



# Greater Newcastle Urban Development Program

---

Annual Report 2018–19

February 2020





## **Disclaimer**

While every reasonable effort has been made to ensure that this document is correct at the time of printing, the state of New South Wales, its agents and employees, disclaim any and all liability to any person in respect of anything or the consequences of anything done or omitted to be done in reliance or upon the whole or any part of this document.

## **Copyright Notice**

In keeping with the Department of Planning, Industry and Environment's commitment to encourage the availability of information, you are welcome to reproduce the material that appears in this document for personal, in-house or non-commercial use without formal permission or charge. All other rights are reserved. If you wish to reproduce, alter, store or transmit material appearing in this draft for any other purpose, a request for formal permission should be directed to:

Department of Planning, Industry and Environment  
PO Box 1226, Newcastle NSW 2300

You are required to acknowledge that the material is provided by the Department or the owner of the copyright as indicated in this Guide and to include this copyright notice and disclaimer in any copy. You are also required to acknowledge the author (the Department of Planning, Industry and Environment) of the material as indicated in this document.

# Contents

<b>Introduction .....</b>	<b>4</b>
Greater Newcastle .....	4
The Urban Development Program (UDP) Committee .....	5
<b>Approvals and completions .....</b>	<b>6</b>
Total housing approvals .....	6
Total dwelling completions .....	7
Completions by location .....	9
<b>Housing type .....</b>	<b>10</b>
Types of housing approved .....	10
Completions by type .....	11
Types of housing completed in infill and greenfield areas .....	12
<b>Land supply monitoring .....</b>	<b>14</b>
Greenfield development pipeline .....	14
Greenfield remaining supply .....	16
Infill development activity .....	17
Other housing types .....	18
Dwelling supply forecasts .....	18
<b>Prioritising growth .....</b>	<b>20</b>
Growth areas .....	20
Infrastructure Planning and Funding .....	22
Strategic Conservation Planning .....	24
Data Sources .....	25
Definitions .....	25

# Introduction

The Greater Newcastle Urban Development Program (UDP) is the NSW Government's program for managing land and housing supply and assisting infrastructure coordination in the Hunter Region.

The UDP is a priority action in the *Hunter Regional Plan 2036*, with a purpose to:

- Inform strategic planning.
- Guide infrastructure planning and service delivery to support new housing development and population growth.
- Understand and act to reduce constraints.

This report is intended to be read by development professionals and provides a snapshot of annual housing activity in the Hunter region. Monthly housing approval and completions data can be found on the [Metropolitan Housing Monitor](#) on the Department's website.

## Greater Newcastle

Greater Newcastle comprises the local government areas of Cessnock, Lake Macquarie, Maitland, Newcastle and Port Stephens. It is the second largest metropolitan area in NSW and at 2016 had a population of 569,937 and 250,350 existing dwellings.

It is projected that the population will increase by 129,253 (23%) from 569,937 in 2016 to 699,190 in 2041, with anticipated demand for 72,535 more dwellings over the next 25 years.

In the period between 2016 and 2041 it is estimated that there will be an average demand for 2,901 dwellings annually across Greater Newcastle<sup>1</sup>. This is not a target, but implied dwelling requirements calculated on population and household size projections.

---

<sup>1</sup> [www.planning.nsw.gov.au/Research-and-Demography/Population-projections/Projections](http://www.planning.nsw.gov.au/Research-and-Demography/Population-projections/Projections)



# The Urban Development Program (UDP) Committee

The Committee provides a forum to support the work of state and local government in managing the supply and servicing of land for housing, in accordance with the *Hunter Regional Plan 2036* and *Greater Newcastle Metropolitan Plan 2036*. The Committee is chaired by the Hunter and Central Coast Development Corporation.

Hunter UDP Committee membership	
Hunter and Central Coast Development Corporation (Chair)	
Department of Planning, Industry and Environment (Secretariat)	
AusGrid	City of Newcastle
Cessnock City Council	Planning Institute of Australia
Housing Industry Association	Port Stephens Council
Hunter Water Corporation	Property Council of Australia
Lake Macquarie City Council	Transport for NSW
Maitland City Council	Urban Development Institute of Australia

**Table 1:** Hunter Urban Development Program Committee membership



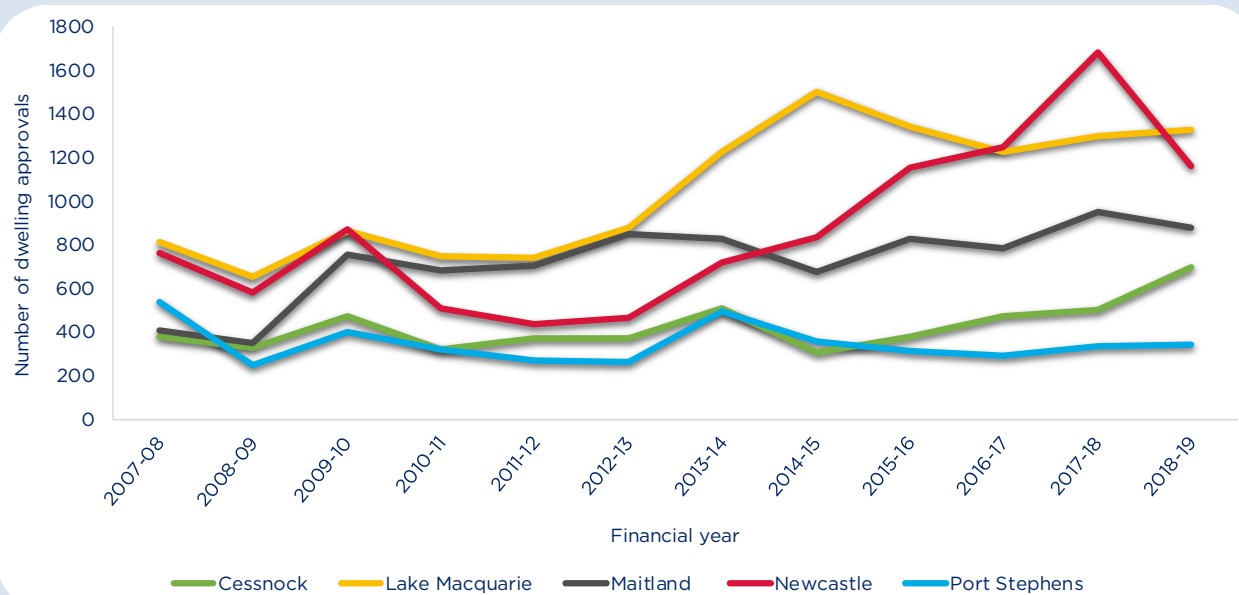
# Approvals and completions

## Total housing approvals

There were 4,399 dwellings approved in Greater Newcastle during the 2018-19 financial year. This is a slight decline from the historic high of 4,766 recorded for the 2017-18 financial year, but above the longer-term average annual dwelling approvals.

In comparison, an average of 3,400 dwellings were approved annually over the ten year period between 2007-08 and 2017-18.

**Figure 1:** Total dwelling approvals (Data source: ABS building approvals)



## Total dwelling completions

Over the last six years (the period that data are available), approximately 19,500 dwellings were completed in Greater Newcastle at an average of 3,291 dwellings per year.

In 2018-19 there were 4,281 residential completions. The local government area of Lake Macquarie recorded the most completions with over 1,200 dwelling completions, while Maitland and Newcastle recorded close to 1,000 dwelling completions.

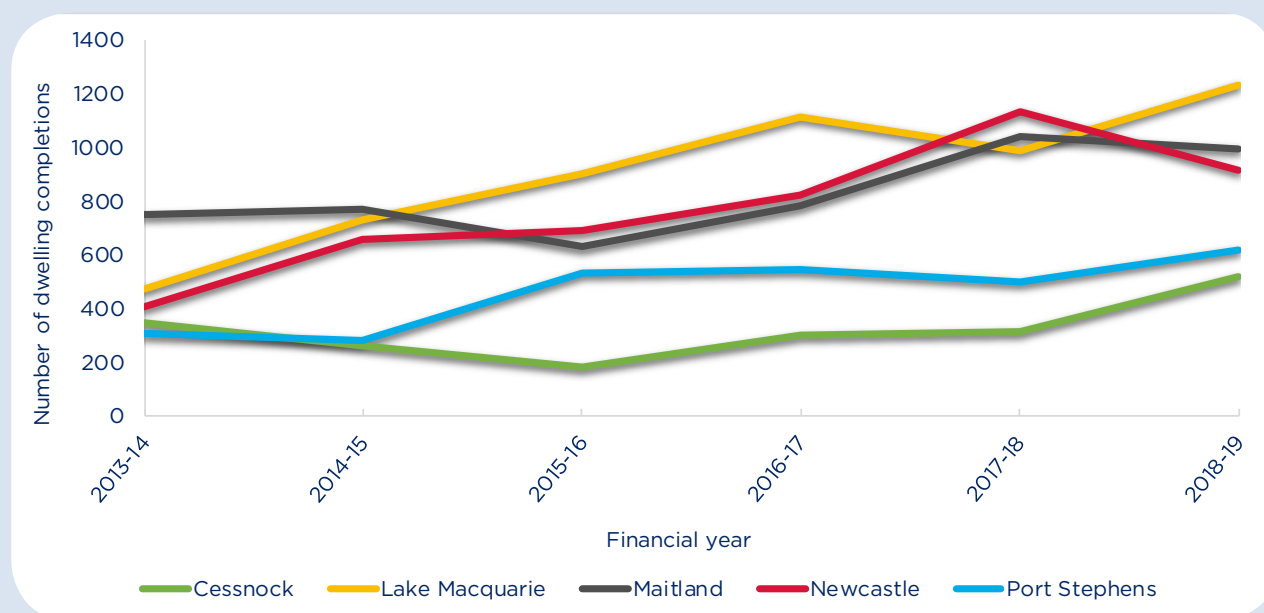
The difference between approvals and completions relates to a lag between approvals

and completions, and not all approved dwellings are built.

Completions in infill areas were highest in SA2s (statistical area level 2) in Newcastle and Lake Macquarie local government areas. Greenfield sites with the most completions include:

- Thornton North URA Stage 2, Thornton North Wirraway and Clifleigh in Maitland LGA
- Huntlee in Cessnock LGA
- Pambulong Forest in Lake Macquarie LGA

**Figure 2:** Greater Newcastle dwelling completions by local government area (source: Hunter Water connections database)



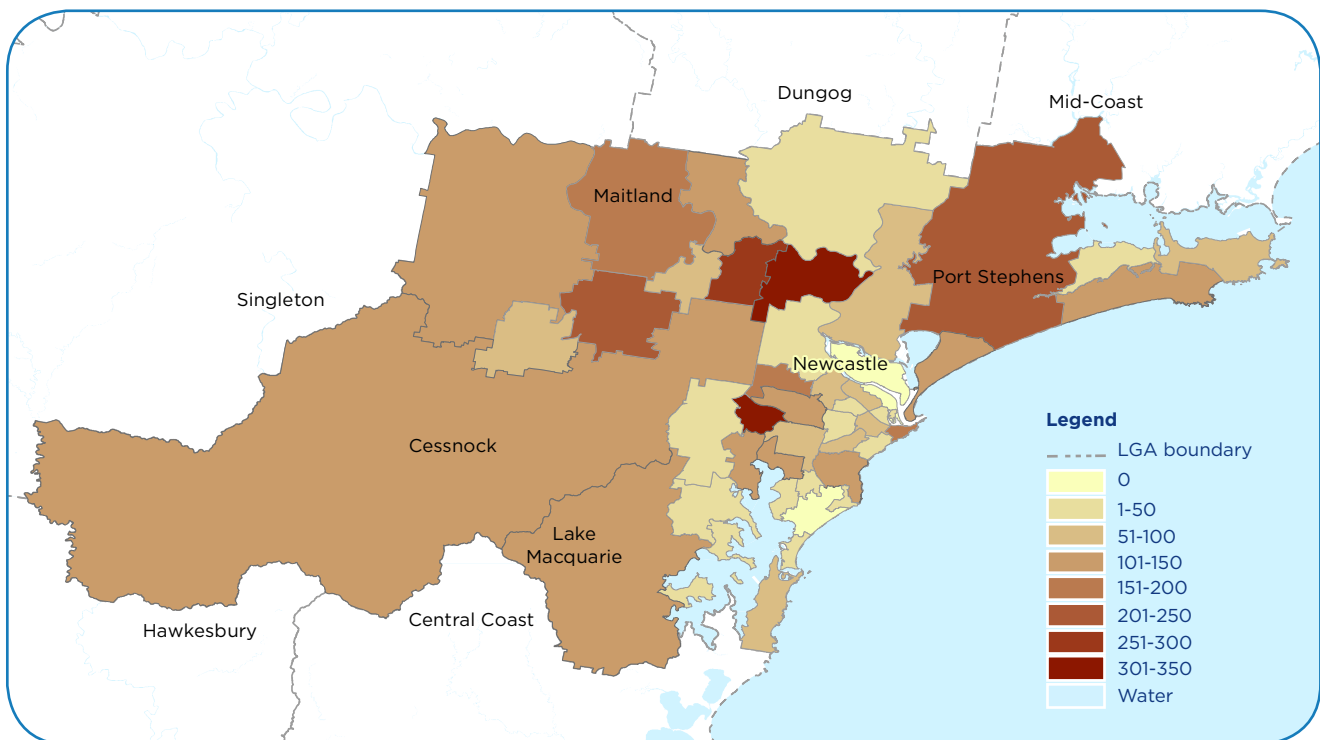
### Top five greenfield release areas

1. Thornton North Stage 2 (227 dwellings)
2. Thornton North Wirraway (149 dwellings)
3. Huntlee (142 dwellings)
4. Pambulong Forest (128 dwellings)
5. Cliftleigh URA (122 dwellings)

### Top five infill SA2 areas

1. Newcastle — Cooks Hill (170 dwellings)
2. Warners Bay — Boolaroo (126 dwellings)
3. Charlestown — Dudley (109 dwellings)
4. Shortland — Jesmond (90 dwellings)
5. Hamilton — Broadmeadow (75 dwellings)

**Table 2:** Top areas for dwelling completions by SA2 (Data source: Hunter Water connections with analysis by DPIE).



**Map 1:** Number of completions by SA2 (Data source: Hunter Water connection with analysis by DPIE)



## Completions by location

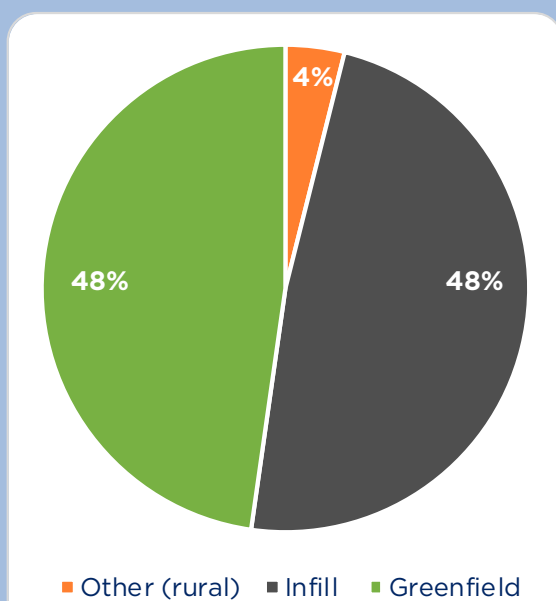
The Greater Newcastle Metropolitan Plan includes a target for 60% of housing to occur in infill locations by 2036. Greenfield locations are defined as new housing developments that have not been previously developed or used for other urban purposes. Commonly they were previously agricultural or environmental land. Infill locations are defined as areas already used for urban purposes and may include re-use of a site within the existing urban footprint.

In the 2018/19 period, 48% of housing was completed in an infill location and 48% of housing was completed in greenfield release areas. A small proportion of housing (4%) was completed in rural, environmental living and other non-urban areas.

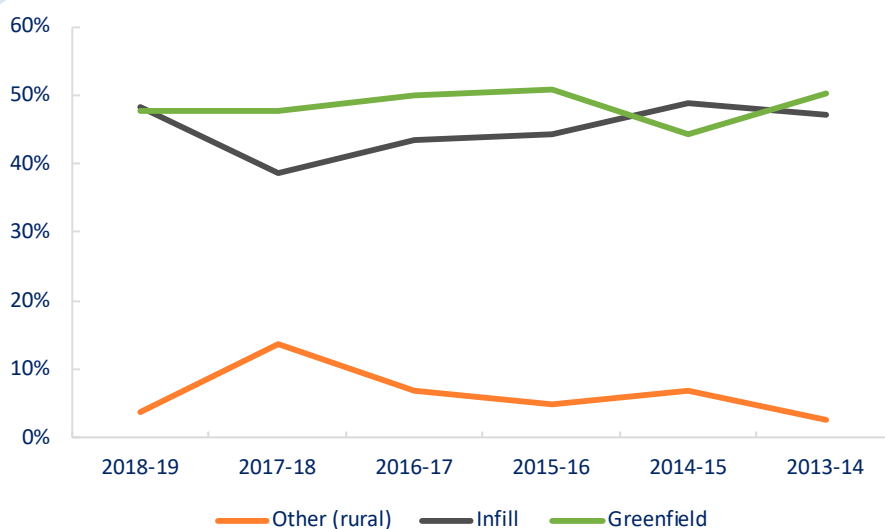
The percentage of housing completed in infill and greenfield locations has fluctuated over time. Over the last six years, on average 48% of housing was completed in greenfield areas and 45% within infill locations.

It is important to note that the infill and greenfield target in the Greater Newcastle Metropolitan Plan refers to location, and not to type of housing development. See Housing Type sections for further information.

**Figure 3:** Dwelling completions by location (source: Hunter Water connection with analysis by DPIE)



**Figure 4:** Dwelling completions by location over time (%)



# Housing type

## Types of housing approved

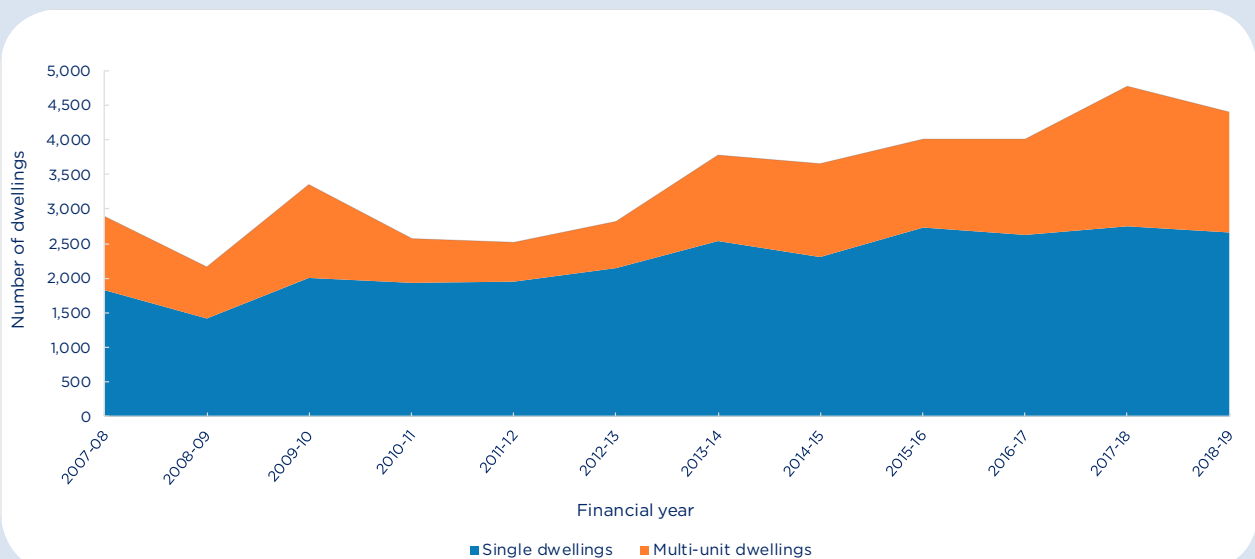
In the 2018-19 financial year 1,731 (39%) of approvals were for multi-unit dwellings and 2,688 (61%) for single houses.

The local government areas of Lake Macquarie and Newcastle had the most dwelling approvals with 1,325 and 1,161 respectively.

The overall drop in approvals between this and last financial year is mainly related to the

reduction in the record high multi-unit dwelling approvals that occurred in 2017-2018. Over the last ten years, approvals for single dwellings have remained relatively stable, with greater fluctuations in multi-unit approvals.

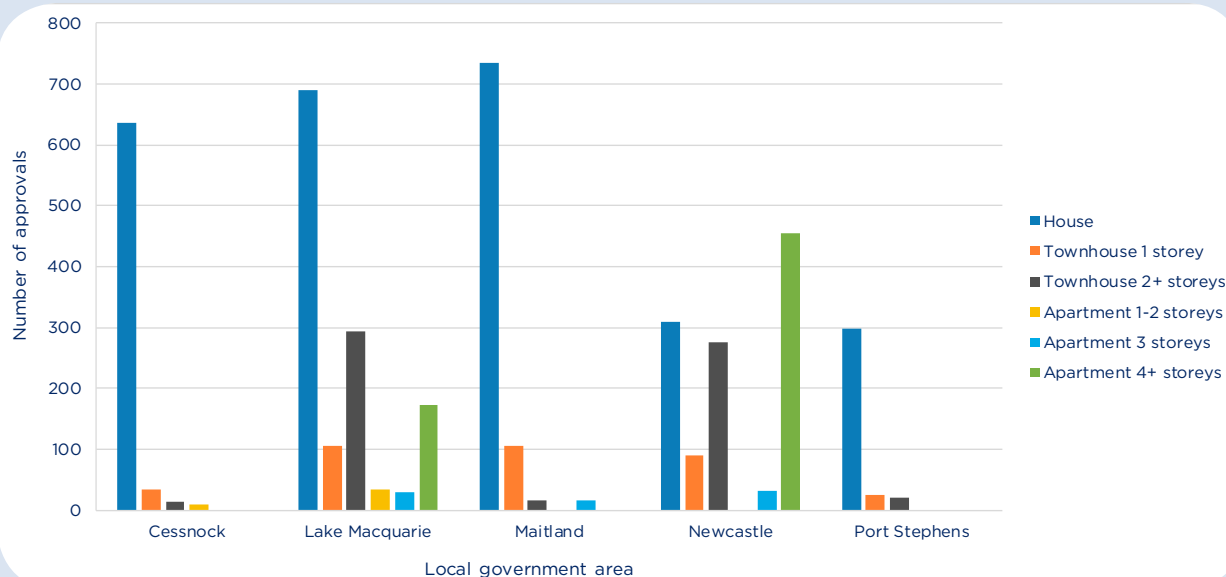
**Figure 5:** Single and multi-unit dwellings approvals 2007-08 to 2018-19 (Source: ABS building approvals)





The type of dwellings being approved vary between local government areas. Only Newcastle and Lake Macquarie have any substantial apartment approvals, while single dwelling approvals are highest in Cessnock, Lake Macquarie and Maitland.

**Figure 6:** Dwelling approvals by type 2018-19 by local government area (Source: ABS building approvals).

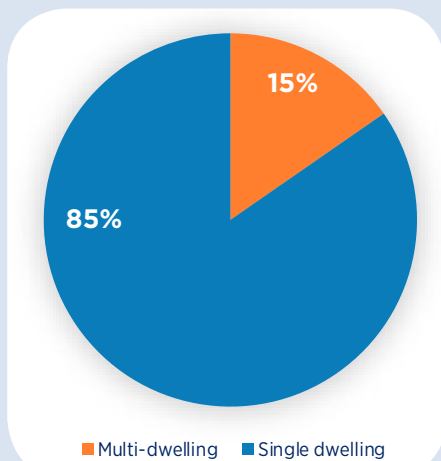


## Completions by type

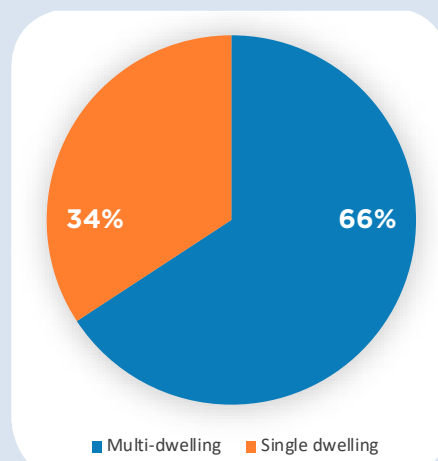
In the 2018-19 period, 35% of dwelling completions were for multi-unit and 65% for single detached dwellings.

The majority of multi-unit dwelling approvals are located in infill areas, but 15% of dwellings in greenfield release areas were recorded as multi-unit dwelling types.

**Figure 7:** Dwelling type in greenfield release areas



**Figure 8:** Dwelling type in infill areas



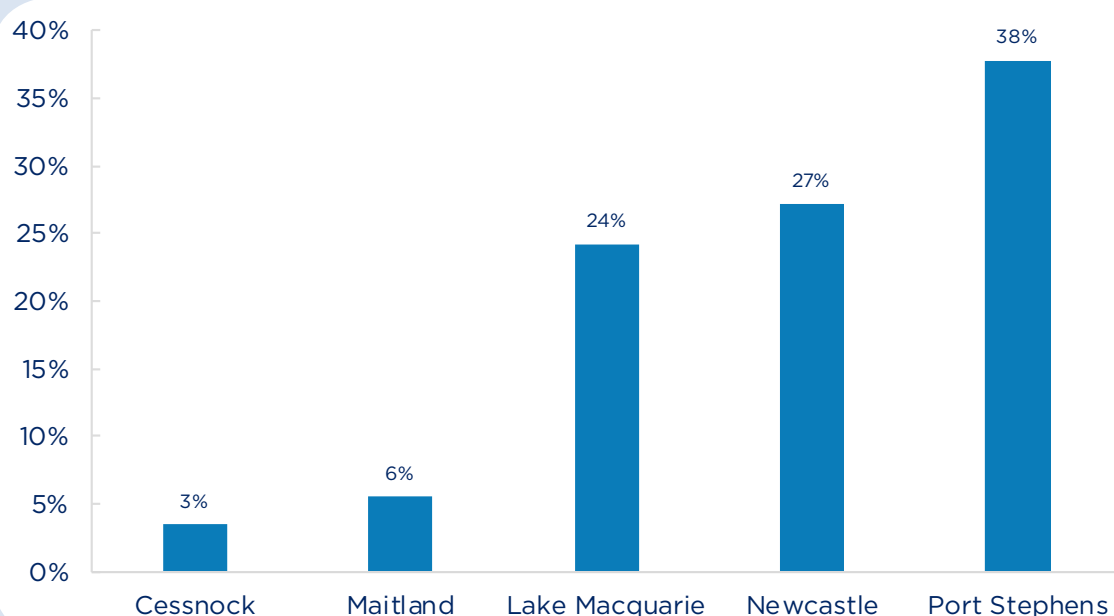
## Types of housing completed in infill and greenfield areas

Approximately 15% of housing completions in greenfield areas were multi-unit dwelling types. Data on the exact type of dwelling completed is not available, but it is known that:

- 22% of these multi-unit completions were community title
- 22% strata unit
- 56% multiple occupancy

There is variation between the council areas, with the majority of multi-unit occurring in Newcastle, Lake Macquarie and Port Stephens council areas.

**Figure 9:** Percentage of multi-unit development in greenfield areas



The Greater Newcastle Metropolitan Plan sets a target of 25% of greenfield release areas to have multi-unit or small lot housing types. The percentage of dwellings meeting this target may be higher as this figure does not include the number of small-lots that are Torrens title.

In infill areas, approximately one third of dwellings completed in 2018-19 were single detached dwellings. Single dwellings in infill areas are likely secondary dwellings or small-scale developments on undeveloped urban zoned land.







# Land supply monitoring

---

## Greenfield development pipeline

An audit of 224 greenfield release sites in Greater Newcastle was undertaken in July 2019 to provide a 'snapshot' of housing activity and establish a development pipeline of housing activity. This follows on from previous audits undertaken in July 2018 and December 2017.

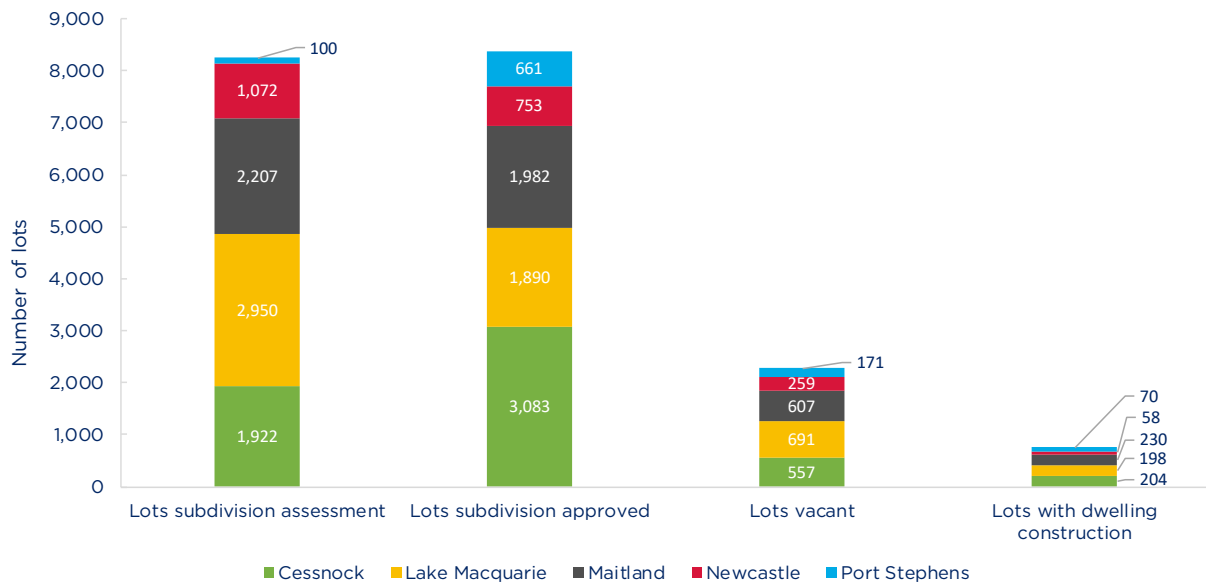
Overall, the development pipeline shows that the bulk of activity for short-term future housing (lots with dwelling construction) is within Maitland, Cessnock and Lake Macquarie local government areas.

Lots with subdivision approved and lots vacant are also highest in Lake Macquarie, Cessnock and Maitland, while Newcastle and Port Stephens are lower.

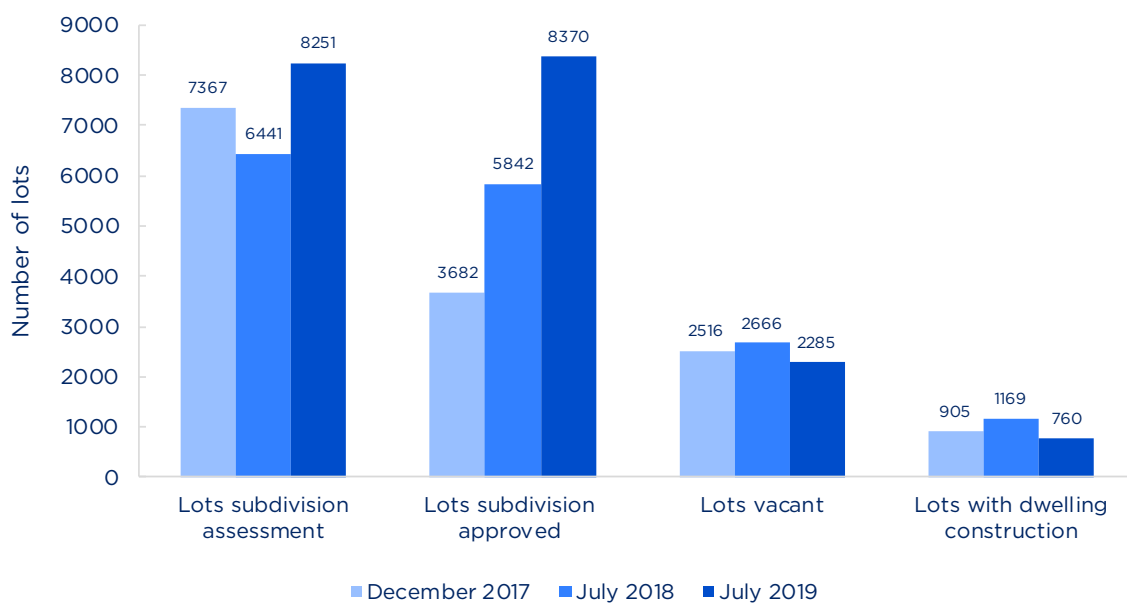
Lots currently under assessment are highest in Lake Macquarie, followed by Maitland and Cessnock. There is also significant activity in Newcastle, while Port Stephens is very low. There is a spike in lots under subdivision assessment. Some of this relates to applications lodged before December 2017 and is understood to relate to a desire by industry to lodge subdivision applications with councils before planning reforms were due to commence.



**Figure 10:** Greater Newcastle development pipeline by local government area, 2019



**Figure 11:** Greater Newcastle development pipeline 2017 to 2019.



## Greenfield remaining supply

It is estimated that there are 53,000 potential lots zoned for urban purposes remaining in greenfield areas as at July 2019. This includes land zoned for urban purposes or with a gateway determination for rezoning of land to urban purposes, but not investigation sites.

Of the 53,000 potential lots, over 20,000 of these are in the development pipeline. As outlined in the previous section, this includes dwellings under construction, vacant lots, approved lots and lots under assessment. In addition to lots in the development pipeline, there are an estimated 16,350 lots zoned for urban purposes within release areas that have had dwelling production occur over part of the site. This figure provides an approximate indication of the amount of land that is currently deliverable without significant barriers to development. Issues still need to be resolved for many of these sites but these can be overcome.

An additional 11,850 potential lots are zoned for urban purposes but are within release areas that have yet to have dwelling production occur over part of the site. There may be more significant barriers to the deliver these lots, such as major infrastructure funding or development approval still required.

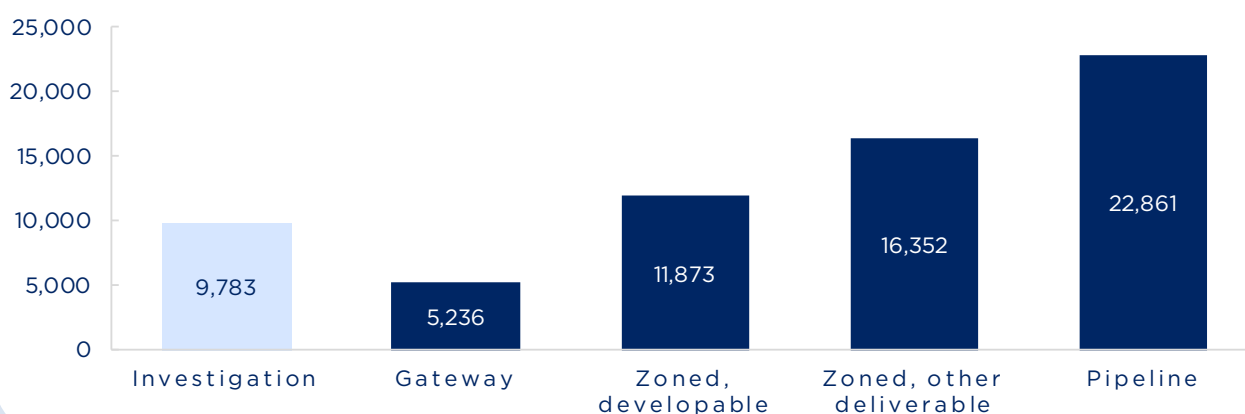
Approximately 5,000 lots are currently on land that has a gateway determination issued for a planning proposal to proceed but are yet to be finalised and rezoned for urban purposes. This includes significant future release areas of Anambah and Hydro.

It is anticipated that additional planning proposals for the residential development will be initiated by councils annually. This will continue to increase the supply of land over time.

There is potential for additional urban development on land identified for urban investigation purposes. This land was formerly zoned 'urban investigation' under a previous environmental planning instrument. The land is currently zoned either RU6 Rural Landscape in Lake Macquarie or E4 Environmental Living in the Newcastle local government area.

Investigation sites still require further studies to confirm the suitability of land for urban development. The potential of almost 10,000 dwellings attributed to these sites is indicative and actual dwelling yields will be subject to outcomes of further studies.

**Figure 12:** Amount of remaining supply in greenfield areas



## Infill development activity

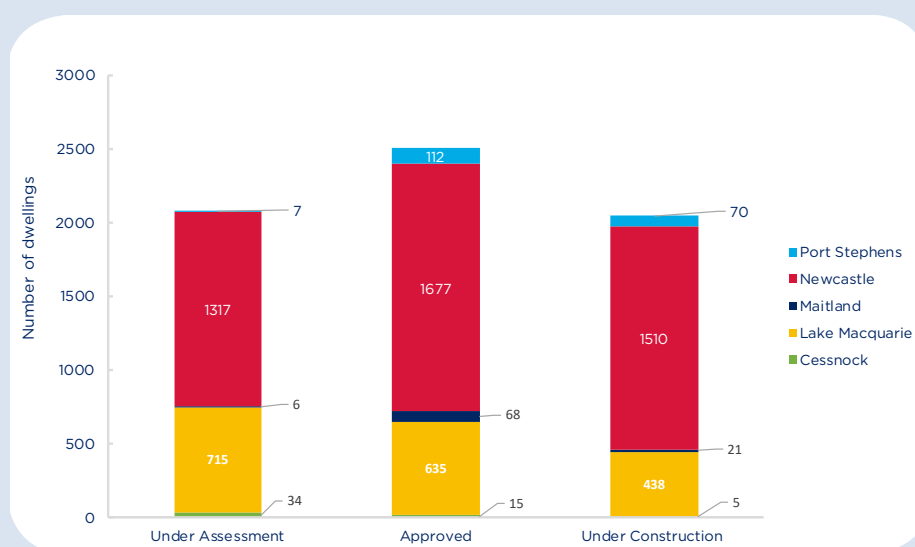
The infill pipeline represents a snapshot of development activity at a moment in time (taken at April 2018). Overall the pipeline shows that the immediate delivery of infill development (sites with dwelling construction) within Greater Newcastle is expected to occur in Newcastle and Lake Macquarie LGAs, with Newcastle holding the vast majority of activity.

Infill development activity is expected to be concentrated in Newcastle and Lake Macquarie LGA for the short term. The majority of approved infill development as well as developments under assessment are located in these local government areas. Some infill housing types such as secondary dwellings and other housing types were not included in the 2018 audit as data was difficult to obtain. This may result in under-counting of the infill pipeline, especially in the local government areas of Cessnock, Maitland and Port Stephens.

Local Government Area	Dwellings — assessment stage	Dwellings — approved	Dwellings — under construction
Cessnock	34	15	5
Maitland	6	68	21
Lake Macquarie	715	635	438
Newcastle	1,317	1,677	1,510
Port Stephens	7	112	70
<b>Total</b>	<b>2,079</b>	<b>2,507</b>	<b>2,044</b>

**Table 3:** Infill development pipeline at April 2018

**Figure 13:** Greater Newcastle infill development pipeline by LGA





## Other housing types

Due to their characteristics and specialised nature, some housing types, including Group Homes, Boarding Houses, Student Accommodation and Tourism Accommodation are not included in this report due to the complexities in identifying the number of dwellings and non-permanent dwelling nature. Secondary dwellings and other dwelling types approved through complying development are not covered by the pipeline data. This represents an under-count of activity occurring in infill areas.

## Dwelling supply forecasts

The Greater Newcastle housing supply forecast will provide an estimate of future housing supply that will be built over the next five years. It is prepared by the Department to inform infrastructure planning and service delivery, as well as to inform decisions on future land use zoning.

The forecast is an estimate of the number of new dwellings that could be built if current zoning and planning controls remain the same. It reflects current trends in residential construction and approval activity. This could potentially change in the future as housing development is influenced by a wide variety of economic, social and other factors, many of which cannot be foreseen.

The dwelling supply forecasts are not dwelling targets, but an estimate of dwelling supply based on current assumptions. The forecasts assist in identifying where housing shortages may occur in the future so that options to unlock supply can be considered in areas as required.

The 2019-20 update is being prepared and is intended to be released in early 2020.









# Prioritising growth

---

## Growth areas

The *Hunter Regional Plan 2036* discusses the need to focus on delivering land for housing quickly and cost effectively. The remaining capacity for 53,000 dwellings is spread over 224 greenfield residential development sites. This creates challenges in focussing initiatives to increase the delivery of housing and ensure cost-effective provision of infrastructure.

The *Hunter Regional Plan 2036* identifies three Growth Areas. These Growth Areas were selected after taking into consideration the historical growth pattern of the region, remaining capacity and the ability to co-ordinate infrastructure delivery for improved cost effectiveness. The Growth Areas also contained development in locations with established services and infrastructure, and a higher clustering of deliverable housing supply compared with sites outside the growth areas.

It is recognised that of the 53,000 potential dwellings estimated, not all sites can deliver housing in the short term due to a range of issues. The identification of Growth Areas assists to focus prioritisation towards clusters of sites that can deliver housing, and to 'unlock' housing supply in sites with issues. The purpose of identifying Growth Areas related to the need to prioritise infrastructure investment and initiatives such as Strategic Conservation Planning that will assist in housing delivery.

The Greater Newcastle Metropolitan Plan requires that the Urban Development Program identifies priority urban release areas annually. Priority urban release areas for 2019/20 have been identified as remaining residential zoned supply in the three Growth Areas.

Dwelling completions within identified greenfield development areas averaged 1,400 dwellings per year over the last five years. The current supply of greenfield land represents potential for 37 years supply if current rates of development within greenfield release areas are continued. Even under a scenario with a higher population growth rate, there is a need to focus and prioritise development across the 224 development sites.

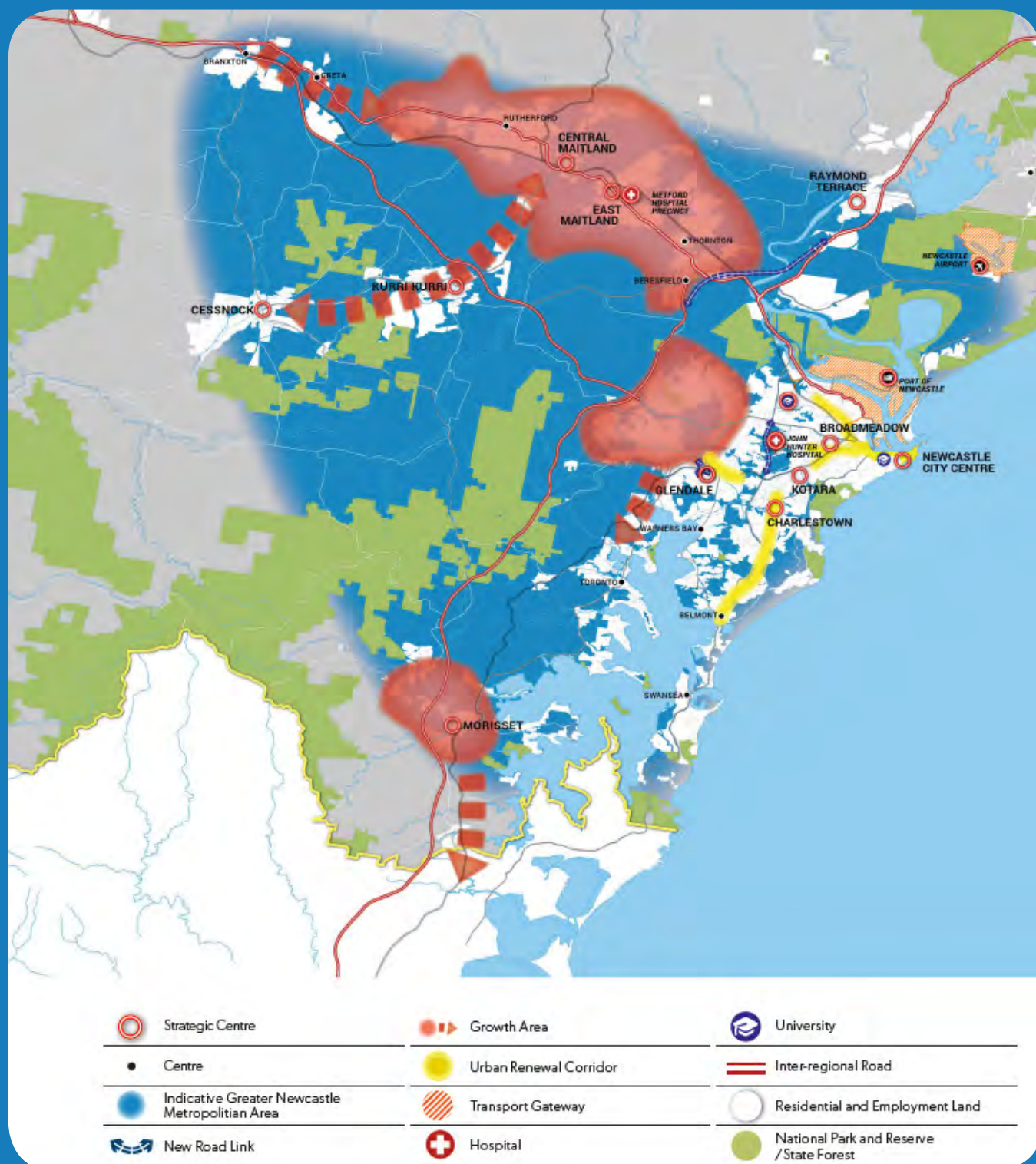
The Hunter Regional Plan identified the need to ensure that there is a 15-year supply pipeline of deliverable housing across the region. The Growth Areas have a relatively high amount of remaining supply. There is diminishing supply in the eastern part of the Maitland Corridor, but the identification of the Kurri to Cessnock and Branxton — Greta Growth Area extension (along with remaining supply in the western part of the Maitland Corridor) also have a high amount of remaining supply.

Once supply in the existing Growth Areas diminishes, there will be a need to identify extension to these through the Urban Development Program.

Development in zoned development sites outside Growth Areas is still supported and encouraged, however, these locations are not a focus to unlock housing in the short term.



**Figure 14:** Greater Newcastle Metropolitan Plan Growth Areas



## Infrastructure Planning and Funding

The Greater Newcastle Urban Development Program is helping to guide infrastructure planning and service delivery to support new housing development. Housing data and other information collected through the program assists in coordinating housing and infrastructure delivery by identifying:

- areas of residential growth;
- remaining housing supply; and
- infrastructure requirements and blockages to housing supply.

The Committee provides a co-ordinated approach for the region in identifying infrastructure nominations. The Committee also assists in ensuring growth priorities between councils and infrastructure agencies are aligned.

Table 3 provides details of funding provided to date through Voluntary Planning Agreement (VPA) grant funding and the Housing Acceleration Fund (HAF). The construction of these projects will ultimately be at the discretion and the responsibility of the delivery partner depending on their capital works priorities.





**Table 4:** Infrastructure funding in Greater Newcastle

Source	Description	Delivery Partner	Amount	Status
VPA Grant Funding	Minmi Road and Newcastle Link Road intersection upgrade	TfNSW	\$1.2 million	Planning and design
Housing Acceleration Fund	Minmi Road and Newcastle Link Road intersection upgrade	TfNSW	\$1 million	Planning and design
VPA Grant Funding	Main Road and Dora Street intersection upgrade	TfNSW	\$1 million	Planning and design
VPA Grant Funding	Main Road, Cessnock upgrade options study	TfNSW	\$1.16 million	Planning and design
Housing Acceleration Fund	Lochinvar wastewater network upgrade	Hunter Water Corporation	\$9.1 million	Operational
Housing Acceleration Fund	Lochinvar water main	Hunter Water Corporation	\$4 million	Operational
Housing Acceleration Fund	Wyndella Road and New England Highway intersection signalisation, Lochinvar	RMS	\$11.5 million	Operational
Housing Acceleration Fund	Farley regional wastewater network	Hunter Water	\$7.9 million	Under construction
Housing Acceleration Fund	Kings Hill interchange	RMS	\$1.5 million	Planning and design
Housing Acceleration Fund	Government Road and Raymond Terrace Road intersection upgrade	Maitland Council	\$1.4 million	Planning and design
Housing Acceleration Fund	Main Road upgrades Heddon Greta	RMS	\$1 million	Planning and design

## Strategic Conservation Planning

The Greater Newcastle strategic biodiversity certification (biocertification) project will examine opportunities to facilitate urban development in core strategic areas to assist with the delivery of dwelling and job targets in line with NSW projections, and inform conservation strategies at a regional level. This will include investigating the need for streamlined site-by-site biodiversity assessment requirements for identified urban areas, and directing offset mechanisms from the anticipated development impacts to regional conservation efforts.

The Greater Newcastle biocertification project will consider potential urban development areas across the Newcastle, Lake Macquarie, Cessnock, Maitland, and Port Stephens local government areas

Where investigations demonstrate the need to streamline biodiversity assessment requirements, an application for biodiversity certification will be led by the NSW Department of Planning, Industry and Environment under section 8.5 (1) and (2) of the *Biodiversity Conservation Act 2016* to be declared as a strategic application by the NSW Minister for the Environment. The project will address the *Greater Newcastle Metropolitan Plan 2036* Action 12.3 to 'ensure the long-term protection of regionally significant biodiversity corridors through strategic biocertification', and Action 17.4 to 'pursue biodiversity certification of housing release areas in Greater Newcastle'.

Further information can be found at [www.planning.nsw.gov.au/Policy-and-Legislation/Biodiversity/Greater-Newcastle](http://www.planning.nsw.gov.au/Policy-and-Legislation/Biodiversity/Greater-Newcastle)





## Data Sources

Dwelling Approvals - Australian Bureau of Statistics (ABS), 8731.0 - Building Approvals, Australia

*Dwelling Completions* are sourced from the Hunter Water Corporation water connections geodatabase. DPIE undertakes additional analysis.

*Lot Subdivision Assessment* and *Lot Subdivision Approved* are provided by councils and are based on subdivision Development Applications

*Vacant Lots*, *Lots with Dwelling Under Construction*, and *Multi-Dwellings* are calculated using visual analysis of Nearmap aerial photos ([www.nearmap.com](http://www.nearmap.com)), Land and Property Information cadastre (NSW Government) and the Hunter Water Corporation connections geodatabase.

## Definitions

**Greenfield Housing** — A new housing development area that has not been previously developed or used for other urban purposes. Often located on land previously used for agricultural purposes.

**Infill location** — A location previously used for urban purposes including residential, industrial, open space or business uses. Infill housing development refers to the development, intensification or re-use of this land for residential purposes.

**Investigation Sites** — land formerly zoned 'urban investigation' under an environmental planning instrument. The land is currently zoned either RU6 Rural Landscape in Lake Macquarie and E4 in Newcastle local government area. Investigation sites still require further studies to confirm the suitability of the land for urban development.

**Statistical Areas Level 2 (SA2s)** are designed to reflect functional areas that represent a community that interacts together socially and economically. They consider suburb and locality boundaries to improve the geographic coding of data to these areas and in major urban areas SA2s often reflect one or more related suburbs. The SA2 is the smallest area for the release of many ABS statistics. SA2s generally have a population range of 3,000 to 25,000 persons, and have an average population of about 10,000 persons. SA2s are aggregations of whole SA1s. [Australian Bureau of Statistics](http://www.abs.gov.au).



