

APPENDIX 5. LAND SUPPLY ANALYSIS (FYFE, 2019)



LAND SUPPLY ANALYSIS

STRATHALBYN

March 2019

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APPENDICES

APPENDIX A - VACANT LAND ANALYSIS

1. PURPOSE, SCOPE AND LIMITS

This report has been prepared for the Hickinbotham Group, which has an interest in land on the south-west edge of the township of Strathalbyn, referred to as the subject land within this report.

The subject land comprises 37.73 hectares of irregularly shaped land situated approximately 1km south-west of the Strathalbyn town centre, accessible from Sandergrove Road (the Strathalbyn to Goolwa Road).

Approximately 10.97 hectares of the land is within the Residential Zone while the southern balance of the land is currently zoned Deferred Urban. The land zoned Residential is the subject of an approved land division application (DA 455/D051/14) for the establishment of 66 residential allotments.

Figure 1.1 on the following page identifies the location of the subject land in the context of the township of Strathalbyn.

Land along the northern and western edge of the subject land comprises a series of 22 private residential allotments with frontage to Sandergrove Road. These allotments range in size from 1,700 to 2,400 square metres, with an average size of approximately 2,050 square metres.

The adjoining land to the south and west typically comprises larger rural and farming allotments associated with agriculture, animal agistment and the like. The Dunreath Homestead Conference Centre is situated to the east of the subject land, separated by the Victor Harbour Railway line.

The township of Strathalbyn, including the subject land, is situated within the urban growth boundary (Planned Urban Land to 2045) identified within the 30 Year Plan for Greater Adelaide; the State Government's key strategic planning document. The location of this boundary is shown in Figure 1.1 on the following page. The Plan guides urban growth throughout the State ensuring that sufficient land supply is available for residential development and population growth.

In this context, this report considers the potential role of land at Strathalbyn in helping to meet future housing demand for the local region and the greater Adelaide area.

This report uses a high-level methodology which relies upon gross assumptions. It arrives at an estimate of future demand based on consideration of selected indicators, and arrives at an estimate of supply based on spatial (GIS) analysis using coarse yield assumptions.

Alexandrina Council supported the preparation of a Statement of Intent to investigate the rezoning of Deferred Urban Zone land within Strathalbyn at their Council meeting on 17 December 2018. This report will be offered to Council to inform the Development Plan Amendment (DPA) process.

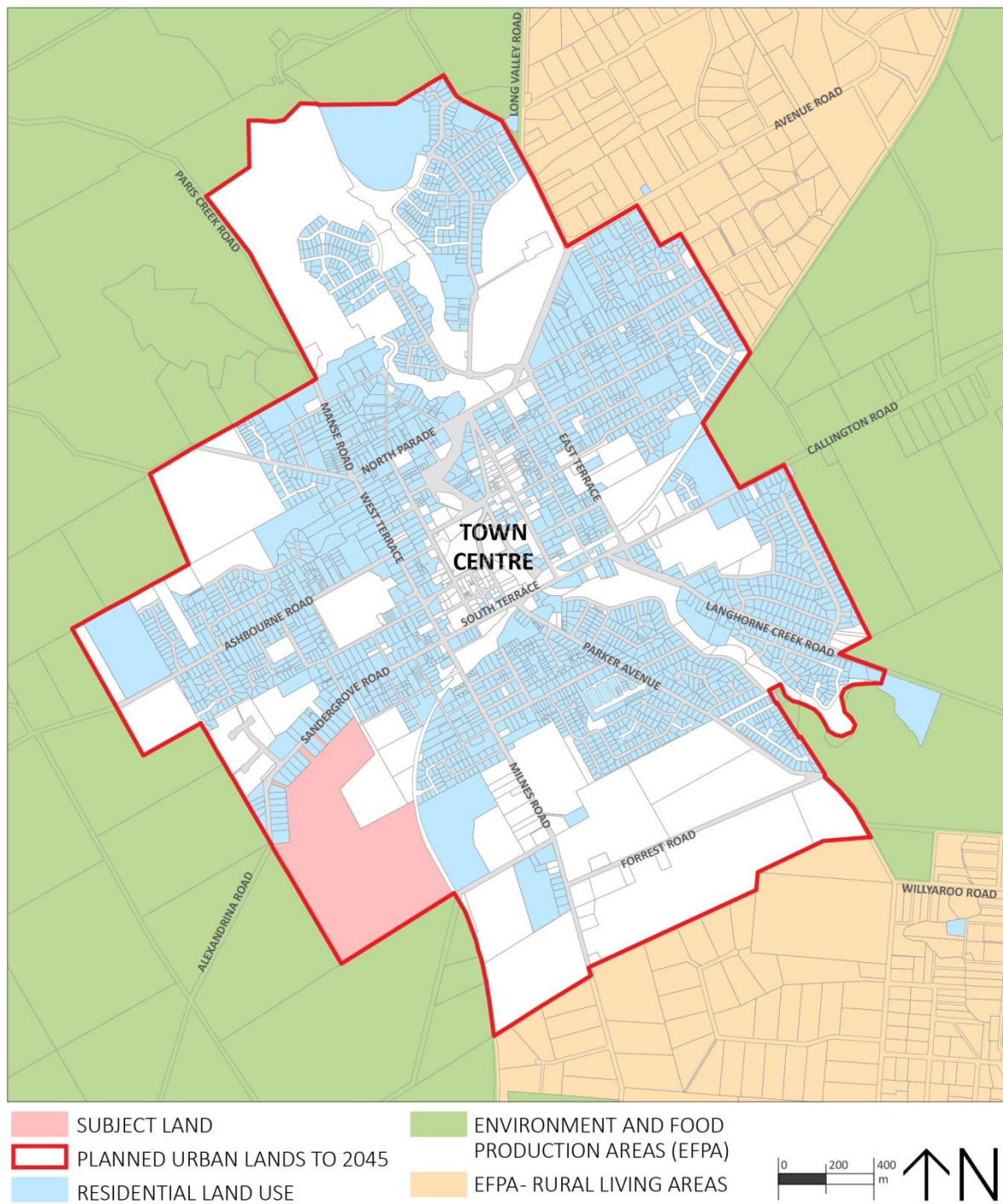


Figure 1.1 Subject Land

2. GEOGRAPHIC CONTEXT

This section summarises the key spatial considerations associated with assessing land demand and supply in Strathalbyn.

2.1 Location

The rural township of Strathalbyn is located approximately 55 kilometres by road (or 46.1 kilometres as a crow flies) south-east of the City of Adelaide (Refer to Figure 2.1 below).

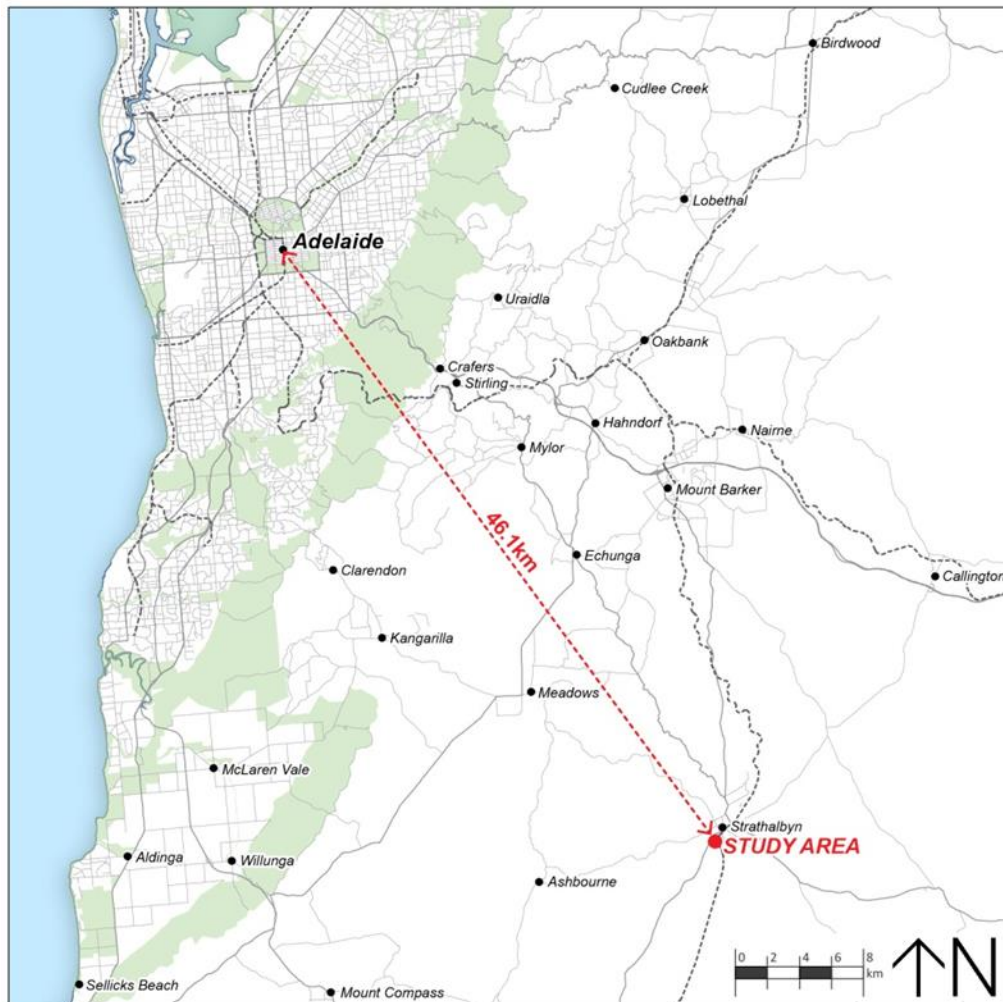


Figure 2.1 Proximity of Strathalbyn to Adelaide

The township is relatively isolated, with the nearest neighbouring townships comprising Macclesfield and Meadows (approximately 13 and 16 kilometres north-west respectively) and Mount Barker (approximately 22 kilometres north). The coastal township of Goolwa is some 30 kilometres to the south.

Located within the Alexandrina Local Government Area (LGA), Strathalbyn's local economy is relatively diverse with a focus on the industries of mining, agriculture, manufacturing, construction, retail and tourism.

2.2 Market Considerations

Strathalbyn's location relative to major land markets of Greater Adelaide indicates a positive outlook for growth in the coming years.

Based on geographic location, transport connections and employment locations, relevant sources of land supply impacting on demand in Strathalbyn are depicted in Figure 2.2 on the following page.

While substantial growth is occurring at Mount Barker, the scale of growth, the nature of the likely development product and the anticipated price points will limit the range of market segments that will be catered for in this location. Specifically, Mount Barker will increasingly appeal to those seeking a 'regional commuter town' lifestyle but will be less attractive to those seeking a more authentic country town lifestyle.

While the smaller villages (Meadows, Macclesfield and Milang) will be attractive to those seeking a 'small town' lifestyle, growth opportunities in these locations are fairly limited and finite in nature. Over time, these opportunities will be exhausted as is currently the case for smaller nearby townships such as Woodchester, Ashbourne, Langhorne Creek and Finniss.

In this context, growth at Strathalbyn can be expected to increase, driven not only by its attraction as an authentic country town, but also as it fills a market 'gap' between Mount Barker and the small rural villages. It is also likely that Strathalbyn housing and products will cater for different price points to Mount Barker products.

These points of difference are expected to be maintained into the future and will ensure that the Strathalbyn market complements that of Mount Barker and experiences market growth drivers distinct from those applying at Mount Barker.

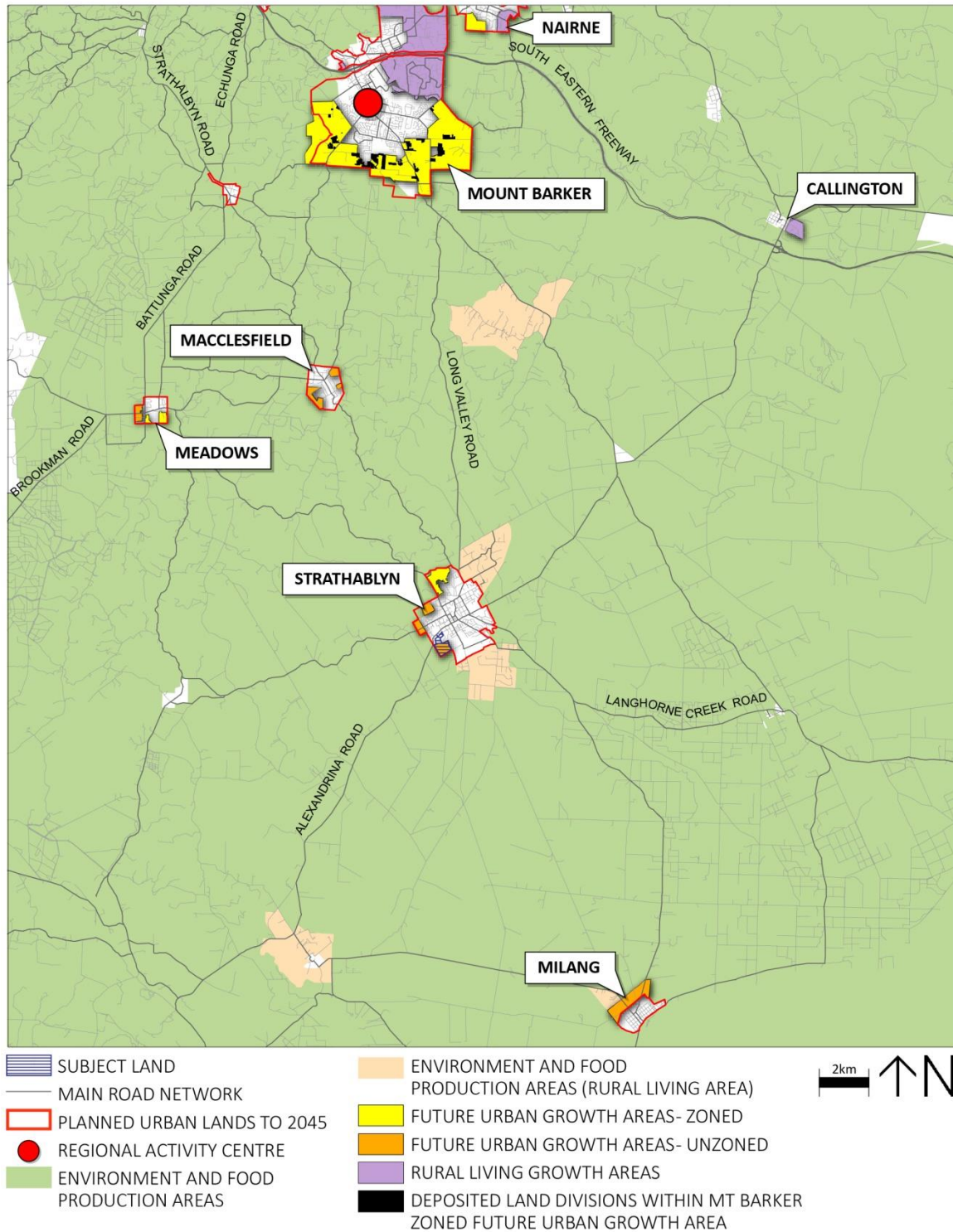


Figure 2.2 Land Supply and Growth Areas

2.3 Growth Catchment

This report considers future land demand based on both the Strathalbyn Statistical Area Level 2 (SAL2), which includes the township, and Strathalbyn Region SAL2 which excludes the township. Figure 2.3 shows the extent of these areas.

The Strathalbyn Region SAL2 is relevant because it allows for recognition of Strathalbyn's wider geographic appeal, and to make allowance for the fact that land supply from nearby rural townships is finite and, as it is taken up, demand will likely be redirected to Strathalbyn.

As some boundaries were changed for the statistical areas (previously referred to as Statistical Local Areas) between 2006 and 2011, comparisons of Census data prior to 2011 have been avoided for the Strathalbyn Region SAL2.

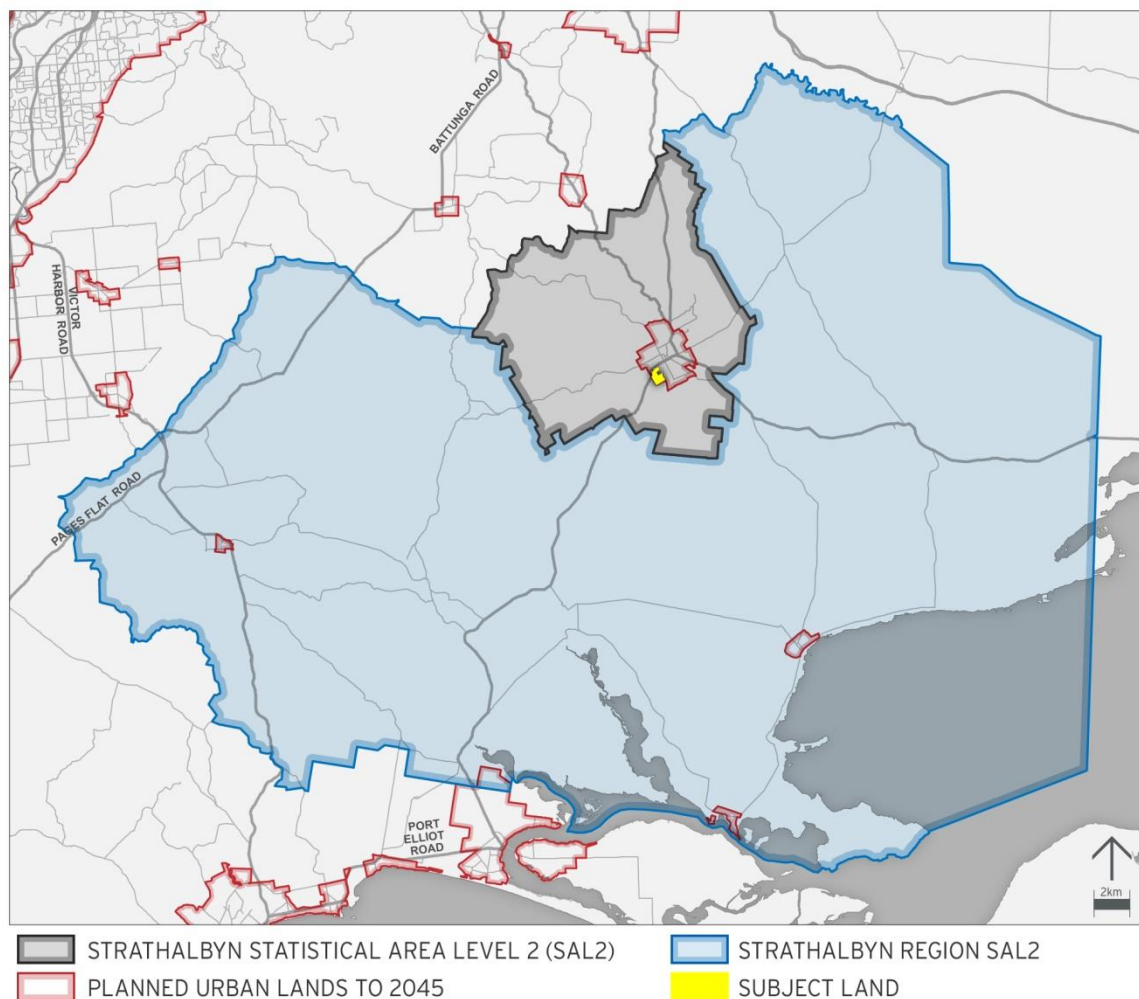


Figure 2.3 Statistical Areas



It is noted that Meadows and Macclesfield is not included in the SAL2 boundaries. However, these townships currently have land supply. Townships which do not have any available land supply (referred to in section 2.2) are included in the SAL2 and are relevant for the purposes of assessing demand.

Strathalbyn has demonstrated steady population growth in recent years, with a growth rate of 1.9-2.2% per annum during the 6 years between 2011 and 2017 (ABS, Strathalbyn and Region Statistical Area Level 2 data).

Table 2.1 Population Growth

	2011		2016		2017	Population Growth	
	Census	ERP	Census	ERP	ERP	Census	ERP
Strathalbyn SAL2	6,453	6,558	7,096	7,291	7,363	1.9%	2.0%
Strathalbyn Region SAL2	6,639	6,724	7,362	7,546	7,622	2.2%	2.2%

Source: ABS, Census 2016 and Estimated Resident Population Data

3. POLICY CONTEXT

This section summarises the implications of key State and Council policy documents for assessing land supply and demand in Strathalbyn.

3.1 30 Year Plan for Greater Adelaide

The 30 Year Plan for Greater Adelaide is the planning strategy that guides urban growth for South Australia. The Plan identifies the 'planned urban lands' to 2045 including which of these areas is already zoned for residential use and which will need to be rezoned (i.e. within a Deferred Urban or Primary Production Zone).

The subject land is identified as one of three areas for future urban growth that requires rezoning. An area to the north of the Strathalbyn centre is also identified as urban land that is already zoned for this purpose. A land division approval exists over this land for 270 allotments with 68 of these allotments already occupied by new dwellings (DA 455/D074/14).

It is relevant to note that the 30 Year Plan seeks to ensure and maintain a 15-year supply of zoned urban land to avoid spikes in house prices, ensure competition and to enable quick responses to housing demand. The recent update to the plan (2017) suggests that Greater Adelaide as whole has achieved this target, with monitoring required ensuring that a 10-year of supply is maintained (i.e. that additional land is zoned as existing supply is developed).

3.2 Residential Broadhectare Land Supply Report (30 June 2017)

The Residential Broadhectare Land Supply Report provides information on the amount of land available for residential development in the Greater Adelaide Region within each local government area and is used for the monitoring of land supply for The 30 Year Plan for Greater Adelaide, discussed above. For the Alexandrina Council, a total of 491 hectares of residential broad hectare land was available in June 2017 with an additional 345 hectares of land zoned Deferred Urban, noting that land on Adelaide Road in Strathalbyn was rezoned in September 2018 (after the above report was prepared).

The following is identified within the report:

- Ownership: 44% of the available land was in company ownership (215 hectares) whilst the remaining 56% was in private ownership (276 hectares), and is likely to take longer to be market ready;
- Development Status: 22% (109 hectares) of the available land is market ready (i.e. already have development approval for the land division), 2% is subject to a land division application (11.5 hectares) and more than 75% (370 hectares) is awaiting to be developed.

Strathalbyn falls within Outer Adelaide which has a gross yield (number of new residential allotments per hectare) of 9.4 lots per hectare (lph). The broadhectare allotments currently under division in Alexandrina Council have an average of 8.0 lph.

3.3 Alexandrina Council Development Plan

The Alexandrina Council Development Plan (consolidated 27 September 2018) is the relevant planning instrument used for the assessment of development, including residential land divisions and dwelling, within Strathalbyn and surrounds.

The northern portion of the subject land is situated within the Residential Zone and the southern portion of the land is situated within the Deferred Urban Zone, as shown in Figure 3.1 below.



Figure 3.1 Zoning

The primary objective of the Deferred Urban Zone is to allow the continuation of farming on the land whilst preventing land uses that would inhibit the future use of the land for residential purposes. The Development Plan identifies that once existing residential land is substantially developed, the Deferred Urban Zone shall be rezoned to provide future supply.

The portion of the subject land within the Residential Zone has been divided with the development of the land to proceed in the coming months.

The Residential Zone within Strathalbyn is spread over three Policy Areas (Areas 25, 26 and 27). Over these three areas, the minimum allotment size for a detached dwelling is between 450 and 500 square metres with land divisions for 5 or more allotments within Policy Area 25 requiring an average allotment size of 900 square metres. The Policy Areas also support most forms of residential development, including residential flat buildings and group dwellings, except within Historic Precincts, and supports smaller allotment sizes for such forms of development.

3.4 Council Strategic Plan 2014 – 2023

The Plan identifies Council's key strategic priorities for the period 2014-2023. Four (4) key aspirations and twelve (12) outcomes describe what the Alexandrina community seeks over this period and thirty six (36) strategies are identified to guide how Alexandrina Council will achieve the outcomes.

The plan is an overarching plan for the Alexandrina Council area and as such does not have any commentary on land supply specifically in Strathalbyn. However, it does place emphasis on 'well-planned and well-managed growth'.

3.5 Strathalbyn Town Plan 2014 – 2024

The Strathalbyn Town Plan 2014-2024 sets out the community's visions, goals and guiding principles for their township. One of the fifteen guiding principles of the plan is to ensure that residential growth is managed within the existing township boundaries to protect viable primary production land.

Table 3.1 below provides a summary of the assumptions/projections detailed in the Strathalbyn Town Plan and the outcomes recorded by the Census. It is evident from the below that population growth occurred at a greater rate than expected. With the benefit of real data, it follows that the spatial land supply requirements for residential growth have been underestimated.

Table 3.1 Overview of Strathalbyn Town Plan Assumptions and Recorded Outcomes

	Strathalbyn Town Plan 2014-2024	Census	Estimated Resident Population
Population Growth	75 people or 1% per annum Planned for growth of 100 people per annum	129 people or 1.9% per annum (2011 to 2016)	134 people or 2.0% per annum (averaged over ERP data for 2011 to 2017)
Household occupancy rates	2.4 but recommend also considering 2.1	2.5 in 2011 to 2.4 in 2016	-

The Plan anticipates that the population will increase by 1% per annum over the period of 2014 to 2031, projecting a population increase of 1,168 people within this period (i.e. based on there being 7,209 people in 2014 to 8,377 people in 2031). Within the period of 2014 to 2024, the population increase is expected to be 755 people or 75 people per year.

To cater for additional growth, the Plan recommended planning for a population increase 33% higher than expected and therefore, planned for a population increase of 100 people per year. The Plan concluded that given occupancy rates of 2.1 to 2.4 people per dwelling, approximately 42 to 48 new dwellings per year should be planned for to accommodate this increase in population.

However, it is relevant to note that actual growth from 2011 to 2016, measured as part of the Census, showed that the population actually grew at a rate of 129 people or 1.9% per annum, almost double the 1% growth expected within the Plan. Estimated resident population data for Strathalbyn similarly indicated a growth rate of 2.0% per annum between 2011 and 2017. If the same trend continues and the same 33% buffer is applied to the expected population growth, residential land supply should actually plan for a population increase of 172 people per year. Based on occupancy rates of 2.1 to 2.4 people per household, this would require between 72 and 82 dwellings per year.

An assessment of existing land supply is also detailed within the Plan and suggested that existing residential zoned land had a potential yield of 540 allotments. The additional land within the Deferred Urban Zone land had a projected further yield of 380 allotments. Accordingly, land supply was considered to accommodate the projected growth for the next 11 to 13 years with the rezoning land for residential purposes in 2016 recommended to ensure that this level of supply is maintained.

This assessment of supply expected that the Hickinbotham land would accommodate more than 400 allotments. However, in our assessment in the order of 250 allotments is the more likely outcome based on market preference for large lots. The approved 66 allotment land division is a case in point with a yield of only 6 dwellings per hectare (gross density).



Consequently, delivered yields are substantially less than anticipated. Similarly, it is expected that yields expected for other key sites will be significantly less.

We note that additional land on Adelaide Road was rezoned for residential purposes in 2018. This land was not within the Deferred Urban Zone and would not have been considered as part of the land supply analysis above. Whilst it is zoned, no application for land division has occurred at the time of preparing this report. It is therefore uncertain if this land was rezoned on a speculative basis or is development ready.

4. DEMAND INDICATORS

This section reviews selected indicators of future demand for dwellings and residential land in Strathalbyn.

4.1 Residential Land Division

Table 4.1 below shows the number of allotments approved in Strathalbyn per year as well as the number of allotments currently under assessment. On average, 29 new residential allotments were created per year between 2014 and 2018, ranging from a low of 2 allotments to a high of 81 allotments. Of the allotments approved, approximately 55% of allotments created were a result of infill development and the remaining 45% was achieved through the availability of broad hectare land.

Table 4.1 Number of Allotments Approved and Under Assessment in Strathalbyn, 2014-2019

	2014	2015	2016	2017	2018	2019	TOTAL
Approved Allotments	81	37	27	2	-	-	147
Allotments Under Assessment	1	-	1	-	32	7	41

Source: DPTI, Development Application Public Register, 2019

4.2 Dwelling Growth

Table 4.2 below illustrates dwelling growth within Strathalbyn between 2011 and 2016. On average, 41 dwellings were constructed per annum. This is reasonably consistent with the growth anticipated within the Strathalbyn Town Plan 2014 -2024 which envisaged 42 to 48 dwellings per year.

Table 4.2 Number of Dwellings in Strathalbyn and Surrounds (Occupied and Unoccupied), 2011 and 2016

	2011	2016	Growth of Occupied Dwellings (%)
Strathalbyn SAL2	2,720	2,926	7.6%
-Occupied Dwellings	2,482	2,688	8.3%
-Unoccupied Dwellings	238	238	-
Strathalbyn Region SAL2	3,109	3,234	4.0%
-Occupied Dwellings	2,460	2,646	7.5%
-Unoccupied Dwellings	649	588	- 9.4%
Alexandrina Local Government Area	13,835	14,747	6.6%
-Occupied Dwellings	9,504	10,225	7.5%
-Unoccupied Dwellings	4,331	4,522	4.4%

Source: ABS, Census (Quick statistics), 2019

Within the Strathalbyn Regional SAL2, an additional 37 dwellings were constructed per annum and an additional 12 unoccupied dwellings became occupied per annum (or were replaced). Consequently, there was an overall demand of 49 dwellings per annum within surrounding areas. This results in a combined demand of 90 dwellings per annum.

As shown above, Strathalbyn is experiencing dwelling growth at a greater rate than the Alexandrina Local Government Area (LGA) as a whole and at nearly double the rate of the Strathalbyn Region SAL2.

If the growth in occupied dwellings continues at the same rates experienced over 2011-2016, Strathalbyn will continue to grow by 45 dwellings per annum and the Strathalbyn Region will grow by 40 dwellings per year.

The number of unoccupied dwellings within Strathalbyn remained unchanged (238 dwellings) over 2011 to 2016 and there is limited likelihood that future demand for dwellings in Strathalbyn township will be absorbed by use of unoccupied dwellings (which can be a feature of growth in, for example, coastal areas). Of note, the number of unoccupied dwellings decreased in number and proportion within the Strathalbyn Region suggesting that housing stock is being replaced and accommodating part of the demand for dwellings. This could be a result of new dwellings being non-complying within some instances in Primary Production Zone which affects most of this region. This places increased pressure on meeting housing demand within existing unoccupied dwellings or nearby urban lands (such as Strathalbyn).

4.3 Dwelling Type

Table 4.3 illustrates trends in dwelling type in Strathalbyn SAL2. It is clear that growth is occurring in the form of detached or separate dwellings with medium density forms of residential development decreasing, potentially being demolished to make way for detached dwellings.

Table 4.3 Number of Dwellings by Structure within Strathalbyn SAL2

Dwelling Type	2006	2011	2016	Growth between 2006 and 2016 (%)
Separate House	1,871	2,308	2,577	37%
Semi-detached, row or terrace house, townhouse, etc.	86	79	35	- 59%
Flat, Unit or Apartment	47	73	54	15%
Other dwelling (including caravans, cabins, houseboats, improvised homes, or a flat attached to a shop/office)	21	21	19	10%
Dwelling structure not stated	3	0	0	- 100%
Total	2,099	2,482	2,688	28%

Source: ABS, Census

It is therefore clear that, barring a very significant and rapid change in market preferences, future demand for housing in Strathalbyn can be assumed to be overwhelmingly in the form of detached dwellings. Therefore from a land supply perspective yields can be assumed to be based on a single dwelling per lot.

4.4 Population Growth

The Strathalbyn population (SAL2) increased by 643 people between 2011 and 2016, resulting in an average increase of 129 people per annum (increasing from 6,453 to 7,096). Estimated resident population (ERP) data suggests the population reached 7,363 in 2017, which is an increase of 267 people in one year and considerably above the average over the preceding 5 years. Given the significant difference between the average and predicted population growth and the reality growth has been underestimated before (i.e. within the Strathalbyn Town Plan), it is considered reasonable to apply the same 33% increase applied within the Strathalbyn Town Plan. When doing so, it is recommended that a population of 172 people per annum planned to be accommodated.

Based on the average household size of 2.4 people, this population growth could equate to an average growth of 72 dwellings per annum. If household occupancy also continues to decrease to 2.1 people per dwelling as people 'age in place' as predicted by the Town Plan, dwelling growth may be 82 dwellings per annum. This notion is supported by the increase in median age within Strathalbyn from 42 in 2011 to 45 in 2016, noting that 1 and 2 person households account for more than 64% of all households in Strathalbyn. A summary of the growth for Strathalbyn is provided in Table 4.4 below.

Table 4.4 Population Growth Summary

	Population Growth (Census)	Growth Planned For (applying 33% increase)	Household Occupancy	Dwelling Demand
Strathalbyn SAL2	129 people or 1.9%	172 people	2.1 to 2.4	72 to 82
Strathalbyn Region SAL2	145 people or 2.2%	-	2.5	58

Source: ABS, Census

Given the limited availability of land for residential development in nearby rural townships, any increase in population across the region may increase demand within Strathalbyn. Within the Strathalbyn Region (SAL2), the population increased by 723 people between 2011 and 2016, resulting in an average increase of 145 people per annum (increasing from 6,639 to 7,362). Similarly, EPR data suggests that this population reached 7,622 people in 2017.

The average household size is higher at 2.5 people per household within the Strathalbyn Region (SAL2). In the event population growth is sustained at the same rate, approximately 58 dwellings per annum are required, which is more than the 49 dwellings per year growth experienced. This equates to 130 to 140 dwellings per annum when combined with the growth experienced in Strathalbyn SAL2.

Noting that the only other source of future land supply in the Strathalbyn Region SAL2 is Milang or detached dwellings on some primary production allotments, it is likely that this demand will be directed to Strathalbyn or nearby townships with supply.

4.5 Allotment Sizes

Table 4.5 below indicates that the average allotment size of transacted residential vacant lots in Strathalbyn between 2014 and 2018 was 817 square metres. For rural living allotments, the average allotment size was 1.18 hectares.

This is consistent with the market dominance of detached dwellings (Table 4.3), the large average size of existing lots in Strathalbyn and the strong market preference for large-lot product. The smallest allotment sold during this time was 450 square metres.

Table 4.5 Strathalbyn Vacant Residential Allotment Sales

Year	Total Sales (no.)	Average Area (square metres)		Average Price (\$)	
		Residential	Rural Living	Residential	Rural Living
2014	31	801	10,200	\$133,804	\$301,667
2015	32	850	13,390	\$144,512	\$624,250
2016	36	841	12,403	\$140,789	\$275,000
2017*	36	806	10,000	\$145,266	\$375,000
2018 (excluding December)	39	787	13,338	\$136,070	\$271,188

** note that there was an additional sale in 2017 for 35 hectares of residential land for \$2,700,000. This was excluded from this data to avoid inaccurately representing the average area and price.*

Source: RP Data, 2018

4.6 Supply Led Demand

Demand can also be generated as a result of supply. For example, a significant amount of land was rezoned in Mount Barker in 2010 to accommodate residential development. Subsequently, Mount Barker is experiencing significant population growth as a direct result of an increase in supply. The improvement of services and increased amenity that new and large residential estates often offer are also considered to stimulate demand, as a result of supply. This is especially the case in areas where more affordable outcomes can be delivered.

This form of supply led demand may be experienced in Strathalbyn upon rezoning and division of residential land given it fills a market 'gap' between Mount Barker and the small rural villages. It is also likely that Strathalbyn housing and products will cater for different price points to Mount Barker products.

4.7 Conclusion

Based on the above indicators, it is concluded that a prudent estimate of annual allotment demand in Strathalbyn township is 72 to 82 allotments per annum.

This calculation is consistent with the methodology and approach applied within the Strathalbyn Town Plan (i.e. planning for 33% more growth than expected) and is based on the rate of growth currently experienced per annum. Planning for 33% more growth is considered appropriate in this instance for the following reasons:

- Residential land supply is limited within the Strathalbyn Region and is likely to increase demand within the Strathalbyn township;
- The median age within both Strathalbyn and the Strathalbyn Region is steadily increasing which is likely decrease household occupancy over time and in turn, increase the number of households required. This is supported by the decreasing average household occupancy rate;
- As the median age increases in the Strathalbyn Region, there is likely to be additional pressure created by older residents relocating from large agriculture land holdings to the residential allotments in the Strathalbyn township;
- The growth experienced over 2011 to 2016 occurred at nearly double the rate than expected (i.e. 1.9% rather than 1%); and
- The creation of supply is likely to drive demand.

In our view it is appropriate to adopt a prudently high lot demand estimate for the purpose of land supply planning. This is because it is much easier to slow down supply from an abundant 'pool' if the market slows down than it is to speed up supply from a scarce 'pool' if the market speeds up.

In other words: in a situation where growth is occurring within infrastructure thresholds, the pace of development can be adjusted without the need to adjust zoning.

Given Strathalbyn's generally positive growth outlook, the likelihood that Strathalbyn will experience an increased share of SLA demand, the market differences between Strathalbyn and Mount Barker and the risks associated with a conservative demand estimate, it is recommended that a forward land consumption estimate of 72 to 82 allotments per annum be adopted for the purposes of land supply planning.

5. SUPPLY ESTIMATES

The section estimates the practical capacity of existing and future urban lands in the Strathalbyn township.

5.1 Supply from Key Sites

Five key broadhectare development sites have been identified within Strathalbyn, township and estimated yields calculated for these (refer Figure 5.1 below). These sites represent the most significant land supply opportunities (zoned and unzoned) for the town.

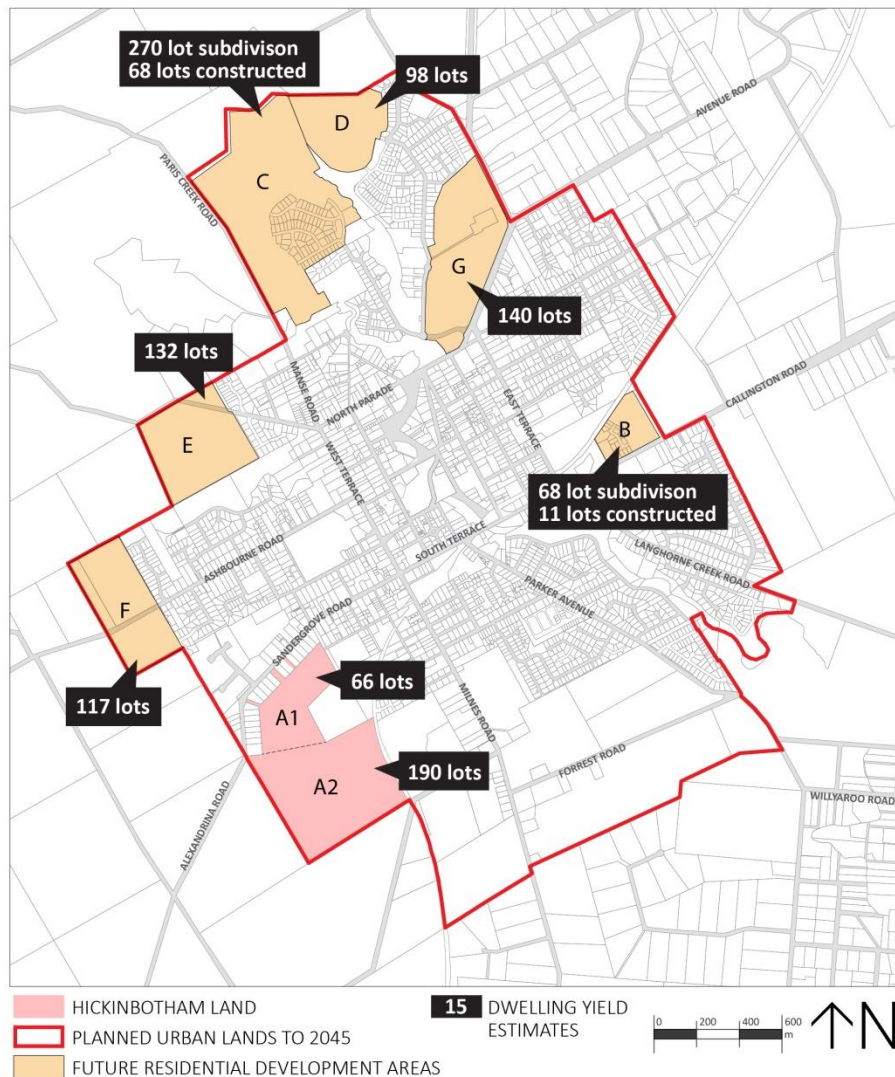


Figure 5.1 Estimated Yields of Key Sites

The yield of Area A is taken from a concept plan of division prepared for the land.

The yield for Areas B, C and D are taken from approved plans of division for these sites.

For Areas E, F and G, estimated yields have been arrived at by assuming that 60% of the site area is available for dwellings and 40% is required for other purposes (roads, open space, drainage). An average lot size of 817 square metres has been assumed consistent with the prevailing size of lots currently being transacted in Strathalbyn (refer Table 4.4). These yields are slightly more conservative than if a rate of 8 allotments per hectare¹ (lph) was applied; a rate of 8 lph produced yields of 11 to 12 allotments higher than the method used.

Based on the above, a total of 1,002 allotments could be accommodated by broad hectare development within Strathalbyn.

However, it should be noted that Areas A2, E and F are currently within the Deferred Urban Zone and cannot be immediately developed for residential purposes. Without rezoning these areas, the yield from the remaining sites would be reduced to 563 allotments.

It is relevant to note, that of these potential 563 allotments, there are only 2 active estates (sites B and C) and the land division for A1 is approved and ready to commence. Existing development at these two estates are shown in Figures 5.2 to 5.4 below.



Figure 5.2 Existing development at Site B

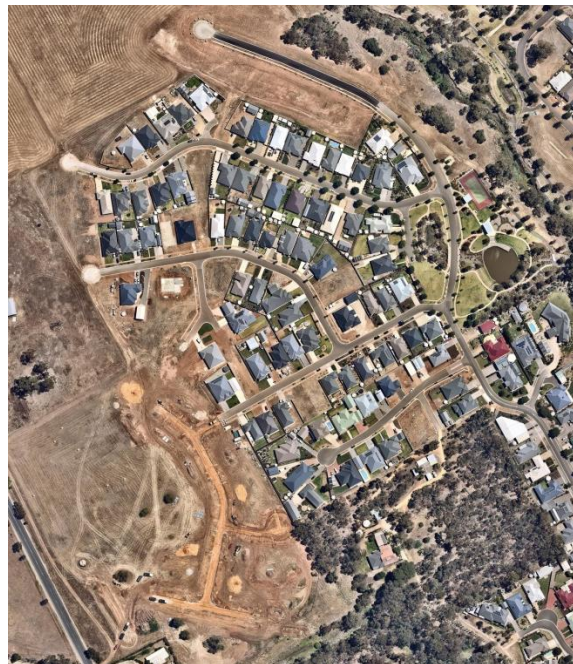


Figure 5.3 Existing development at Site C

¹ The allotment yield of 8 lots per hectare is the average allotment yield for broadhectare land divisions within Alexandrina Council and identified within the Residential Broadhectare Land Supply Report.



Figure 5.4 Braemar Drive entrance to Site C

With the imminent commencement of the Hickinbotham development (site A1), there will be 3 active estates in Strathalbyn, each with different physical and spatial characteristics and therefore slightly different density outcomes. Specifically, site B offers a small scale 68 allotment estate at the eastern fringe of the township, whilst site C offers a larger estate at the northern fringe of the township, with the later stages of this development to be undertaken on undulating land. Site A, when complete, will offer a master planned estate delivering in the order of 250 allotments, located at the southern fringe of the township, with a distinctive rural interface to the south.

5.2 Supply from Infill Development

A GIS analysis has been undertaken to estimate the yield from other (zoned) land within the township, both vacant and developed. A copy of this analysis is attached as Appendix A.

The yield from vacant zoned lots (excluding the key sites discussed above) is estimated at 250 lots. This includes the following general assumptions:

- That allotments greater than 1650 could be divided (excluding sites significantly impacted by a watercourse or containing a heritage place) and that the average allotment size created would be approximately 817 square metres; and
- Allotments greater than 8,000 square metres, may be divided into more than 10 allotments will require infrastructure, and have conservatively assumed that 60% of the site area is available for dwellings and 40% is required for other purposes (roads, drainage, and for some sites open space).

The theoretical yield from lots that already contain a dwelling is estimated at 683 lots (using the same assumptions as for vacant allotments).

Both estimates were then discounted by half to account for landowner uncertainty. This is prudent given the known uncertainty surrounding the timing and extent of division/release of existing township lots in private ownership.

This results in an estimated township infill potential of 466 lots. Such is likely to take many years to realise and forms secondary supply as compared to broad hectare estates.

5.3 Total Supply

The capacity of the existing zoned areas of Strathalbyn is estimated at around 1,029 allotments (comprising 563 lots from key sites and 466 lots from infill).

It is acknowledged that this is a conservative (i.e. low-side) estimate, especially given divided allotments could be as small as 450 square metres in some cases. However, for planning purposes, abundant supply is preferable to constrained supply because it promotes competition and guards against scarcity-induced price escalation.

Further, there is no basis for assuming any significant change in market preferences (e.g. significant reduction in lot size or increase in medium density forms of housing).

If any such changes do in fact end up occurring as development proceeds, and assuming growth is occurring within infrastructure thresholds, the pace of development can be adjusted to reflect increased yield (there is no need to utilise zoned supply as a mechanism to seek market equilibrium).

6. CONCLUSIONS

This analysis demonstrates the need for Council to commence the process to investigate the rezoning of the Deferred Urban land within Strathalbyn to Residential.

It is been estimated that the current residentially zoned land supply in Strathalbyn equates to around 12.5 to 14.3 years supply (based on 1,029 lots capacity and 72 to 82 lots per annum consumption). This is less than the accepted 15 year benchmark and indicates that an insufficient 'pool' of zoned land currently exists.

There are three key Deferred Urban sites available for rezoning, in order to increase the supply of zoned land, referred to as sites A2, E and F in the preceding section.

Rezoning all three sites would increase land supply within Strathalbyn to approximately 18.0 to 20.4 years (based on a total lot capacity of 1,468 allotments), more than satisfying the 15 year benchmark. Table 6.1 below summarises residential land supply within Strathalbyn. The rezoning of site A2 alone would result in a supply of 14.8 years.

Table 6.1 Summary of Residential Land Supply

	Allotments	Supply	Assumptions and Notes
Key Sites in Residential Zone	563	6.9 - 7.8 years	<ul style="list-style-type: none"> Assumes key sites with existing land division approvals will be developed at the approved yield – in reality, final yield may be less
Infill Development	466	5.7 – 6.5 years	<ul style="list-style-type: none"> Assumes that 50% of land owners will develop their land Excludes heritage listed sites and land significantly impacted by a watercourse
Key Sites – Deferred Urban Zone	439	5.4 – 6.1 years	<ul style="list-style-type: none"> Assumes 60% of the land will be available for dwellings and average Lot size will be 817 square metres Includes 190 allotments for subject land which provides 2.3 to 2.6 years supply
Total	1,468	18 – 20.4 years	

Land supply is just one factor in terms of a DPA investigation process, with land capability, and the orderly and efficient delivery of infrastructure other considerations. The purpose of this report is not to examine such issues.

However, we observe that the development of site A2 would form a logical extension of site A1, which is about to commence construction. It is therefore known that site A is development ready.

It is acknowledged that the assumptions in this report are aimed at facilitating a competitively large supply of residential land. In this context, consumption may be less than estimated and yields may be greater than estimated.

By way of demonstrating sensitivity: if the total yield estimate proves to be 5% too low, and the annual allotment consumption rate proves to be 5% too high, then rezoning site A1 alone would result in 16.4 years of land supply; marginally above 15 year benchmark.

However, even in a situation where more than 15 years supply is created, there are very strong grounds to proceed with rezoning nevertheless. Specifically, it must be considered that placing the entirety of the Deferred Urban land under residential zoning will:

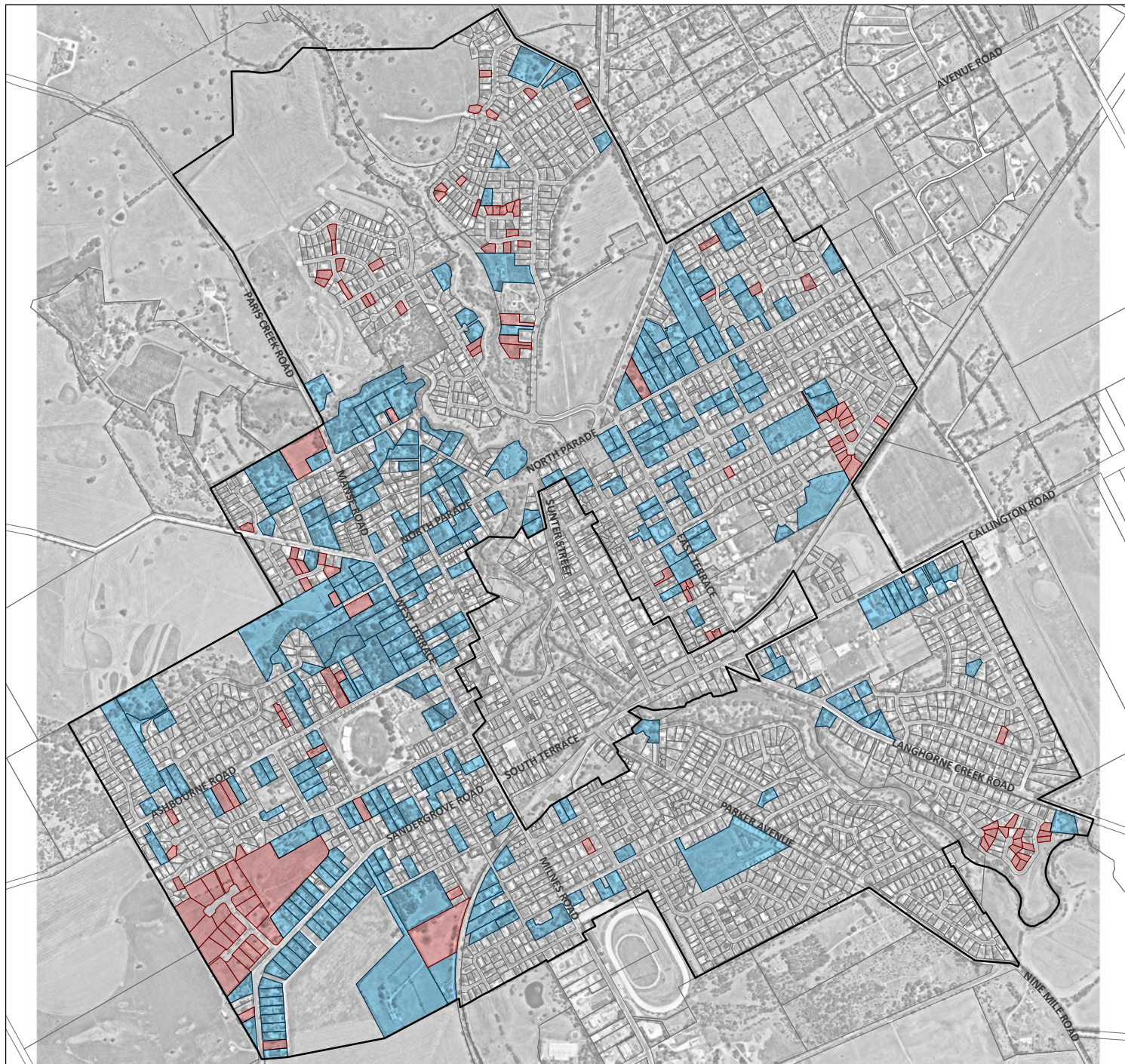
- Promote competition (and hence exert downward pressure on prices) in Strathalbyn's residential land market by opening up new sources of supply;
- Provide certainty that will assist project financing and underpin infrastructure planning and investment;
- Give ability to flexibly plan and deliver stages according to market demand and infrastructure economies; and
- Underpin confidence in achieving competitive pricing for civil works and infrastructure connections.

It is also the case that, in a situation where growth is occurring within infrastructure thresholds and subject to appropriate planning principles, the market can adjust the pace of development to avoid oversupply without the need to use the 'blunt instrument' of zoning for this purpose.




APPENDIX A

VACANT LAND ANALYSIS



LEGEND

- VACANT RESIDENTIAL ALLOTMENTS
- RESIDENTIAL LOTS GREATER THAN 1,650m²

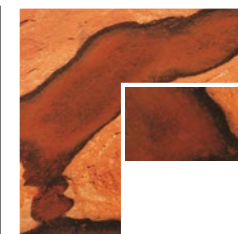

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CLIENT
HICKINBOTHAM GROUP

PROJECT
STRATHALBYN LAND SUPPLY

TITLE
INFILL SUPPLY ANALYSIS

PROJECT NO.	DATE CREATED
65244	05.02.19
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REV 1 > 05.02.19	



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