GOAL 3 – Housing choice, with homes that meet the needs of changing communities

The draft Plan aims to provide housing choice to meet the community’s needs into the future. By 2036, the North Coast will need to accommodate an additional 97,000 people. This growth, along with demographic change and changing household needs, is projected to generate demand for an additional 72,200 dwellings. The draft Plan sets out the supply of housing needed for the future population.

In addition to overall population growth, other demographic drivers of change will influence housing needs. Over 90 per cent of the region’s population growth to 2036 will be people aged over 65 years. This represents an increase in the proportion of this age group from the current 20 per cent to 31 per cent. As people age they may want a choice about whether to remain in their family home or to relocate to smaller, more affordable housing closer to services.

The projected growth in couple-only and single-person households is also expected to increase demand for smaller and multi-dwelling housing such as townhouses and residential flats in regional cities, regional centres and towns (see Figure 15).

The cost of housing affects where people in the community are able to live. From 2001 to 2011, owner-occupied dwellings on the North Coast fell from 46 per cent to 39 per cent and the number of homeowners with a mortgage rose from 20 per cent to 27 per cent.

**FIGURE 15: FORECAST HOUSEHOLD COMPOSITION ON THE NORTH COAST**

Source: Department of Planning and Environment’s household projections, 2011 and 2036
The draft Plan:

- accelerates the development of proposed urban land, with potential for 36,500 lots near the regional cities and regional centres;
- retains the current policy for multi-unit housing to represent 40 per cent of new housing (an additional 28,900 townhouses, villas and residential flats across the region by 2036);
- promotes planning outcomes that encourage housing for people at different stages of their lives, including through Livable Housing Australia’s Livable Housing Design Guidelines (2015);
- provides for a range of smaller lot housing when preparing local environmental plans or planning strategies; and
- develops a comprehensive approach to affordable housing that involves all stakeholders – the NSW Government, councils and the private and community sectors.

DIRECTION 3.1 Provide sufficient housing supply to meet the demands of the North Coast

Local growth management strategies should identify an adequate supply of residential land to accommodate population growth and demand for housing (see Figure 16). This will:

- create downward pressure on house prices;
- maximise the efficiency and effective use of existing infrastructure; and
- provide work and build confidence in the construction industry, which employs more than 19,000 people on the North Coast.

Table 4 shows the minimum housing supply each council should plan for in their local strategic planning to 2036. This takes into account projected population growth; housing demand and mix to meet different household needs; allowances for tourism opportunities; and a surplus to address any changes in growth projections. Provision has been made for councils to plan for a range of additional dwellings by 2036 to satisfy possible supply shortfalls or changes in the market over this period.

Councils should consider providing surplus supply, additional to that shown in Table 4, to provide a range of development opportunities. Factoring in a modest housing surplus makes for a more robust housing policy that is able to deal with unforeseen constraints to development, including delays in the supply of housing, uneven rates of development, or unexpected population growth.

Some popular holiday destinations on the North Coast experience significant seasonal fluctuations in population. Holiday dwellings have been included in the housing supply numbers to allow councils to manage tourism-related growth.
FIGURE 16: DWELLING DISTRIBUTION BY LOCAL GOVERNMENT AREA TO 2036

TABLE 4: ADDITIONAL DWELLINGS NEEDED BY 2036 FOR EACH LOCAL GOVERNMENT AREA

<table>
<thead>
<tr>
<th>Local Government Area</th>
<th>Number of dwellings in 2011</th>
<th>Additional dwellings needed by 2036</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tweed</td>
<td>41,300</td>
<td>14,000 – 16,860</td>
</tr>
<tr>
<td>Byron</td>
<td>15,200</td>
<td>3,750 – 4,500</td>
</tr>
<tr>
<td>Ballina</td>
<td>18,650</td>
<td>3,100 – 3,700</td>
</tr>
<tr>
<td>Lismore</td>
<td>19,450</td>
<td>4,200 – 5,000</td>
</tr>
<tr>
<td>Richmond Valley</td>
<td>10,200</td>
<td>2,000 – 2,400</td>
</tr>
<tr>
<td>Kyogle</td>
<td>4,700</td>
<td>150 – 180</td>
</tr>
<tr>
<td>Clarence Valley</td>
<td>24,700</td>
<td>4,450 – 5,300</td>
</tr>
<tr>
<td>Coffs Harbour</td>
<td>32,050</td>
<td>11,000 – 13,200</td>
</tr>
<tr>
<td>Bellingen</td>
<td>6,150</td>
<td>250 – 300</td>
</tr>
<tr>
<td>Nambucca</td>
<td>9,550</td>
<td>1,500 – 1,800</td>
</tr>
<tr>
<td>Kempsey</td>
<td>13,900</td>
<td>1,400 – 1,700</td>
</tr>
<tr>
<td>Port Macquarie–Hastings</td>
<td>35,500</td>
<td>10,750 – 12,900</td>
</tr>
<tr>
<td>Greater Taree</td>
<td>22,950</td>
<td>3,500 – 4,200</td>
</tr>
</tbody>
</table>


Source: Department of Planning and Environment and Australian Bureau of Statistics
**ACTION 3.1.1 Review land supply to identify proposed urban land for extra dwellings**

A review of land within the urban growth areas was completed to evaluate the prospects of meeting the need for the extra 72,200 dwellings by 2036. The review results, shown in Figure 17 approximate the current supply of zoned and unzoned land across the North Coast.

Not all the land in Figure 17 can be developed for urban uses. Land that is subject to significant natural hazards and/or environmental and heritage constraints will be excluded from development.

The review identified that Byron and Bellingen may not have sufficient capacity in their urban growth areas to achieve a 20-year supply of housing. The NSW Government will work with the relevant councils to identify proposed urban land to help meet demand for housing and amend the relevant urban growth area maps.

The NSW Government will:

- work with Byron and Bellingen Councils to identify proposed urban land for inclusion in the urban growth areas to deliver a supply of housing.

**FIGURE 17: URBAN LAND SUPPLY WITHIN THE URBAN GROWTH AREAS IN EACH LOCAL GOVERNMENT AREA, DECEMBER 2015**

Notes:

* Excludes environmental, recreational, special purpose and waterways, as well as employment lands.
** Includes new land release areas only, not infill or brownfield areas.
**ACTION 3.1.2 Accelerate the supply of proposed urban land to meet demand in high growth areas**

There are a number of sites on the North Coast, including Cumbalum, Kings Forest, Cobaki, Brimbin and Thrumster identified for future housing. These sites have potential for around 36,500 lots that will help meet housing demand in the higher growth cities and centres across the North Coast. The NSW Government will work with councils to identify where upfront investment in local infrastructure can accelerate the take-up of housing commencements in a number of these priority sites. The NSW Government’s Housing Acceleration Fund also provides funding for new infrastructure projects that support housing supply.

The preliminary list of new land release areas for further investigation is contained in Appendix A.

The NSW Government will:

- investigate policies and provisions that can accelerate housing supply and diversity in certain new land release areas through a precinct-based approach, which introduces site-specific complying development standards; and
- work with councils to identify where upfront investment in local infrastructure can accelerate housing commencements in priority sites of proposed urban land.

**Case study: Byron Shire Council Rural Land Use Strategy and Rural and Residential Lands Strategy**

The NSW Government is proposing that additional land can be considered to include in the existing urban growth areas. This will allow each local government area to have an adequate supply of land over the next 20 years in the right locations. Byron Shire has land immediately available at West Byron Bay and some infill opportunities in Byron, Mullumbimby and Bangalow. The strong demand for housing in the shire means this supply is likely to be exhausted in the short term.

The Council has begun work on rural lands and residential lands strategies to consider the future housing needs of the community. This work should be completed before the Council seeks to rezone any land outside the urban growth areas. It will guide future land rezoning and other planning instruments such as local environmental plans.

**Case study: Thrumster Urban Release Area, Port Macquarie**

The Thrumster Urban Release Area is the western expansion area of Port Macquarie and is located in the Port Macquarie–Wauchope Growth Corridor. When completed, the 800-hectare area is expected to accommodate 4,250 dwellings, or about 10,000 people. It will include retail, commercial, sporting and entertainment facilities, schools, neighbourhood centres and a light industrial area.

Thrumster will provide much of the housing needed to support the projected population growth in Port Macquarie and across the Lower North Coast subregion. It will allow people to live close to employment areas, such as the Sancrox industrial precinct and Port Macquarie’s tertiary education and health services precincts. Its location on the Pacific and Oxley Highways also gives residents ready access to other employment centres across the subregion, including Kempsey, Taree and the Port Macquarie City Centre.

The NSW Government provided $3 million in 2012, from the Housing Acceleration Fund for a new water tower in the area.

**ACTION 3.1.3 Monitor land and housing supply through the North Coast Housing and Land Monitors**

The current Far North Coast Housing and Land Monitor (2016) and Mid North Coast Housing and Land Monitor (2016) are the NSW Government’s tools for monitoring land and housing supply for each council. In future, a single monitor will be developed each year for the whole region, covering all the local government areas on the North Coast.

The NSW Government will:

- continue to monitor and coordinate the development of land releases through a North Coast Housing and Land Monitor.
DIRECTION 3.2 Deliver housing choice to suit changing needs

Over the next 20 years, the population of the North Coast will change significantly. The ageing population will influence the demand for new housing and the desire of people to downsize and potentially age-in-place. In a well-functioning market, the supply of housing should reflect shifts in the community’s needs and preferences. The region is also expected to attract new residents relocating after retirement to take advantage of the environmental and lifestyle offerings on the coast.

With an ageing population, housing choice on the North Coast is increasingly about ‘universal housing’ that allows people to stay in their home as they age. Livable Housing Australia’s Livable Housing Design Guidelines set the national benchmark for home design and provide guidance on meeting the needs of people throughout their lifecycle. They were created to encourage the development of liveable homes that are easy to enter and to navigate; responsive to the changing needs of occupants; and relatively easy to adapt (for injured, disabled or elderly residents). Councils will need to consider the guidelines when preparing local environmental plans or planning strategies.

Councils can use land release and local growth management strategies to identify housing needs, plan for a range of housing types and identify the local infrastructure necessary to support local communities.

Many new land releases incorporate blocks that are bigger than 600 square metres. This can limit smaller, more innovative house and land design. The North Sapphire Beach development in Coffs Harbour is an example of more diverse land design, with almost 50 per cent of the subdivided lots around 400 square metres in size.

ACTION 3.2.1 Investigate the policies, plans and investments that would support greater housing diversity

Natural constraints and servicing make it unlikely that incremental outward growth of urban areas can continue indefinitely on the North Coast. It is important to plan for more housing in the urban growth areas to protect significant environmental lands by creating a more compact urban form.

By 2036, 40 per cent of the new housing supply across the region should be in multi-unit dwellings. This equates to around 28,900 extra multi-unit dwellings. This target is higher than the historical levels for multi-unit approvals on the North Coast (see Figure 18).

This region-wide target will help deliver a greater choice of housing, which can improve affordability, cater for the demands of an ageing population and meet the growth in the number of smaller households.

Urban feasibility modelling has shown that multi-unit dwellings in regional cities and regional centres are feasible under existing development controls and current market conditions. A place-based planning approach will be adopted to consider multi-unit housing for areas that have access to transport.

The NSW Government will:

- work with councils to apply appropriate local planning controls within local environmental plans to deliver a minimum supply of 28,900 multi-unit dwellings across the region.
FIGURE 18: DWELLING APPROVALS AND COMMENCEMENTS ON THE NORTH COAST

Source: Mid North Coast and Far North Coast housing and land monitors.
**ACTION 3.2.2 Work with Local Aboriginal Land Councils to conduct a strategic assessment of their landholdings to identify priority sites for further investigation of their economic opportunities**

OCHRE (Opportunity, Choice, Healing, Responsibility, Empowerment) is the NSW Government’s plan for Aboriginal communities. It focuses on revitalising and promoting Aboriginal languages and culture; creating opportunities; increasing the Aboriginal community’s capacity; providing choice; and empowering Aboriginal people to exercise that choice, as well as giving them the tools to take responsibility for their own future.

Many of the OCHRE actions are outside the planning system; however, there is an opportunity to work with Local Aboriginal Land Councils to see how they can best plan, manage and develop their landholdings for the benefit of the local Aboriginal community. This will allow Aboriginal people the opportunity to gain real economic benefit from their land and provide greater opportunities for economic independence.

Together, Aboriginal Affairs NSW and the Department of Planning and Environment, will work with the Local Aboriginal Land Councils to identify their landholdings and to map the level of constraints for each site. This information can be used by Aboriginal communities to consider potential uses of the land for housing and employment opportunities. It has potential to provide economic returns to the Land Councils, which can be invested in assistance programs in the region.

The NSW Government will:

- work with Local Aboriginal Land Councils to identify priority sites for potential housing and employment development.

**DIRECTION 3.3 Deliver more opportunities for affordable housing**

Affordable housing is an issue across the North Coast. Housing stress occurs when lower income households spend more than 30 per cent of their income on rent or mortgage costs. Rising house prices have put more pressure on

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**FIGURE 19: MEDIAN HOUSE PRICES AS A PERCENTAGE OF AVERAGE WAGE AND SALARY INCOME**

![Figure 19: Median House Prices as a Percentage of Average Wage and Salary Income](image-url)

*Sources: RP Data and Australian Bureau of Statistics*
many of these households, particularly low-income earning households (see Figure 19).

The planning system can help improve housing affordability by providing a range of housing opportunities. A limited supply of residential land in areas with high demand places upward pressure on housing prices.

The NSW Land and Housing Corporation is reviewing public housing estates across the State. The information from this draft Plan will be provided to the review to inform understanding about housing supply, demand and affordability issues in the region.

**ACTION 3.3.1 Facilitate the supply of more affordable housing**

The NSW Government recognises that more needs to be done to meet the housing needs of people on very low, low and moderate incomes. The Government aims to develop a comprehensive approach to affordable housing that involves all stakeholders – the Government, councils and the private and community sectors.

Councils can help to improve housing affordability by including the following in their planning strategies and local environmental plans:

- model controls in local environmental plans that require that affordable housing is included in developments. For instance, councils may consider a bonus provision requirement to deliver a percentage of affordable housing in a development;

- development controls and reduced contributions or other development incentives that may boost construction of secondary dwellings as alternative affordable housing. Councils could also consider planning incentives under the State Environmental Planning Policy Affordable Rental Housing (2009); and

- promotion of new caravan parks and manufactured home estates on unconstrained land in existing settlements and new land release areas in the urban growth areas. Councils can identify sites strategically through their local planning strategies.

The NSW Government is also working on a whole-of-government strategy for affordable housing. The strategy will assess the need for social, public and affordable housing across NSW, provide greater planning certainty, and facilitate complementary activities such as partnering with affordable housing providers.

The NSW Government will:

- prepare guidelines for local housing strategies;
- work with councils to prepare local housing strategies that plan for a range of housing types and that consider local affordable housing needs and strategies; and
- consider amendments to relevant environmental planning instruments, informed by updated strategies.

**Case study: Lismore City and Clarence Valley Councils**

Lismore City Council has developed a Contributions Discount Policy that promotes the development of affordable housing by giving concessions on Section 64 and Section 94 developer contributions for secondary dwellings and dual occupancies that meet relevant criteria. Council developed the policy to expand the choice of smaller, more affordable accommodation in existing residential areas to help the growing number of single people and couples without children. It also helps elderly residents to ‘age in place’ and live independently while having the support of family close by.

Clarence Valley Council has taken a strategic approach to increase affordable housing options in the Clarence Valley. The Council has conducted detailed housing studies and explored appropriate policy options based on an examination of local housing needs, housing market factors, other local conditions, and stakeholder consultations. Based on these studies, the Council has established an Affordable Housing Advisory Committee and prepared an Affordable Housing Strategy, Affordable Housing Policy and Adaptable Housing Guidelines to provide more affordable housing that is appropriate to the future needs of the community.