match supply with demand*

The preparation of the LHS will seek to address these directions and any associated actions of relevance, to ensure that the objectives of the Regional Plan are translated into the Shelharbour-specific context through the preparation of the LHS. It is noted that the Regional Plan specifically states that no new release areas are required for Shellharbour beyond those already identified under the Illawarra Urban Development Program and the Shellharbour Growth Management Strategy.

Illawarra-Shoalhaven Urban Development Program Update 2016

The Illawarra-Shoalhaven Urban Development Program (UDP) is the State Government's program for managing land and housing supply in the Illawarra-Shoalhaven region. The UDP monitors the planning, servicing and development for new urban areas in Wollongong, Shellharbour and Kiama, as well as the provision of housing in existing urban areas. The UDP was recently expanded to include the Shoalhaven Local Government Area (DP&E, 2016).

DP&E produces reports on land and housing supply for the Illawarra-Shoalhaven Region with input from other stakeholders (e.g. State agencies, councils and industry), which enables the Department to:

- Monitor take up rates, land supply and dwelling production;
- Coordinate release and rezoning of land; and
- Strategically plan to ensure the sustainable supply of housing to meet the Region's needs.

The UDP Update 2016 report provides the following summary discussion for the current land and housing supply situation in the Shellharbour LGA:

"Record high dwelling approvals (537) in 2014/15 suggest continued strong growth in the Shellharbour housing market. Approvals for detached dwellings (225) in 2014/15 are above average for the 10 years, whilst multi-unit approvals (312) are the highest since 2005/06. Short to medium term housing supply is supported by ongoing greenfield development at Tullimbar, a mix of greenfield lots and multi-unit dwellings at Shell Cove and multi-unit dwellings planned at Shellharbour City Centre. The approval of the first stage of Calderwood provides greater certainty over the future of this development."

Further summary details on the land and housing supply for Shellharbour based on land and housing type, is outlined in Section 5 – Housing Supply, which has been based on the findings contained within the UDP Update 2016 report.

The Illawarra Shoalhaven Urban Development Program Update 2018 report is due for release shortly, which will provide updated statistics in relation to land and housing supply for the Shellharbour LGA and other LGAs within the Illawarra-Shoalhaven region. These updated statistics were made available to and utilised by Informed Decisions in their recent forecasting work, referred to in this LHS (refer section 2.3.1.1). The LHS will need to be cognisant of the land and dwelling supply situation for Shellharbour, in terms of the number of lots and/or types of dwellings currently being approved/delivered and in what locations. If released throughout the course of this project and where timing permits, the UDP Update 2018 report findings for land and housing supply for Shellharbour will be reflected in the preparation of the LHS.

Illawarra Biodiversity Strategy 2011

The Illawarra Biodiversity Strategy aims to address the following objectives:

1. *Provide a co-ordinated and regional approach to biodiversity conservation so as to maximise knowledge sharing and efficient use of resources between the Illawarra Councils;*
2. *Identify biodiversity priorities to guide the Illawarra Councils and other land managers in future decisions and planning;*
3. *Encourage and promote the conservation of biodiversity across the Illawarra;*
4. *Identify and manage threats to biodiversity across the Illawarra;*
5. *Improve understanding of biodiversity values of the Illawarra;*
6. *Identify anticipated threats to biodiversity from climate change;*
7. *Improve community awareness, and encourage and support community participation in biodiversity conservation; and*
8. *Contribute to the achievement of targets defined by the Australian Biodiversity Conservation Strategy 2010-2020, NSW State Plan, NSW Biodiversity Strategy, Southern Rivers CMA Catchment Action Plan, Illawarra Regional Strategy, and the NSW Threatened Species Priorities Action Statements.*

As the Strategy would have been utilised to help inform the preparation of the Biodiversity constraints mapping within the Shellharbour LEP 2013 (i.e. the Terrestrial Biodiversity Maps), this represents a direct translation and application of the strategy at a local level. Any decisions made regarding the provision of future housing opportunities through the development of the LHS, will need to be cognisant of the Terrestrial Biodiversity Maps.

Illawarra Regional Food Strategy

In 2009, the NSW Government's Environmental Trust awarded a grant to the Councils of the Illawarra region to develop the Illawarra Biodiversity and Local Food Strategy for Climate Change (IBLFSCC). The Illawarra Regional Food Strategy 2009 is the final output of this grant and is an initiative of Wollongong City Council, Shellharbour City Council and Kiama Regional Council. Its purpose is to identify how the partner Councils can best ensure that the important role of food in the lives of our community, and the future of our region, is recognised and enhanced.

The Illawarra Regional Food Strategy outlines the role of Wollongong, Shellharbour and Kiama in supporting local food security and sustainability. It identifies that a higher priority should be given to food in major planning decisions, as food security is inherently related to the determinants of health; access to housing, income, education levels, employment, social including, gender and transport.

The Strategy comprises a number of themes related to food security. Of most relevance for the preparation of the LHS is Theme 2: Planning, infrastructure and regulation, which seeks to, conserve agricultural lands and make Council lands available to support local initiatives (among other things). One of the associated objectives of Theme 2 is to:

Recognise the role of regional food production in future planning through the conservation of agricultural and other suitable lands.

As the LHS has determined that there are no new major areas needed for the delivery of additional housing supply, consideration should be given to conserving land that may be more suited to food production.

LOCAL PLANNING POLICIES

There are a suite of local planning plans, policies and strategies which exist for Shellharbour. Many of these will not be overly relevant or applicable to the preparation of the LHS, however the Community Strategic Plan, applicable LEPs and DCP have been broadly reviewed and are summarised below:

Shellharbour Community Strategic Plan

Shellharbour City Council's Community Strategic Plan 2018-2028 (CSP) is a long term plan, which is within the Integrated Planning and Reporting Framework. The CSP focusses on four key areas known as the Quadruple Bottom Line (QBL) being Community, Environment, Economy and Leadership. The LHS will form part of the suite of various plans that interact with the CSP to ensure the greatest benefits are achieved from comprehensively planning for the future. The LHS will sit underneath the CSP and inform the Resourcing Strategy, Delivery Program and Operational Plan, as shown in Figure 1 below.

The LHS must be cognizant of Council's core values – Collaboration, Accountability, Integrity, Respect and Sustainability. These are at the heart of Council's culture, guiding it in how to provide the best possible outcomes for our Community, Customers, Councillors and Council (Shellharbour City Council, 2019).

Community Strategic Plan – Integrated Planning and Reporting Framework

The CSP outlines the following:

- *The estimated resident population of Shellharbour City Council in 2018 is 72,000 people. In 2036 it is estimated that an additional 15,000 people will be living in the city which is an average annual growth rate of around 1.2 percent. The population density of the city is around 4.78 persons per hectare.*
- *Our population is ageing. The biggest change in population estimated in the next ten years will be the 'over 65's', which is expected to increase by over 30%.*

It is noted that these statistics have been superseded by the work conducted as part of the preparation of the LHS. A housing model has been developed as part of the LHS to project what the housing supply and demand will be for Shellharbour, which will be taken forward with the community in terms of consultation. The results of this modelling is provided within the LHS and outlines two scenarios, being:

- scenario one, a continuation of existing trends; and
- scenario two, based on dwelling preferences gathered from a telephone survey of residents.

There are a number of actions and priorities within the CSP which provide a direct link to the Illawarra and Shoalhaven Regional Plan in terms of supporting housing opportunities, delivering housing in new release areas and monitoring the delivery of housing to match the supply with demand.

Local Environmental Plans

Local Environmental Plans (LEPs) are an important component of the NSW planning system, with each local government having an LEP to guide development and planning decisions. Whilst the SEPPs outline the rules and guidelines for land use, councils can nominate more specific rules about land use through their Local Environmental Plans, as well as provide additional guidance in their Development Control Plans (DCPs).

There are currently three LEPs which apply to Shellharbour. These are the Shellharbour LEP 2013, Shellharbour Rural LEP 2004 and the Shellharbour LEP 2000.

The Shellharbour LEP 2013 contains development standards for floor space ratio, height, minimum lot size and other provisions which affect most Development Applications made in Shellharbour. It does not apply to land identified as a Deferred Matter on the Land Application Map. The specific provisions of the LEP with respect to the FSR, heights, minimum lot size and other provisions (including relevant constraints mapping) have been considered when preparing the LHS and whether any amendments are warranted as a result - particularly in determining where the application of the LRMDH code might be most applicable.

The Shellharbour Rural LEP 2004 applies to all land identified as such on the Land Application Map within that LEP. This generally relates to the Illawarra Regional Business Park site to the immediate west of the Illawarra Regional Airport; land on the Illawarra Highway to the west of Yellow Rock Road; and land on the Princes Highway to the north west of Shellharbour Road. The Rural LEP 2004 is not considered to be overly applicable to the preparation of the LHS due to its limited application across the Shellharbour LGA, however it has been considered to the extent relevant when preparing the LHS.

The Shellharbour LEP 2000 also applies to other land identified as a Deferred Matter on the Land Application Map contained within the Shellharbour LEP 2013. For example, the 2000 LEP is applicable to the emerging residential area of Tullimbar. It also applies to other areas within the LGA, such as land south of Shell Cove. The applicable provisions of the 2000 LEP for relevant Deferred Matters areas has also been considered when preparing the LHS.

Shellharbour DCP

The Shellharbour Development Control Plan (DCP) applies to Shellharbour except for the area which is approved for development by the State Government under Part 3a of the *Environmental Planning and Assessment Act 1979* (EP&A Act) and has its own development guidelines under that legislation (e.g. Calderwood).

Unlike the SEPPs and LEPs, DCP provisions are not statutory requirements but can provide guidance on certain development matters. The primary purpose of a DCP is to provide guidance to applicants on:

a) Giving the effect to the aims of any environmental planning instrument that applies to the development;

b) Facilitating development that is permissible under any such instrument; and

c) Achieving the objectives of land zones under any such instrument.

The implications of the LHS on any applicable DCP provisions will need to be carefully considered.

OTHER INFORMATION

Healthy Ageing Strategy for Shellharbour 2015-2017

The Shellharbour Healthy Ageing Strategy 2015-2107 provides an opportunity to plan, provide and advocate for improved health and well-being of older people in the community. This Strategy aligns with Council's Delivery Program with the intention that the 'big ideas' outlined in the Strategy be incorporated in Shellharbour City Council's Operational Plan each year, based on funding and resourcing capacity.

The Strategy comprises a range of measures and ideas, however of most relevance to the preparation of the LHS is the ability to allow residents to age in place and to ensure that access to appropriate housing is facilitated, which combined with a range of other factors related to access to community and social services, transport, can influence the independence and quality of life of older people. When preparing the LHS, consideration must be given to facilitating the development of a diverse range of housing products which allows for flexibility and adaptability, to ensure that the needs of the ageing population can be met, which allows residents to stay within Shellharbour and to age in place.

Shellharbour Disability Access and Inclusion Plan 2017-2021

The Shellharbour Disability Access and Inclusion Plan 2017 - 2021 focuses on how Shellharbour City can be a more inclusive and accessible city and sets the direction on how this can be achieved. It covers all aspects of Council services, making Shellharbour City a place where people want to live, work and play. The Plan also links to the Community Strategic Plan's Delivery Program and Operational Plan and will make creating a more inclusive City everyone's responsibility, increasing the effectiveness of the Plan (Shellharbour City Council Disability Access and Inclusion Plan 2017-2021). The LHS should encourage any new housing development to be cognisant of ensuring that accessibility and inclusivity are core considerations when determining appropriate locations and design outcomes for further housing within the region.

Shellharbour Youth Plan 2018-2021

The Shellharbour Youth Plan 2018-2021 has been informed by policy, best practice, local support services and community Consultations and is targeted at young people aged 12-24 across all sections of society, including Aboriginal and Torres Strait Islander people, multicultural groups, people with disabilities and LGBTQI people.

The Youth Plan contains an action plan which seeks to achieve the young people's vision for Shellharbour, with longer term goals and targets, plus the actions that will help them to achieve them. Goal 1 – Family and Community Support and Housing states:

Young people in Shellharbour have a safe place to live and are socially and culturally connected and supported. Having positive relationships with family, carers and friends while being able to access support services provides a strong platform for young people to grow up in Shellharbour. It is also important for young people to connect across cultures, so they can develop a good understanding of their whole community and the strengths of others.

Growing up in a family or care environment that provides them safety, shelter and love is very important to young people. Parents, carers, siblings, extended family and friends are key to helping young people learn, develop and grow while providing positive role models for young people during their developmental years.

To improve family unity and positive home environments, young people encouraged the Shellharbour community to hold family-friendly events and activities. Young people highlighted the need for local services that are useful, approachable and available to support families achieve positive outcomes. Young people said that family-friendly and youth-friendly venues locally would encourage more people to access support, and that buildings and outdoor spaces should be designed with this in mind.

Young people growing up in Shellharbour are particularly concerned about issues like domestic violence and safe, affordable housing. The Youth Plan provides local groups a basis to work together with young people to advocate for improved awareness and services focussing on these issues over the coming years.

The Local Housing Strategy will seek to ensure that the aspirations of the Shellharbour youth for safe and affordable housing can be facilitated.

Shellharbour Safety Strategy 2016-2021

The 'Shellharbour Safety Strategy' creates a shared vision for a safe Shellharbour. It builds upon Shellharbour's achievements to date as well as providing new opportunities and will be used to inform Council's planning, programming and funding priorities over the next five years. Extensive stakeholder and community engagement was conducted as part of the preparation of the strategy, including taking a closer look at local demographic data, current crime data and background research.

The ambition within the Safety Strategy is that *Shellharbour continues to be a friendly environment where people feel safe.*

This is intended to be achieved by Council:

- Taking a lead role in responding to local safety issues
- Reducing the fear of crime
- Working in partnership with all levels of Government, community and businesses to develop programs that increase awareness and reduce crime in Shellharbour.

- Celebrating our safe and connected neighbourhoods
- Supporting community safety activities and events in Shellharbour and the Illawarra Region.
- Creating safer public places through planning practises
- Increasing awareness of crime prevention, domestic violence and community safety through the provision of information.
- Reducing the rates of domestic violence in Shellharbour
- Minimising graffiti in the city.

The Strategy outlines five priorities, with Priority Four being of direct relevance to the preparation of the LHS, as follows:

Priority Four: A City that plans for and maintains safe public places

Built environments and the way neighbourhoods are designed and maintained impact on the community's perception of safety. Creating safe public places encourages health and wellbeing in the community.

The LHS will need to be cognisant of this priority when being prepared, to ensure that neighbourhoods are designed and maintained to be safe.

Shellharbour Development Contributions Plan (Amendment 1)

The Objectives of the Shellharbour Development Contributions Plan are to ensure that:

1) Community Infrastructure meets the needs of a growing population; and
2) 2)Developers contribute towards cost of infrastructure.

The estimated population growth for Shellharbour will result in the need for additional infrastructure and services to those that exist at present. The key areas of growth in Shellharbour City are anticipated to be Shell Cove, Tullimbar, Calderwood and the City Centre.

Section 4 discusses the land dedication and the provision of open space with new greenfield development.

Section 7 identifies that non residential development charges will be capped to encourage growth.

Sections 16 - 24: The majority of the document identifies precincts and the need for new infrastructure in these areas based on the level of development which has occurred. It provides key information about the type of development in each precinct and the infrastructure required to be provided to encourage future development.

The Development Contributions Plan provides some important contextual information around growth of the Shellharbour population and the need for additional infrastructure and services to be provided in the key growth areas. The LHS will need to ensure that it acknowledges the Development Contributions Plan and that any policy decisions made with respect to future housing provision, do not undermine this plan. Conversely, the LHS will inform future reviews of the Development Contributions Plan.

Shellharbour Centre Plans – Albion Park Town Centre, Shellharbour Village Centre, Oak Flats Town Centre and Warilla Town Centres

Centre Plans have been prepared for Albion Park Town Centre, Shellharbour Village Centre, Oak Flats Town Centre and Warilla Town Centres. These Plans will need to be considered when preparing the LHS, as they provide a finer grained level of detail with respect to urban design and development intents for each of these centres.

Floodplain Risk Management

The Lake Illawarra Floodplain Risk Management Study 2012 was prepared by Cardno for the Lake Illawarra Authority, Wollongong City Council and Shellharbour City Council to review flood risks and to examine floodplain management options and to prioritise identified strategies for implementation within a Floodplain Risk Management Plan.

The Shellharbour LEP and DCP contain provisions for guiding development within flood affected areas. To the extent relevant, the flood risk management for Shellharbour's residential/housing areas will be further investigated as part of the preparation of the LHS.

Id Profile Suite Population and Housing Forecasts

This information has been utilised in the preparation of the updated model developed to inform the preparation of the LHS. Section 2 of this report in particular, addresses the use of the information in more detail.

Shellharbour Community Engagement Policy

The Shellharbour Council's Community Engagement Policy provides a framework that underpins Council's engagement activities. It outlines the roles and responsibilities of engaging with the community and suggests the mechanisms for engagement. The most appropriate level of participation will need to be determined and will depend on the nature and complexity of the project/issue. In preparing the LHS, a series of community engagement processes have been scheduled throughout the course of the engagement. This includes engagement prior to the drafting of the LHS and upon release of the draft LHS document. The community engagement adheres to Council's Community Engagement Policy.

Shellharbour Community Engagement Toolkit

The Community Engagement Toolkit is referred to within the Community Engagement Council Policy and provides a best practice approach for community engagement.

The toolkit aims to:

- Deliver a variety of community engagement opportunities that meet the principles of social justice and according to the requirements of Council's Community Engagement Policy.
- Undertake a range of engagement activities that build upon previous engagement and that recognise the diversity of the Shellharbour Community
- Meet the requirements of the Local Government Act, 1993

It is supported by Council's online presence, community engagement branding, staff and councillor training and a range of resources.

The community engagement adheres to Council's Community Engagement Toolkit where possible.

Mapping

A range of mapping exists for Shellharbour, which addresses a number of issues. Of greatest relevance to the preparation of the LHS is the LEP mapping, which contains a number of maps that address:

- Floor space ratio;
- Height of buildings;
- Heritage;
- Land application;
- Land reservation acquisition;
- Zoning;
- Lot size;
- Acid sulfate soils;
- Active street frontages;
- Significant extractive resources;
- Terrestrial biodiversity;
- Mineral resource and transitional areas;
- Development areas;
- Local clauses; and
- Land reclassification.

Where this mapping impacts on any areas that are to potentially be identified within the LHS, appropriate acknowledgement and consideration of these areas should be given, to ensure that there is alignment and consistency with the LHS and the LEP mapping. Should the preparation of the LHS warrant potential amendments to the LEP, then these will need to be flagged for Council's consideration at that time.

In addition to the LEP mapping, other miscellaneous constraints mapping also exists for Shellharbour, which will be further considered when responding to the LHS recommendations/findings (to the extent relevant). This covers a range of matters such as:

- Flooding;
- Catchments and drainage;
- Threatened species;
- Railway buffers;
- Visual management;
- Coastal hazards;
- Coastal zones (SEPPs);
- Airport;
- Fish habitat;
- Vegetation;
- Bushfire prone land; and
- Aboriginal heritage.

It is considered appropriate that any site-specific constraints be addressed through any planning proposal or development application process.

Development Data

A range of development data has been provided by Council to assist with the preparation of the LHS. This has included development application, construction certificate and complying development approval statistics. This data has been used to assist with the preparation of the model to determine housing supply and demand, which is addressed in section 4 of this report.

Current Land Use Patterns

The current land use patterns within Shellharbour will be considered when preparing the LHS, as this will help to set the scene for the existing housing supply and where areas for further residential housing development may logically be concentrated.

APPENDIX 2: Median dwelling sale prices and sales

AP02

Median sale price, Separate dwellings, 2008-2019

Area	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Albion Park	$330,000	$355,000	$380,000	$388,000	$401,000	$392,500	$445,000	$488,000	$540,500	$615,000	$625,000	$599,000
Albion Park Rail	$286,500	$305,000	$324,250	$325,000	$333,000	$340,000	$376,000	$432,500	$486,500	$562,500	$568,000	$535,000
Barrack Heights	$280,000	$300,000	$333,500	$328,000	$329,500	$345,730	$375,000	$457,500	$517,000	$602,500	$595,000	$540,000
Barrack Point	$670,000	$640,000	$750,000	$807,500	$682,500	$718,750	$830,000	$836,000	$980,000	$1,130,000	$1,575,000	
Blackbutt	$367,000	$389,000	$418,500	$400,000	$454,500	$477,500	$519,000	$602,750	$628,000	$713,500	$720,000	$680,000
Calderwood		$770,000*				$670,000*		$221,500	$278,125	$699,000	$702,450	$590,000
Croom					$850,000*				$4,310,000*			
Dunmore		$382,500			$876,750*	$1,180,000*	$1,109,000*	$545,000*	$442,500	$500,000	$487,500*	
Flinders	$429,500	$425,000	$430,000	$460,625	$470,000	$498,250	$524,905	$565,000	$637,500	$757,500	$742,500	$730,500
Lake Illawarra	$270,000	$284,500	$291,500	$318,750	$295,000	$317,500	$375,000	$447,500	$450,000	$585,000	$582,500	$530,000
Mount Warrigal	$293,500	$330,000	$356,250	$364,000	$362,250	$365,000	$395,000	$462,000	$527,000	$600,000	$622,500	
Oak Flats	$310,000	$322,000	$350,000	$355,000	$365,000	$382,500	$407,500	$500,000	$554,000	$640,000	$630,000	$607,500
Shell Cove	$492,500	$490,500	$514,250	$525,000	$519,500	$559,000	$595,000	$693,000	$790,000	$855,000	$925,000	$857,500
Shellharbour	$434,750	$451,250	$478,500	$445,500	$534,500	$525,000	$595,000	$665,000	$718,500	$845,000	$851,000	$730,000*
Shellharbour City Centre		$340,000*			$430,000*						$1,000,000*	
Tongarra	$425,000*									$1,250,000*		
Tullimbar	$470,000	$430,000	$319,500	$460,000	$405,000	$366,500	$398,000	$466,500	$539,000	$645,000	$635,000	$606,750*
Warilla	$285,000	$285,000	$290,000	$310,500	$300,000	$325,000	$380,000	$410,000	$484,500	$535,250	$560,000	$503,000
Yellow Rock					$780,000*					$1,145,552*		
Shellharbour LGA	**$330,000**	**$352,500**	**$369,500**	**$380,000**	**$390,000**	**$390,750**	**$449,250**	**$520,000**	**$570,000**	**$650,000**	**$645,000**	**$630,000**

Notes: Lots <25,000sqm only. Data for 2019 is January and February only.
**Low number of sales (1-2 sales). Use with caution.*
Source: Pricefinder 2019;

Median sale price, Units, 2008-2019

Area	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Albion Park	$280,000	$296,500	$338,500	$306,250	$335,000	$350,000	$374,750	$399,000	$452,500	$515,000	$490,000	$465,000*
Albion Park Rail	$223,000	$255,000	$250,000	$244,000	$262,500	$352,500	$285,000	$385,000	$450,000	$479,000	$497,000	$509,000
Barrack Heights	$209,000	$210,000	$236,500	$205,000	$220,000	$272,000	$244,750	$275,000	$345,000	$368,000	$411,000	
Barrack Point				$440,000*	$340,000*		$565,000*		$1,110,000		$1,867,000*	
Blackbutt	$273,750	$266,000	$290,000	$290,000	$330,000	$375,000	$410,000	$420,000	$465,750	$530,000	$532,500	$623,000*
Flinders	$294,000	$305,250	$326,000	$330,000	$337,000	$335,000	$400,000	$449,000	$472,500	$557,500	$590,000	$502,500
Lake Illawarra	$240,000	$240,000	$262,500	$261,000	$264,500	$258,000	$317,500	$388,500	$398,500	$515,000	$494,500	$295,000*
Mount Warrigal		$304,000*	$450,000*	$270,000*					$270,000*		$580,000	
Oak Flats	$278,250	$235,000	$270,000	$325,000	$278,250	$340,000	$307,500	$321,500	$495,000	$560,000	$567,500	$570,000*
Shell Cove	$391,000*	$394,500	$446,500*	$432,000	$455,500	$451,000	$463,000	$526,000	$565,000	$675,000	$605,000	
Shellharbour	$326,000	$330,000	$335,000	$340,000	$341,500	$349,000	$390,000	$450,000	$480,000	$547,500	$590,000	$490,000*
Shellharbour City Centre	$358,750	$351,250*	$616,000*	$559,500	$379,000		$420,000	$387,000*	$389,000*			
Tullimbar							$452,500	$489,000	$449,500	$519,000		
Warilla	$265,000	$258,000	$280,000	$289,000	$274,750	$253,000	$310,000	$380,000	$385,000	$480,000	$503,000	$360,700
Shellharbour LGA	**$267,000**	**$279,500**	**$299,000**	**$312,000**	**$307,000**	**$335,000**	**$347,000**	**$399,000**	**$450,000**	**$516,000**	**$520,000**	**$490,000**

Notes: Lots <25,000sqm only. Data for 2019 is January and February only.
**Low number of sales (1-2 sales). Use with caution.*
Source: Pricefinder 2019;

Total sales, Separate dwellings, 2008-2019

Area	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Albion Park	226	250	209	243	174	206	221	246	266	211	180	31
Albion Park Rail	68	97	84	86	85	117	124	111	86	116	83	14
Barrack Heights	79	87	66	91	68	112	93	72	75	68	63	10
Barrack Point	7	5	9	14	8	14	12	12	14	10	6	
Blackbutt	36	21	34	39	26	36	46	46	37	34	23	4
Calderwood		1				2		19	16	57	24	5
Croom					2				2			
Dunmore		3			2	1	2	1	4	5	2	
Flinders	104	146	84	104	75	88	158	156	134	100	94	21
Lake Illawarra	25	28	48	34	31	38	40	50	33	36	24	3
Mount Warrigal	64	85	70	58	64	69	71	79	68	67	52	
Oak Flats	74	106	91	99	98	74	96	97	95	116	106	8
Shell Cove	47	84	72	84	84	98	126	185	146	109	86	12
Shellharbour	34	44	34	42	30	38	35	41	38	42	32	2
Shellharbour City Centre		1			1						1	
Tongarra	1									1		
Tullimbar	8	9	18	5	9	16	14	21	35	27	37	2
Warilla	65	92	67	68	56	80	96	87	78	60	63	6
Yellow Rock					1					1		
Shellharbour LGA	**838**	**1,059**	**886**	**967**	**814**	**989**	**1,134**	**1,223**	**1,127**	**1,060**	**876**	**118**

Notes: Lots <25,000sqm only. Data for 2019 is January and February only.
Source: Pricefinder 2019;

Total sales, Units, 2008-2019

Area	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Albion Park	33	46	32	44	45	45	48	45	50	61	37	1
Albion Park Rail	23	30	22	27	28	28	41	53	42	39	49	3
Barrack Heights	12	19	14	9	7	14	28	26	15	13	14	
Barrack Point				1	1		1		3		1	1
Blackbutt	12	14	15	13	19	32	11	28	26	17	14	1
Flinders	24	26	16	27	19	31	32	31	22	22	36	3
Lake Illawarra	29	35	26	37	26	30	48	42	37	29	28	2
Mount Warrigal		1	1	1					1		5	
Oak Flats	22	34	17	29	12	30	20	22	31	49	24	1
Shell Cove	2	4	2	6	4	8	11	3	5	4	7	
Shellharbour	10	24	33	25	26	18	19	23	23	20	23	1
Shellharbour City Centre	4	2	1	4	4		17	2	1			
Tullimbar							2	5	10	15	4	1
Warilla	13	21	26	19	16	10	23	27	15	13	14	3
Shellharbour LGA	**184**	**256**	**205**	**242**	**207**	**246**	**301**	**307**	**281**	**282**	**256**	**17**

Notes: Lots <25,000sqm only. Data for 2019 is January and February only.
Source: Pricefinder 2019;

Average days on market, Separate dwellings, 2008-2019

Area	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Albion Park	94	75	86	86	87	76	47	34	46	47	59	97
Albion Park Rail	90	75	85	80	85	77	48	41	40	51	72	95
Barrack Heights	80	101	79	84	86	67	56	31	38	53	77	61
Barrack Point	98	193	240	96	266	144	115	62	165	32	64	
Blackbutt	85	171	76	134	112	210	63	56	59	89	179	69
Calderwood		62*				28*		34*	40*	48	65	124
Croom					30*							
Dunmore		222			135*	34*	161*	30*		15*		
Flinders	109	111	97	95	117	107	73	68	59	58	79	67
Lake Illawarra	63	71	64	116	113	101	66	70	50	23	75	52
Mount Warrigal	103	102	105	102	72	66	36	41	59	43	72	
Oak Flats	93	89	59	79	83	71	45	42	49	51	63	50
Shell Cove	91	141	115	121	124	118	85	56	65	69	89	112
Shellharbour	88	144	125	110	154	72	117	45	53	60	81	66*
Shellharbour City Centre		25*			17*						29*	
Tongarra	86*									35*		
Tullimbar	60*	230	350	136	191	133	108	69	125	58	100*	58
Warilla	94	79	77	97	97	83	53	35	42	50	69	85
Yellow Rock					564*							
Shellharbour LGA	**93**	**98**	**92**	**95**	**100**	**90**	**59**	**45**	**53**	**53**	**74**	**84**

Notes: Lots <25,000sqm only. Excludes negative days on market. Data for 2019 is January and February only.
**Low number of sales (1-2 sales). Use with caution.*
Source: Pricefinder 2019;

Average days on market, Units, 2008-2019

Area	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Albion Park	91	65	78	97	95	77	54	63	63	40	86	51*
Albion Park Rail	98	74	58	88	136	91	60	30	54	46	76	282*
Barrack Heights	157	92	89	65	202	99	72	20	61	58	118	
Barrack Point				55*							77*	30*
Blackbutt	73	92	72	205	148	69	45	35	21	56	47	245*
Flinders	144	122	293	97	116	55	39	34	28	55	114	96
Lake Illawarra	93	82	119	127	119	159	110	24	45	29	71	124*
Mount Warrigal		181*	181*	391*					21*			
Oak Flats	75	132	63	81	105	57	66	42	48	43	137	
Shell Cove	122	152	195*	160	126	418	85	22*	57*	93*	97	
Shellharbour	119	173	190	116	177	110	67	48	113	142	108	57*
Shellharbour City Centre	55	109*		195*	103		122	55*	23*			
Tullimbar								59*		43*	255	180*
Warilla	96	89	48	76	93	187	39	39	25	26	107	89
Shellharbour LGA	**101**	**101**	**117**	**107**	**125**	**99**	**68**	**38**	**54**	**53**	**96**	**129**

Notes: Lots <25,000sqm only. Excludes negative days on market. Data for 2019 is January and February only.
**Low number of sales (1-2 sales). Use with caution.*
Source: Pricefinder 2019;

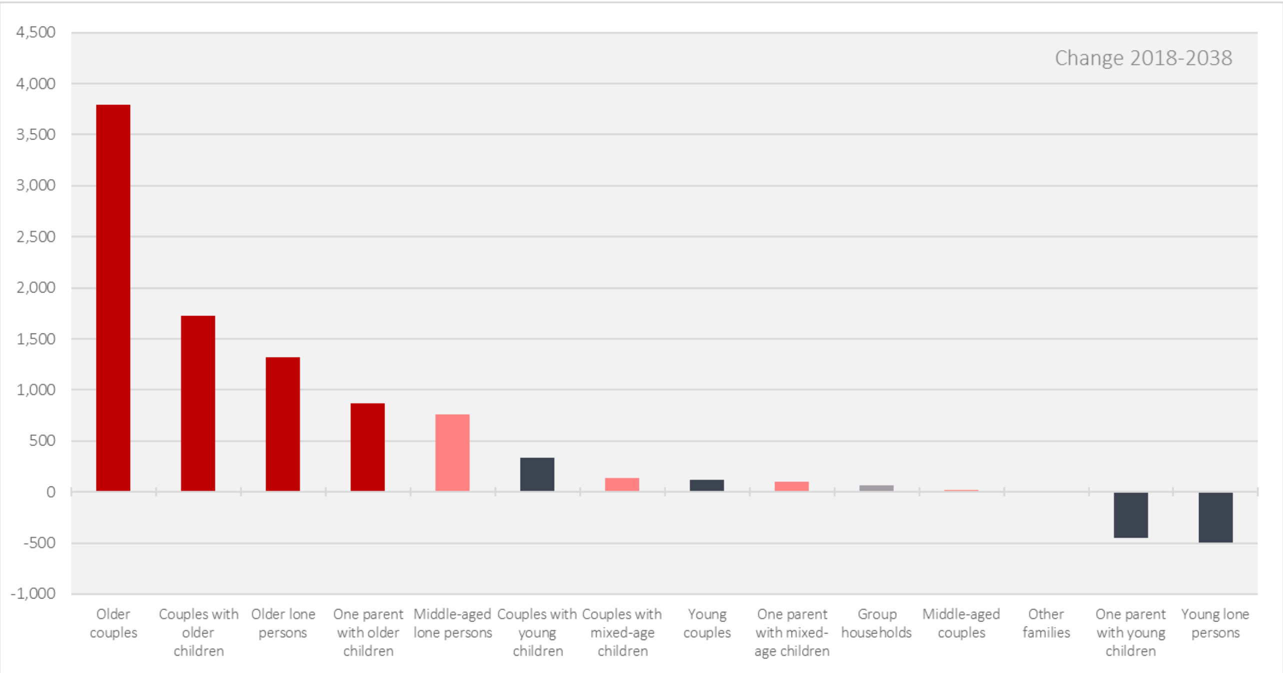
APPENDIX 3: Household Type Projections

AP03

Household Type Projections, Shellharbour LGA

#	Shellharbour LGA	2018	2028	2038
1.1	Couples with young children	4,272	4,552	4,605
1.2	Couples with mixed-age children	1,361	1,463	1,494
1.3	Couples with older children	3,389	4,310	5,111
2.1	Young couples	1,221	1,399	1,339
2.2	Middle-aged couples	2,490	2,754	2,510
2.3	Older couples	3,447	5,518	7,240
3.1	One parent with young children	1,263	1,024	810
3.2	One parent with mixed-age children	476	516	580
3.3	One parent with older children	1,741	2,121	2,611
4	Other families	863	813	858
5	Group households	496	506	559
6.1	Young lone persons	917	716	426
6.2	Middle-aged lone persons	1,997	2,423	2,755
6.3	Older lone persons	2,578	3,287	3,894
9	Unoccupied dwellings	1,024	1,239	1,462
99	Total dwellings	27,534	32,642	36,254

Household Type Projections, Shellharbour LGA, Change 2018-2038



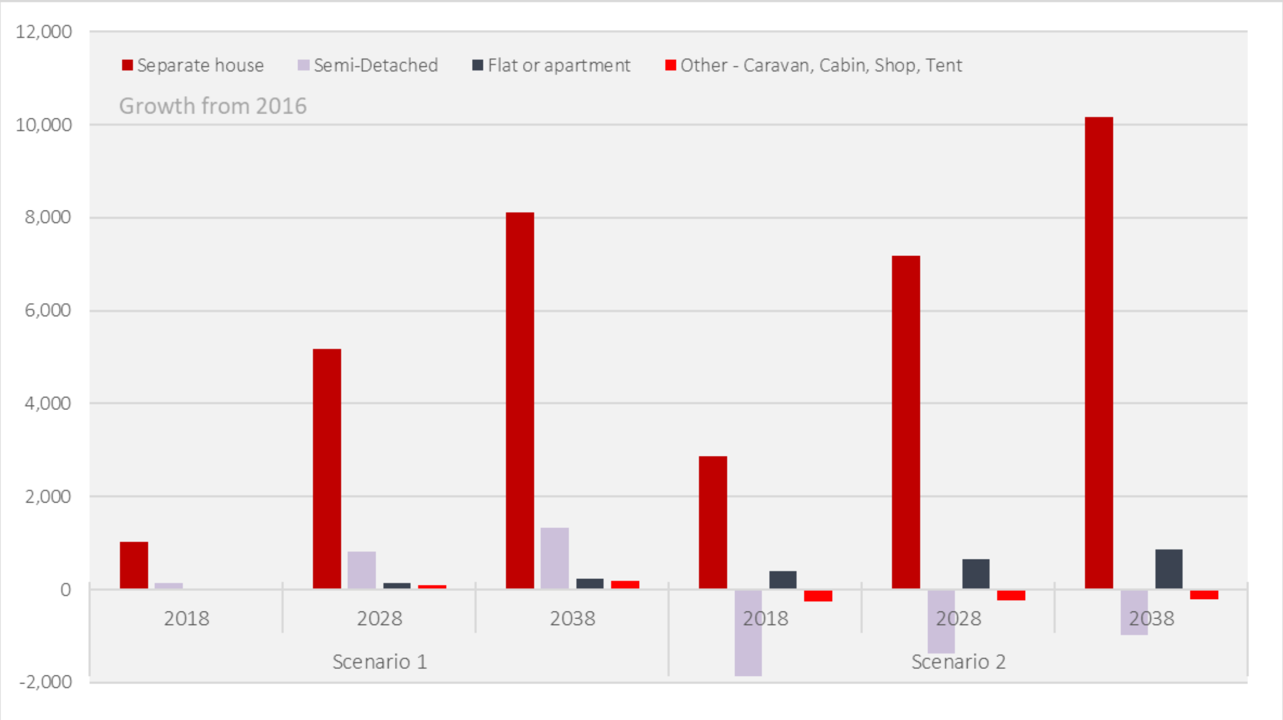
APPENDIX 4: Results of Housing Demand Analysis with Weighting by Age / Sex

AP04

Results of housing demand model scenarios, 2018, 2028 and 2038 – Age and Sex

Year	Scenario	Separate house	Semi-detached	Flat or apartment	Other - Caravan, cabin, shop, tent	Total dwellings
2006	NA	18,712	2,483	1,438	315	22,948
2011		19,911	2,793	1,365	380	24,449
2016		20,971	3,832	1,180	432	26,415
2018	Scenario 1	21,993	3,965	1,157	419	27,534
	Scenario 2	23,829	1,973	1,565	167	27,534
2028	Scenario 1	26,151	4,654	1,311	526	32,642
	Scenario 2	28,152	2,458	1,837	196	32,642
2038	Scenario 1	29,074	5,152	1,414	614	36,254
	Scenario 2	31,136	2,858	2,043	216	36,254

Comparison of results of dwelling demand model (Scenario 1 and 2) – Age and Sex



Scenario 2 requires greater or less dwellings than Scenario 1 as per this table – Age and Sex

Year	Separate house	Semi-detached	Flat or apartment	Other - Caravan, cabin, shop, tent	Total dwellings
2018	1,836	-1,992	408	-252	0
2028	2,001	-2,196	526	-331	0
2038	2,063	-2,295	629	-397	0

APPENDIX 5: Consultation Report

AP05

Shellharbour City Council

Local Housing Strategy – Initial Community Engagement Summary

7 May 2019

Document Control

Document: Project Name: Shellharbour Local Housing Strategy
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1 INTRODUCTION

Council has resolved to seek a 12 month postponement of the introduction of the Low Rise Medium Density Housing Code (LRMDH Code) in the Shellharbour Local Government Area (LGA). As part of requesting this deferral, Council resolved to prepare a Local Housing Strategy (LHS) to address appropriate provision of all forms of housing for Shellharbour. The LHS will provide the evidence-base for any potential changes to the Shellharbour Local Environmental Plan 2013 (LEP) for controls that may influence the location of where the LRMDH Code can be applied within the City. The LHS also provides the opportunity to more broadly address and respond to housing demand/supply issues and their policy implications (Shellharbour City Council, 2019).

As part of the preparation of the LHS, PSA Consulting and Shellharbour City Council recently undertook initial stakeholder engagement on 15th and 16th April 2019, to gauge initial views and inputs to inform the preparation of the draft LHS.

1.1 Purpose

The purpose of this document is to provide a brief summary and record of the issues raised within the initial consultation conducted on15th and 16th April 2019 in relation to the preparation of the Shellharbour LHS.

1.2 Preliminary Consultation Activities

PSA Consulting, in conjunction with Shellharbour City Council, recently undertook two stakeholder consultation workshops with the community and agencies/industry, to determine what specific issues potentially needed to be addressed in the preparation of the LHS. A Councillor briefing was also conducted as part of these consultation activities.

The consultation undertaken by PSA Consulting is in addition to the community surveys that Council recently undertook prior to engaging PSA to prepare the draft LHS. These surveys include:

1. Housing Preferences Survey conducted by IRIS on behalf of Council, between 16-21 December 2018. This involved a telephone survey of over 600 residents, to ascertain their views on housing preferences within Shellharbour.
2. An online survey conducted between 26 November 2018 and 17 January 2019 on the Lets Chat Shellharbour platform, which sought views on housing preferences. This survey garnered 104 responses.

The results of the IRIS survey were utilised in the development of a model which has been prepared as part of the preliminary research undertaken to support the development of the LHS, to assist in determining the aspirational dwelling demand for Shellharbour in years to come. These surveys will also help to inform the preparation of the LHS.

1.3 Community Workshop

A community workshop was conducted on 15th April 2019 between 5:30pm-7:30pm, to seek feedback on the issues that the community would like to see addressed within the preparation of the LHS. Five people attended the community workshop, with the primary focus of the discussions centring around the development of dual occupancies (or medium density development) within the Bella Vista Estate near Albion Park. There was a general concern and dissatisfaction about the ability to develop vacant blocks of land for multi-dwellings (including dual occupancies), and the estate being marketed as having the potential to build dual occupancies (subject to Council approval). This was particularly concerning for those residents who purchased in the Bella Vista estate and built/were building their own homes, with an expectation that the estate would be developed for detached houses.

There was a general consensus that multi-dwelling development in Shellharbour as a whole was not opposed, provided the location and concentration of these dwelling products within any one area was appropriate. Suggestions were made around the conditions under which medium density development could be appropriate – for example, dispersal of these dwelling types throughout estates; ensuring sufficient car parking was provided on site to avoid a proliferation of on-street parking; as well as ensuring that street widths were wide enough to cater for any on-street parking that was required. The provision of sufficient infrastructure and facilities to service the communities which are being developed was also raised, including appropriate parks, accessibility to public transport and the like. Other matters related to tree retention/removal were also raised, as well as maintaining the existing character of areas being important.

Appendix 1 contains a copy of the feedback provided, as well as a copy of the presentation that was presented to the workshop. The feedback will be considered in the preparation of the LHS, particularly in terms of any options that Council may consider regarding the potential to disperse medium density development throughout estates and/or within Shellharbour.

1.4 Agency/Industry Workshop

An agency/industry workshop was conducted on 16th April 2019 between 3:00pm-5:00pm, to seek feedback on the issues that these groups believe should be addressed within the preparation of the LHS. There was very good representation at this workshop, which comprised a mixture of local and state agencies and industry representatives, including housing providers and developers. A range of issues were raised according to the focus questions asked. The various issues were raised from the different perspectives of both agencies and the industry, therefore there were some varying viewpoints.

However, there were also some common themes raised within the consultation, with the concept of low rise medium density development being generally supported, provided that the right development controls and design features are in place to create good development outcomes.

In terms of the desired future character of housing in Shellharbour, some of the key matters raised were affordability, quality design and variety, liveability and infrastructure provision and there was general consensus around these concepts.

With respect to the key issues and opportunities for the delivery of an additional 10,100 dwellings for Shellharbour, the workshop raised simplification of the DA process and the timeframes for assessment, as well as providing greater clarity and flexibility in the application of provisions. The specific provisions of the LRMDH Code were also raised in terms of its strict application and the need for these provisions to be able to be varied. The total additional dwelling target of 10,100 was queried by some as being too low and not being enough to provide for future demand. There was comment that there needs to be more public and social housing provided in Shellharbour.

Key opportunities for the delivery of additional dwellings included the need for a longer term vision and responding to changes in technology; the application of SEPP70 for affordable housing and application of the liveable housing guidelines; opportunities for greenfield areas such as Tullimbar, Shell Cove and Calderwood to meet much of the dwelling demand, and the potential for shop top housing to be provided within establishes centres, such as at Shellharbour Village and the Shellharbour City Centre.

Examples of where medium density development has been done well were provided, which tended to be located in newly developing master planned areas. Areas both within and outside the Shellharbour LGA were touted as good examples.

Opportunities to present quality and well-designed low rise medium density product in Shellharbour included developing in the existing R3 zoned areas, provided that the provisions were sufficient to facilitate feasible development outcomes. Areas around Shellharbour and Albion Park for shop top housing and medium density development were raised, as was Shell Cove. Rear lanes were frequently mentioned as a good opportunity to provide high quality medium density development outcomes. Relocatable homes were mentioned as a good opportunity to provide affordable housing and the example of tiny houses (as developed in Victoria) was also raised as a potential opportunity/example to explore. Some further areas within Shellharbour were identified as possibly being suitable for the application of the LRMDH code, such as Albion Park Town Centre.

Post-workshop, several organisations provided some additional information to PSA Consulting and Council, for consideration in the preparation of the LHS. This included Shellharbour housing market data (provided by UDIA) and an Affordable Housing Background Paper (provided by Housing Trust).

Appendix 2 contains a copy of the feedback provided at the workshop, as well as a copy of the presentation that was presented to the workshop. The feedback will be considered through the preparation of the LHS.

1.5 Councillor Briefing

A Councillor briefing was conducted on 16th April 2019 in the evening. A brief presentation was provided to the Councillors, to introduce them to the purpose of the LHS and to outline the preliminary findings to date.

Questions were asked by Councillors around what Council needed to do to opt out of the application of the Low Rise Medium Density Housing Code to Shellharbour, with Councillors being advised that there should be enough data by the preparation of the draft LHS to inform Council's preliminary position to the Department of Planning and Environment (DP&E). Further comments were made by Councillors about not wanting to see manor houses and what ability Council has to influence the type of housing that does occur. Councillors were advised that Council can influence its position strategically, provided that this position can be justified and that it can be demonstrated that there is sufficient supply to meet housing demand within Shellharbour.

Further feedback was provided that if Council is successful in opting out, this will have an influence on the built form outcomes for housing. It was observed that there seems to be more confidence in greenfield areas and having more control over where single residences go. It was explained that the big developers of these estates want to control the outcomes more – e.g. in Calderwood, Tullimbar, Shell Cove etc., while mid-tier developers want to maximise development potential. There are generally more safeguards in master planned communities.

Examples were provided of areas where caveats around compliance with design guidelines and built form outcomes have fallen away when a second owner takes possession of the land.

The Councillors were advised that there is a body of work available to inform the preparation of the LHS. Further questions were raised around the fact that there is so much residential land in the pipeline and whether this can strengthen Council's argument for less medium density development. It was questioned whether there are opportunities to clearly identify areas that are appropriate for medium density residential and there may be some desire to designate some areas for high density residential in the years to come. If the LHS is looking at a 20 year vision for housing provision, then Council will send a clear signal to the Department. The concept of actively densifying the community around appropriate areas was also raised.

Appendix 3 contains a copy of the presentation that was presented to Councillors. The feedback provided will be considered through the preparation of the LHS, particularly if Council's position is that they would like to seek to reject the application of the Low Rise Medium Density Housing Code within Shellhabour, or apply it in certain locations or limited circumstances.

2 Next Steps

The results of the stakeholder feedback will be utilised to inform the preparation of the draft LHS. Upon completion of the draft LHS document, further consultation will be conducted with the community, agencies, industry and Councillors, to seek further feedback on the Local Housing Strategy document before it is finalised.

APPENDIX 1: COMMUNITY WORKSHOP PRESENTATION AND FEEDBACK

AP01

Shellharbour Local Housing Strategy Community Workshop

15th April 2019

Shellharbour CITY COUNCIL

LOCAL HOUSING STRATEGY
PURPOSE OF COMMUNITY WORKSHOP

- Context and objectives
- Overview of preliminary analysis
- Workshop Discussion #1
- Break
- Workshop Discussion #2
- Next Steps

CONTEXT

- 12 June 2018 - Council resolved to seek a 12 month postponement to introducing the Low Rise Medium Density Housing Code (LRMDH Code) in Shellharbour.
- Council resolved to prepare a Local Housing Strategy (LHS) to address appropriate provision of all forms of housing for Shellharbour.
- The LHS will provide the evidence-base for any potential changes to the Shellharbour Local Environmental Plan 2013 (LEP) for controls that may influence the location of where the LRMDH Code can be applied within the City.
- The LHS also provides the opportunity to more broadly address and respond to housing demand/supply issues and their policy implications.

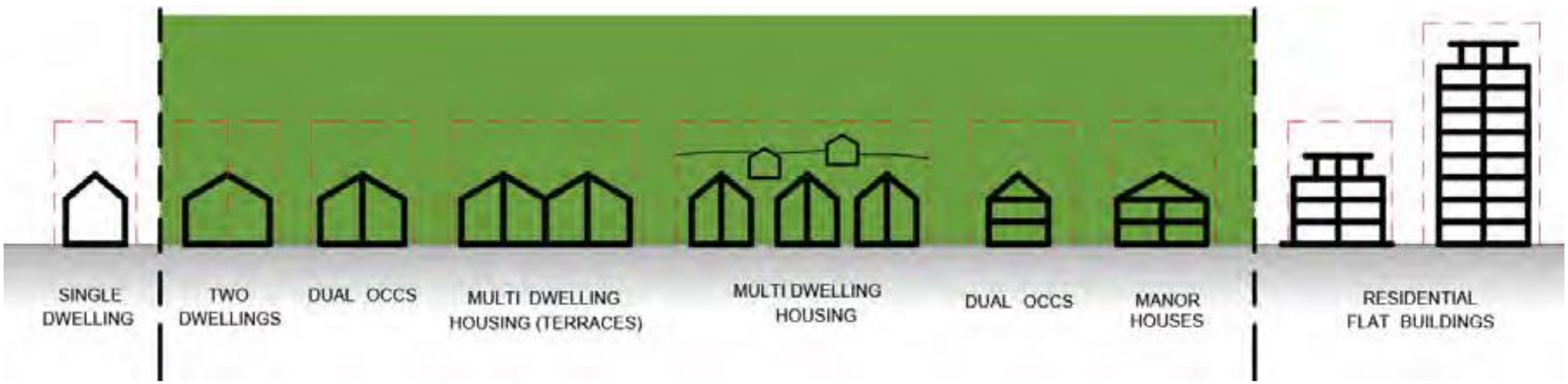
LOW RISE MEDIUM DENSITY HOUSING CODE

Development that can be complying development under this code

The erection or alteration of, or addition to, any of the following:

- any attached or detached 1 or 2 storey dual occupancy, manor house or multi dwelling housing (terraces)

LOW RISE MEDIUM DENSITY HOUSING CODE



Source: DP&E Low Rise Medium Density Design Guide for Complying Development

LOCAL HOUSING STRATEGY OBJECTIVES

- Community's aspirations and future needs in future residential development.
- Basis for future decision making and policy on residential development.
- Adequate supply of residential development to meet demand.

DP&E LHS GUIDELINE AND TEMPLATE

- Department of Planning and Environment's (DP&E) Local Housing Strategy Guideline and Template will be relied on to complete the Local Housing Strategy.
- Structure:
  1. Introduction – executive summary, planning policy and context, LGA snapshot and housing vision
  2. The Evidence - demographic overview, housing demand, housing supply, land use opportunities and constraints, analysis of the evidence-base
  3. The Priorities - LHS objectives, land use planning approach, mechanisms to deliver options, evaluation of options
  4. Actions – implementation and delivery plan, planning proposal (if applicable), monitoring and reviews

PRELIMINARY ANALYSIS

- From 2016, Shellharbour's population to grow by 23,400 people to 2041 (similar annual growth rate to NSW)

Area	2016	2021	2026	2031	2036	2041	Annual Growth Rate (2016-2041)
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Blackbutt – Shellharbour City Centre	3,675	4,681	5,993	6,673	7,075	7,252	2.8%
Flinders	6,937	7,204	7,237	7,310	7,396	7,504	0.3%
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Mount Warrigal	4,965	4,889	4,766	4,805	4,905	5,022	0.0%
Oak Flats	6,636	6,514	6,486	6,527	6,568	6,638	0.0%
Rural Balance	1,325	3,516	5,456	8,306	11,162	13,822	9.8%
Shell Cove	5,845	7,411	9,367	9,293	9,084	8,967	1.7%
Shellharbour – Barrack Point	4,417	4,360	4,532	4,573	4,694	4,923	0.4%
Warilla	6,684	6,774	6,962	7,155	7,335	7,476	0.4%
Shellharbour LGA	70,492	75,976	82,037	86,245	90,221	93,898	1.2%
NSW	7,748,000	8,297,500	8,844,700	9,386,850	9,925,550	10,463,900	1.2%

Source: Informed Decisions 2018 [Population Forecast];

PRELIMINARY ANALYSIS

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Albion Park Rail	2,716	2,768	2,799	2,811	2,824	2,836	0.2%
Barrack Heights	2,422	2,470	2,500	2,530	2,560	2,609	0.3%
Blackbutt – Shellharbour City Centre	1,364	1,745	2,256	2,545	2,719	2,814	2.9%
Flinders	2,373	2,521	2,585	2,645	2,705	2,765	0.6%
Lake Illawarra	1,633	1,701	1,736	1,771	1,806	1,841	0.5%
Mount Warrigal	1,878	1,898	1,918	1,938	1,963	1,988	0.2%
Oak Flats	2,582	2,607	2,632	2,657	2,682	2,707	0.2%
Rural Balance	471	1,361	2,104	3,188	4,304	5,370	10.2%
Shell Cove	1,871	2,420	3,155	3,248	3,268	3,288	2.3%
Shellharbour – Barrack Point	1,831	1,878	1,924	1,954	2,002	2,074	0.5%
Warilla	2,813	2,873	2,933	2,993	3,053	3,113	0.4%
Shellharbour LGA	26,585	29,085	31,549	33,405	35,100	36,679	1.3%
NSW	3,284,700	3,535,100	3,779,900	4,024,950	4,269,650	4,512,950	1.3%

Source: Informed Decisions 2018 [Population Forecast]

PRELIMINARY ANALYSIS

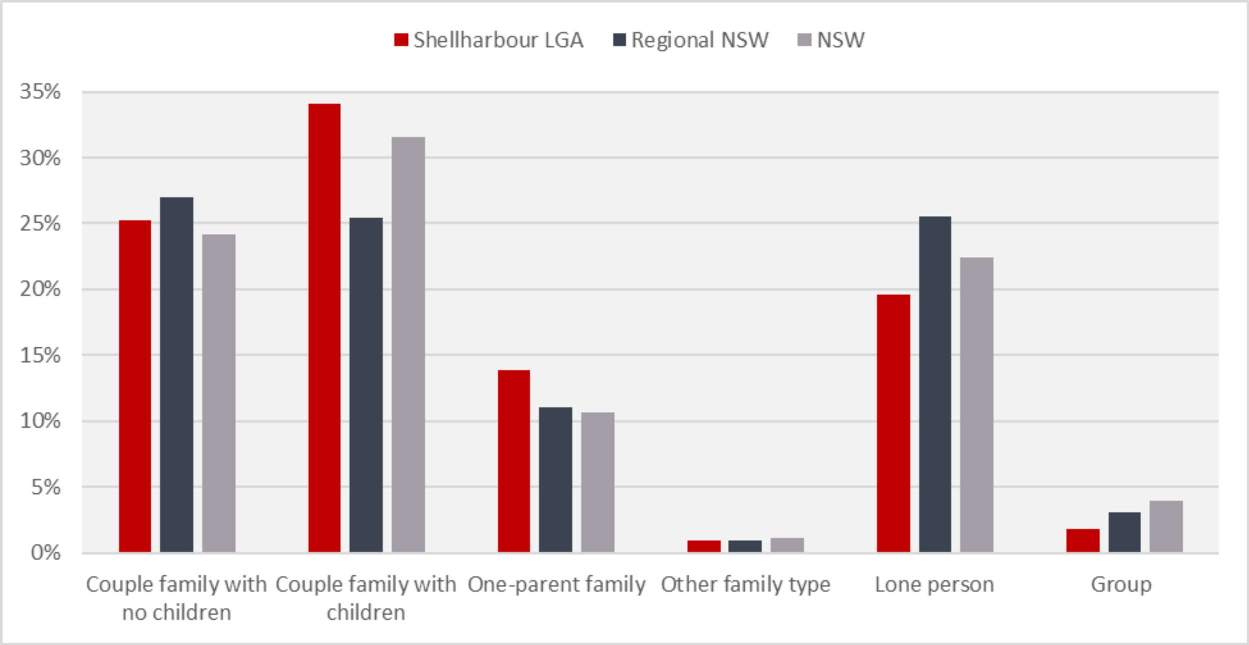
- As of 2016, 79% of dwellings in Shellharbour are houses - similar to regional NSW (80.2%), but significantly higher than NSW (64.9%)
- NSW has a higher proportion of high density dwellings (15.3%) compared to Shellharbour (0.1%)

Area	Separate House	Medium density (a)	High density (b)	Caravans, cabin and houseboat	Total
Albion Park – Rural West	4,287 (86.7%)	641 (13.0%)	0 (0.0%)	0 (0.0%)	4,942 (100%)
Albion Park Rail – Croom	2,121 (77.5%)	545 (19.9%)	0 (0.0%)	0 (0.0%)	2,738 (100%)
Barrack Heights	2,109 (87.5%)	294 (12.2%)	0 (0.0%)	5 (0.2%)	2,411 (100%)
Blackbutt – Shellharbour City Centre	898 (66.5%)	449 (33.3%)	0 (0.0%)	3 (0.2%)	1,350 (100%)
Flinders	1,684 (71.3%)	665 (28.2%)	0 (0.0%)	0 (0.0%)	2,361 (100%)
Lake Illawarra	804 (50.1%)	783 (48.8%)	5 (0.3%)	0 (0.0%)	1,604 (100%)
Mount Warrigal	1,805 (97.7%)	43 (2.3%)	0 (0.0%)	0 (0.0%)	1,848 (100%)
Oak Flats	2,181 (85.1%)	350 (13.7%)	0 (0.0%)	0 (0.0%)	2,562 (100%)
Shell Cove – Dunmore	1,779 (93.3%)	115 (6.0%)	0 (0.0%)	3 (0.2%)	1,907 (100%)
Shellharbour – Barrack Point	1,192 (65.9%)	516 (28.5%)	6 (0.3%)	83 (4.6%)	1,809 (100%)
Warilla	1,963 (70.7%)	557 (20.1%)	0 (0.0%)	254 (9.1%)	2,778 (100%)
Shellharbour LGA	20,866 (79.0%)	4,978 (18.8%)	19 (0.1%)	355 (1.3%)	26,428 (100%)
Regional NSW	965,443 (80.2%)	171,821 (14.3%)	29,897 (2.5%)	19,893 (1.7%)	1,203,863 (100%)
NSW	1,986,588 (64.9%)	548,076 (17.9%)	466,690 (15.3%)	23,253 (0.8%)	3,059,610 (100%)

Source: Informed Decisions 2018 [Community Profile]

HOUSEHOLD TYPES AS OF 2016

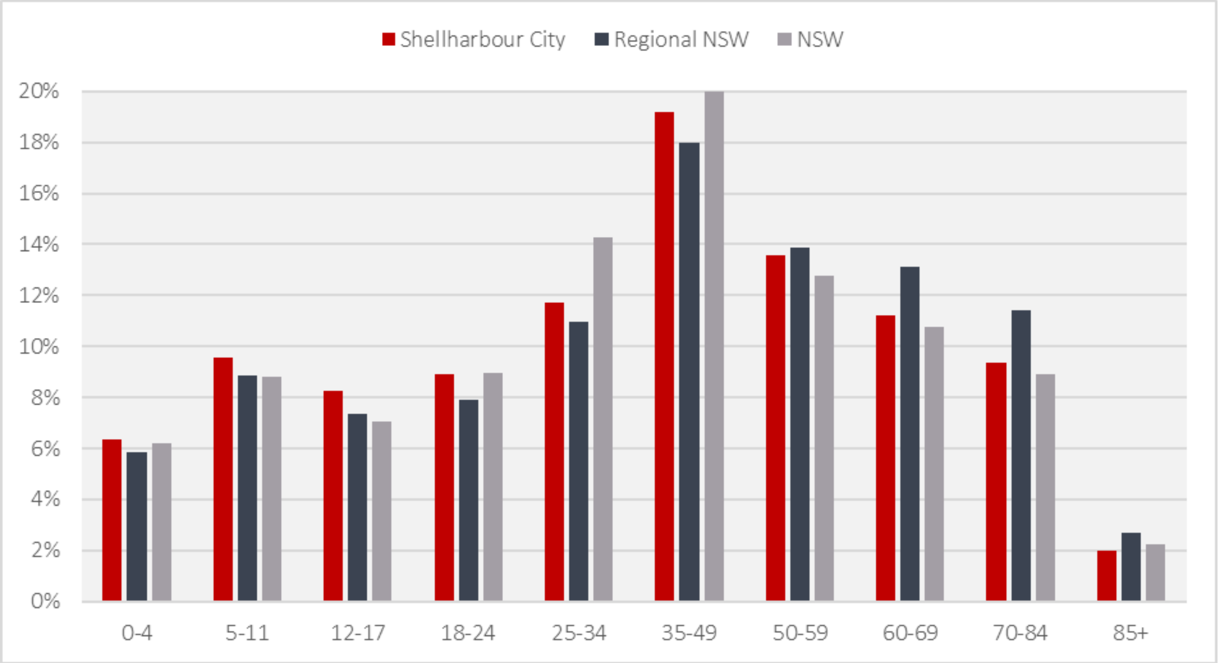
- Shellharbour is popular with families
- It has less lone person households and group households compared with NSW



Source: Informed Decisions 2018 [Community Profile]

AGE STRUCTURE AS OF 2016

- Shellharbour has higher proportions of children and young adults compared with NSW
- Individuals under the age of 25 years accounted for 33.0%, compared to 30.0% for Regional NSW and 31.1% for NSW
- Individuals over the age of 60 years accounted for 22.5%, compared to 27.2% in Regional NSW and 21.9% in NSW

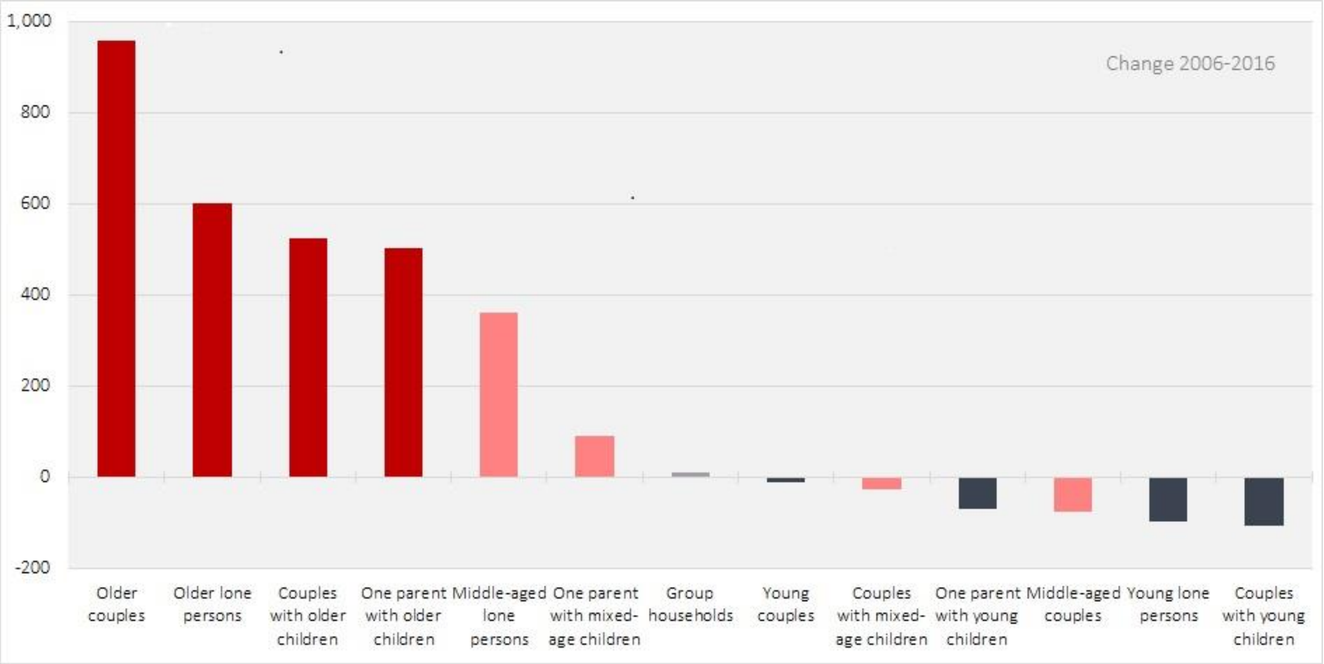


Source: Informed Decisions 2018 [Community Profile]

CHANGES IN HOUSEHOLD TYPES 2006-2016

Between 2006-2016:

- The number of households with older people increased in Shellharbour
- The number of households with younger people decreased in Shellharbour



Source: Informed Decisions 2018 [Community Profile]

DWELLING DEMAND MODEL (2016-2038)

Scenario 1 (Propensity – business as usual, trends, existing policy):

- 7,718 separate houses are needed
- 1,242 semi-detached dwellings are needed
- 208 flats and apartments are needed
- 174 dwellings of other types

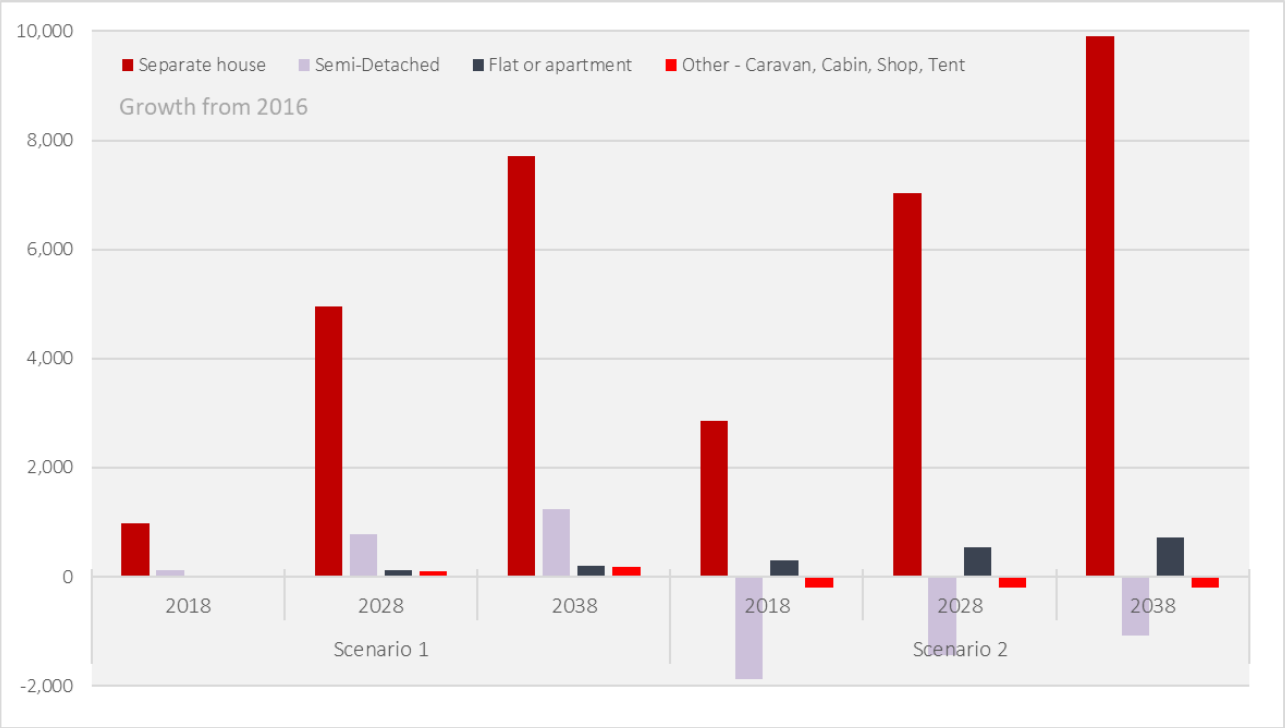
DWELLING DEMAND MODEL (2016-2038)

Scenario two (Aspirational – IRIS dwelling preferences survey):

- 9,902 separate houses are needed
- 1,084 *fewer* semi-detached dwellings than existed in 2016 are needed
- 717 flats and apartments are needed
- 193 *fewer* dwellings of other types than existed in 2016 are needed

MODELLING RESULTS

Comparison of Propensity and Aspirational Scenarios



OTHER CONSIDERATIONS

- Continued need for separate houses
- Higher proportion of flats and apartments and smaller dwellings
- Dwelling diversity and choice in dwelling sizes
- Dwellings that incorporate adaptable housing design

OTHER CONSIDERATIONS

- Low-cost dwellings for low income households and additional affordable dwelling stock
- Specific accommodation options for at-risk groups
- Considerable increase in public housing stock to meet demand
- Develop further retirement housing and other options for the ageing population

WORKSHOP DISCUSSION #1

1. What are the key issues and opportunities for delivery of additional 10,100 dwellings for Shellharbour?
2. What is your desired future character for housing in Shellharbour?

BREAK

WORKSHOP DISCUSSION #2

1. What are some of the issues and opportunities for the development of low rise medium density development in Shellharbour?
2. Where might this be suitable?

Low Rise Medium Density Development

Source: DP&E Low Rise Medium Density Design Guide for Complying Development

Dual Occupancy - attached

Source: DP&E Low Rise Medium Density Design Guide for Complying Development

Terrace Housing

Source: DP&E Low Rise Medium Density Design Guide for Complying Development

Terrace Housing – rear lane access

Source: DP&E Low Rise Medium Density Design Guide for Complying Development

Source: Ellivo Architects

Source: Ellivo Architects

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NEXT STEPS

- Initial feedback from stakeholders – 10 May 2019
- Prepare draft Local Housing Strategy – May/June
- Consultation on draft Local Housing Strategy – June/July 2019
- Finalise Local Housing Strategy – August 2019

CONTACT DETAILS

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Kate Burke – kate@psaconsult.com.au

0431 810 590

SHELLHARBOUR LOCAL HOUSING STRATEGY

COMMUNITY WORKSHOP 15TH APRIL 2019 – FEEDBACK FROM ATTENDEES

1. **What is your desired future character for housing in Shellharbour?**
2. **What are the key issues and opportunities for delivery of additional 10,100 dwellings for Shellharbour?**
3. **What are some of the issues and opportunities for the development of low rise medium density development in Shellharbour?**
4. **Where might this be suitable?**

- Bella Vista Estate, Albion Park. Surprise to purchase there and build a home, only to have investors purchase other lots and develop multi-dwellings
- Fire zone limits/restricts where cars can park on the street, which pushes cars onto one side of the street, impacting those residents
- Needs to be a limitation of where multi-dwellings can be developed
- Should be a strategy when designing estates to disperse or limit the number of multi-dwellings
- Not against multi-dwellings in general, but where they are located and should not be concentrated
- Caged in by cars, due to smaller dwellings and more cars in estate, hard to find on – street parking
- Narrow pathways in development are not sufficient
- Small parks and lack of facilities to cater for increased densities
- Duplexes okay, 3 or more units is the issue
- There could end up being only 10% of houses in Bella Vista Estate, if developers continue to develop the land for multi-dwellings
- Property values are dropping, difficult to try and sell
- 86 lots in the estate will end up in a doubling of dwellings, if all lots were to be developed for duplexes.
- Disperse multi-dwellings throughout developments throughout larger subdivisions
- Should be a standard that any development has to abide by in regards to the number and concentration of multi-dwellings
- Need for wider roads and infrastructure provision in new estates
- Concern over public housing being developed in the estate
- If estates are planned well, then it is fine to provide multi-dwellings
- Issues of tree removal/retention on new lots approved for construction
- Car parking rates to be addressed by Council to ensure there are sufficient spaces provided for multi-dwellings
- Sufficient facilities for families – park equipment etc. is needed to cater for increased densities
- Public transport accessibility is needed if not providing enough spaces for cars to park
- Maintaining existing character of the area is important

APPENDIX 2: AGENCY/INDUSTRY WORKSHOP PRESENTATION AND FEEDBACK

AP02

Shellharbour Local Housing Strategy Agency and Industry Workshop

16th April 2019

LOCAL HOUSING STRATEGY
PURPOSE OF AGENCY AND INDUSTRY WORKSHOP

- Context and objectives
- Overview of preliminary analysis
- Workshop Discussion #1
- Break
- Workshop Discussion #2
- Next Steps

CONTEXT

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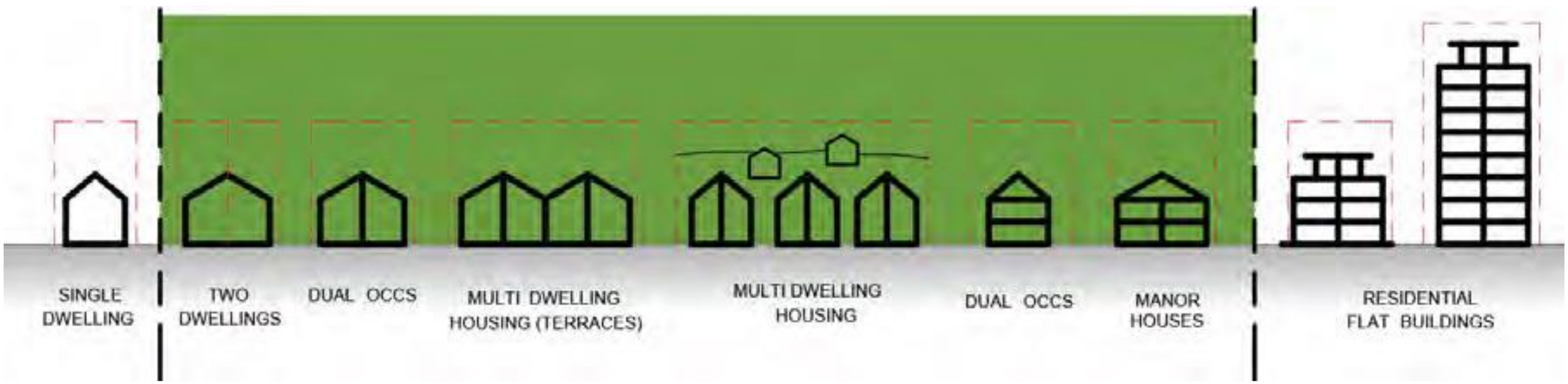
LOW RISE MEDIUM DENSITY HOUSING CODE



Source: DP&E Low Rise Medium Density Design Guide for Complying Development

LOCAL HOUSING STRATEGY OBJECTIVES

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Source: Informed Decisions 2018 [Population Forecast]

PRELIMINARY ANALYSIS

- As of 2016, 79% of dwellings in Shellharbour are houses - similar to regional NSW (80.2%), but significantly higher than NSW (64.9%)
- NSW has a higher proportion of high density dwellings (15.3%) compared to Shellharbour (0.1%)

Area	Separate House	Medium density (a)	High density (b)	Caravans, cabin and houseboat	Total
Albion Park – Rural West	4,287 (86.7%)	641 (13.0%)	0 (0.0%)	0 (0.0%)	4,942 (100%)
Albion Park Rail – Croom	2,121 (77.5%)	545 (19.9%)	0 (0.0%)	0 (0.0%)	2,738 (100%)
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Flinders	1,684 (71.3%)	665 (28.2%)	0 (0.0%)	0 (0.0%)	2,361 (100%)
Lake Illawarra	804 (50.1%)	783 (48.8%)	5 (0.3%)	0 (0.0%)	1,604 (100%)
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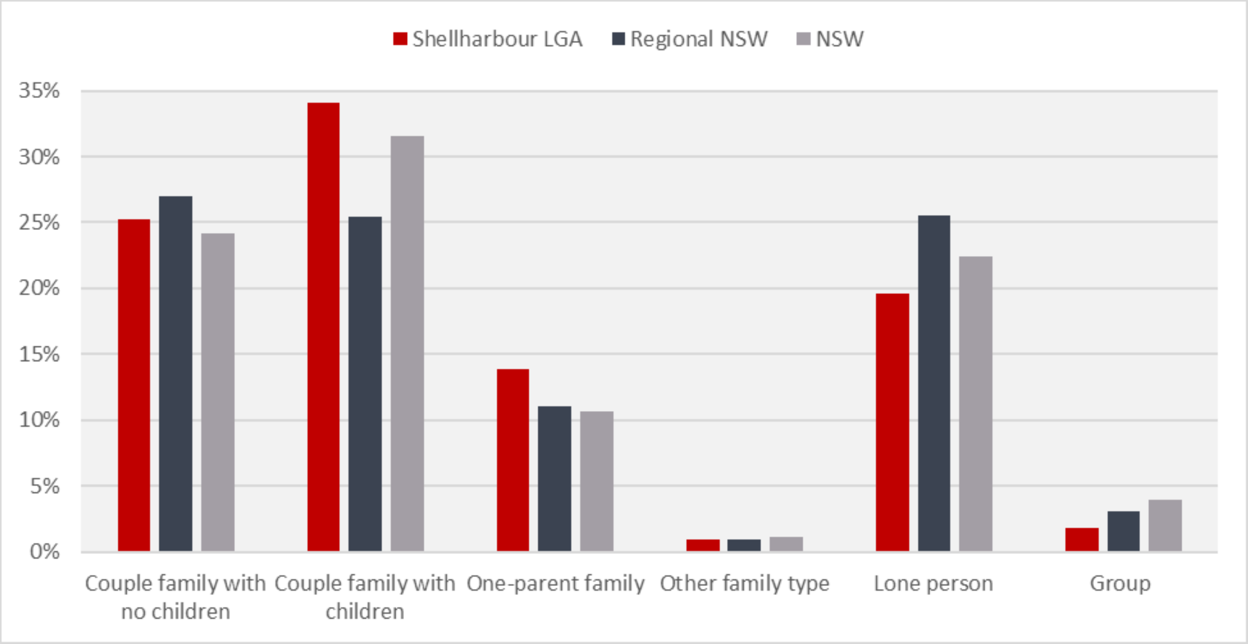
HOUSEHOLD TYPES AS OF 2016

- Shellharbour is popular with families
- It has less lone person households and group households compared with NSW



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- Individuals under the age of 25 years accounted for 33.0%, compared to 30.0% for Regional NSW and 31.1% for NSW
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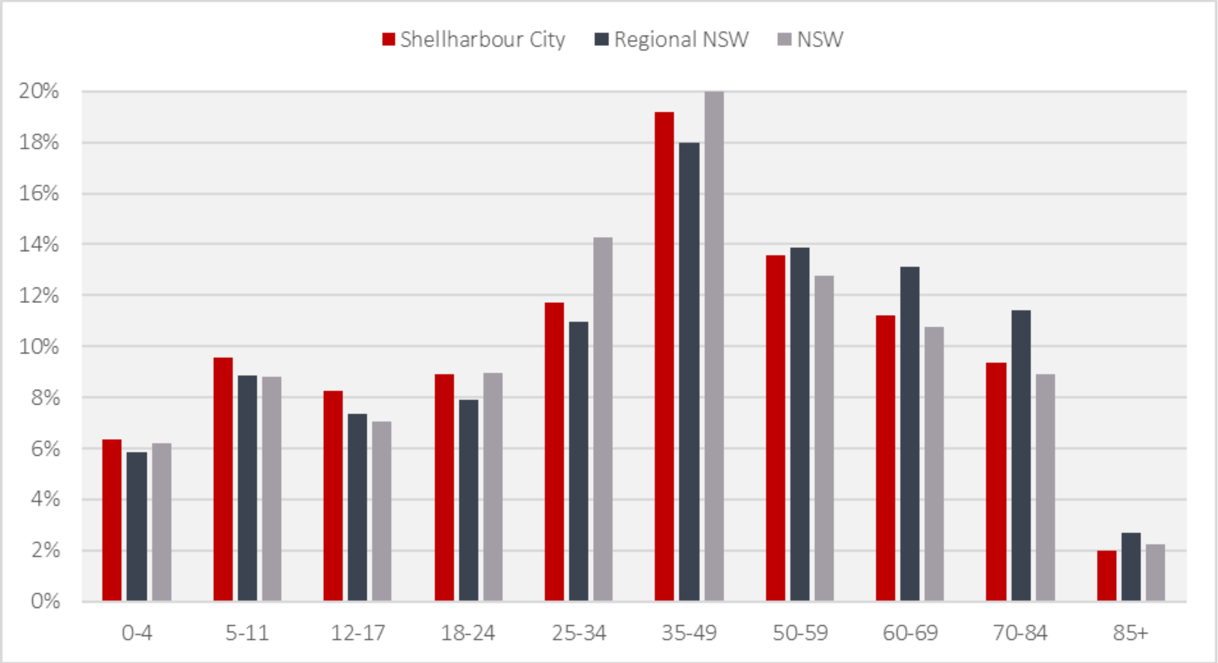

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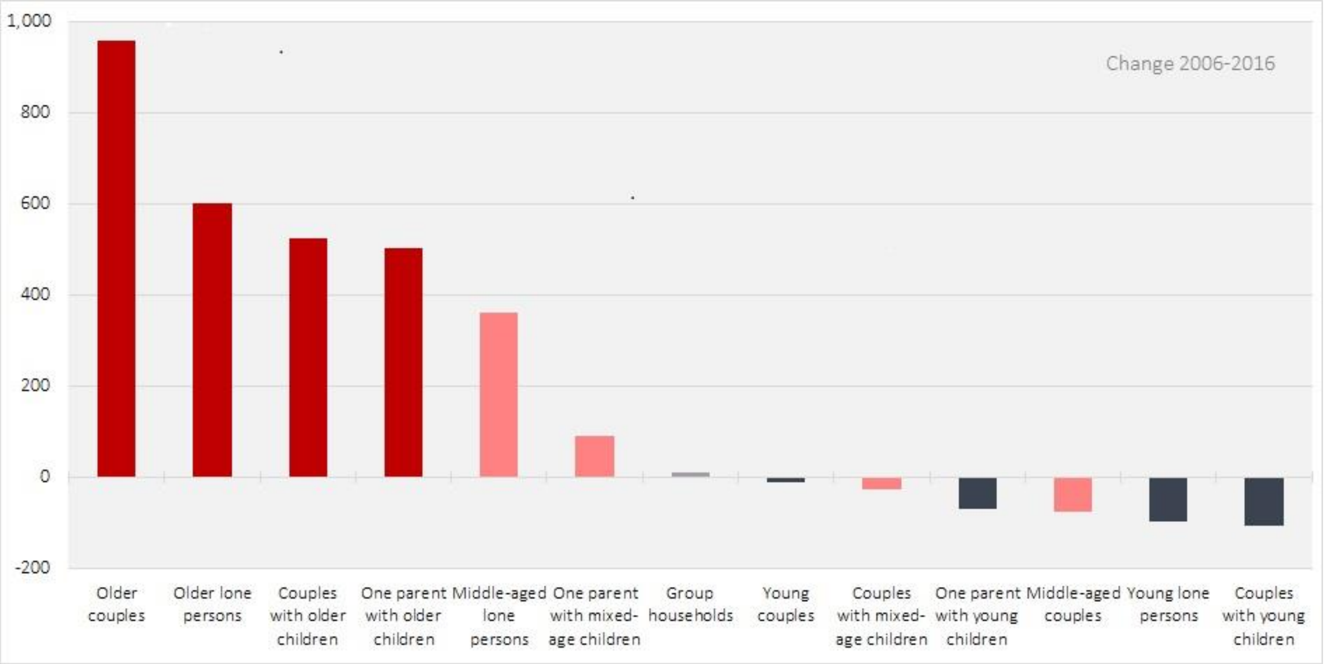
CHANGES IN HOUSEHOLD TYPES 2006-2016

Between 2006-2016:

- The number of households with older people increased in Shellharbour
- The number of households with younger people decreased in Shellharbour



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DWELLING DEMAND MODEL (2016-2038)

Scenario 1 (Propensity – business as usual, trends, existing policy):

- 7,718 separate houses are needed
- 1,242 semi-detached dwellings are needed
- 208 flats and apartments are needed
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- 9,902 separate houses are needed
- 1,084 *fewer* semi-detached dwellings than existed in 2016 are needed
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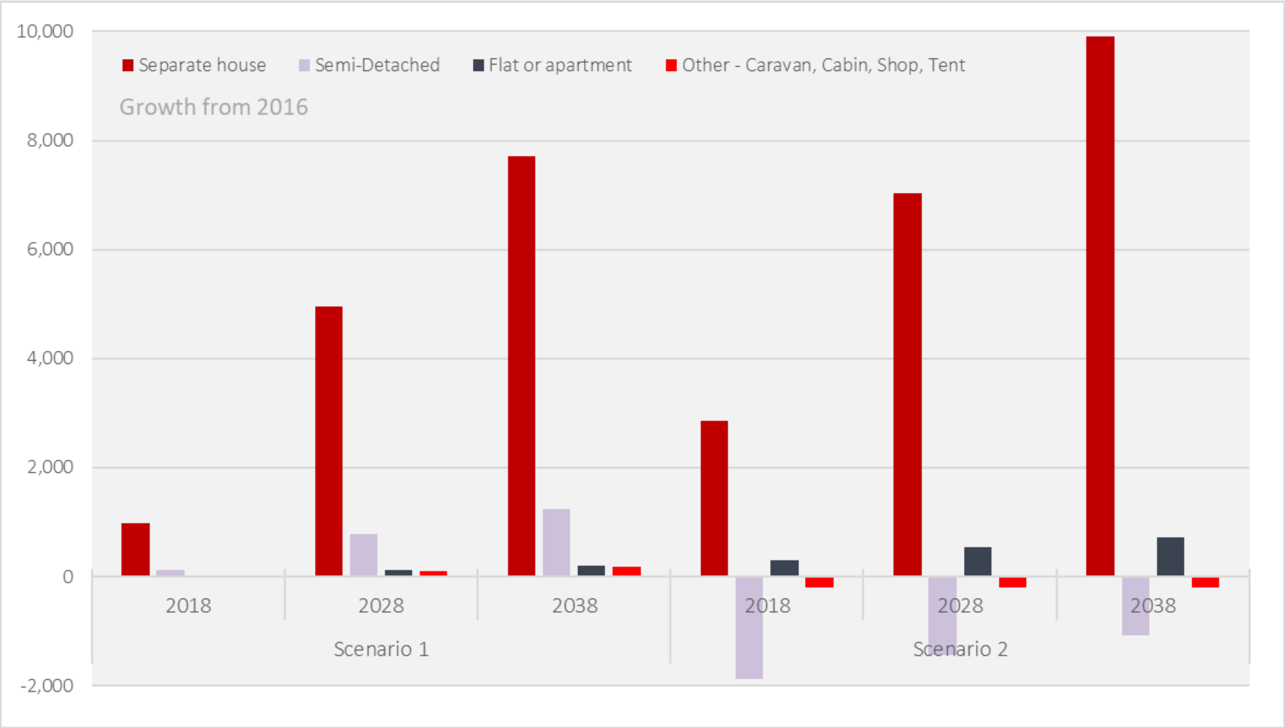
MODELLING RESULTS

Comparison of Propensity and Aspirational Scenarios



OTHER CONSIDERATIONS

- Continued need for separate houses
- Higher proportion of flats and apartments and smaller dwellings
- Dwelling diversity and choice in dwelling sizes
- Dwellings that incorporate adaptable housing design

OTHER CONSIDERATIONS

- Low-cost dwellings for low income households and additional affordable dwelling stock
- Specific accommodation options for at-risk groups
- Considerable increase in public housing stock to meet demand
- Develop further retirement housing and other options for the ageing population

WORKSHOP DISCUSSION #1

1. What are the issues and opportunities for the delivery of 10,100 additional dwellings in Shellharbour?
2. What is your desired future character for housing in Shellharbour?

BREAK

WORKSHOP DISCUSSION #2

1. Where has low rise medium density development worked well?
2. What are the opportunities to present quality and well-designed low rise medium density product in Shellharbour?

Low Rise Medium Density Development

Source: DP&E Low Rise Medium Density Design Guide for Complying Development

Dual Occupancy - attached

Source: DP&E Low Rise Medium Density Design Guide for Complying Development

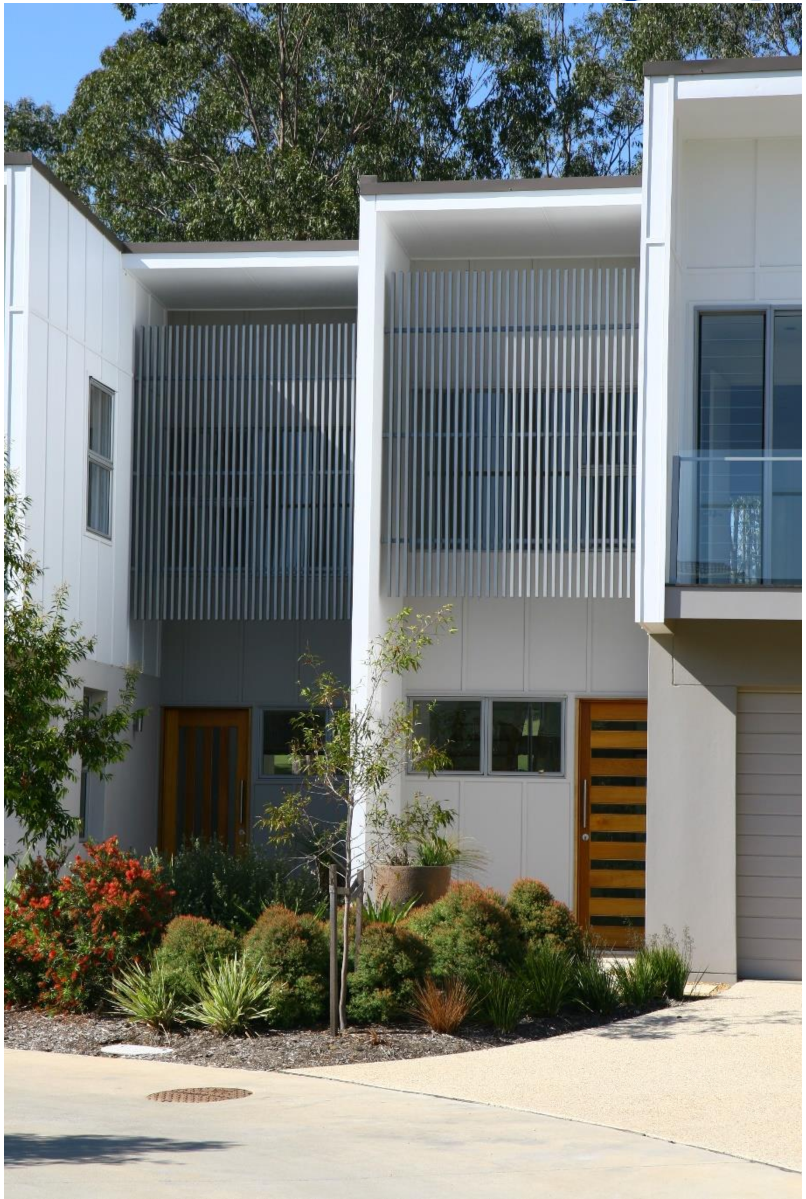
Terrace Housing

Source: DP&E Low Rise Medium Density Design Guide for Complying Development

Terrace Housing – rear lane access

Source: DP&E Low Rise Medium Density Design Guide for Complying Development

Source: Ellivo Architects



Source: Ellivo Architects

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NEXT STEPS

- Initial feedback from stakeholders – 10 May 2019
- Prepare draft Local Housing Strategy – May/June
- Consultation on draft Local Housing Strategy – June/July 2019
- Finalise Local Housing Strategy – August 2019

CONTACT DETAILS

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SHELLHARBOUR LOCAL HOUSING STRATEGY

CONSOLIDATED AGENCY/INDUSTRY WORKSHOP 16TH APRIL 2019 – FEEDBACK FROM ATTENDEES

1. What is your desired future character for housing in Shellharbour?

- Safe, affordable homes for everyone
- Nobody in housing stress
- Can provide Housing Affordability Research Report – Property Council
- Quality design (parking, street widths) and buildings
- Additional infrastructure – public transport, parks/open space etc.
- Liveability
- Variety in housing types
- Establish character of each area and maintain it through planning controls. Don't erode the local character through development.
- Precinct planning and character statements can assist in this.
- Different attributes in the LGA that character can draw inspiration from. Some of the LGA has a rural feel and some has a coastal feel.
    - Character in newer areas can be driven by the developer/project home builder and company's economics.
    - Density also influences character.
- Particular character types can be achieved by design for 'different' precincts. Similar character provisions are in council's DCP specific to the attributes of the different centres.

2. What are the key issues and opportunities for delivery of additional 10,100 dwellings for Shellharbour?

Issues

- Simplify the process:
    - DA process (time/fees) – reduce time taken and fees to be paid
    - There is a compliance mindset
- DA processing times are too long – e.g. duplex DA takes 6 to 9 months. Different DA planners focus assessment on different assessment criteria.
- Greater clarity:
    - Medium density and what this can look like
    - Provisions (what is acceptable)
    - e.g. use of pitched rooves (variance)
- Flexibility in Guidelines, which are strict
- LRMDH Code has strict criteria – e.g. car parking (should be able to be varied)
    - Parking requirements in DCP compared with LRMDHC.
- Home security for affordable housing is an issue. Require more social housing than affordable housing.
    - How do we promote / enable social public housing providers?
- Types of dwellings/buildings available on rental market are not always affordable for renters
- Value of rural environmental landscapes and how this is considered with LRMD development
- Planning for housing will assist any service and infrastructure provision issues
- Need a multi-pronged approach. Need a mix of green and brown-field development.
    - With precinct planning: tell the community what an area will look like so they know what they will be buying into.
- Detached dwellings – Blocks are getting smaller, but we are still building the same size dwelling. This isn't great for character and doesn't lead to a good design outcome.
- Ageing in place
- 10,100 homes won't scratch the surface of what is needed. This number will grow very quickly.
- We are losing the character of our areas through the development that is occurring.
- If urban footprint spreads further west, infrastructure an issue due to flood risk in low lying areas. Also an issue with infill development.
- Low height limits – e.g. 11m in Oak Flats means it's only viable to develop 1 level of commercial with 1 level of apartments. Incentive is too low.

- Public transport good in town centres and not good in other areas.
- Employment sustainability an issue for affordability and amenity.
    - Shellharbour does not have the same amount of jobs as the number of workers who reside there.
    - Historically workers commute to Wollongong and Sydney.
    - Better employment sustainability would improve affordability by driving down cost of living and improve lifestyle.
- Avoid more greenfield development if possible. Use existing greenfield more efficiently – e.g. smaller lots and increased heights.
- Not enough community housing or Department of Housing stock in the LGA.
- State Environmental Planning Policy 70: Affordable Housing - this should be considered as part of preparing the housing strategy.
- Private rental supply unaffordability is pushing more people towards social housing.

Opportunities

- Longer term vision – technology will change (e.g. share cars), environmental considerations, water provision
- SEPP 70 – Affordable Housing and its application
- Renewal of older areas
- Rental/purchase affordability to allow people into the market
- Livable Housing Design Guidelines (prepared by Livable Housing Australia), should be referred to
- More holistic discussion needed – housing, ageing in place
- Regional approach to delivery of housing
- There is a need for medium density.
    - More R3 in town centres
        - 'Real' medium density in town centres, not duplexes. Manor houses and apartments 6 storeys and above.
    - Medium density allows for greater affordability – LRMDH Code helps with affordability and aged care
        - Need to be mindful with medium density about who the end product is for. E.g. aged care - need to be careful with stairs and considerate of door widths etc.
        - There is currently about 700 people on the wait list for affordable housing (note: specific source of wait list was not mentioned).
- Regarding infill potential - newer areas have less development potential as the housing stock has substantial life.
- More potential in areas like Oak Flats, Warilla, Lake South, Mt Warrigal. However, there is decreased feasibility presently with the market downturn. Potential will fluctuate with market changes.
- Rear lanes help with redevelopment potential to enable rear access.
- Re town centres: Shellharbour City Centre and Shellharbour Village – there has been an appetite for shop top housing in these centres. Other centres less so.
- Greater potential for shop top housing redevelopment if DCP amended – e.g. requiring less private open space and less parking.
- Parking reductions more justified if in or near a town centre.
- Public transport important especially in terms of reducing parking on site.
- Consider zero on-site parking for certain well located/serviced development for particular demographic.
- Higher densities prevalent in other cities - need to accept higher densities.
- Greenfield areas of Tullimbar, Calderwood and Shell Cove will provide a little over half of the required additional dwellings.

3. Where has low rise medium density development worked well?

- Tullimbar (rural)
    - Rear lanes are desirable, as it provides for better design outcomes by allowing the dwellings to be located closer to the frontage
    - Design guidelines provide for this

- Kerb appeal (allowing homes to be built closer to the street frontage where rear lanes are provided)
    - Vision/safety issues improved if not set back too far from street frontage
    - Not driveway dominated, when rear lanes are provided
    - Allows for more landscaping in front yards
- Shell Cove (coastal)
    - Rear lanes are also desirable here
    - Design guidelines provide for this
    - Push houses forward to address the street
- Calderwood
    - Design guidelines – improve feasibility
- Reflective of the existing character of the areas in which the housing is being provided
- Interaction with the community is important
- Newtown/Oran Park/Edmondson Park/Gregory Hills (Sydney examples)
- Flinders
- Melbourne rail corridors (this was done in association with supporting commercial development. Apartment design is posing some amenity issues).
- Paddington, Sydney - even though old, it resembles low rise medium density development. This area is rich in services, amenity, culture and a desirable living place and may be conducive to less or no on – site parking.
- Wollongong Council staff have tried in vain to find examples of LRMDHC product in Sydney.
- Has worked well when character has been identified and precinct planning occurs. This leads to better outcomes e.g. the planning of Shell Cove. Community knows what they are buying into and what sort of product to expect in Shell Cove.
- Berry – about 3 lots consolidated and 8 to 10 dwellings on the block. Tree in centre, drive around a loop. Done really well. North of the main street in Berry.
- Character and integrity helps LRMD work well. Not cookie-cutter development
- Site analysis is really important to get a good outcome.
- Responding to the environment and setting is also very important.
- Site analysis and responding to the environment can lead to better outcomes e.g. riparian corridors – particularly if lot consolidation is encouraged.
- For infill development, lot consolidation generally leads to a better outcome.
    - Is there an incentive that can be offered to encourage consolidation?
- Need allowances for communal open space when encouraging medium density. Roof top gardens or community gardens can assist with this.
- Balance of meeting the need for housing and maintaining character e.g. providing one product type might meet the need (e.g. secondary dwellings helping with affordable housing) but does not necessarily lead to a good design outcome. (Nowra was used as an example where one developer built a lot of secondary dwellings which assisted with the rental need, but they all looked exactly the same and did not lead to a good design outcome).
- Variety in design is incredibly important for LRMD.

4. What are the opportunities to present quality and well-designed low rise medium density product in Shellharbour?

- Tradeoff – public/private open space
- Challenge – affordable houses to redevelop
- Within the R3 zone – to be feasible for development, need to provide for minimum lot size of 2000 m^2 with a 70% FSR
    - Height, setbacks - need at least 3 standard lots to get a developable product, after taking height and setback requirements into consideration
- Shellharbour/Albion Park – shop top housing, mixed use development, buses and people will drive vibrancy
- Terrace houses:
    - Still not a lot of examples
    - Better opportunity to provide good design outcomes (e.g. compared to gun barrel design)

    - Design competition when LRMDH code released – has examples
    - Shell Cove – approval for 30m height, which will be highest in Shellharbour if developed
- Height in the right locations – 9m standard; 12 m could be acceptable
- Subdivision code:
    - Rear lanes should be facilitated in design of subdivisions
    - New areas (Calderwood)
- Tiny houses – This has been very successful in Victoria
- In Victoria (might be Footscray?) Road authority had land reserved that they knew they wouldn't be using for 10-20 years. They told a social housing provider they could have it for peppercorn rent for that time period to meet social housing needs. Council changed planning controls for that area to allow for relocatable dwellings. The housing provider was able to put around 50 dwellings on about 8 blocks of land, very quickly and cheaply.
- Relocatable homes can help with housing affordability.
- Government / Council incentives for encouraging good design – maybe reduction in developer contributions etc.
- We design so much for waste and cars which makes good design hard. Good quality design outcomes are needed which don't necessarily need to primarily focus on the provision of sufficient car parking and road widths.
- Good quality LRMD housing can assist with ageing in place.
- Creating villages with LRMD housing is an opportunity.
- Identify the character in Shellharbour and build on it and maintain it.
- Duplexes easier to develop as one frontage accommodates this type of development. For other dwelling styles, rear lane access is needed.
- Certainty very important for developers – DCP needs to give certainty.
- Application of the LRMDHC may provide affordable housing and may also provide more certainty because of the standardised controls and the ability for private certification.
- LRMDHC has different provisions to Council's DCP. Where the DCP is more onerous, this should be justified.
- Affected agencies and entities need to be consulted early in the DA process – e.g. whether a sub-station is needed, so that this can be planned in the site design.
- Albion Park town centre maybe suitable for application of LRMDH, but this would need to be in association with general renewal of the town centre area.
- George Street Warilla may be suitable because of its rear lanes.
- The rail corridor through the LGA could be conducive to LRMDHC product.

APPENDIX 3: COUNCILLOR BRIEFING PRESENTATION

AP03

Shellharbour
CITY COUNCIL

Shellharbour Local Housing Strategy

Councillor Briefing/Workshop
16th April 2019

Shellharbour CITY COUNCIL

Purpose of briefing/workshop

- Context
- Overview of preliminary analysis – population, household types, housing stock, housing model and future demand
- Results of stakeholder consultation – online survey, phone survey, 2 x workshops
- Discussion and feedback

WHO ARE WE?

PSA Consulting (Australia) provides professional town planning, engineering and program management services to Councils, State Governments and private sector clients

LOCAL HOUSING STRATEGY OBJECTIVES

- Community's aspirations and needs in future residential development.

- Basis for future decision making and policy on residential development.

- Adequate supply of residential development to meet demand.

DP&E LHS GUIDELINE AND TEMPLATE

- Department of Planning and Environment's (DP&E) Local Housing Strategy Guideline and Template will be relied on to complete the Local Housing Strategy.
- Structure:
  1. Introduction – executive summary, planning policy and context, LGA snapshot and housing vision
  2. The Evidence - demographic overview, housing demand, housing supply, land use opportunities and constraints, analysis of the evidence-base
  3. The Priorities - LHS objectives, land use planning approach, mechanisms to deliver options, evaluation of options
  4. Actions – implementation and delivery plan, planning proposal (if applicable), monitoring and reviews

PRELIMINARY ANALYSIS

- From 2016, Shellharbour's population to grow by 23,400 people to 2041 (similar annual growth rate to NSW)

Area	2016	2021	2026	2031	2036	2041	Annual Growth Rate (2016-2041)
Albion Park	13,603	13,887	14,208	14,441	14,636	14,713	0.3%
Albion Park Rail	7,064	7,084	7,064	7,092	7,186	7,220	0.1%
Barrack Heights	6,042	6,169	6,236	6,248	6,289	6,402	0.2%
Blackbutt – Shellharbour City Centre	3,675	4,681	5,993	6,673	7,075	7,252	2.8%
Flinders	6,937	7,204	7,237	7,310	7,396	7,504	0.3%
Lake Illawarra	3,298	3,488	3,731	3,822	3,891	3,958	0.7%
Mount Warrigal	4,965	4,889	4,766	4,805	4,905	5,022	0.0%
Oak Flats	6,636	6,514	6,486	6,527	6,568	6,638	0.0%
Rural Balance	1,325	3,516	5,456	8,306	11,162	13,822	9.8%
Shell Cove	5,845	7,411	9,367	9,293	9,084	8,967	1.7%
Shellharbour – Barrack Point	4,417	4,360	4,532	4,573	4,694	4,923	0.4%
Warilla	6,684	6,774	6,962	7,155	7,335	7,476	0.4%
Shellharbour LGA	70,492	75,976	82,037	86,245	90,221	93,898	1.2%
NSW	7,748,000	8,297,500	8,844,700	9,386,850	9,925,550	10,463,900	1.2%

Source: Informed Decisions 2018 [Population Forecast];

PRELIMINARY ANALYSIS

- From 2016, 10,100 new dwellings needed in Shellharbour to 2041 (similar annual growth rate to NSW)

Area	2016	2021	2026	2031	2036	2041	Annual Growth Rate (2016-2041)
Albion Park	4,631	4,843	5,007	5,125	5,214	5,274	0.5%
Albion Park Rail	2,716	2,768	2,799	2,811	2,824	2,836	0.2%
Barrack Heights	2,422	2,470	2,500	2,530	2,560	2,609	0.3%
Blackbutt – Shellharbour City Centre	1,364	1,745	2,256	2,545	2,719	2,814	2.9%
Flinders	2,373	2,521	2,585	2,645	2,705	2,765	0.6%
Lake Illawarra	1,633	1,701	1,736	1,771	1,806	1,841	0.5%
Mount Warrigal	1,878	1,898	1,918	1,938	1,963	1,988	0.2%
Oak Flats	2,582	2,607	2,632	2,657	2,682	2,707	0.2%
Rural Balance	471	1,361	2,104	3,188	4,304	5,370	10.2%
Shell Cove	1,871	2,420	3,155	3,248	3,268	3,288	2.3%
Shellharbour – Barrack Point	1,831	1,878	1,924	1,954	2,002	2,074	0.5%
Warilla	2,813	2,873	2,933	2,993	3,053	3,113	0.4%
Shellharbour LGA	26,585	29,085	31,549	33,405	35,100	36,679	1.3%
NSW	3,284,700	3,535,100	3,779,900	4,024,950	4,269,650	4,512,950	1.3%

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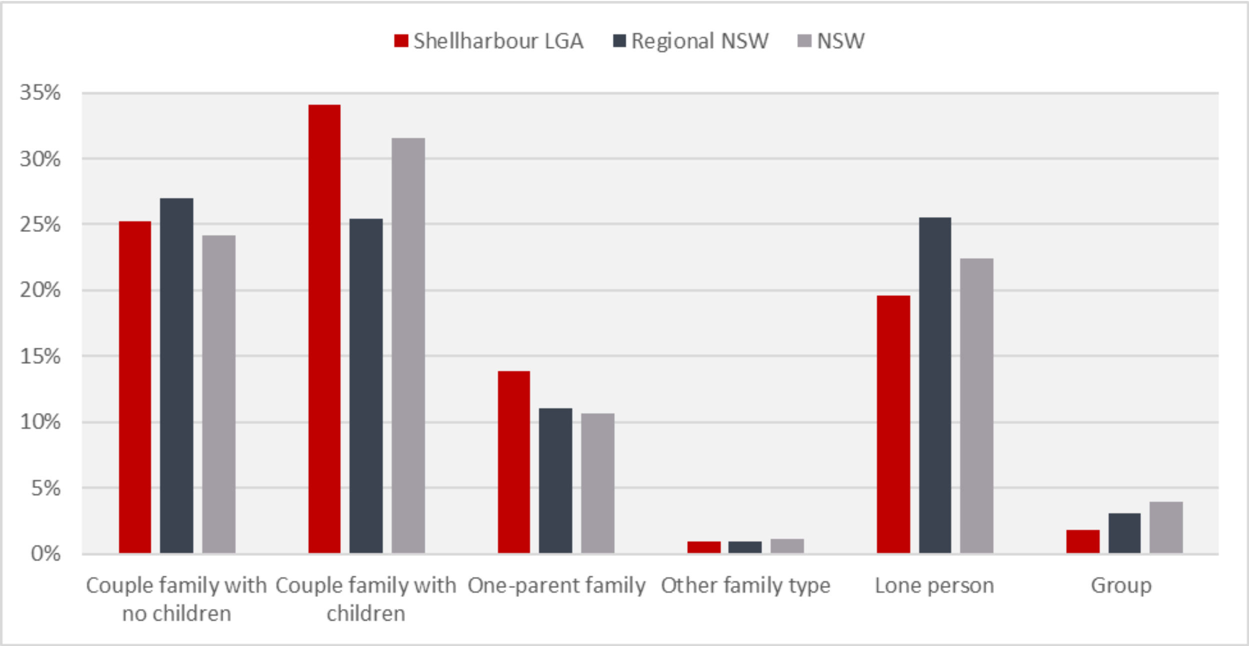

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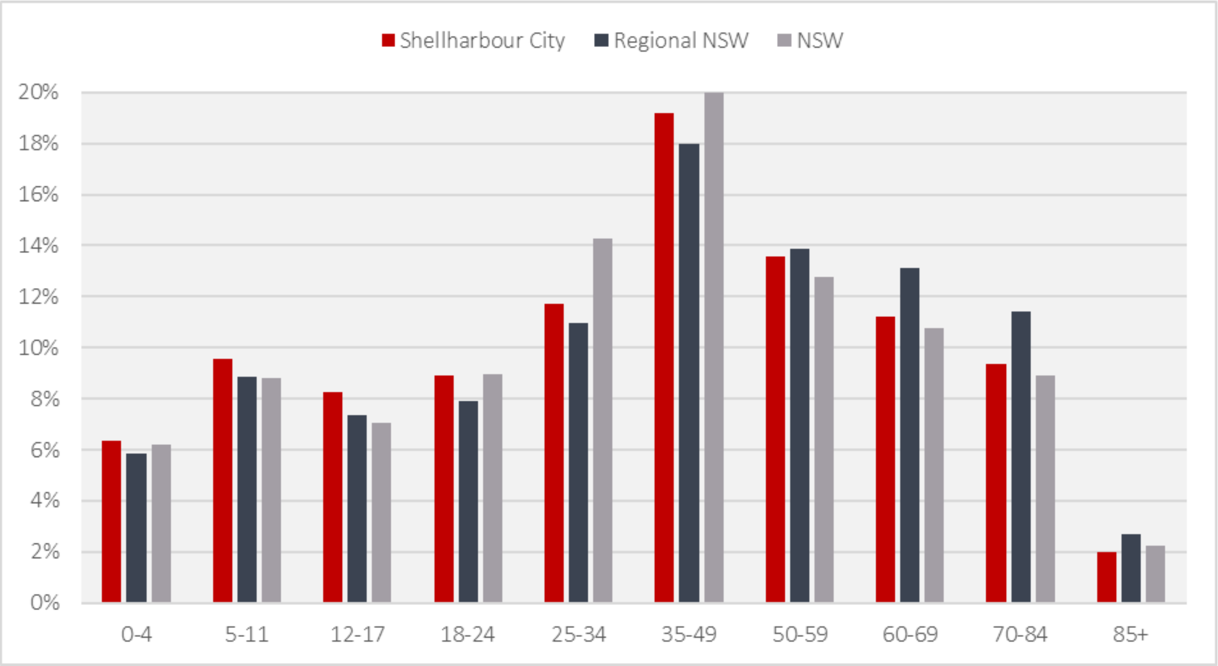

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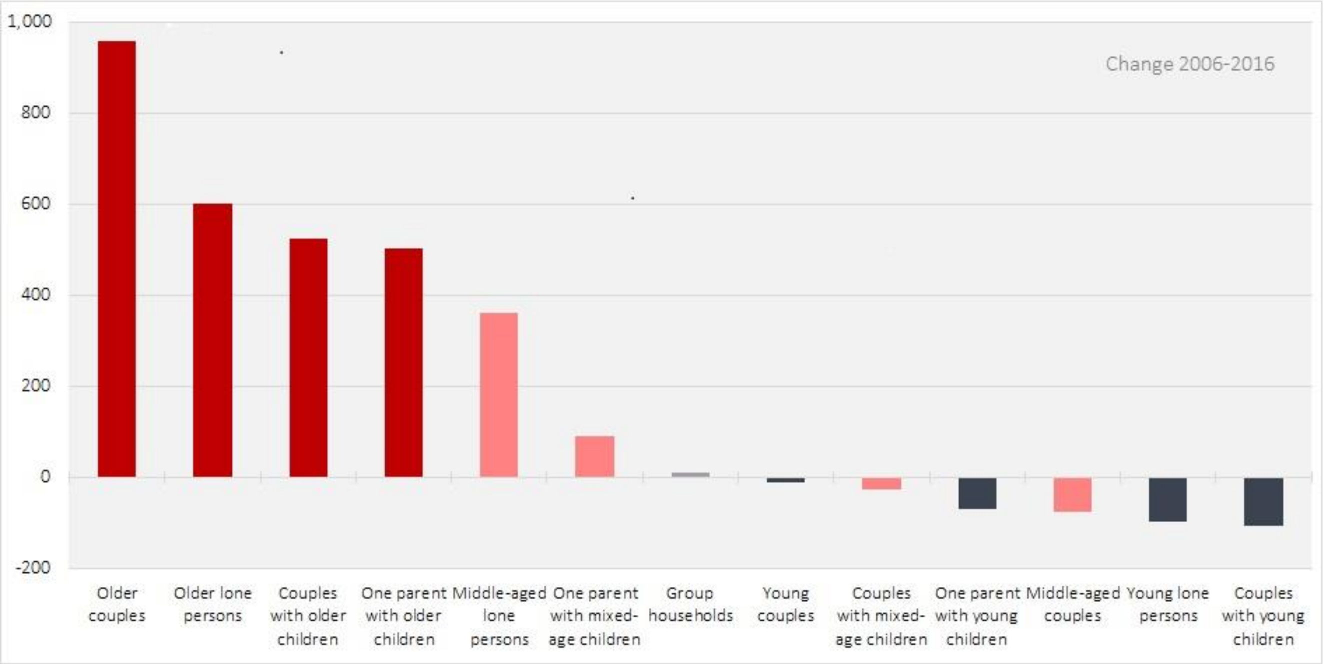

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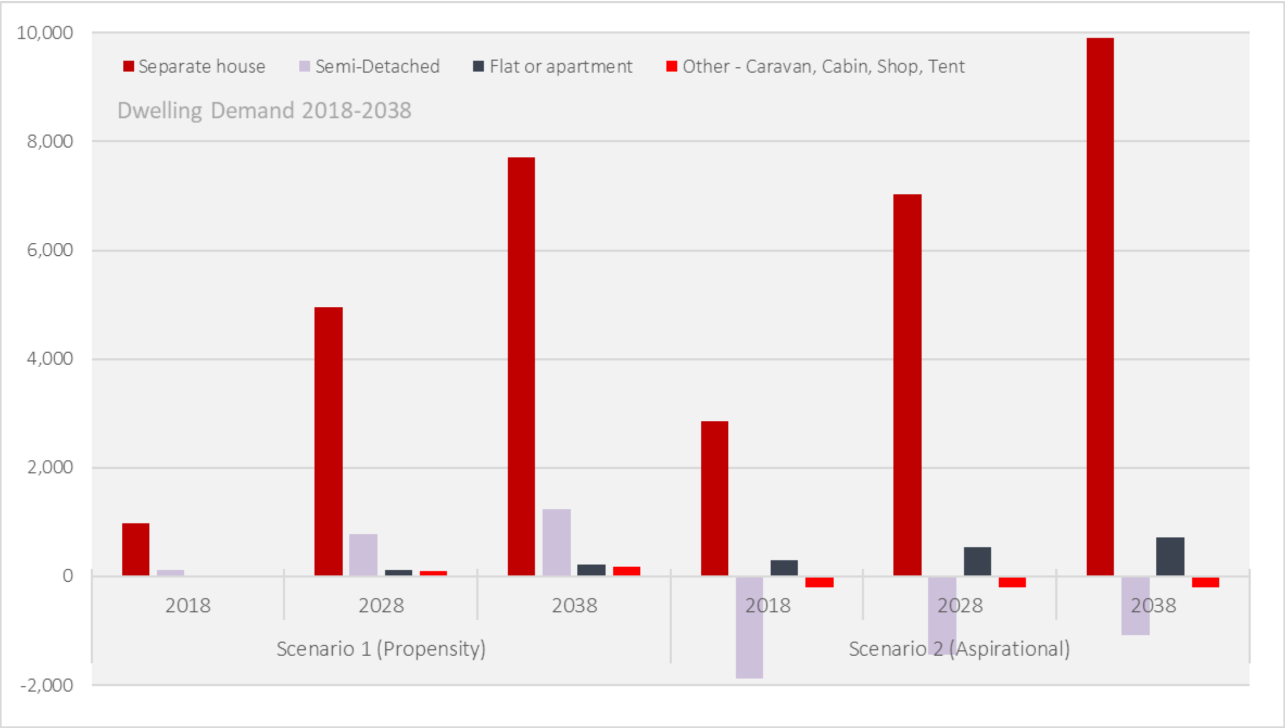

OPEN DISCUSSION

- Continued need for separate houses
- Higher proportion of flats and apartments and smaller dwellings
- Dwelling diversity and choice in dwelling sizes
- Dwellings that incorporate adaptable housing design
- Low-cost dwellings for low income households and additional affordable dwelling stock
- Specific accommodation options for at-risk groups
- Considerable increase in public housing stock to meet demand
- Develop further retirement housing and other options for the ageing population

Shellharbour
CITY COUNCIL

Shellharbour Local Housing Strategy – Next Steps